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Class- B.A. Part- 1 (subsidiary)  
Topic -. The Optimum Theory of Population  
( statement and assumptions)  
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## The Optimum Theory of Population

The Optimum Theory of Population appeared as a reaction to the Malthusian theory.

Criticizing the approach of the Malthusian Theory of Population, modern economists **Edwin Cannan** and **Carr Saunders** of **London School of Economics** have developed a new theory known as **Optimum Theory of Population**.

It is also called **modern theory of population**. In recent years, Prof. **Robbins, Dalton and Carr- Saunders** have refined and polished the theory and put it in a more presentable form. This theory is an improvement over the Malthusian Theory.

### Statement of the Theory:

The founders of the theory state it as “Given the natural resources, stock of capital and the state of technical knowledge, there will be a definite size of population with the per capita income. The population which has the highest per capita income is known as optimum population”.

### Optimum Population:

The economists like Carr Saunders considered ‘optimum population’ as that which produces maximum welfare. On the other hand, Prof. Cannan defined this theory in terms of ‘*return to labour*’. He remarked, “**Knowledge and circumstances remaining the same, there is what may be called maximum return when the amount of labour is such that both an increase and decrease in it would diminish proportionate return.**” Similarly, Bounding has rightly observed, “Optimum population is that at which standard of living is maximum.

### **Assumptions of Optimum Theory of Population:**

*This theory is based on the following assumptions:*

1. The natural resources of a country are given at a point of time but they change every time.
2. There is no change in techniques of production.

3. The stock of capital remains constant.
4. The habits and tastes of the people do not change.
5. The ratio of working population to total population remains constant even with the growth of population.
6. Working hours of labour do not change.
7. Modes of business organisation are constant.