**Name**

**Working title:** To What Extent Does an Economy Need Government Intervention According to Adam Smith?

**Argument**:

Adam Smith argues that the economy does not need any government intervention to grow. He uses the principle of Laissez-Faire, saying that there should be no restrictions placed by government, since economic development relies on division of labor, saving and freedom. He further argues that the economy should be driven and regulated by an invisible hand, competition being the key element. Samuels & Medema (2005) have refuted this claim, saying that a free market where everyone is left to have their decisions, without a central governing entity presents a lot of chaos, and can place barriers on entry, leaving only the rich to control everything.

**References**

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