

# Economic freedom

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Economic Freedom Economic Freedom Economic freedom has been one of the biggest debates in the business worldwide, as twogroups have emerged as a result of the argument with one favoring the sanctions and restrictions placed on the business activities that take place in the region by government authorities while the other being against such restrictions claiming that one should be able to trade with whomever and whenever they please (Sachs, 2005). The main question that is brought about this topic is Economic freedom is whether it is fair to allow businessmen and organizations to do as they please when it comes to issues of trade or should there be a governing body present to ensure that the playing field is leveled allowing every organization an equal chance to conduct business without the fear of being bullied or losing out to the larger companies that may be present in the area.

In order to attain a clear view of economic freedom and the potential repercussions, it entails one has to study both sides of the argument to determine which makes a more valid point (Proudhon, 2005). The first group advocates for economic freedom without the limitations that may be set upon them by governing bodies in order to achieve a more liberal market that allows for business transactions without the bother of external influences that may step in from time to time whether the parties involved consent to it or not. The main basis of this argument is that businesses established by individuals or organizations were done so in order to profit from their transactions and the fact that external forces are able to influence these profits should not be allowed as long as the transactions that are carried out are perfectly legal and are not achieved through means such as force or fraud (Lawson, 2006).

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This side argues that as long as these external forces (mainly policies set by the governments) are able to interfere, true economic freedom cannot be achieved and by extent one is not able to benefit from the sweat of their hard work (Hayek, 2007). This group advocates that those entering into contract agreements are of sound mind and do so for a particular reason thus they should be allowed to function as they please as long as their activities are not hurting other.

On the other side, the group that supports the involvement of governments in business activities allows for a more level playing field for everyone involved in the business world. This group argues that should the economic freedom that their opponents are seeking be allowed, the smaller businesses existing in the market will eventually be phased out of the competition as a result as they do not have the resources to compete with the larger companies (Proudhon, 2005). Large organizations on the other hand have the capability of turning the markets they dabble in to monopolies resulting in the smaller businesses closing down. This would not be healthy for any country as small businesses serve as the backbone of many economies and if they are to be destroyed as a result of the economic freedom that their opposition seeks, the repercussions would have a national effect on the countries financial stability that are involved.

In conclusion, the best resolution for this argument would be to arrive at a compromise for both parties involved (Proudhon, 2005). Though economic freedom is needed to for businesses to function efficiently, the policies that protect the smaller businesses should not be wiped out for the sake of economic stability and avoidance of monopolization. Thus, the policies should exist but have their limits meaning that governments should only be

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allowed to step in with regulations that are absolutely necessary and nothing more.

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