

Agroeconomics: Theoretical Foundations and Evolution of Thought

Subjects: **Agricultural Economics & Policy**

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Agroeconomics is a specialized branch of economic science that examines the specific socio-economic relations in agriculture shaped by the distinctive features of production, labor organization, and land use. It investigates the interactions between economic activity and biological processes, while recognizing the social and ecological functions of agriculture. This entry provides a comprehensive overview of agroeconomic thought, with particular emphasis on the evolution of theoretical schools and the development of the concept of agricultural multifunctionality.

agroeconomics

multifunctionality of agriculture

land use and rural development

family farming

ecological economics

agricultural policy

Agroeconomics constitutes a specialized branch of economic science that analyzes the distinctive features of agricultural production, labor, and land use within the broader context of socio-economic processes ^[1]. The origins of agroeconomic thought can be traced to the classical political economists—such as Adam Smith ^[2] and David Ricardo ^[3]—who identified land, labor, and capital as the fundamental factors of production ^[4]. In a different tradition, Karl Marx and Friedrich Engels, as a representative of the Marxist school (scientific socialism), framed these categories within the logic of the capitalist mode of production ^{[5][6][7]}. In their theoretical frameworks, agriculture occupied an important position; however, general economic principles were applied to it without sufficient consideration of the biological and ecological specificities of the agrarian domain.

By the late nineteenth and early twentieth centuries, alternative approaches had begun to emerge that questioned the adequacy of classical models in explaining agricultural processes. Scientists such as Johann Heinrich von Thünen, Albrecht Thaer, Sergei Bulgakov, and Alexander Chayanov emphasized that agriculture possesses unique characteristics—biological cycles, land heterogeneity, and the resilience of family-based farming systems—and therefore requires distinct analytical tools. Their ideas laid the foundations for the establishment of agroeconomics as a separate scientific discipline.

As a result, two major and diametrically opposed schools of agroeconomic thought historically emerged. One sought to apply general economic laws to agriculture, treating it as an integral part of the capitalist system of production. The other emphasized the uniqueness of the agrarian sphere and the necessity of a distinct approach in both theory and policy. These debates exerted a significant influence on the institutional formation of agroeconomics across different countries and shaped the trajectories of its subsequent development.

In recent decades, particularly within the framework of the European Union, the concept of agricultural multifunctionality has gained wide recognition. According to this paradigm, agricultural activity is understood not only as a source of food, but also as a provider of ecological services, a means of landscape preservation, and a driver of sustainable rural development ^[8]. As a result, agroeconomics has broadened its analytical scope by incorporating elements of ecological economics, sociology, and political science.

Thus, contemporary agroeconomics can be regarded as a comprehensive analytical system that integrates classical economic approaches with the consideration of the biophysical and social dimensions of agrarian systems. Its evolution reflects broader intellectual and political shifts toward sustainable development, food sovereignty, and the recognition of the strategic importance of rural areas.

The purpose of this entry is to systematize the theoretical foundations of agroeconomics as an independent branch of economic science, to trace the evolution of key schools of thought from classical approaches to the concept of multifunctionality and sustainability, to highlight the contribution of Eastern European scholars (including Ukrainian and Polish authors) to the development of the discipline, and to compare national trajectories in the formation of agroeconomics. Additional objectives include: refining the operational definition of agroeconomics; identifying the key methodological nodes of analysis (land as a distinctive factor, biological cycles, institutional forms of farming, and cooperation); and formulating practical implications for agricultural policy and management (e.g., European Union's Common Agricultural Policy (CAP/EU), land issues, cooperative models) (Methods Section in [Supplementary Materials](#)).

References

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