

History of economic thought essay samples

[Sociology](#), [Population](#)



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Question1: Justifies Mill's optimism regarding the stationary state

Mill's justification on the idea concerning stationary state was a reaction towards the work of T. Robert Malthus and Adam Smith who were classical economists. Mill questioned the idea behind the essence of progress through demanding an explanation for the end of a development. He moves further ahead to assert that the increase of wealth is not and will never be boundless. Some classical economists argue that at the end of a progress it must result into a depressing or dire consequence. Mill bases his argument on several facts which displays his optimism on stationary state. First he argues that increase on the number of people or population is not inventible and thus it will continue to increase over the years. If this population was on the increase, economic growth would be vital and essential in order to avoid degradation of the poor people in the society.

Another fact is that he supports wealth redistribution in the society as it will ensure decent income is earned. This indicates that the most prosperous states and richest people in the society will reach a stationary state only if further improvements in productive arts were declined. Additionally, if a suspension on the overflow of capital in the same countries is experienced, less developed countries would suffer from economic degradation. Mill main focus of the stationary state is on the stationary population as well as shared benefits of an economy which he terms as equality of fortunes. A stationary population may result into population density and thus tolerates solitude.

Therefore, a stationary population plays a vital role in establishing a stationary state of economy. It is very scarcely and crucial to mention that a

stationary situation of both population and capital would reject the stationary state of the human improvement. This unveils the fact that there would be much scope for all sorts of moral, social progress and mental culture.

Question2: What does the commodity labour-power have to do with the formation of industrial capital?

Under capitalism, Marx argues that labour-power is considered as a commodity which sold and bought just like other commodities in the market. A worker sells his or her labour-power to the employer which in return earns him or her wage or salary. The price for labour-power is usually determined using the same laws which apply and relate to other commodities. The price of a commodity is considered to be always equal to the cost of production. This also means the price of labour is immensely equal to the cost of production. The worker will provide accrual labour to the industry for the production of goods and services. The capitalist will sell the goods and services produce by the workers something that will accord him surplus value. This is so because the wages paid to these workers are relatively lower than the total value of goods and services they produce or manufacture for the capitalist.

Moreover, the worker can sell his Labour-power on his or her own account implying self-employed. The labour-power can also be sold to hiring agency in terms of intermediary. The worker is regarded as legal and real owner of his or her labour-power and thus he or she can sell it according to his or her own wishes. This implies that workers can offer labour-power as a commodity freely and thus receives wages and salaries as compensation for the actual labour accorded.