

Contributions of Sir William Petty to the History of Economic Thought and Political Economy

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إسهامات السير وليام بيتي في تاريخ الفكر الاقتصادي والاقتصاد السياسي

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Abstract:

This paper examines the contributions of Sir William Petty to the history of economic thought, portraying him as one of the prominent economic thinkers in seventeenth-century England and a foundational figure in the development of political economy. The study focuses on his writings concerning Political Arithmetic, highlighting his application of quantitative and statistical methods to socio-economic and political phenomena. Furthermore, it explores Petty's emphasis on empirical and numerical measurement of variables, particularly employment and unemployment, linking labor expansion to resource organization and trade. The paper also discusses his theory of value, where production costs, land, and labor form the basis of natural value, alongside his pioneering contributions to national income and accounting. Additionally, it analyzes his monetary views, including the nexus between money supply, trade, and employment, as well as interest and risk. The paper concludes that Petty was instrumental in shaping economics as an independent discipline through his emphasis on labor as the primary source of wealth and his quantitative approach.

Keywords: William Petty, History of Economic Thought, Political Arithmetic, Employment, Value, National Income, Money.

الملخص

تتناول هذه الورقة إسهامات السير وليام بيتي في تاريخ الفكر الاقتصادي، بوصفه أحد أبرز المفكرين الاقتصاديين في إنجلترا خلال القرن السابع عشر والشخصية التأسيسية في تطور الاقتصاد السياسي. تركز الدراسة على كتاباته المتعلقة بالحساب السياسي، مسطرة الضوء على توظيفه للأساليب الكمية والإحصائية في دراسة الظواهر الاجتماعية والاقتصادية والسياسية. علاوة على ذلك، تستعرض الورقة تركيز بيتي على القياس التجريبي والعدي للمتغيرات، ولا سيما العمالة والبطالة، رابطة بين توسع العمالة وتنظيم الموارد وتنشيط التجارة. كما تناقش نظرية القيمة لديه، حيث تشكل تكاليف الإنتاج إلى جانب الأرض والعمل أساس القيمة الطبيعية، فضلاً عن إسهاماته الريادية في الدخل القومي والحسابات القومية. إضافة إلى ذلك، تحلل الورقة رؤيته النقدية، متضمنة الارتباط بين عرض النقود والتجارة ومستوى العمالة، فضلاً عن الفائدة والمخاطرة. وتخلص الورقة إلى أن بيتي أدى دوراً جوهرياً في صياغة علم الاقتصاد كمنهج مستقل من خلال تركيزه على العمل كمصدر أساسي للثروة ومنهجية الكمية.

Biography:

Sir William petty was born in May 27/1623 in Romsey a small village in England and dead in December 16/1687 in London. His father was “clothier was entirely a self-made man.” (SPIEGEL, 1999). When he was thirteen, he went to the sea and became one of the ship-boys. Nonetheless, his life as ship-boy was very short, when he reached his tenth month on the ship one of his legs was broken and because of that, they left him on the French coast by the order of the captain. Further, as result of his need to the money, he gave Latin and English lessons and that was for some financial purposes. In addition, of his working as tutor he also had some trade in the jewelry. Then, he got an admission to study in Jesuit collage in Caen. In the Collage time, he studded French, Latin, Greek, mathematics, astronomy and when he was in Paris, he studded medicine and anatomy. Then after the death of his father, he returns back to his home city. He spent a short period of time and he went to London. In London, he tried to use his invention that was a copy machine to get some benefit of the copying of the paper. However, that experiment was not succeeded. After that he went to study medicine therefore after some months he earned his degree in doctoral in medicine from Oxford University. In 1650, he started his career in anatomy as professor.

More, He worked as physician in the Ireland army for a while during the civil war. Then, he left the army for mission and that were he made a map for the country. In that map, he used some type of his scientific ideas. In addition, that map was at that time the best map that ever built for the country and maybe for the other countries too. Additionally, that map was finished on schedule and budget. The mean purpose of that map was military request to distribute the land between the army units in order to reach the victory. Besides of that he was very motivated person he liked to stick with the people who were in charge, power, or high authorities and give them loyalty.

Moreover, after he get position that was close to the high level of the government. He was engaged to some of the political issues started to give his own political opinions in some matters. One of his goals, he was trying to secure Ireland and connect it as one of the British states. The purpose of including the Ireland to be one of British states was, to increase the British population and allowing people to share their culture and that would make all of them people hold only one culture. Therefore, he was considering the population as one economic resource to the country.

Mean Publications:

Not all of work was published during his lifetime or after his death. Further, some the publications that like; “*Treatise of taxes and contributions*” was published during his lifetime in 1662. On the other hand, about his important

writings that were include his economic ideas and thoughts with discussing some economic matters were published after his death. Furthermore, his book “*Political Arithmetic*” that was written in 1664 and published in 1690; “*Verbum Sapienti*” this also was written in 1676 but was published in 1691 after his death; “*Political anatomy of Ireland*” was written in 1672 and published in 1691; and “*Quantulumcumque Concerning Money*” was written in 1682 and it was not published until the 1695. Also, he had many manuscripts were published during his lifetime with his name on the top of them.

Sir William Petty was one of the important philosophers and economists in the history of economic thought who lived in England in the 17th century. Therefore, he was considered one of the founders of the political economy and that thought was supported by some of the opinions of some economists in the history of economic thought like, Frank Amati and Tony Aspromourgos who were considered Petty as the finder of the classical political economy. Similarly, Karl Marx considered that too. He considered him as one of most important thinkers in the economic thought. He said, “I believe that Petty was the founder of that school of thought” (ULLMER, 2004). By looking to the importance of his work and ideas and accomplishments, He was one of the first economic philosophers who engaged the statistical methods in the economic theory.

Petty ideas in the Political Arithmetic:

After publication of his Political Arithmetic, and there were many economists still under the influence of the mercantilism, they started converting their economic ideas to the new economic thought. The new economic thought was full of dynamic which was encouraged the economic thinkers to work on. More, they started to increase their aria of thought to reach the political thought.

Moreover, one of the people who had some impact on Petty was Bacon. Bacon ideas and thought were focused or depend on the experimental science or thought. However, the ideas that Petty had were different, Petty thought that, there is no need to engage the experimental science in the economic. His influence was on how to use the number to measure the social and political phenomena. Besides, that was in his used of the political Arithmetic for doing that.

Additionally, when Petty used to work as research assistant to Thomas Hobbes (1588 to 1679) for short period of time. They became friends and because of the friend relationship that was between Petty and Hobbes, they worked with each other. But, when we look at how was Hobbes’ view on the logic of the quantity, we would be to realize how nature was his definition of the objectives. Therefore, the natural ideas of Hobbes and the less Scientist, they were restricted them to joined the Science. Because of that, I think Petty had the chance to shade his past teacher. As a result of that, I think that would cause their ideas to be differentiated.

In addition, as I mentioned about his opinion in population as one of the resources to the economic, in his book, *Political Arithmetic* petty was trying very serious of finding a clear estimation about the gap that between the employment and the non-employment. Therefore, because he did not agree with the use of the experimental ideas in economic thought, he suggestion was that, the economic should be measured and weighted quantitatively. As well, he was appealing that the only thing that should be applied and used in the economic science is the facts. Moreover, in order to find that he used his statistical methods. Besides, his using of the quantitative methods in economic was considered as a kind of the radical thought by the Aristotelian thought at that time. Then, and after finding that gap, he became able to provide the important bases or how the level of employment would increase. In addition, he thought that, if we could know the number of the workers in economic, we could systemize them, and in that case, we would be able to have a new trade produced. However, he did go further with his methods. But by looking to his methods and calculations, we can see that, they were limited only on the use of the arithmetic and geometric and no algebra nor calculus. He did not include calculus in his calculations I think because he thought that, the calculus has nothing to do with the political economy issues.

Further, Petty was very clear about the natural value of a good. He considered that, the cost of production is the natural value of the commodity. Therefore, the production operations of producing a good are reducible to the people who benefit from the land the labor. Nevertheless, he had another way of measuring the value of the land by including it to the value of the labor. In this type of measurement, the value of the land would be included to the labor.

Furthermore, Petty was very sincere about the unemployment not to be increased. Because he thought about the labor was, “Labor is the Father and active principle of Wealth” (ULLMER, 2004). Therefore, I think Petty’s concern about the unemployment not to increase was his definition of the labor. Because, when we look at how he was defined the labor, we would be able to identify that, he was considering the labor one of the mean resources or the mean causer of the wealth. In addition, because of that he was trying to control the unemployment. More, when we look to his statistical model we would find him used the employment as his dependent variable in order to get the proper concept to the employment.

Petty also had some ideas about the national income; he was the first one ever who builds a national account. That idea of the national account could be come before him or he developed some old ideas and opinions like trade balance. Nevertheless, he was the first one who built the balance sheet and no one did before him. In the balance sheet, the expenditures were a separate side. According to his idea of dividing the expenses is:

There are of men, women, and children, in England and Wales, about six million, whose expense at £6.13s.4d per annum, or near 41/2d per diem, for food, housing, clothes, and all other necessities, amount [sic] to 40 million, per annum. (SLACK, 2004)

Petty and the view of money, Petty also, and as other economic thinkers, he considered something is important to the people. Further, he thought about the money supply and demand as one of the important variables that may influence or make some changes in the employment level. Therefore, he clarified that as money supply increased that would support the trade, which would lead the economy to be better. In addition, his thought and view of the money rent was; the money could be rented but the amount the rent which is the inters rate and sometime include the risk elements if it was necessary. The including of the risk elements was one of the causes of the interest rate to rise.

Finally, as conclusion, I think Petty was one of the important people in the history of economic thought especially when the economic was starting to develop as separate science. In addition, he was very concerned about the labor since he was considering it as the source of the wealth.

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