



John Stuart Mill
(1806-1873)

The influence that Ricardian economics exerted
beyond the 1820's is due to two people :

J. S. Mill

Karl Marx





En Hommage à
JOHN STUART MILL
Défenseur des femmes.

Le Service d'Accueil d'Urgence
ANV.E.J
"STUART MILL" à VERSAILLES
créé le 2-11-1980.

Avignon (Cimiterière St. Vernan)











From cemetery St. Veran



Streets of Avignon





- <https://www.iskulttur.com.tr/otobiyografi.aspx>

Overview

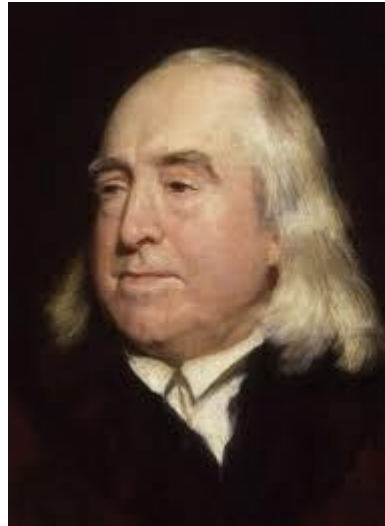


1. Life
British
philosopher, economist, moral
and political theorist
2. Work
Most influential English
speaking philosopher
3. Impact
Greatest thinkers of 19th
century

Life



James Mill (1773-1836)



Jeremy Bentham (1748-1832)



David Ricardo (1772-1832)

Works (33 volumes!)

- *System of Logic* (1843)
- *Essays on Some Unsettled Question of Political Economy* (1844)
- *Principles of Political Economy, with some of their Applications to Social Philosophy* (1848)
- *On Liberty* (1859)
- *Considerations of Representative Government* (1861)
- *Utilitarianism* (1863) (new translation in Turkish, with intro by me, from Iletisim yay.)
- *Auguste Comte and Positivism* (1865)
- *The Subjection of Women* (1869)



JOHN STUART MILL

Faydacılık

ÇEVİREN
BARIŞ ÖZKUL

ÇINLA AKDERE'NİN ÖNSÖZÜ VE
AHMET İNSEL'İN SONSÖZÜYLE

4 subjects on which Mill wrote

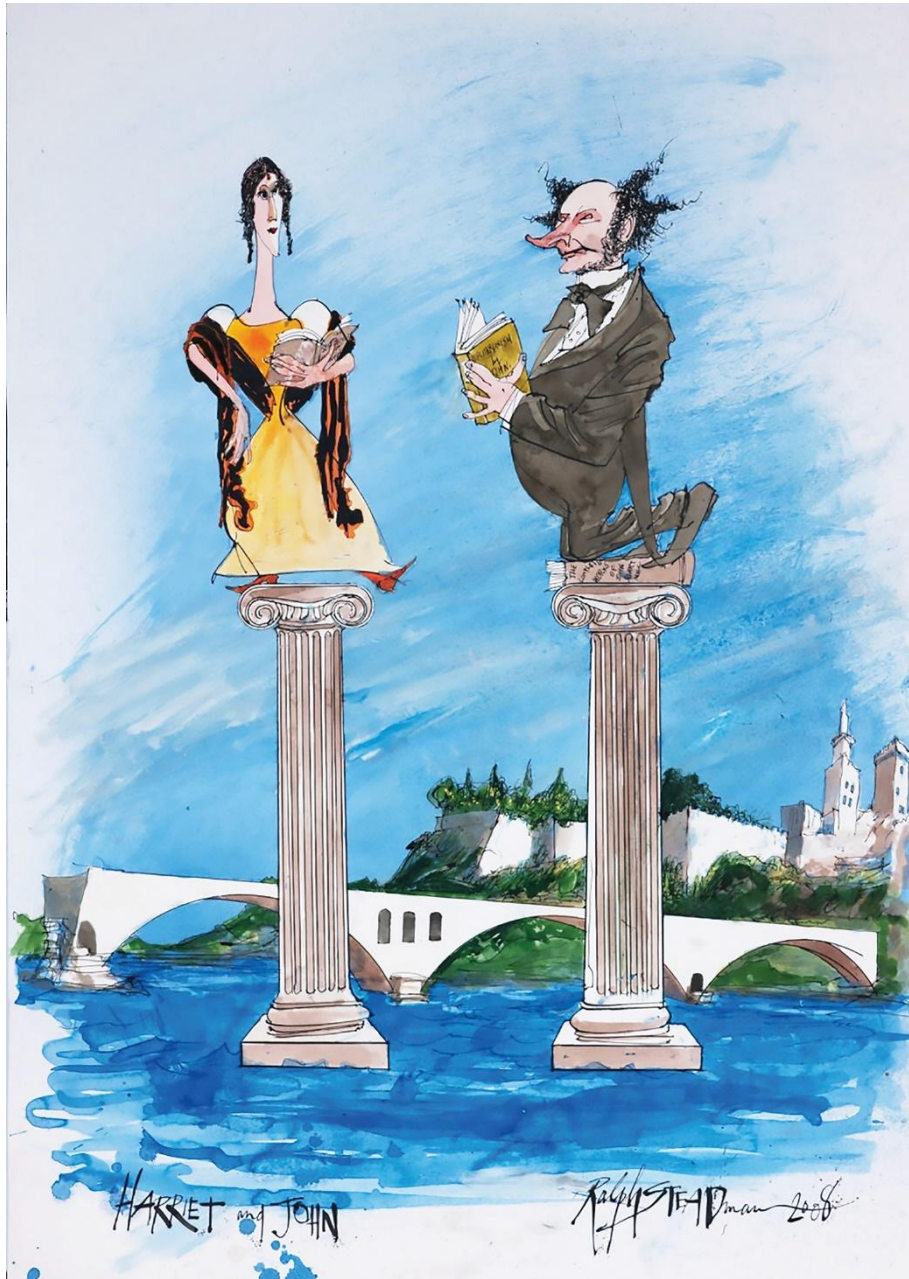
- 1- The problem of method in the social sciences
- 2- The clarification of the (Benthamite) principle of utility
- 3- Individual freedom
- 4- The theory of representative government



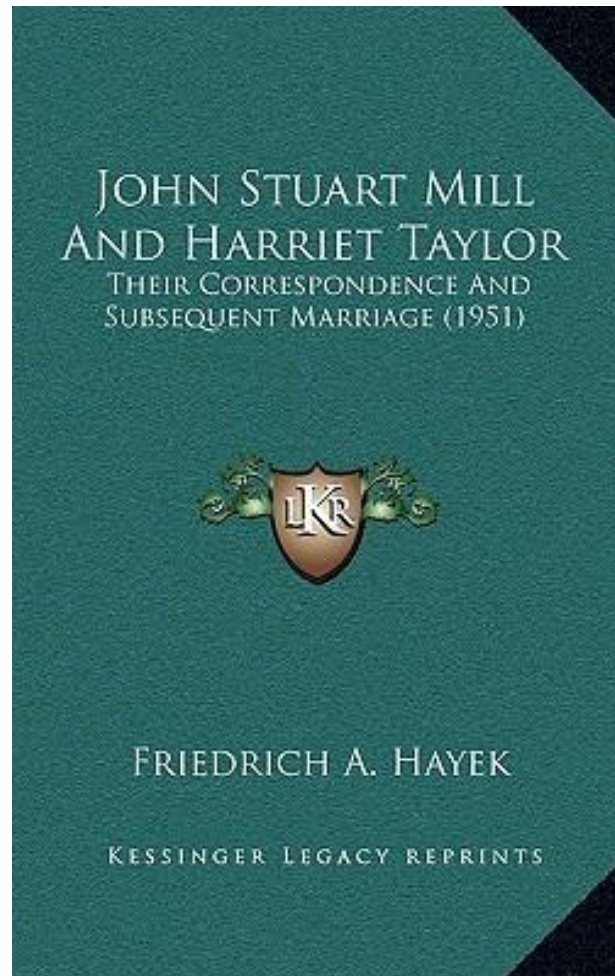
Harriet Taylor (1807-1858)



John Stuart Mill and Harriet Taylor (ca. 1847)
Photograph in the Radio Times Nation Picture Library



Hayek's book on J.S.M and H.T.'s intellectual relationship



August Comte influence on Mill

- 1-**The theological stage** – in which human behavior and other phenomena are attributed to a deity or to « magic ».
- 2- **The metaphysical stage**, in which the essence, or « nature » of a thing is substituted for divine personalities.
- 3- Finally the **positive stage** in which intropective knowledge is eliminated and the scientific method is employed in finding « truth »

The Economic Theory

- ◆ Productive and unproductive labour
- ◆ Say's law
- ◆ Capital accumulation
- ◆ The Malthusian population doctrine
- ◆ The wages-fund doctrine

The content of *Principles*

- **Books I, II and III** : The economics of production, value, exchange and exchange rate

(Mill's economic theory)

- **Book IV** (on the Influence of the Progress of Society) and **Book V** (on the influence of Government)

(Mill's social views)

PRINCIPLES
POLITICAL ECONOMY

BOOK OF THEIR APPLICATION TO SOCIAL
POLITICS

JOHN STUART MILL

THIRD EDITION

LONDON
LONGMANS GREEN & CO.
1890

The famous dichotomy (I)

For Mill, laws of production are based on the physical world, knowledge of that world, and human nature. In contrast, the laws of distribution (laws governing the distribution of wealth) depended on human institutions

The famous dichotomy (II)

The laws of distribution, Mill insisted, are not determined by economic forces alone. They are, instead, almost entirely a matter of ***human will*** and **institutions** are therefore malleable, and their full explanation and understanding lie not merely an economic inquiry but in the historical laws and other sciences.

The famous dichotomy (III)

Human institutions:

- changing values
- changing mores
- changing philosophies
- changing tastes
- changing natural character
- >>> They are malleable

He discusses Ricardian framework (I)

- His position to Says' law
- Diminishing returns in agriculture
- Capital accumulation (assigns the crucial role)
- Malthusian population doctrine
- The wages-fund doctrine

Plus

- Declining incentive to invest
- Technology

He discusses Ricardian framework (II)

Like Ricardo, as always, he believed one of **the factors limiting economic growth to be diminishing returns to agriculture**. Another limit was a **declining incentive to invest**.

In general Mill focused on

- The crucial variables of capital accumulation
- Population growth
- Technology

General lines related his economic theory:

The basic theory of value, income and distribution and growth was Ricardian, but Mill modified it in important ways.

- ❑ He placed much greater emphasis on demand in explaining value, and the way in which he conceived demand (as a schedule of prices and quantities) marked a significant change from the Smithian and Ricardian concept. This makes his theory close to **neoclassicals**.
- ❑ When applied to international trade (in his theory of reciprocal demand), the result was a theory that went far beyond Ricardo in two ways.
 - It allowed for the possibility that costs might change with output level (supply side)
 - It explained the volume of goods traded

The Economic Theory

Supply and Demand The first clear British contribution to static equilibrium price formation in the modern sense was developed by John Stuart Mill. Utilizing purely verbal analysis, he advanced the theory of equilibrium price on several fronts. Mill fully recognized the analytical necessity of abstracting and simplifying the principles underlying the functional relation between price and quantity demanded and supplied. He noted, for example, that “in considering the exchange value scientifically, it is expedient to abstract from it all causes except those which originate in the very commodity under consideration” (*Principles*, p. 438). The outcome of Mill’s abstractions was a correct formulation of demand and supply as *schedules* showing the functional relation between price and quantity demanded and supplied, *ceteris paribus*.

Mill on Production A fundamental appreciation of Mill's ideas on production might be obtained from reviewing Ricardo's *Principles* as well as the (minimal) post-Ricardian refinement on that topic. The key roles in economic progress played by productive and unproductive labor, Say's law, capital accumulation, the Malthusian population doctrine, and the wages-fund doctrine are all presented with great clarity. Mill, as Ricardo and all the classical economists had done generally, assigned a crucial role to capital and to capital accumulation. He attached great importance to his "five fundamental propositions respecting capital," which restated the classical theory of economic progress.

Mill on Economic Growth Mill's clearest exposition of classical economics was in the area of economic development. Like Ricardo, he believed one of the factors limiting economic growth to be diminishing returns to agriculture. Another limit was a declining incentive to invest. In general, however, Mill focused upon the crucial variables of capital accumulation, population growth, and technology. Combining them with diminishing returns to agriculture, Mill devised a clear discussion of the classical theory of economic development.

Mill's Normative Economics

- The utilitarian theory of justice
- Socialist credo
- Speech on liberty
- Feminist arguments (Contribution to feminist theory of justice)

Videos

General: <https://www.youtube.com/watch?v=Y5cmXcpzIxl>

Utilitarianism: <https://www.youtube.com/watch?v=uvmz5E75ZIA>

Bentham:

<https://www.youtube.com/watch?v=yOT-IfUzOwk>

Mill:

https://www.youtube.com/watch?v=oLQ_0Xmq6aw

Harm principle:

<https://www.youtube.com/watch?v=R9IM3ZKNMCK>

What is feminist economics:

https://www.youtube.com/watch?v=8eq_f5ET8TY&feature=youtu.be&ab_channel=NewEconomicThinking