**Axis 5: Natural economic thought**

 **First: The emergence of the natural school and its most important pioneers :**

 The natural or physiocratic school appeared in France in the second half of the eighteenth century.

 This school was founded by François Caigny (1694-1774), Louis Several other thinkers also contributed to spreading natural ideas, such as: Mirabeau, Anne Robert Jacques Turgot (1728-1781), Pierre Samuel Debont de Nemours (1739-1817).

**Second: The economic ideas of naturalists**

**1- The idea of the natural order:**

 Naturalists believe that economic phenomena are subject to natural laws that have nothing to do with human will to create them. Based on this, they called for the state not to interfere in economic activity, and for the necessity of giving individuals complete freedom to direct their efforts to what they believe is in their personal interests.

 The idea of the natural order was also linked to the call for freedom of foreign and internal trade under the slogan “laissez faire, laissez faire.”

**2- Net output:**

 The naturalists began their definition of wealth by excluding the idea of a precious metal. He explained that the wealth of nations is based on the production they produce. They defined production as “every work that creates a new net product.”

They concluded that agriculture is the only economic activity that is considered productive. As for the rest of the other economic activities, such as industry and trade, they are unable to create or give new value. They are sterile sectors that do not add anything, because they are limited to transforming or transferring materials that were previously present without adding new material materials or a new net product.

**2- Economic schedule (net output cycle):**

 Through the economic table, François Kenay tried to show how the net product is distributed among the classes of society. François Kenay called this circulation of output the economic cycle.

**Kenai** divided society into three classes:

**- The productive class:** includes agricultural workers.

**- The landlord class:** They are the owners of agricultural lands and occupy a middle place between the productive class and the sterile class.

**- The sterile class:** It includes other sectors such as industry and trade.

**The output cycle** can be explained as follows:

 Farmers give part of the net output to agricultural landowners in exchange for the use of their land, part to merchants and manufacturers, and keep the rest.

The owners spend some of what they receive on obtaining the agricultural products they need, and some on what they need from the merchants and manufacturers

Merchants and manufacturers spend the income they receive from farmers to buy the food products and raw materials they need for their economic activity.

 Thus, we find that income ultimately accrues to the farmer class. Products and incomes pass through, in turn, from farmers to farmers, which reflects the importance of agriculture in economic activity.

**3- Single tax:**

 Naturalists called for the state to limit itself to imposing a single tax on the output produced by farmers, that is, to impose a single tax on the net output only. Because from their point of view, when taxes are imposed on manufacturers and merchants, they place the burden on farmers by raising the prices of the products they sell to them by the amount of the tax. If it is imposed on landowners, they also impose it on farmers by raising the return they receive from farmers for the land.