

A historical map of Latin America, likely from the 18th or 19th century, serves as the background. The map is detailed, showing geographical features like rivers and mountains, and is surrounded by ornate cartographic elements such as a compass rose, a coat of arms, and a decorative title cartouche in the bottom left corner. The text is overlaid on this map.

# El modelo fisiocrático

# LA FISIOCRACIA

**PhD in Political History of Latin America**

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# Minimal Bibliography

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# Physiocratie

*Physiocratie, ou constitution naturelle du gouvernement le plus avantageux au genre humain* title introduced by Pierre Samuel Dupont de Nemours (famous reissue of the main economic-political writings of François Quesnay)

3 areas make up the Physiocratic doctrine:

The philosophical area or the natural order,

The political area or the maxims of the government

The economic area that especially through the

**Tableau économique** would link the other areas

The term etymologically means "government of nature", "natural constitution of the most profitable government to mankind"

*Neologismo Physiocratie* synthesizes the unique perspective of the school and gives a new name to its members.

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## Concepts: -Natural order - evidence - legal despotism

The main "self-evident truth" for the Physiocrats consisted in the existence of a **natural order** that, in the absence of interference, governed society; a providential order designed by the Author of nature for the proper functioning of the world and that should be imposed at the discretion of governments and human actions.

**Legal despotism** is the consequence of the first two concepts, as a form of absolute government, without any counterpower; a non-arbitrary government should respect and make respect the natural order against the unjust private interests.

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Through the cognitive process of **evidence**, every person should recognize and submit to the natural order, and to facilitate this the main function of the educational system should be the observation of the natural order.

Natural laws were immutable, indisputable and optimal dispositions, and concerned physical and moral laws, social and economic life, and in particular subsistence as the first human need. Subsistence required respect for property; Moreover, the property of the land was for the Physiocrats the foundation of the natural order and of society, and it is the primary function of the political authority to protect property.

## TABLEAU ECONOMIQUE.

Tableau économique de François Quesnay, 1760. Le tableau est divisé en deux parties principales : la production et la distribution. La production est représentée par un arbre à branches multiples, où chaque branche représente une classe sociale (noblesse, bourgeoisie, paysans) et ses différentes activités. La distribution est représentée par un diagramme en forme de Y, où les produits de la production sont répartis entre les différentes classes.

Produit	Quantité	Classe
Produit brut	1000	Total
Produit net	400	Total
Produit brut	1000	Noblesse
Produit net	400	Noblesse
Produit brut	1000	Bourgeoisie
Produit net	400	Bourgeoisie
Produit brut	1000	Paysans
Produit net	400	Paysans

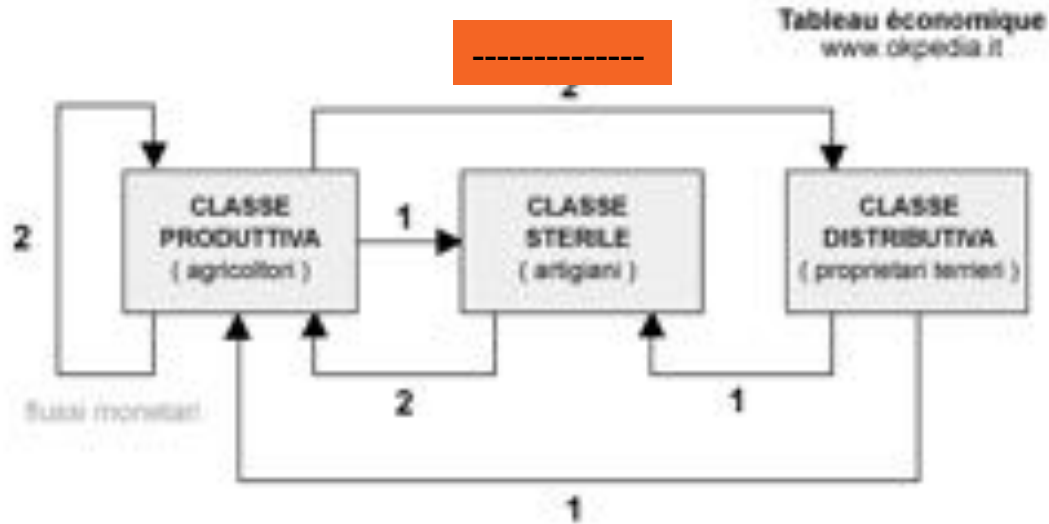
REMARQUE. Le tableau est divisé en deux parties principales : la production et la distribution. La production est représentée par un arbre à branches multiples, où chaque branche représente une classe sociale (noblesse, bourgeoisie, paysans) et ses différentes activités. La distribution est représentée par un diagramme en forme de Y, où les produits de la production sont répartis entre les différentes classes.

# Tableau économique

It is the anticipation of what economic science calls a **model**, thus becoming an analytical tool. Marx himself says that Quesnay's idea is ingenious. The table specifies the fundamental role of **capital**: it explains how the entire economic mechanism moves on the initiative of those who anticipate capital and distribute products.

François Quesnay (1694-1774), a prestigious court surgeon and physician, author of some ten treatises on surgery and medicine, began his philosophical-economic publications at an advanced age with three articles in Diderot's *l'Encyclopedie*.

The greatest criticism leveled at Q. is that of confusing the mode of production of a historical period with a universally valid mechanism, willed by nature to guarantee the prosperity of men of all times and places through the unlimited development of the savings of private capitalists



In the human body the organs are interdependent with each other. Quesnay notes the natural ability of the living organism to find a balance between organs, without the need for external help. The same thing happens in an economic system.

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# Ultimate goal of the doctrine

The ultimate objective of the joint doctrine was to propose the introduction by the government of a series of reforms in the social order of the France of the Old Regime that would promote economic growth based on agriculture, and that would allow the recovery of the old French splendor (the one from Sully and Henry IV time).

The physiocratic doctrine developed within the intense economic and political controversies during the first decades of the second half of the eighteenth century.

The Physiocrats formed the first school of economists (Quesnay and Mirabeau in July 1757) in history in the strictest sense (developed under the theoretical initiative of François Quesnay from 1757 to 1768).

The school went into progressive decline after 1770, especially after the "Disgrâce de Turgot" of 1776.

The core of a school:

Le Mercier de La Riviere, François G. Le Trosne, Abbot Nicholas Baudeau, and Dupont de Nemours.

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# Ideas

- Physiocratic ideas considered that natural laws regulated the functioning of the economy, as opposed to the mercantilist idea that trade was what created wealth.
- the conclusion → the origin of nature was in agriculture, that is, in nature.

Regarding the degree of penetration of these ideas in Spain, there are different approaches → ranging from accepting Physiocratic ideas as a real fact, to separating agrarianism as a different school of thought.

Spanish Physiocracy received a strong influence from French Physiocracy, as well as from English mercantilism.

→ The importance of liberalizing land and assets,

→ the efficient organization of public administration,

→ the development of agriculture as essential to contribute to the development of commerce and industry.

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# INTRODUCTION

## 18th century:

Small oligarchy at the local level, the central node was the municipal government;  
Tocqueville → a situation, both French and European, that shows the need for an  
administrative reform;

The physiocratic model that was accepted or not "was at the base of the entire  
rethinking of the administrative space that began with the Enlightenment"

Followers of the physiocracy theorized a social and political plan that they tried to  
realize by inserting a part of them in the central government and with the circulation  
of newspapers and pamphlets among the citizens;

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# Roots of the 18th century reform project

Centralist absolutism VS strengthening of municipal authorities

Institutional reorganization

Two pragmatic visions

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Two lines of reform, which did not coincide, that aimed to solve the chronic problems of the monarchy, the abuses of the administration and the reform of the tax system, through the institution of new forms of representation:

- **Turgot and Dupont: «The bourgeois project» close to the physiocratic model**
  - **Necker: «The moderate project», far from the physiocratic model**
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## Turgot and Dupont, "The Bourgeois Project"

- replacement of the real ties by the property
- the affirmation of the right of the citizen-owner to participate in the management of public affairs
- the limitation of the central apparatus

The Physiocrats thought that the only possible relationship between individuals was that created by **property** through the **contract**. Only economic interest, and no longer the privilege and solidarity of the body, constituted the **social link** between the new management group, fundamentally homogeneous due to the common title of "**owners**".

**Municipality:** place of mediation where this new "class" of proprietary deputies gave voice to the general interest of the community.

Within this model, the power of the sovereign was limited to general legislation. The executive function was entrusted to those directly involved, so that they would respond to the monarch for the economic progress of the province. The intermediary between the monarchy and the owners' assemblies were the **Intendentes**, peripheral agents in charge of asserting the reasons of the center and indispensable tools for the implementation of the reforms.

## Necker: «The moderated project»

*Sur la législation et le commerce des grains* (Paris, 1775)

It collected the legacy of political tensions and unrealized projects that had characterized the reign of Louis XVI, and tried to respond to the need for greater autonomy requested by the provinces.

### Solution

The creation of the **provincial assemblies** for a harmonic identity of interests between the sovereign and the owners, for which the presence of the commissioners would no longer be necessary and, even if it had been foreseen, it would have been limited to a totally auxiliary supervisory and control function with respect to the executive power of the municipalities.

- the main limitation of French politics was the power of the **intendentes**
- The centralization in their hands of the judicial and administrative functions had weakened control over them, turning them into judges of the same complaints that the subjects raised against them.
- The only instance of control continued to be the King's authority, which could no longer exercise this function, since the extension of the administration's field of intervention made it impossible to know it adequately.



The subjects of the provinces had been deprived of the right to have their petitions reach the throne.

# El Municipio

«The *Municipio* was a consortium of owners that in each territorial district had to provide for the distribution of the single property tax and manage local expenses independently. In this consortium, those who had more hectares of land had more powers.»

In **Turgot's project**, once the income for a *citoyen enttèr* is established, multiple votes are attributed to those who have multiples of this figure and those who produce a lower income, *citoyen fractionnaire*, are forced to join others. reach the threshold of the vote. Therefore, a homogeneous and efficient structure that has the public good as its object.” (See: Mannoni, op. cit., p. 200 et seq.)

## REVIEW OF J. NECKER

The impossibility of the subjects to communicate with the sovereign, combined with the harassment of subordinate officials, had produced discomfort and discontent in the population. The way of expressing himself was in the complaints before the Parliaments that would have weakened the authority of the King. The only solution was, for Necker, to restore communication between the sovereign and his subjects through new representative institutions that should have limited the parliaments of their political role.

(The conflicts between the parliaments and the government reached their peak in 1771, when Chancellor Maupeou suppressed the parliaments.)

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# The project of the provincial assemblies

The project provided for the distinction of the three orders:

- clergy,
- nobility
- Third Estate - but with duplication of the Third Estate (For example, Berry's assembly consisted of forty-eight members: twelve representatives of the clergy, twelve of the nobility, and twenty-four of the Third Estate) and the vote per head.

Although these last aspects did not constitute a radical innovation (the provincial states of Languedoc had already been arranged according to such schemes for a long time).

The minister's intention was to criticize the privileges granted to the first two orders, since they were the ones that most hindered the application of the reforms in the provinces.

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The reform plan conceived by **Necker** did not coincide with **Turgot's** positions due to two elements:

- the structure of the assemblies, since those of Turgot were composed of owners, without any division by order;
- the relationship of the assemblies with the central administration: for Turgot, the role of the Intendants was irreplaceable, as the cornerstone of the French monarchical structure; on the contrary, Necker hoped to be able to implement an alternative model of peripheral administration to that of the Intendants;

The "**community of voters**" model was rigorously applied to the reform of Tuscan communities promoted by Pietro Leopoldo in the 1770s. Between May and September 1774, the general regulations for the Florentine countryside and district communities were published in the Grand Duchy.

From this moment on, Tuscany became, in the eyes of the French Physiocrats, the political laboratory in which their theories were tested.



The foundation of the Leopoldian reform was represented, of course, by the possession of land assets, but its realization took into consideration the previous statutes that had governed the balance between the central power and the subject communities.

The centrality preserved by the method of direct statutory derivation redemptions revealed the criteria by which people obtained the right to occupy municipal offices. While all possessors, both lay and ecclesiastical, had to be "paid".

«The possession of stable assets eliminated the distinctions between natural or legal person, private or public, secular or ecclesiastical: the assets of the Sovereign were extended at the same time (for example, the tax authorities) and those of the Church the revocation of tax exemptions past and the right to participate in community life.

See: SORDI B., *La Administración Iluminada. Reforma de las comunidades y proyectos de constitución en Toscana Leopoldina*, Giuffrè, Milán, 1991., op. cit., pág. 182.

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## The reception that Spain knew

- French **Abbé François Rozier** (1734-1793) *Cours complet d'agriculture* (1781-1800) 10 volumes, in his report in the «Preliminary Speech» contained a very complete summary of the Physiocratic economic ideas that were an alternative to the Agrarian Law Report (1795) of **Gaspar Melchor de Jovellanos**, Report on the file of the Agrarian Law (1794)
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- Jovellanos takes up the questions raised by J. Necker

#### Jovellanos Report

- two questions: a more positive reconsideration of the presence of physiocracy in our Enlightenment and
  - the acceptance that the free trade option was a consubstantial part, albeit a minority, of the economic program of the Spanish Enlightenment
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# Physiocracy and New Spain?

In relation to the policy to be followed in the colonial domains (temporary gap):

1743 by Joseph Campillo y Cosío, **New system of economic government for America: with the evils and damages caused by the one it has today, in which Spain participates; and universal remedies so that the first has considerable advantages, and the second greater interests**, Madrid, Imprenta de Benito Cano, 1789, XXXII +297 pp.

1762 Bernardo Ward, **Economic project in which several provinces are proposed, aimed at promoting the interests of Spain, with the means and funds necessary for its planning: written in the year 1762 by. ..**, of the Council of S. M. / his Minister of the Royal Board of Commerce and Currency, Madrid, Joaquín Ibarra, 1779, (in relation to the American possessions he repeats to the letter what was proposed by Campillo)

Controversy between researchers Bitar and Farías:

**Marcelo Bitar**: defines the project as consistent with mercantilist ideas while making a series of proposals that advance what will later be the Physiocratic doctrine. (Marcelo Bitar Letayf, *Spanish Economists of the 18th century*, Madrid, ed. Hispanic Culture, 1968, p. XXVII)

**Arcila Farías** places Campillo in the sense that her project "...is much more within the field of the Physiocrats than that of the Colbertian mercantilists" (Arcila Farías, *Economic reforms of the 18th century in New Spain, Mexico, Sep Seventies*, 1974, t 1, page 10.)