

Second take-home set

Literature, Russian Literature



Physiocratic Economic Thinking Economic growth and development is to the influence of diverse and dynamic factors. Since time immemorial, the realization of economic development relies on theories, models, or economic thoughts that direct economic factors in one way or another. Physiocratic economic thinking is a key example in that respect. This school of thought focuses on the usefulness of land and agriculture in enhancing economic growth and development in the society. In essence, physiocracy measures national wealth in terms agricultural activity or the value of land development (Spiegel 720). An interesting aspect of the physiocratic economic thinking is the relationship between economic table model and the value of agriculture. A number of factors that collectively constitute national wealth affect land development, or agricultural activity from a physiocratic point of view. Given that land is the primary driver of agriculture, the value of agricultural products is critical. Physiocrats interconnected agricultural value and national wealth through a number of concepts, namely: natural order, individualism, private property, diminishing returns, and investment capital (Brue and Randy 38). The concepts highlighted above are interesting to consider because they remain relevant and practical in today's global economy. In particular, the role of land and agriculture in the contemporary society is undisputable. Agriculture and agricultural products continue to influence wealth of nations in the same way described by physiocratic economists. In this respect, the characteristics that connect land development to national wealth constitute an interesting economic aspect. Natural order promotes the development of societies and the enhancement of societal freedoms. The natural emergence of societies is important as far

as agricultural production is concerned. In order to realize increased wealth of nations, physiocratic thinkers argued that the society is a critical component of the underlying economic equation (Spiegel 768). The idea is to create a platform where the different agricultural players interact. On the same note, such an interaction creates a favorable ground where every player can advance his/her interests in land development of agricultural production. Even though land is not the only driver of national wealth in today's global economy, it is interesting to note that physiocratic reasoning has remained relevant to date. Societies still engage in vibrant agricultural activities that subsequently play an important role in economic growth and development. In this respect, natural order remains an observable practice in today's agricultural environment. Self-interest is another key component that physiocratic thinking does not downplay. The practice of individualism is interesting because people are motivated by the personal gains they expect to derive from a given activity. Landowners, laborers, and merchants are all part of the agriculture sector. Their interests and motivation differs among them, but the common denominator is that their respective goal is to advance their own welfare in one way or another. This is interesting because it reflects the typical society in today's world. Landowners need laborers to produce agricultural products, and laborers earn their living from land developments made by the owners. On the same note, merchants or artisans bridge producers to the markets where agricultural proceeds are reaped. This interrelation makes physiocratic thinking a well-crafted approach to agricultural economics. Following the development of individualism through self-interests, private property ownership is inevitable. Interestingly,

physiocratic economic thinking made a provision in that respect. Private property is subject to legal support, provisions, and/or regulation (Backhaus 240). The economic table model upon which physiocratic economic thinking is founded essentially recognized the need for legal support when it comes to ownership of private property. This is interesting because without legal support, private property ownership could become the subject of social conflict and economic struggle. Agricultural activity and land development had their limits as far as productivity and value are concerned. In this respect, physiocratic economic thinking acknowledges the existence of diminishing returns. Interestingly, the concept of diminishing returns remains relevant and practical to date. Connecting an economic model to an economic theory would not be complete without considering productivity value. Finally yet importantly, it is interesting to highlight the effect of capital and investment on physiocratic economics. For the economic table to support the notion of physiocratic thinking, investment capital came in handy. Land is undoubtedly a stand-alone factor of production. The development of land for whatever reason constitutes an investment. The outcome of investment capital is the production process. On the same note, capital is critical to the welfare of laborers. In addition, agricultural production and land development in general has costs, risks, and profits (Brue and Randy 160). This shows that physiocratic economic thinking was a well-rounded approach to land agriculture and subsequent development.

Works Cited
Backhaus, Jürgen. Handbook of the History of Economic Thought: Insights on the Founders of Modern Economics. New York: Springer Science & Business Media, 2011. Print.
Brue, Stanley, and Randy Grant. The Evolution

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