Journal of Business and Economics, ISSN 2155-7950, USA
August 2016, Volume 7, No. 8, pp. 1376-1385
DOI: 10.15341/jbe(2155-7950)/08.07.2016/018

http://www.academicstar.us

Market Economy and Its Role in Poverty in Africa: Myths and Realities

Wilfred Lajul
(Philosophy Department, College of Humanities and Social Sciences, Makerere University, Uganda)

Abstract: This paper discusses the claim that free market economy is the solution for poverty in developing countries. Lazonick disagrees with this claim arguing, market economists' tendency to see developed markets in labor, capital and products as causes rather than consequences of economic development is misleading (2003, p. 14). The hypothesis is that for economic development to take place, much more than free market economy is required. The 2009 United Nations Report on the World Social Situation confirms that, "The empirical evidence derived from the outcomes of economic liberalization indicates that excessive reliance on markets and the private sector carries high risks" (2009, p. 111). The fundamental problem according to Lazonick is that Western economists lack a theory of economic development that can explain the successful growth of the wealthy nations (2003, p. 14). The question is whether the market economy is the solution or the cause of poverty in developing economies. Consequently, the myths and realities of free market economy are discussed; analyzing the link between market economy and poverty in the world in general, with specific reference to Sub-Saharan Africa. The hope is to derive an economic philosophy that can propel development in developing countries without relying solely on the free market economic principles.

Key words: Africa; markets; economy; poverty
JEL codes: A10, A11, A12, A13, A14

1. Introduction

This article reflects on the economic situation in Africa in the light of the commonly accepted practice of economic liberalization in the world in the name of Free Market Economy (FME). The question is whether this practice is the answer to Africa's economic problems or a *cul-de-sac* of African economic aspirations; producing more poor people on the African continent. The paper analyses the basis of economic growth in developed and emerging Asian economies identifying the proper economic theories behind them. It questions if these success stories are truly the result of Adam Smith's economic dream or the result of other economic factors.

Lawson (2008) in his article, *Economic Freedom*, outlines the two schools of thought in economic philosophy; the first introduced by Adam Smith and the second introduced by Jean-Jacques Rousseau and later followed by Karl Marx. Adam Smith and his followers like; John Stuart Mill, Ludwig von Mises, Friederich A. Ayek, Milton Friedman and Murray Rothbard, argue for an economic system based on private property and FME. They propose that; "The key ingredients of economic freedom are personal choice, voluntary exchange, freedom to compete in markets, and protection of person and property. Institutions and policies are consistent with

Wilfred Lajul, Associate Professor of Philosophy, Makerere University Kampala; research areas/interests: economic philosophy. E-mail: wlajul@chuss.mak.ac.ug; wodangom.lajul@gmail.com.

economic freedom when they allow voluntary exchange and protect individuals and their property" (Lawson, 2008).

On the other hand, there are those hostile to economic freedom. They argue for an economic system characterized by centralized economic planning and state control of the means of production. He quotes Jean-Jacques Rousseau and Karl Marx as their primary advocates. Other supporters include, Abba Lerner, John Kenneth Galbraith, Michael Harrington, and Robert Heilbroner. These scholars argue that "[…] free markets lead to monopolies, chronic economic crises, income inequality, and increasing degradation of the poor, and that centralized political control of people's economic lives avoids these problems of the marketplace. They deem economic life simply too important to be left to the decentralized decisions of individuals" (*Ibid*).

The arguments about FME need however, to be separated from the questions of private property. This is because, though historically the question of FME was linked to the question of private property, the latter is no longer an issue of debate. Private property is a right and it has impact on the quality of life of an individual and his/her family (UDHR, Art. 17), but this does not take away the question of its regulation through national policies. The question that remains is whether FME is the best answer for poverty eradication in Sub-Saharan Africa (SSA) or not.

To build its case, the article analyses the following sources: Adam Smith (1776), *An Inquiry into the Nature and Causes of the Wealth of Nations*; Berggren, Niclas (2003), *The Benefits of Economic Freedom: A Survey*; William Lazonick (2013), *The Theory of Innovative Enterprise: A foundation of Economic Analysis*; Jeffrey D. Sachs (2005), *The End of Poverty: Economic Possibilities of our Time*; Ha-Joon Chang (2007), *Bad Samaritans: The Myth of Free Trade and the Secret History of Capitalism*; Rethinking Poverty: Report on the World Social Situation, (2009).

2. Literature and Theory

The literatures analyzed show different theories for understanding economic development and its relation to poverty alleviation. Some presented FME as the cause of Economic Growth (EG), others think political intervention is fundamental to economic development, and the third group thinks collective effort is the cause of EG, and lastly there were those who thought innovative capabilities are causes of economic development.

2.1 Free Market Economy as Cause of Economic Growth

Niclas Berggren maintains that, the absence of economic growth brings about poverty. In trying to find out that which can induce economic growth, Berggren in line with Adam Smith (1776, p. 379), Gwartney and Lawson (2002, p. 5), opted for the adaptation of FME. He wrote; "Economic freedom may constitute an explanatory factor for growth and the distribution of income" (Berggren, 2003, p. 193). Adam Smith in 1776 had clearly stated that; "[…] the obvious and simple system of natural liberty establishes itself of its own accord. Every man, as long as he does not violate the laws of justice, is left perfectly free to pursue his own interest his own way, and to bring both his industry and capital into competition with those of any other man, or order of men" (Adam Smith, 1776, p. 379).

In these literatures, the theory is that economic freedom constitutes an explanatory factor for growth and the distribution of wealth. The reasons in support of this theory are those given by Adam Smith as follows: first, it is a system of natural liberty that establishes itself of its own accord. Meaning, it does not need any manipulation by humans. Secondly, pursuance of personal interests without interference generates competition amongst men and amongst the order of men. This competition is productive and the only way to push economic growth. The only condition Smith gives is to avoid the violation of justice. But, how this violation of justice can be avoided is not clearly explained by Adam Smith.

In such enterprise, Adam Smith identifies three duties of the sovereign or the state for that matter: protecting society from violence and foreign aggressions, protecting every member of society from injustice and administering justice, and erecting and maintaining certain public works and institutions (*ibid*).

2.2 Political Intervention as Basic to Economic Growth

Today, few literatures directly support political intervention in economic practice after the collapse of communism; however there are still voices that think political intervention is indispensable for economic development and eradication of poverty. Marc Labonte (2010) shows four ways in which governments intervene in economic activities. First, it produces goods and services like infrastructure, education and national security. Second, it transfers income across income levels; vertically and horizontally. Third, it collects taxes on labor and specific goods, which alter incentives to work, consume or produce those goods. Lastly, governments regulate economic activities by ensuring environmental protection, workplace safety, and consumer protection (2010, p. 1).

In this we can see that government intervention in economic practice is indispensable because of three reasons; it provides the required infrastructure and security needed for meaningful economic transactions. Secondly, by transferring income across vertical and horizontal levels of income, it reduces economic inequality and provides social security for the needy. Thirdly, by regulating economic activities, it creates environmental protection, workplace safety, and protects consumers from exploitation. Negatively however, for Labonte, government interventions through taxes may distort or alter incentives to work, consume or produce goods.

Weingast thinks that government intervention in economic practice is unavoidable, but must be limited. He writes; "Thriving markets require not only an appropriately designed economic system, but a secure political foundation that limits the ability to confiscate wealth. This requires a form of *limited government*; that is, a political institution that credibly commits the state to honor economic and political rights" (1995, p. 1). He continues to show that federalism was fundamental to the impressive economic rise in England in the 18th Century, the United States in the 19th and early 20th Century, and underpins the spectacular economic growth in China in the last 15 years (1995, p. 1).

Bueno de Mesquita & Root (2000), argue that "[…] given the state of knowledge about the economics of growth, the solution to poverty lies in the construction of political institutions that provide leaders with incentives to focus on the welfare of their citizens" (2000, p. 1). However, they noticed that there are "two contrary impulses in politics: the impulse among politicians to fight over the distribution of goods and the impulse to coordinate the protection of future access to benefits" (2000, p. 2). Governing economic activities according to the first impulse leads to economic stagnation, while following the second impulse leads to economic growth.

2.3 Collective Efforts Causes Economic Growth

Jeffrey Sachs contends that "Although introductory economics textbooks preach individualism and decentralized markets, our safety and prosperity depend at least as much on collective decisions to fight disease, promote good science and widespread education, provide critical infrastructure, and act in unison to help the poorest of the poor. […] Collective action, through effective government provision of health, education, infrastructure, as well as foreign assistance when needed, underpins economic success" (2005, pp. 2-3). Sachs tries to explain why some countries fail to achieve EG, by identifying eight reasons. These eight reasons are: poverty trap, physical geography, fiscal trap, government failures, cultural barriers, geopolitics, lack of innovations, and demographic traps (2005, pp. 56-66).

Critically analyzing some of these reasons, Sachs says, “When poverty is very extreme, the poor do not have the ability — by themselves — to get out of the mess” (2005, p. 56). The solution to this problem is collective action other than competition.

Sachs wondered why, “Americans, for example, believe that they earned their wealth all by themselves. They forget that they inherited a vast continent rich in natural resources, with great soils and ample rainfall, immense navigable rivers, and thousands of miles of coastline with dozens of natural ports that provide a wonderful foundation for sea-based trade” (2005, p. 57) and years of free slave labor, I would add. The solution to economic problems created by physical geography is not competition, but economic cooperation between geographically endowed nations with those not well endowed with natural resources.

Sachs also observed that, “Governments are critical to investing in public goods and services like primary health care, roads, power grids, ports, and the like” (2005, p. 59), if economic growth is to take place. No FME can survive without this critical role of governments to relief an economy from fiscal trap, as Sachs noticed. Sachs adds that at times, developing economies suffer economic stagnation because they have an impoverished population that cannot provide the tax base the government needs; the government may be inept due to corruption, or tax burden inherited from earlier decades (2005). The solution to these economic problems too, can only be empowerment of developing countries to take economic responsibilities to provide what can make free trade work.

Bad cultural and religious practices, geopolitical dynamics like trade barriers, lack of innovations and high fertility rates are not going to be corrected simply by introducing FME, but a combination of relevant politico-economic intervention measures.

2.4 Innovative Capabilities as Causes of Economic Growth

Lazonick believes that; “To reap the advantages of a ‘market economy’, a society must first put in place the organizations and institutions that generate the innovative capabilities that underpin economic development and that make possible the emergence of well functioning markets in capital, labor and products. With these capabilities and markets in place, a society can then turn to the ongoing tasks of promoting the innovation process and controlling the operation of markets to achieve stable and equitable economic growth” (2003, p. 14).

Implying, for economic development to take place, a society needs; first, to generate innovative capabilities; since these innovative capabilities are the causes of economic developments (see also Amartya Sen, 2003). Secondly, free market economic principles, boosted by competition and freedom, can then lead to greater economic prosperity.

Porter et al. add that “Unless microeconomic capabilities improve, sustainable improvements in prosperity will not occur” (2007, p. 51). In support of this view, Ha-Joon Chang also noted that “[…] industries in developing countries will not survive if they are exposed to international competition too early. They need time to improve their capabilities by mastering advanced technologies and building effective organizations” (2007, p. 50).

In the *Theory of Innovative Enterprise*, Lazonick identified three main implications of the theory of innovative enterprise. Namely: methodologically–integrating theory and history; ideologically — taking markets as outcomes rather than causes of economic development; and politically — governments providing support in creating social conditions for innovative enterprise (2013, pp. 3-4).

3. Discussions

From the literatures analyzed above, we can identify four major theories presented to explain the relationship between theories and practices in economics and their resultant effects on economic development. These theories presented the causes of economic growth as; FME, political intervention, collective efforts, or the innovative capabilities.

In the view of this paper none of these theories on their own is sufficient to explain the relationship between economic progress and poverty reduction. To address the problem of poverty in SSA, in particular, requires a combination of factors. Some of the theories presented are weak, while others are stronger. The weakest of them is the theory that FME presented as the only solution to the prevalence of poverty in developing countries. The strongest of these theories is that EG requires collective efforts. However, this collective effort is more complicated than it appears. For collective efforts to work requires that developing countries first develop innovative capabilities to engage in gainful economic activities. These capabilities, unfortunately cannot come on its own, it requires political interventions and support of the private sector.

Political intervention in itself is marred by many problems. Central to this problem is the kind of impulse that drives political institutions; either impulse to fight over the distribution of goods and services or impulse to coordinate the distribution of goods and services as Bueno de Mesquita and Root (2000) noted above. Unfortunately, these impulses are not unique to political institutions. Both the private individuals and private institutions are haunted by similar impulses; either impulse to compete or impulse to cooperate in accessing and generating economic resources.

That means we have not yet identified the root cause of economic problems in the world, imbedded in public or private institutions and private individuals. The blame game of whether "two legs bad and four legs good" (George Owen, 1946) will not help. We need to identify the root causes of this problem, which in my opinion is found in human nature itself, since private individuals, private institutions or public institutions are constituted of human persons. This tantamount to proposing a new theory, which I have explained below.

This is a *theory of the creative human impulse*. To understand this theory, I have to present how I have come to arrive at it. First, Immanuel Kant proposed that *antagonism* is an explanatory theory of change. Kant thought change can come through the *cunning of nature*, termed "antagonism", which he describes in the following words. "Need forces men […] just the same with trees in a forest: each needs the others, since each is seeking to take the air and sunlight from others must strive upwards, and thereby each realizes a beautiful, straight stature, while those that live in isolated freedom put up branches at random and grow stunted, crooked and twisted" (Kant I., 1784, p. 254). Antagonism then, is *the forceful drive* in human nature, like in the nature of plants, to meet their needs, making them compete with one another. Those subjected to this antagonistic competition tend to grow straight and become more useful, while those not exposed to this competition and left free tend to become crooked and less useful.

Hegel, building on Kant's view, thinks that change can only come through a *dialectical process*. Niki & Nordica (2005) describe this dialectics as "[…] the Hegelian process of change in which a concept or its realization passes over into and is preserved and fulfilled by its opposite […] development through the stages of thesis, antithesis, and synthesis". So, change is caused by *antithetical dialectics*; where thesis is opposed by an antithesis, producing a better synthesis. Change is then in the synthesis.

In a similar way, Karl Marx thinks change is caused by dialectical materialism, which according to Niki &

Nordica is “the Marxist theory that maintains the material basis of a reality constantly changing in a dialectical process and the priority of matter over mind” (2005). Marx takes Hegelian dialectics to economic forces that bring change as a result of *class struggle* between those who own capital and the workers that do not own such capital; identifying change with the result of that conflict.

All these views point to the fact that change is the result of antagonism, dialectics, or conflict; which Adam Smith adopts in economic process and calls it competition. These theories ignore cooperation as an equally important principle of change. In writing about *Global Economic Philosophy and its Challenges to African Development*, Lajul noted that, “[…] free human action finds expression in two ways; either in competing for or sharing the resources available in the world” (2011, pp. 7-8). Implying, *human action* is the one that causes change, but human action is driven by either acquisitive competitive impulse or benevolent cooperative impulse. This makes humans either compete for or cooperate with others over the available resources in the world.

The slither all these thinkers commit is to emphasize competition over and above the principle of cooperation. Lajul observes that, it is right to compete for resources in the world, but it is equally important to share the resources in the world with those who equally need them. Though some people think, humans are necessarily born selfish, so they can only compete, but this is more an instinctual behavior rather than rational behavoiur. Human beings making use of their reason are able to share what they have with those who do not have (2011, p. 8).

From the above presentations, the problem in economics is created by the line of impulse humans: individuals, public institutions or private institutions, tend to follow; what Bueno de Mesquita & Root (2000, p. 1) called impulse to fight other than impulse to coordinate, and Lajul (2011, p. 8) calls acquisitive impulse other than benevolent impulse. The theory that captures this root problem is what I want to call a *theory of creative human impulse*, which negatively competes for and positively cooperates with others in accessing and generating the world resources. This theory propose that positive change in economic practice is caused by human actions; unfortunately, most economic philosophers tend to endorse one inclination in human nature-the acquisitive competitive impulse other than the benevolent cooperative impulse. FME has glorified the first and ignored the second driving principle in human economic activities.

The theory of creative human impulse says *human creativity* is the root of changes that take place in their lives and especially in economics. This creativity is driven by two impulses, one is negative (instinctive), and the other is positive (rational). For there to be success in economic activities that can lead to EG, both private individuals, public and private institutions should harmonize these two tendencies without preferring one against another.

The different proposals made in the literature, show that humans should compete, while others think they should cooperate. The confrontational divergent views presented can only be reconciled when we accept that for economic change to take place for the better, human should continue to be creative. In being creative, they will be driven in one of the two directions; competing or cooperating. Governments, in the distribution of resources, should look more at coordinating these resources other than fighting over them; individuals in acquiring resources, should compete, but also cooperate; private institutions in manufacturing and distributing goods and services should not only look for competitive advantages, but also at advantages they derive when they cooperate with others.

4. Methods

The methodology used in this paper is analytical. The issues raised in this paper are based on some of the key issues elevated by other renowned authors. What has been done in this paper is to critically analyze such contributions on the subject being discussed and contextualize them to bring out pertinent myths and realities about FME in SSA. The views that were central to this paper are those that support the market economic theory as a yardstick for poverty elimination and economic development in developing countries and those that think FME is actually *cul-de-sac* of African development, since it is a weapon of poverty escalation. The view central to this paper is the midway between these two extremes.

Methodologically, the paper tried to pave a way through these two extreme views, to see how developing countries in SSA can benefit from a criticism of the FME. But on the other hand, tried to see how the principle of cooperation can be combined with that of competition in the fight against poverty in Africa by proposing a new theory.

5. Results

The key finding from this paper is that, humans can improve their economic lot through creative engagements and purposes. This creativity is imbedded in human nature, which is impulsive. The impulse can be negative or positive. The negative impulses make humans compete with one another over the natural and generated resources. The positive impulse make humans cooperate, work together, share and generate resources humans need. This is because humans do not only have natural liberty to pursue their interests, as Adam Smith claims, but humans are also capable of using their reason to pursue their interests based on rational liberty. In the principle of rational liberty, humans can still achieve their interests through cooperation with one another, by sharing the available economic resources with those who do not have. This dimension of rational liberty has not been taken seriously in the FME.

Secondly, the economic philosophy behind FME is based on the principle of natural liberty, which is a natural impulse. Those proposing the necessity of political intervention, development of innovative capabilities, and importance of collective efforts are actually emphasizing the principle of cooperation; while those emphasizing the importance of freedom are underscoring the principle of competition.

Thirdly, free market economy in its current form, both in theory and practice, is not the solution for poverty eradication in developing countries. This is because of three reasons: inequality, consumerism and need of regulation. FME has created great economic inequalities between the rich and the poor and also between developed and developing countries. The United Nations (UN) *Inequality Matters: Report of the World Social Situation 2013*, documents that, “As the international community shapes its vision for a post-2015 global development agenda, worsening inequalities across and within many countries have been an important part of the discussions. There is a growing recognition among stakeholders that economic growth is not sufficient to sustainably reduce poverty if it is not inclusive” (Preface, *Report on the World Social Situation*, 2013).

Besides, FME has created the culture of consumerism. Samuel Strauss in 1924 had already observed that consumerism, which is “the science of compelling men to use more and more things” (Strauss S., 1924) was on the increase. Consumerism is the science of consuming more than we can produce, so that more and more is demanded to keep prices high and profits maximum. “Through the centuries, the problem has been how to produce enough of the things men wanted; the problem now is how to make men want and use more than enough things (Strauss S., 1924). The problem before us today is not how to produce the goods consumers need, but how to produce the consumers the producers need (Tetraca, 2008; Revkin, 2008; Odysseus, 2008; Don Fitz, 2007).

Lastly, natural liberty, which is the basis of economic practice in FME according to Adam Smith, has to be regulated. We can learn something from Aristotle who said, “For man, when perfected, is the best of animals, but when separated from law and justice, he is the worst of all” (*Politics*, Book I, part II: 1999, p. 6). In part V of the same book Aristotle said, “[...] the intellect rules the appetites with a constitutional and royal rule” (1999, p. 9). Implying, natural liberty or drives are to be regulated by human intellect to create justice and economic order Smith talked about. Political intervention in FME provides this regulatory framework, and if properly done, can create just economic order.

Fourthly, it is a myth that market economy operates through the invisible interaction of demand and supply. However, the reality is that the entire economy in developed countries is not left to demand and supply principle alone. Often time governments in developed countries intervene in the markets by altering market equilibriums. It does this in different ways including, setting floor prices or ceiling prices. The best example of this practice is the minimum wage law. Most countries in SSA however, are discouraged from adopting a minimum wage law, arguing it discourages investments (Patricia Jones, 1997)

Finally, in comparing advantages and disadvantages of FME, we found out that the negatives far outweigh the positives in poverty reduction struggles. Some of the reasons are: distorted investment priorities, worsening exploitation of workers, growing unemployment, growing social and economic inequality, increase in corruption, worsening ecological degradation, idolization of money, anxiety and economic insecurity, culture of illusions, undermining governmental honest responsibility to their people, and periodic economic crises (Ollman, 2004-2015).

6. Conclusions

In conclusion I can say that, FME is not necessarily the solution for poverty eradication in SSA. FME can only be part of the solution when developing countries are given a chance to improve their economic capabilities by galvanizing cooperation with the developed economies, other than competing with them.

Secondly, though Lazonick (2003) and Ha-Joon (2007, 2010) think that the main problem of FME is the wrong timing for its introduction in developing countries, this paper thinks there is more to this. Both developed and developing countries need another economic philosophy different from that of the neo-liberals. This philosophy, should combine the two dimensions from which free human actions spring or find expression; *competing for* and *sharing with* others, the resources available in the world. This should be a *philosophy of creative human impulse*, which negatively compete for and positively cooperate with others in accessing and generating the world resources.

The Asian success stories, as Weingast (1995) observed above, is the result of federalism or political intervention that saw the rise of Asian economies and EG in England in the 18th Century and United States in 19th and early 18th centuries.

It was also found out that a country does not develop simply because it has many industries, but only if it has the capacity to build, manage and run those industries. Several industries built by the multinationals in developing countries, have not significantly changed the economic conditions in those countries for the better. In view of this, Trainer laments that "The remarkable average economic growth rates achieved in the Third World, at times around 6 per cent per annum (World Bank, 1994) were typically associated with worsening inequality within and between nations. By the late 1990s one-fifth of the world's population was taking 86 percent of world income, while the poorest one-fifth was receiving only 1.3 percent. This ratio of over 60 to 1 has deteriorated from 20 to 1 thirty years ago" (Trainer, 2002, p. 57).

To stimulate economic growth in the world, both individuals and institutions (economic and political) should foster cooperation when and where it is necessary and competition when and where it is necessary. Besides, adopting the right methodology, employing the right economic ideology, and permitting the required political interventions; these have been the basis of economic growth in developed and the fast growing Asian economies.

References

Adam S. (1776). "An inquiry into the nature and causes of the wealth of nations", available online at: http://www.ifaarchive.com/pdf/smith.

Aristotle (1999). *Politics*, translated by B. Jowett, Batoche Books, Kitchener, available online at: http://socserv2.socsci.mcmaster.ca/econ/ugcm/3ll3/aristotle/Politics.pdf.

Berggren N. (2003). "The benefits of economic freedom: A survey", *The Independent Review*, Vol. VIII, No. 2, pp. 193-211.

Bueno de Mesquita B. and Root L. H. (2000). "When bad economics is good politics", in: B. Bueno de Mesquita and H. L. Root (Eds.), *Governing for Prosperity*, New Haven & London: Yale University Press, pp. 1-16.

Ha-Joon C. (2007). *Bad Samaritans: The Myth of Free Trade and the Secret History of Capitalism*, New York: Bloomsbury Press.

Kant I. (1784). "Idea for a universal history from a cosmopolitan point of view", translated by Lewis Beck, in: E. Behler (Ed.) (1986), *Immanuel Kant: Philosophical Writings*, New York: Continuum, pp. 249-262.

Labonte M. (2010). "The size and role of government: Economic issues", *CRS Report for Congress: Prepared for Members and Committees of Congress*, available online at: https://www.fas.org/sgp/crs/misc/RL32162.pdf.

Lajul W. (2011). "Global economic philosophy and challenges to African development," *MAWAZO: The Journal of the College of Humanities and Social Sciences, Makerere University*, Vol. 10, No. 1, pp.1-9.

Lazonick W. (2003). "The theory of market economy and the social foundations of innovative enterprise", *Economic and Industrial Democracy*, Vol. 24, No. 1, pp. 9-44,

Lazonick W. (2013). "The theory of innovative enterprise: A foundation of economic analysis", University of Massachusetts: The Academic-Industry Research.

Lawson A. R. (2008). "Economic freedom", *The Concise Encyclopedia of Economics*, available online at: http://www.econlib.org/library/Enc/EconomicFreedom.html.

Niki R. and Nordica F. (2005). "What is the Hegelian Dialectic?", available online at: http://www.freedomforallseasons.org/EmbattledPropertyOwnerStories/What%20is%20the%20Hegelian%20Dialectic.pdf.

Ollman B. (2004-2015). "Market economy: Advantages and disadvantages", available online at: https://www.nyu.edu/projects/ollman/docs/china_speech2.php.

Patricia J. (1997). "The impact of minimum wage legislation in developing countries where coverage is incomplete", Oxford: *University of Oxford*, available online at: http://www.csae.ox.ac.uk/workingpapers/pdfs/9802text.pdf.

Porter E. M., Ketels C. and Delgado M. (2007). "Economics foundations of property: Findings from the business competiveness index", *The Global Competiveness Report 2007-2008, World Economic Forum*, available online at: http://www.weforum.org/pdf/Global_Competiveness_Report/Reports/gcr_2007/Chapter2pdf.

Sachs D. J. (2005). *The End of Poverty: Economic Possibilities of our Time*, New York: The Penguin Press.

Strauss S. (1924). "Things are in the saddle" *The Atlantic Monthly*, available online at: http://americainclass.org/sources/becomingmodern/prosperity/text3/colcomconsumerism.pdf.

Trainer T. (2002). "Development, charity and poverty: The appropriate development perspective", *International Journal of Social Economics*, Vol. 29, No. 1-2, pp. 54-72.

UN Department of Economic and Social Affairs (2009). *Rethinking Poverty: Report on the World Social Situation*, New York: United Nations Publications.

UN Department of Economic and Social Affairs (2013). *Inequality Matters: Report on the Social Situation*, New York: United Nations Publications.

Weingast R. B. (1995). "The economic role of political institutions: Market-preserving federalism and economic development", *The Journal of Law, Economics & Organization*, Vol. VII, No. 1, pp. 1-31.