

The Admissibility of State Aid in The European Union from The Perspective of the Evolution of The Concept of State Interventionism*

Piotr PODSIADŁO

Cracow University of Economics, College of Economics and Finance, Department of Public Finance,
Rakowicka 27, 31-510 Cracow, Poland
ORCID: 0000-0002-4657-3467

Correspondence should be addressed to: Piotr PODSIADŁO, piotr.podsiadlo@uek.krakow.pl

* Presented at the 46th IBIMA International Conference, 26-27 November 2025, Ronda, Spain

Abstract

The concept of State intervention in economic processes does not imply the replacement of the market mechanism with an alternative State mechanism; rather, it entails the limitation of market failures, which are defined as inefficient market allocation of resources. The State should assume responsibility for those tasks and functions that the market either does not perform at all or performs inefficiently. State aid is therefore considered to be one of the instruments of state interventionism in the economy. The objective of this article is to present the evolution of economic thought on the admissibility of State aid as an instrument of intervention in the market mechanism. The author conducts a review of economic theory from the perspective of the achievements of the classical school of economics and criticism of its accomplishments. In addition, the development of views on state interventionism in the 20th century is examined, as well as the implementation of principles of interference in free market mechanisms in the European Commission's State aid policy.

Keywords: European Union, State aid policy, State interventionism, Classical economic theory, market failures

JEL codes: E62, K20, K33

Introduction

State aid constitutes an instrument utilised by the State to provide economic support. The fundamental purpose of this function is to influence the socio-economic order through the allocation of public funds to private entities. This process is accompanied by a stipulated obligation to act in accordance with established conditions, thereby ensuring that the interests of the public are upheld (Nicolaidis 2006, p. 366). The primary objective of EU regulations on State aid is to ensure the preservation of competitive markets within the single market. Free competition, as one of the foundational principles of EU policy, is predicated on the advantages of the market mechanism, which, on the one hand, maximises production and, on the other, ensures the supply of goods and services that consumers wish to purchase (Podsiadło 2024, pp. 152-168). It is evident that, within the context of a market governed by competitive forces, the production of goods is optimised to a greater extent when demand

and capacity are factored into the decision-making process. In this sense, it is argued that a competitive market is an efficient market, which means maximising production through the proper allocation of resources, taking into account the constraints on the producer in the form of costs incurred and the needs and preferences of buyers. The condition for the admissibility of State aid in the European Union is therefore market failure. The theory of market failure is one of the main theories that define the conditions for State intervention in the market mechanism. The objective of this article is to present the evolution of economic thought on the admissibility of State aid as an instrument of intervention in the market mechanism.

The issue of State aid in the context of classical economic theory

From the perspective of economic thought, the necessity for State intervention in the economy has been the subject of many ideological disputes. Proponents of mercantilism perceived an inherent discord between private and public interests. They contended that the economy would not attain its full potential output without State intervention. It was hypothesised that the pursuit of private interests gave rise to monopolies, which in turn served to limit production. Furthermore, it was highlighted that the act of individuals saving or purchasing foreign goods results in a reduction of demand for domestic goods, thereby exerting a negative impact on the domestic economy. Attitudes towards State intervention underwent a radical transformation with the transition from mercantilism to classical economics.

Representatives of classical economics, chief among them A. Smith and D. Ricardo, espoused the notion of a passive State and a well-functioning market mechanism, undisturbed by State action, leading to a state of economic equilibrium achieved through the “invisible hand of the market”. In his 1776 work “An Inquiry into the Nature and Causes of the Wealth of Nations” (Smith 2008), A. Smith emphasised a liberal approach to economic processes, recognising that the need for State intervention in economic processes should be limited. It is acknowledged that market mechanisms frequently fail to yield the anticipated social outcomes. However, within the context of England's historical and institutional framework, it is demonstrated that State intervention would prove more detrimental than the operation of a free market. A. Smith also attempted to demonstrate how competition and the profit motive imply that actions aimed at achieving the interests of individuals also serve the interests of society as a whole. The profit motive will result in a scenario where competing producers will supply goods sought after by consumers, and only those companies that produce such goods at the lowest possible prices will survive. A. Smith has demonstrated that, in such conditions, an economy guided by an invisible hand of the market will achieve a state of equal supply and demand, with all goods being produced in the most efficient manner.

In the 19th century, the concept espoused by A. Smith found support among proponents of *laissez-faire*, i.e. free trade. These proponents believed that free competition was in the best interests of society and that the State should not interfere in the activities of the private sector. Furthermore, they argued that private enterprises should not be subject to State control or regulation (Stiglitz 2004, pp. 6-7). According to the physiocrats, the proper role of the State was to pursue a *laissez faire* policy, i.e. “leaving things alone” and “the government adopting a general attitude of non-intervention in the economy” (Landreth and Colander 2005, p. 83). The physiocrats, in contrast, recognised the existence of a specific “natural order” and treated the economy as a self-regulating mechanism. They rejected the need for State intervention in the economy, a position that had been formulated in the 18th century by supporters of mercantilism. The prevailing view at the time was that markets invariably resulted in harmonious resolutions to conflicts arising from relative scarcity. This standpoint stood in marked contradistinction to the mercantilist's conception of market function, which posited the State's active role in promoting industry and trade. In accordance with mercantilist doctrine, the attainment of a favourable trade balance was contingent upon the stimulation of domestic production through State intervention in the economy and the regulation of foreign trade. This entailed the implementation of protective tariffs on goods imported from foreign countries, while concurrently promoting the import of inexpensive raw materials utilised in the production of industrial goods intended for export. Conversely, the physiocrats advanced the argument that the primary impediments to economic growth were the mercantilist policies that regulated domestic and foreign trade. Notably, they were in opposition to the mercantilists' tax system, advocating instead a single tax on land (Spengler 1960).

It is evident that proponents of classical economics have historically championed the principles of a free market and economic liberty as the optimal framework for achieving the most efficient economic functioning. A. Smith advanced the argument that State intervention would yield outcomes that were inferior to those attained by

markets operating without impediment, constituting a transgression against natural rights and personal liberty. However, it is important to exercise caution when assessing A. Smith's perspective on State intervention in the economy, as he also identified numerous instances where such intervention was deemed essential. The regulation of foreign trade was deemed essential for the protection of developing industries, and in circumstances where a policy of completely free trade would result in a breach of national defence. The primary function of the State was to ensure internal and external security, administer justice, and undertake activities that were deemed socially beneficial, even if they were unprofitable, for the development of trade and education. The State should provide those goods that bring significant social benefits but are not provided by the market because they do not generate sufficient profit (public goods). The State is obliged to establish and maintain certain public facilities and institutions whose activities are not in the economic interest of an individual or group of individuals, as the income from them does not cover the costs. A. Smith proposed that the State should assume responsibility for the maintenance of infrastructure, including roads, bridges, and navigable canals, with the objective of facilitating trade through the development of such facilities.

Criticism of classical economics

The first critical remarks concerning the classical approach, indicating the passive role of the State, were raised in the 19th century by J. S. Mill and H. Sidgwick. These remarks concerned the adoption of the thesis of the failure of the system of natural freedom, and subsequently the recognition of corrective measures by the State, i.e. the acceptance of State intervention as a corrective measure for the functioning of the market. J. S. Mill proposed the following: "It is imperative to discern between functions that are either inextricable from the notion of government or are routinely and unobtrusively executed by all governments, as opposed to those functions that are regarded as debatable as to whether governments should undertake them. The former can be described as necessary, and the latter as optional functions of government. The term "discretionary" is not to be interpreted as implying indifference or free choice on the part of the government in regard to assuming the functions in question; rather, it signifies that the advantage of performing these functions is not equivalent to necessity and is a matter on which there may be a difference of opinion" (Mill 1965, p. 565). The criterion that would justify the necessary functions of the State was to be the principle of utility. Illustrative examples of this include protection of property and persons, administration of justice, supervision of contracts and their legal regulation. Conversely, the discretionary functions of the State pertained to the regulation of individual autonomy in the form of directives and proscriptions concerning specific actions, in addition to the State's active economic endeavours. The latter were intended to supplement the operations of private entities, thereby attaining a goal of paramount significance. Consequently, free competition is a principle that does not exclude State interference in the social and economic life of citizens.

The increase in the scope of state interference in the economy is particularly evident in the doctrine of J. S. Mill. While emphasising his attachment to the idea of a free market, Mill also formulated arguments that opened the way for the State to take economic action on an increasingly broad scale. Despite the presence of notable characteristics of classical liberalism and *laissez-faire* in J. S. Mill's works, such as *Principles of Political Economy* (1848) and *On Liberty* (1859), a distinction emerges when compared to A. Smith's assertions. Contrary to A. Smith's position, J. S. Mill did not assert that the State was inherently incapable of effective economic activity. Furthermore, he did not limit the State's involvement to activities not undertaken by private entrepreneurs. J. S. Mill, for instance, assumed that excessive expansion of the State's functions threatened individual freedom, because "every function added to those already exercised by the government extends its influence over our hopes and fears and increasingly transforms the active and ambitious part of society into supporters of the government or some party seeking power". Conversely, he diverged from the conventional tenets of liberal economic thought by distinguishing between the production and distribution of goods. The distribution of goods and services was determined by social consensus, and consequently, diverged from the principles of market economics.

In contrast, H. Sidgwick dedicated significant attention to exceptions to the prevailing principle of *laissez-faire*, which is widely regarded as the optimal approach to achieving maximum economic prosperity. Furthermore, H. Sidgwick expressed a favourable view regarding the increased involvement of the State in economic matters. It is important to note that the concept of undermining the system of natural freedom and emphasising the economic role of the State was the first solution proposed to address the issue of market imperfections (Medema 2007, p. 332). The development of the interventionist trend was fostered by strong social inequalities, characterised by significant disparities in income, substandard living conditions of the working class, and

elevated levels of unemployment. The aforementioned inequalities were explained as a result of the existence of private ownership of capital. It is important to consider the views of critics of the capitalist economy, such as K. Marx (1951), who argued that “*laissez-faire capitalism*” experienced difficulties in maintaining high economic growth and preventing unemployment and economic crises. Similarly, R. Owen (1927) advocated for the replacement of market competition with cooperatives, while J. C. L. Simonde de Simsondi (1955) contended that *laissez-faire* policies resulted in unemployment and the progressive impoverishment of society; he further argued that the distribution of income achieved in markets left to their own devices was neither equal nor fair.

A. Smith’s economic philosophy was predicated on the notion that market forces were inherently capable of mobilising private interests in pursuit of public interest objectives. This phenomenon, termed the “invisible hand of the market”, was posited to regulate economic activity and ensure the optimal allocation of resources for the benefit of society as a whole. Classical economists were in agreement that market forces are not perfect, but they maintained that the market functions more efficiently without State intervention in its processes. The economy was poised to attain its maximum production capacity, contingent upon the State adopting a *laissez-faire* economic policy, which was expected to ensure the optimal utilisation of resources. This implication was termed Say’s law, which posits the notion that the capitalist economic system inherently guarantees the utilisation of its resources and the attainment of a substantial rate of economic growth (Blaug 1997, pp. 231-235). Orthodox classical economists advanced the argument that the process of producing goods generates sufficient purchasing power, which results in the sale of these goods at satisfactory prices (Mongiovi 1990, pp. 69-82). The argument was posited that overproduction could only occur within individual markets; however, the contention was made that overproduction on a macroeconomic scale was unfeasible. A surplus of supply in a given branch of the economy is indicative of market forces on the demand or supply side. This suggests that an excess of supply in one sector results in an increase in demand for goods in another sector of the economy. Assuming price flexibility and resource mobility, factors of production will leave the sector with excess supply and flow to the sector with excess demand. This approach is predicated on the assumption that all resources are fully utilised in the long run.

Say’s law became a central element of pre-Keynesian economic thought, as it was not until the 1930s that the idea that the economy could encounter problems on a macroeconomic scale gained traction (Kent 2005, pp. 61-76). In response to this challenge, J. M. Keynes advanced a novel analytical framework aimed at elucidating the forces that determine the level of economic activity. In this framework, he underscored the pivotal role of investment expenditure as a determining factor in shaping economic activity. Keynes concluded that the capitalist economy is inherently unstable and that the normal result of a free market is an equilibrium below full employment.

Views on interventionism in the 20th century

The notion of State involvement in the economy was first established in the early 20th century, with the economic theories of K. J. G. Wicksell playing a pivotal role in this development. Wicksell’s (1935) contributions encompassed the theory of production, the remuneration of production factors within the production process, and the theory of economic cycles. Notably, he recognised investment levels as the predominant cause of economic fluctuations, and he identified a persistent imbalance between savings and investment as the fundamental source of these fluctuations. His reflections on the active role of money and interest rates in the course of a crisis preceded the concepts of the main creator of the theoretical foundations of State interventionism, i.e. J. M. Keynes (2003), who argued that the fundamental flaws of the capitalist economy were its inability to achieve full employment and the arbitrary and unfair distribution of wealth and income. The Great Depression of 1929-1933 resulted in a shift in the context within which society and economists viewed the market. Keynes contended that the State possessed the capacity, and indeed the obligation, to intervene in order to stabilise the economy and forestall a recession. In light of the persistent disruptions that typify capitalist economies, characterised by underutilisation of production capacity and labour resources, attributable to entrepreneur’s insufficient willingness to invest, the State is obliged to assume a significantly more substantial role in the management of the economy. In such circumstances, the function of the State should be to stimulate demand and mitigate fluctuations in the business cycle through active fiscal policy, utilising instruments such as tax scales and unemployment benefits. Conversely, markets should be permitted to function autonomously, with

the government's role being to determine the level of investment through indirect means, such as the influence on total income through budgetary deficits or surpluses.

The concept of State interventionism implemented through fiscal policy underwent significant development and garnered new supporters until the 1970s, when stagflation was observed in many economies. The effectiveness of the interventionist measures advocated by Keynesian proponents was considerably diminished when the previously rapidly developing economies of Western countries entered a period of stagnation, as evidenced by minimal economic growth, rising unemployment and high inflation (Owsiak 2006, pp. 63-64). As was the case with the Great Depression, which resulted in a loss of faith in free market mechanisms and liberalism, so too did stagflation in the early 1970s (Godłów-Legiędź 2005, p. 557). This led to a retreat from Keynesian economics and a revival of classical ideas. The oil crisis of the 1970s, which precipitated profound structural changes in the economies of individual countries, provided a basis for criticism of the State interventionism pursued by fiscal policy. It was asserted that this interventionism disrupted market mechanisms, undermined the laws governing the market, and destroyed economic resources. The monetarist revolution in politics signified a reversion to the tenets of classical liberalism – namely, the establishment of a free market system with a circumscribed role for the State in the economy (Kantor 2022, pp. 82-99). Nevertheless, the concerns articulated in opposition to the notion of economic regulation did not entirely discredit the concept of State interventionism; rather, they served to transition the influence on the economy from fiscal mechanisms to monetary instruments. The State was accused of increasing the budget deficit and public debt, which were factors causing inflation. Monetarists, centred around M. Friedman at the time, considered the regulation of the money supply to be a fundamental issue, mainly through indirect instruments such as interest rates, exchange rates and reserve requirements. Monetarism, in its capacity as the designation for macroeconomic doctrine, has become a point of reference for the majority of discourses pertaining to the role of the State in the economy. Consequently, in the 1980s and 1990s, free market tendencies began to prevail in the economic policies of highly developed countries.

Market failures within the European Union - the theory of interventionism in practice

State aid is unquestionably one of the instruments of State interventionism in the economy. This instrument groups together measures aimed at the socio-economic development of the country by eliminating the negative effects of market failure. The theory of market failure demonstrates that market mechanisms may be subject to disruption, which may result in a state of Pareto equilibrium. The predominant factors contributing to market failure encompass issues pertaining to market power, externalities, the presence of public goods, and imperfect information.

Market power is associated with the existence of an inappropriate structure of suppliers and customers in a given market. In practice, market power is frequently characterised by the presence of one or more companies that wield significant market influence, thereby operating within a context characterised by a paucity of competitive rivalry (e.g., a monopolistic or oligopolistic market). This absence of rivalry within the market has been demonstrated to result in an escalation of the costs of specific goods and services. This is a matter of particular pertinence within the context of State aid, given that support provided by the State can exert both favourable and unfavourable consequences, depending on the circumstances. On the one hand, State aid has the potential to mitigate the advantages held by dominant market entities by facilitating the emergence of additional competitive dynamics. For instance, the allocation of aid with the objective of fostering the development of small and medium-sized enterprises, alongside the enhancement of their innovative capacity, enables SMEs to penetrate markets that have historically been dominated by large enterprises. Conversely, the provision of assistance to a dominant entity is likely to serve to consolidate its market position, resulting in the detriment of competitive markets.

The concept of externalities, which can be defined as external benefits or costs, signifies that the activities of market participants exert a positive or negative influence on third parties, such as society at large. The concept of external benefits signifies that, due to their uncontrolled impact on third parties, there is no incentive for a given company to invest in specific goods. An illustration of this phenomenon can be observed in the context of research and development, wherein the knowledge acquired during the implementation phase, which is not subject to intellectual property rights, becomes accessible to other market participants. This, in turn, results in a diminution of the company's profits from this particular activity. Consequently, there is a decline in the company's inclination to allocate further investment resources in this area. Conversely, the external costs arising from pollution caused by industrial activity, which are passed on to third parties and cause them losses,

constitute an "incentive" for companies to engage in activity in a given field. This phenomenon can be attributed to the propensity of entities that do not incorporate external costs into their economic calculations, as these costs are subsequently transferred to other parties. Consequently, such entities are likely to produce a quantity that exceeds the optimal level from the perspective of the profitability of the activity. This approach has been demonstrated to result in an escalation of the adverse effects that are concomitant with such production.

A similar situation occurs in the case of public goods, which by their nature benefit all entities, as no one can be excluded from using them. The allocation of resources necessary for the production of public goods is insufficient because, in accordance with the principle of profit maximisation, private entities cannot generate satisfactory profits from their production. In the context of a typical market environment, corporate entities tend to demonstrate a limited inclination towards the production of public goods. This observation highlights the necessity for these goods to be supplied by the state. State intervention, manifesting as public aid to private providers of public goods, is substantiated by the capacity of such support to enable the attainment of sufficient profit, thereby rendering the production of public goods financially viable.

The allocation of State aid is further substantiated by the presence of incomplete or asymmetric information within a specific market. As posited by J. E. Stiglitz (2006, p. 78), in circumstances where information is deemed imperfect and the market is incomplete, the efficacy of market mechanisms is significantly compromised. The speaker placed particular emphasis on the assertion that even a slight imbalance in information can result in significant disruptions to market equilibrium. In the absence of institutional interventions to mitigate such imbalances, the efficacy of market allocation mechanisms may be compromised, thereby underscoring the State's role in rectifying market deficiencies. It is evident that economic entities are wont to make decisions that are both rational and informed, with the overarching aim of optimising their profits. This is achieved by drawing upon the information they possess regarding their own activities and those of other entities within the context of the market in question. As J.E. Stiglitz rightly observed, such information is often inaccessible to all market participants, and even when it is available, its verification is not always possible.

Imperfect information and information asymmetry can give rise to a number of economic issues, including transaction costs, agency costs, moral hazard, and adverse selection. These, in turn, can result in inefficient market outcomes. The practical implications of this phenomenon can be observed in the market for bank loans and loans granted by various financial institutions, where start-ups frequently encounter difficulties in accessing external financing due to a lack of collateral, stable cash flows, or a favourable reputation in the market. Consequently, projects with the potential to enhance economic activity may encounter challenges in securing adequate external financing. This assertion is corroborated by the European Commission's apprehensions concerning the accessibility of external financial resources for small and medium-sized enterprises. However, this does not imply that, due to presumed imperfect information, all projects should be granted funding as a matter of principle. Conversely, the exclusion of projects with lower returns on investment from financing indicates market efficiency. It is incumbent upon Member States to demonstrate precisely how their interventions will address the problem of imperfect information.

The European Union market, predicated on a system of free competition, is currently experiencing a period of significant transformation, precipitated by a combination of micro-, meso- and macroeconomic factors. It is evident that the aforementioned changes are accompanied by a number of positive effects, including the development of enterprises. This development is evident in two distinct categories: firstly, those enterprises which are already operating within the internal market, and secondly, those enterprises which have a strategic objective of entering the internal market and conducting business activities in the long term. The desirable effects of competition in the single European market are manifold, including the promotion of free competition, the reduction of entry barriers, the removal of customs obstacles, the consistent combating of monopolistic practices, the inflow of foreign direct investment and the associated increase in production, the creation of conditions for public procurement, and the pursuit by suppliers of uniform purchase prices and the acquisition of products at prices accepted in the country where they are lowest. These effects are conducive to the economic and social development of the European Union. Conversely, it is important to note that not all market processes can be regarded as a desirable consequence of competition. It is then posited that a market economy, in which competition is the primary regulator of the processes taking place, is burdened with certain imperfections. In such circumstances, the deficiencies of the market system are regarded as a justification for the substitution or supplementation of the free competition-based market mechanism with alternative decision-making processes, such as State intervention.

The existence of market inefficiencies means that the assumptions on which the model of perfect competition is based are not always fulfilled. This makes it difficult to achieve both overall equilibrium and maximise total welfare. In other words, the absence of optimal market efficiency in the Pareto sense may provide a justification for State interventionism with the aim of ensuring the optimal allocation of resources. Consequently, market inefficiencies provide a rationale for State intervention and legitimise public authorities in implementing specific legal, administrative and economic regulations within the context of enterprise aid. It is imperative to ensure that the magnitude of aid granted is judiciously balanced to avert the exacerbation of adverse market consequences. State interventionism, defined as the use of government action to address market imperfections or their adverse consequences, utilises public funds while concomitantly benefiting individual enterprises. Such interventions have the potential to exert adverse effects on domestic markets and competition within them, as well as on international markets. It is conceivable that the competitive dynamics in global markets may evolve into a confrontation between individual governments and corporations affiliated with a specific nation. In a similar vein, the endeavour to attract investment to less developed regions of the European Union or regions of a particular Member State may result in a competitive dynamic between governments or local authorities.

It is evident that measures implemented by the State with the objective of rectifying market failures by intervening in economic processes may also prove to be ineffective. This is primarily due to the high probability of *government failures*. This observation underscores the limitations of the State in its capacity to address issues of information asymmetry and the coordination of supply and demand. Consequently, State interventions intended to enhance the efficiency and allocation of market mechanisms are susceptible to inherent weaknesses, potentially resulting in outcomes that mirror those of market mechanisms, namely an inefficient allocation of resources (Demsetz 1969). This suggests that state intervention in the economy is, in principle, justified only in the event of market imperfections, and even then there is no guarantee that the measures taken by the State will lead to an increase in prosperity, due to the lack of necessary information on the part of the public authorities or the high cost of applying the appropriate aid measure. However, even when the State possesses the requisite information and adequate financial resources, and intervenes to support market mechanisms and economic growth, it is impossible to avoid supranational control of these interventionist measures. This is due to the fact that even legitimate actions taken by a given State to intervene in economic processes can have harmful side effects in other states (Nicolaidis 2004, pp. 365-396). It is therefore the case that, due to the impact that State aid has on the economic interests of beneficiary companies and their competitors, as well as on the economies of individual countries, the European Union has precisely regulated the admissibility of such aid.

The regulations adopted at EU level exert a significant influence on national legislation pertaining to the allocation of State aid. The question of whether aid proposed by a Member State, which is legal under its national law, can be considered compatible with the objectives of the European Union and whether it can be granted is addressed. These regulations are directed towards Member States with the objective of eradicating aid that exerts a detrimental effect on competition and trade within the internal market. In instances where such aid is deemed necessary, the regulations serve to impose conditions on those states, thereby ensuring harmonisation within the EU. The conditions that must be fulfilled for aid to be granted are intended to minimise its deleterious effects.

Conclusions

The article presents the evolution of views on State intervention in the economy, starting with classical economics, through its criticism, and ending with views shaped by the socio-economic situation in the 20th century and the first two decades of the 21st century. In the European Union, State aid to enterprises is utilised as a derogation from the principle of creating equal opportunities for the initiation and operation of business within the single European market. The regulations that oversee State intervention in the economy have been meticulously delineated, aiming to strike a balance between the stance of the European Commission and that of the respective Member State concerning the legitimacy of State aid. It is evident that the primary objective of these regulations is to prevent the distortion of competition in the market of integrating countries through the prohibition of State aid. However, it is also evident that they permit public authorities to grant aid with the aim of correcting disparities in development between regions, stimulating or accelerating necessary changes, and developing certain sectors of the economy.

Acknowledgment

The publication presents the results of the Project no. 026/EFA/2023/POT financed from the subsidy granted to the Krakow University of Economics.

References

- Blaug, M. (1997) 'Say's law of markets: what did it mean and why should we care', *Eastern Economic Journal*, 23(2), 231-235.
- Demsetz, H. (1969) 'Information and efficiency: another viewpoint', *Journal of Law and Economics*, 1(12).
- Godłów-Legiędź, J. (2005) Mainstream contemporary economics: from formalism to new institutionalism, *History of Economic Thought*, Landreth, H. and Colander, D. C. (ed), Wydawnictwo Naukowe PWN, Warszawa.
- Kantor, B. (2022) 'Recent monetary history: a monetarists perspective', *Journal of Applied Corporate Finance*, 34(2), 82-99. <https://doi.org/10.1111/jacf.12508>
- Kent, R. J. (2005) 'Keynes and Say's Law', *History of Economics Review*, 41(1), 61-76. <https://doi.org/10.1080/18386318.2005.11681203>
- Keynes, J. M. (2003) *The General Theory of Employment, Interest and Money*, Wydawnictwo Naukowe PWN, Warszawa.
- Landreth, H. and Colander, D. C. (2005) *History of Economic Thought*, Wydawnictwo Naukowe PWN, Warszawa.
- Marx, K. (1951) *Capital: Critique of Political Economy*, Książka i Wiedza, Warszawa.
- Medema, S. G. (2007) 'The hesitant hand: Mill, Sidgwick and the evolution of the theory of market failure', *History of Political Economy*, 39(3).
- Mill, J. S. (1913) *On Liberty* (1859), Longmans, London.
- Mill, J. S. (1929) *Principles of Political Economy with Some of Their Applications to Social Philosophy* (1848), Longmans, Green, London.
- Mill, J. S. (1965) *Principles of Political Economy and Some of Their Applications to Social Philosophy*, Wydawnictwo Naukowe PWN, Warszawa.
- Mongioli, G. (1990) 'Notes on Say's Law, Classical Economics And The Theory Of Effective Demand', *Contributions to Political Economy*, 9(1), 69-82. <https://doi.org/10.1093/oxfordjournals.cpe.a035755>
- Nicolaides, P. (2004) 'Fiscal State Aid in the EU: The Limits of Tax Autonomy', *World Competition*, 27(3).
- Nicolaides, P. (2006) *The Economics of Granting and Controlling State Aid*, EC State Aid Hancher, L., Ottervanger, T., Slot, P. J. (ed), Sweet & Maxwell, London.
- Owen, R. (1927) *A New View of Society and other writings*, Cole G. D. H. (ed.), Dent, London.
- Owsiak, S. (2006) *Public Finance: Theory and Practice*, Wydawnictwo Naukowe PWN, Warszawa.
- Podsiadło, P. (2024) 'The Impact of Fiscal Policy on Economic Growth in EU Member States Perspective of State Aid Granted in the Pre-Pandemic Period', 24th International Joint Conference Central and Eastern Europe in the Changing Business Environment: Proceedings (Central and Eastern Europe in the Changing Business Environment), Volfová, J., Abeykoon H. M. (ed), Oeconomica Publishing House, Bratislava.
- Simonde de Sismondi, J. C. L. (1955) *New Principles of Political Economy*, Państwowe Wydawnictwo Naukowe, Warszawa.
- Smith, A. (2008) *An Inquiry into the Nature and Causes of the Wealth of Nations*, Wydawnictwo Naukowe PWN, Warszawa.
- Spengler, J. J. (1960) *Mercantilistic and Physiocratic Growth Theory*, *Theories of Economic Growth*, Hoselitz, B. F. (ed), The Free Press, Glencoe, Illinois.
- Stiglitz, J. E. (2004) *Public Sector Economics*, Wydawnictwo Naukowe PWN, Warszawa.
- Stiglitz, J. E. (2006) *Globalisation*, Wydawnictwo Naukowe PWN, Warszawa.
- Wicksell, K. (1935) *Lectures on Political Economy*, Routledge and Kegan Paul, London.