

Ch3

Natural Resources

(The land)

It is known that the natural resources (or natural forces), which are sometimes called expression of the earth, is the kind of resources that can be considered an economic, if the availability of the three basic conditions are:

First: To be **Useful**, i.e. to contribute to the production of various goods and services.

Second: to be **Rare** in the sense that the abundances of which less than the desired quantities to satisfy the needs of humanity, in other words that have a price.

Third: to be a **Gift** of nature, that is the gift of gifts, which he has put God Almighty, even used by humans.

Economists disagree with each other in defining the concept of the earth.

First, some see the earth (literally, as in ordinary language) as the surface of the earth or soil.

Second, others are expanding in its content a bit to include location, climate, and topography in addition to the space (or space or surface or the soil) (**Narrow Conception**).

Third some adds to the above, water resources, and there on the surface of the ground and in its interior, the resources and mineral resources (**broad Concept**).

Comments

1 - Affect the concept of the land in accordance with the narrow concept (which includes the location, climate, topography and surface area), have a direct impact on the human (i.e., the population and work) and to capital, especially the availability of raw materials and energy sources.

For example, the expanding of the space that would lead to multiple climatic zones, and to the multi-topography, minerals, plants, and thus to the possibility increase of multiple types of production, in this place and time designated. The evidence from the U.S. economy and the Russian economy, they both have a vast area, and thus the nature of a large and diverse. The climatic conditions also affect a direct impact on the establishment of economic life already and the degree of progress. Ice zones and the tropics reported evidence of this effect relationship. The former due to the cold weather leaves no opportunity for the establishment and progress of economic activity. Second, do not help (although that could of having natural resources) on the economic progress, as may be caused by inactivity of the human. The temperate climate, that define warm and cold seasons and periods of rain and dry periods in which they are progressing the economic life.

2- The factors of the natural resources (land) are not the same characteristics in everywhere and any different times.

3- The land considered (whether in narrow conception or broad concept) one of the important economic resources, because the people live on the land, doing their activities and the land provide the human with the majority of their needs such as foods drinking and shelter. and also the land is the shelter for the plants and animals and the source of minerals and energy that without them , the people deprive of lots of goods.

4- There mutual impact between the natural resources and human, the previous discussions represent the impact of natural resources on the humankind, but there also impact of human on the natural resources represent in the bad use of these resources and this lead to pollution.

The Second Section

Characteristics of land

It would be monitor that the most important fundamental characteristics of the Earth, which considered with great concerning by the economists, and this lead to many of the ideas and economic theories, in the following:

First Characteristic

Relative Fixed to the Amount of Land

The amount of land (a gift of God's gifts) in the initial shape can not be changed, Changes in land area, (as a result of some interaction of some of the forces of nature such as erosion of the shores of some of the sea, and flooding of some parts of the earth etc) are infrequent, and its achievement may require a long period of time, up to hundreds of years. This means that the relative stability of the quantity of earth leads to the monopoly enjoyed the status of its owner, over time strengthens the result of the continued increase in population, thus increasing the demand for the production of a land of agricultural and mineral products. Right owner of the land is possible to achieve more income, without doing efforts in terms of further work. This remains the position, any increase in income, as long as you cannot alleviate the scarcity of land.

The Second Characteristic

The Absence of the Production Cost (on getting) of the Land

In the amount of land does not depend on what I have from the community willing to pay a price for the land, because the land gift from God, get it free of charge. While it is considered the opposite of elemental labor and capital. The quantity of labor and capital in what time will depend to some extent on how much society is willing to pay for them. It then calculates the cost of the care we get to work, or the cost of sacrifices in order to get capital, but do not need to calculate the cost of getting on the land.

It would be mean that the land does not have the cost, that all contribute to its production is in fact an increase in wealth without sacrifice (cost).

The Third Characteristic

The Lack of Homogeneity of the Earth

Characterized by land as an economic resource not to homogeneity, which is evidenced by the apparent disparity between the apparent and the differences of the different pieces of agricultural land (for example) according to the site and fertility. Land is located in the delta of the river or near the valleys usually is more fertile land near the desert. Also, agricultural land near cities be more valuable than the land away from civilization.

It follows on the heterogeneity of the land can be arranged descending order, according to how much they achieved a surplus, i.e. the value of producing the wealth, after deducting the cost of labor and capital employed in production. The surplus achieved by the various units of land ranging in size or amount shall enter until we reach the small amount of units of land which are equal then the value of what is produced is used with the cost of work and capital. Finally comes the units of land that do not produce enough value to cover the cost of the work and capital. In addition, it can put an end to the separation between what needs to be exploited economically from these units from the land, and what should not. Called to the unit which is located on the unit name of this limit the **marginal unit**, the before of a surplus of units, is called by the name of the **Intra-marginal units**, and what follows from the units,

which do not cover the cost of exploitation is called an the name of **Sub-marginal units**.

Comments

1- Marginal unit does not keep rigid. Increasing the output prices and land units of goods and services, or decrease the expense (cost) of production may lead to the included some units Sub-Marginal land into production, so that the units in a position to achieve a surplus.

2- The increase in the potential contribution of land in production, do not be focusing on increasing the quantity of the land, but increase productivity. Depends on the efficiency of land productivity are two key factors:

A - physical properties, such as fertility, water availability and location.

B - Method of Use, or mixing ratios between the production factors.

Here we can distinguish between two methods of use are

Intensive use of land, and we mean that any increase in production is achieved with relatively many units of capital or labor or both to a fixed amount of land and called this method the expression **vertical expansion**.

Extensive Use of Land, we mean the land and a number of the labor force and large amounts of capital, using relatively too much units of land. Called this method the expression **horizontal expansion**.

3- Given the relative stability of the land, it is noted that most of the way communities apply to **Intensive use of land**, rather than by apply to an Extensive Use of Land.

Economists have long time that **Intensive use of land** led to the discovery of the law of diminishing returns.

