

THE LABOUR POTENTIAL AND ECONOMIC FREEDOM: THEORETICAL BASE FOR DIALECTICAL UNITY

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Abstract. *The content of the economic freedom as a category of modern economic knowledge and the dialectics of its correlation with the category of the personality labour potential are revealed in the article. The appropriate correlations are highlighted in the context of the authors' model called "the conditional propeller", the plot of which is revealed through the balance of human's, society's and state's competence. Also, the article contains theoretical generalizations as regards the correlation of human "I" with the system of labour potential of a personality and gives practical recommendations concerning its consideration in the daily activities of a national government.*

Key words: *labour potential, economic freedom, alternative of choice, human "I", public will*

Introduction

Modern economic science, especially within the institutional doctrine of economic theory, contributes to understanding the role and place of each element (institute) of the socio-economic development in the process of global transformational conversions.

Research of the areas of cooperation among such elements, the analysis of their structural features, combined with the definition of conditions for an effective functioning of the socio-economic system in general outline the range of scientific issues that are of both theoretical and practical importance for the development of scientific thought (methodological level) and improving the activities of the appropriate institutions.

One of the ways of scientific research within the scope of the outlined problems is to identify the areas of correlation of labour potential as an element of market relations,

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and the economic freedom as a condition that characterizes the level of institutional environment and ensures its effective functioning. Some aspects of this issue, in one form or another, have been examined within the economic scientific thought. However, the level of related theoretical and methodological studies leaves space for the further scientific research. In addition, problems of the dialectical unity of the phenomenon of economic freedom with the system of the labour potential of an individual in the plane of the interaction of practical reason and idealistic “I” not only didn’t find an appropriate development in scientific thought, but even remained aloof from the traditional areas of research. In our opinion, discussion in this area will contribute to its scientific knowledge on the one hand, and the development of theoretical and methodological foundations

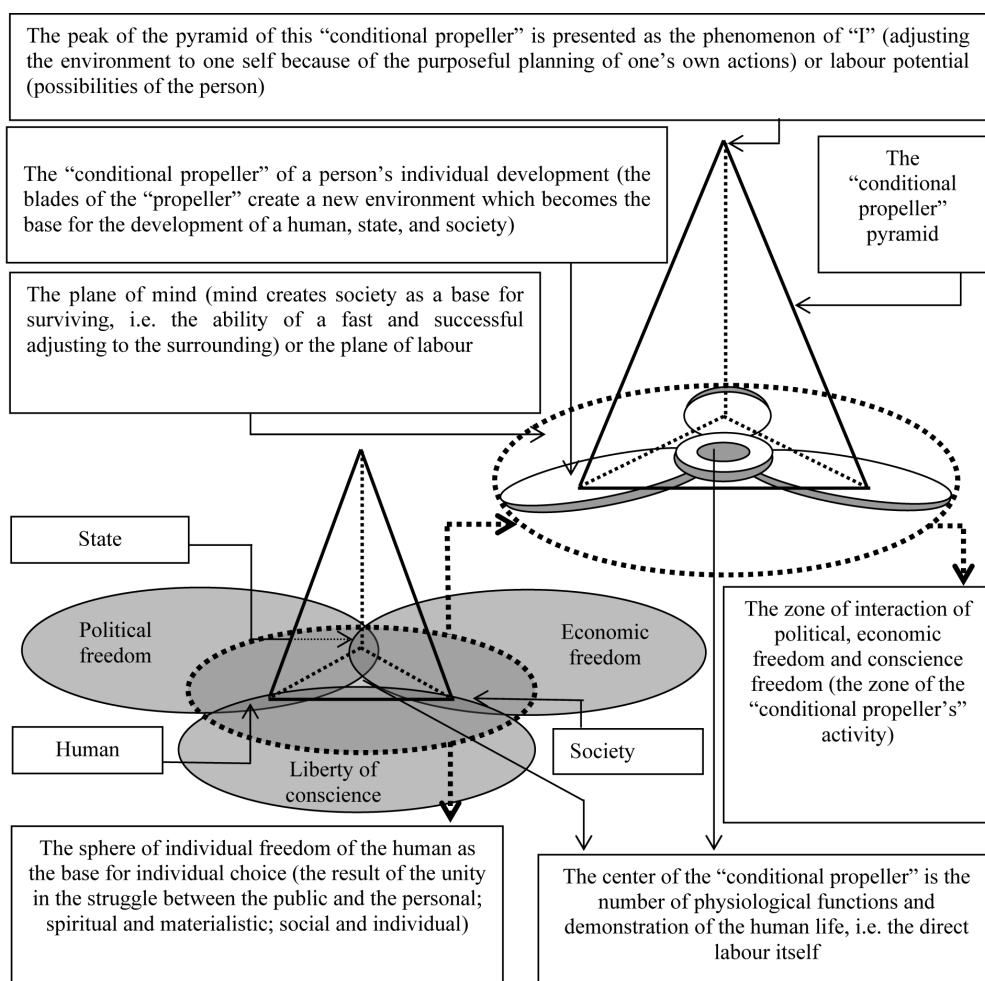


FIG. 1. The interaction of the phenomenon of freedom and the phenomenon of “I” in the context of the system of human labour and its potential

of economic theory on the other, i.e. contribute to developing a new model of relations between human, society, and the state.

In this study, we are making an attempt, by methods of abstraction and scientific analysis (definition of the plot of the relevant categories), induction (establishing causal relationships between the categories), and simulation (using the model as a tool for studying phenomena and processes), to investigate individual aspects of the manifestation of a dialectical unity of the labour potential and the economic freedom.

During the previous research, we have found that the economic freedom, together with the political freedom and the freedom of conscience, create the sphere of individual freedom of a personality, which becomes the base for the realization of the individual choice (Moroz, 2011).

The graphical display of such dependence is given in Fig. 1.

The zones of common competence of separate manifestations of freedom (crossing of the appropriate spheres, for example: political freedom – economic freedom; economic freedom – conscience freedom etc.) *are conditionally added as the blades of the propeller* (in Fig. 1: human, state, and society).

The ideal state of the common positioning of the appropriate spheres of freedom forecasts an equal competence of each of its components (the sphere of economic freedom responds to the sphere of political freedom; political freedom responds to the conscience freedom, etc.). If this condition is valid, the blades of this “conditional propeller” are also equal in the level of their manifestation (the competence of the personality responds to the competence of society, the competence of society responds to the competence of the state, etc.).

1. When choice could be considered as a free one, or may a choice be done by someone's own will at all?

In the context of the phenomenon of freedom, we can review the possibility of performing an appropriate choice by a person, for example, in the sphere of economic freedom. When such a choice could be considered as a free one, or can the choice be done by someone's own will at all? This question was put by us because of the necessity of solving the contradiction between the *public participation in the process of forming and developing the labor potential of some particular person and this person's exclusive right to dispose of his own labour possibilities*, i.e., on the one hand, the person is free to take the decision as regards the place, time and extent of using the available labour potential (the person is an individual owner of his own labour potential), or we could say that a person has an option; on the other hand, the conditions in which such a choice could be done are provided by society and the state, which are not the owners of the labour potential of a human, but they take a direct part in its forming. Among the amount of possible directions of such a choice (depending on a specific sphere of a human's

vital functions), in the context of the subject of our attention, the vectors that deserve our attention are the ones that raise the desire in a person to realize the available labour potential to the extent expected by society and the state. So, the as object of our attention we have chosen a *search for the relations between the level of economic freedom and the level of the labour potential of a personality (society)*. Besides, attention should be paid to the fact that economic freedom is one of the conditions of the effective functioning of labour activity motivational mechanism for ensuring a balance between the influence of public and personal, spiritual and material, social and individual aspects in the process of forming, developing and using one's labour potential. The correlation between the level of labor potential development and the level of economic freedom is not direct; that's why its analysis doesn't need any additional attention from the researchers.

2. Content of the phenomenon of economic freedom

Within the linnets of the economic scientific mind, there are recognized two main ways of defining the content of the phenomenon of freedom, which firstly differ in the scope of covering the appropriate topic. The so-called "narrow" way considers the category of economic freedom as the human right of a free disposal of personal wealth, income, time, and efforts. "We shall concentrate on economic freedom, in other words, on the right of the individual to dispose freely of wealth, of income, of time and of effort" (Kornai, 1988). It's interesting that the representatives of this approach define economic freedom as the dominant factor of showing the individual freedoms in the system. There is no doubt that, on the one hand, economic freedom could be considered as a means of achieving some other (noneconomic) targets by a human, so it has the instrumental meaning; on the other hand, it could be an individual valuable category. For instance, Janos Kornai identified the individualism of the "economic freedom" category as a phenomenon and noted that "even if a paternalistic state would give me the same number of commodities which I would prefer myself by making an individual choice from an amount of possible alternatives, so this is not the same to me. The possibility to make one's own choice which doesn't have any interference has an independent meaning to me" (Kornai, 1988). Such a point of view slightly differs from the proposed model of the "conditional propeller" in which the economic freedom is considered not as a dominating condition for the development of individual freedom, but as only one of its elements (Moroz, 2011). Our position as regards the equivalence of the competition of freedom manifestation varieties as a phenomenon has its confirmation in the context of experience in transformational changes of social-economic life in the countries that have a common experience in developing the socialistic model of management within the borders of a single country. For instance, Mart Laar, ex-Prime Minister of Estonia, in his report dedicated to questions of freedom and human rights in the borders of an American independent expert organization "The Heritage Foundation" has noted that economic

questions are secondary to political ones (Laar, 2007). Thus, economic freedom is not considered as crucial any more. Nevertheless this approach determines the dominant role of political freedom which, from our point of view, doesn't answer the characteristic of a harmonious development of individual freedom.

The essence of economic freedom in the "broad" sense is based on rational choice theory (the maximization of usefulness) which gives a certain instrument for analyzing not only the economic component of the phenomenon of freedom, but also its other subsystems. In this context, Gary S. Becker considered the uniqueness of the economic way which is "able to integrate the multitude of different forms of human behavior" (Becker, 1978) and by its meaning certainly exceeds the limits of a strictly economic sense. From this point of view, in Becker's (1978) opinion, the characteristic of the economic way is given through the interaction of elements whose reasons for arising are the maximizing behaviour, market balance and the stability of benefits. It is possible that exactly the maximizing or rational behaviour of a human is the destructing power of the motivational mechanism of stimulating the labour activity. The rational behaviour of a human (organization) is considered as the mandatory condition as for an effective use of production resources. The classification of production resources has some variants of manifestation, such as those related to physical content; i.e. means of labour (main means), subjects of labour (material resources), work itself (labour resources); to the economic content, i.e. natural resources, production funds, labour resources, informational resources, entrepreneurship, and to the purpose in the process of production: main means, working capital, material resources, human resources, financial resources, informational resources, investments. We think that in the given classification the labour resources as compared to other types of production resources can be considered as the main ones. Firstly, this is connected to the fact that labour as the main factor of production is the base for creating some other types of resources (except natural ones). Besides, the main competitive advantages of a country include: 1) the geographical position; 2) accumulated industrial assets (manufacturing specialization of the country); 3) human capital; 4) the quality of market institutions (Grigoryev, 2007). The fourth factor in the context of scientific researches of the last ten years is considered to be decisive, but the quality of the institutional environment is a derivative of the level of the labour potential development by persons who directly take part in the development of the national institutional archeology. In turn, the question of the sources of a country's competitiveness has a direct connection with the problem of labour potential. In Michael E. Porter's point of view, the only reasonable conception that explains competitiveness on the national level is productivity. "The main purpose of every state is reaching a high and constantly increasing level of life for its citizens. The possibility of this purpose realization depends on the productivity, which is reached while using the labour resources and capital. Productivity is the volume of the output made by a unit of expended labour

or capital... – this is the main determinant of the long-term life standard; this is the main source of the national income per capita. Productivity provided by human resources provides salary; productivity of using the capital sets the incomes which are got by the owner” (Porter, 1990). Such a way is somewhat different from the one given above, but the dominant role of the labour potential remains the same.

Thus, the issue of an economic subject's rational behaviour can be considered through the prism of a large variety of alternatives as for the directions of using limited resources. Each of these alternatives has to provide a corresponding level of reaching the target, so the result of selecting an appropriate alternative causes a certain level of usefulness. Comparing the obtained results in each of the alternatives, we can evaluate the correlation of spent labour and capital to such a level of usefulness. This comparison allows determining the performance of actions by different directions of activity. *However, the possibility of choosing cannot be considered as freedom in the context of a broad understanding of the phenomenon. Freedom of choice is rather a restriction of freedom; here, as freedom we understand not only the possibility of choosing alternatives, but also the opportunity to create such an alternative.* The process of self-creation of an alternative depends on the quality characteristics of a particular subject, the level of knowledge and awareness, the dynamics of changing the institutional conditions, etc. There are situations when, for numerous objective reasons, a person cannot choose (process) the optimal variant. According to Herbert A. Simon, a person usually behaves rationally, but more often the person just limits the process of choosing (processing) of alternatives to selecting one of the first viable options, leaving the rest beyond his/her attention, because the process of appropriate search stops (Simon, 1978). Thus, a person without additional resources, even in the presence of a certain some level of economic freedom, cannot ensure the optimal choice (processing) of the action's alternatives. An increase of the power of resources involved in the analysis of possible alternatives (alternative processing) brings closer to the optimum. An additional source of such resources for a human becomes the family, environment, information space, the state, and society. These sources, except the state, are highly variable or characterized by a lack of organizational structure; this clearly affects the quality of the possible advice given by them on choosing an alternative action. However, the state, in its turn, cannot be considered as a subject whose advice on the directions and volumes of formation, use and development of labour potential of human issues would ensure the optimum level of solving the problem, although it could be the state which is most of all interested in ensuring the effectiveness of the appropriate process from the point of its economic and social functions. The state as an institution, historically formed and embodying the valuable basis of society, plays a crucial role in the emergence and development of the phenomenon of economic freedom. In the scientific literature there were formed several relatively independent approaches to revealing the content of economic freedom: 1) the possibility of manifestation of the

the will by the subject under the laws of nature and society, 2) the absence of oppression and restrictions linking the social and political life with the activity of any class, the whole society or its members, 3) the absence of any restrictions in general, 4) the free right of the subjects of economic activity to use economic resources in order to produce goods of their choice and sell the manufactured goods on the markets that they choose for their own prices (Bashnyanyn, 2004). According to Stepan V. Mochernyy, the term of economic freedom is derived from the concept of economic democracy under which he understands “the possibility for the maximum number of people to own a variety of properties (primarily the means of production) and to participate in the management of production and property on the level of a separate enterprise and of the state” (Mochernyy, 2001). Later, Mochernyi (2001) gives such an interpretation of economic freedom: “the freedom of economic subjects (subjects of economic activity) to own different property, to choose the scope of applying their knowledge, abilities within different types of ownership and organizational forms of management and the ways of acquiring resources, income distribution, consumption goods” (Mochernyy, 2001). In the context of this definition, it should be noted that economic freedom is realized primarily in the economic freedom of choice. This freedom without regard to economic subjects (i.e. freedom of economic choice in general) means freedom to make independent decisions about assigning different properties, access to different types and methods of economic activity. The Economic Encyclopedia defines economic freedom as “a form of economic behaviour and options for businesses, families and individuals in choosing the scope of their abilities, knowledge, profession, means of income distribution, consumption, material and spiritual wealth” (Economic Encyclopedia, 2000). Boris A. Rayzberg under the economic freedom understands “the scale of the economic behavior of economic subjects in the choice of ownership and the scope of their abilities, knowledge, capacity, profession, means of income distribution, consumption of material goods sold through state legislative norms; net fraction of the economic responsibility of citizens” (Modern Economic Dictionary, 2006).

The content of the above interpretations of economic freedom is focused on the issues of choosing a conditional list of available alternatives, leaving aside the possibility of self-processing by the subject of economic relations of the appropriate alternative for possible actions. In our opinion, this understanding of economic freedom slightly narrows the meaning of this category. For example, Herbert Marcuse concerning the definition of the degrees of freedom notes: “... The decisive factor is not the variety of choices given individually, but the thing that can be selected and is really selected... The free choice among a wide wealth of goods and services does not mean freedom, if they support a form of social control over life, filled with a burden of work and fear – so if they support the alienation” (Marcuse, 2002). Thus, economic freedom is manifested in a cost-free behaviour of individuals (groups, organizations) that its content is not

limited by the right to choose. In support of this assumption, we consider it appropriate to interpret the definition of freedom given by John B. Rawls: „Freedom is an area within which a person can act without encountering obstacles in the literal sense and not subjected to interference by other people” (Rawls, 1988). Interestingly, that Rawls (1988) as the founder of the liberal-state conception of domestic and international law, including the list of fundamental rights and freedoms, didn’t classify economic freedom as a separate form of the manifestation of the phenomenon of freedom: „... fundamental freedoms are defined by a list of such freedoms. An important place in it belongs to political liberty (the right to vote in elections and to hold an official position), the freedom of speech and assembly, freedom of conscience and opinion, freedom of the individuality, including freedom from psychological oppression, the right to have private property and freedom from arbitrary arrest or detention” (Rawls, 2010; Rawls, 1999), but he only drew attention to the existence of property rights. However, in the context of our study, the value of Rawls’s (1988) views is not in the limiting of freedom only by the right to choose from the list of provided alternatives. This gives the grounds for stating the fact of the mediated recognition of opportunities for self-formation of this alternative. So, leaving aside the possibility of converting the freedom of anarchy (given by the lack of restrictions in the form of a list of alternatives), we pay attention to the aspect of the content of economic freedom, which is related to the rights (possibilities) of human “to act without encountering obstacles”. Among the interpretations of the content of economic freedom, which don’t restrict the economic subjects by only the right to choose, attention should be paid to the opinion of James Gwartney who identified this definition through a human’s right “to freely consume, produce and trade with others, till their actions do not harm a person or another person’s property” (Gwartney, 2010). In the base of economic freedom Gwartney puts the idea of self-ownership of property and an exclusive person’s right of the disposal of his/her own time, abilities, talents, etc. Economic freedom, according to Veselin Vukotic, is first of all the absence of obstacles (barriers) for the business activities of all stakeholders (Vukotic, 2008). Vukotic (2008) draws attention to the key areas of the practical manifestation of this category, such as reducing the international trading barriers and the number and level of taxes, cutting the state spendings, strictly following the property rights, encouraging entrepreneurship development, creating competitive conditions for business environment, and also active participation in the global economic environment. According to this researcher, the main indicator of the level of economic freedom in the state is the status of the institutional environment development that favours the economic subject’s entering the market of goods and services and leaving it (making the relevant documents, permits, licenses, etc.), citizens’ understanding and state’s recognition of the role and place of business in society and the accumulation of individual wealth. However, the most valuable, in the context of the object of our attention, is the point that Vukotic (2008) conditionally identifies

the economic freedom with the idea which is the source of the state's development: „... economic freedom is an idea that requires a complete sequence of actions within the limits of the evolutionary approach. The processes of thinking are one important source of such an idea, the scale of realization of which should not be fragmented” (Vukotic, 2008). Similar views as for the role of the idea in society's development can be found in the works of Vladimir I. Vernadsky who came to understanding the phenomenon of the informational-energy field of humanity, or the noosphere (from the Greek *nous* – mind and *sphaira* – sphere) (Vernadsky, 1991), early in the last century. Vernadsky (1991) insisted on the presence of unconscious work taking place in people's masses, because of which there is something new produced, something worth living for and leading to the unknown, undiscovered results. The scientific power of an idea is the thought that even if those who were the first to start moving towards its realization and abandoned it or became exhausted to continue the work, the idea would originate in other people without even them being aware of it and would gain the further development. These scientists formulated the role of human intelligence as the productive force on a global scale and connected the further development of humanity with science, intellect, and humanism. The idea can be born or change only on the basis of knowledge. Knowledge as a measure of competitiveness is reflected directly on the level of technological and innovative production and service provision. Besides, knowledge is the criterion of the standard of population's life, i.e. it determines the level of the welfare of society. Knowledge produces the innovations that take their rightful place in raising the country's competitiveness. This knowledge is the main factor of production in the context of the modern paradigm of social and institutional direction. So, the traditional factors of production (land, labour force, capital) are representatives of the social and institutional schools which add knowledge as the main catalyst for the growth of labour productivity. Along with this, some scientists believe that the evolution of the political economy of capitalism has the following stages: the economy of the goods (the main part of the additional value occurs to be at the level of goods); relations' economics (the value added is generated at the level of economic project); management economics (the main asset of the company is the quality of management), economics of services (value is added because of a qualitative customer service), and the economy of knowledge, which is based on intellectual and human capital, where value added occurs in the process of generation and industrial use of knowledge. The creating of value, which is a category of political economy, becomes increasingly nonmaterialistic; in economy, knowledge is associated with the radical changes in society and in business-making models. Thus, knowledge as a source of economic development is being increasingly transformed from a philosophical to an economic category. Knowledge (knowledge-based economy) becomes the main source of wealth of nations on the level of companies and countries. And here we come to revealing relationships between economic freedom of the state and the level of development of labour potential of society.

3. Relationships between economic freedom of the state and the level of development of labour potential of society

First, the proposed model of the pyramid “conditional propeller” (Fig. 1) provides several levels of the correlation of mind (the plane base of the pyramid, which is formed as a result of interaction among economic, political freedoms and the liberty of conscience) of the phenomenon of “I” (the top of the pyramid). Here, the mind is considered as a source of formation of society on the basis of establishing the public will (freedom of all with rejected differences). This level provides guidance in the world around us through forming goals and finding ways and means to achieve them (the ability to assess the results and adjust your own actions, organize the information obtained by the criterion of its importance, the ability to predict, etc.). The main object the mind operates with is information. Understanding information usually means taking only the one that is most adequate from society’s point of view (the one that was expected by the members of public will) (Moroz, 2011). *So, in the context of the interpretation of economic freedom through the “freedom of choice”, the plane of the base of the pyramid “conditional propeller” (the plane of mind) is a place of free choice from a set of alternatives proposed for consideration, i.e. the decision is made with the help of a universal (the default) scheme, which prevents the processing of a unique (essentially new) variant (alternative) for a free choice.* Unlike the mind, for the phenomenon of “I” (the top of the pyramid) the main source of information becomes not the information itself, but rather its individual perception (interpretation of information), which provides the uniqueness (impartiality) of the processed solution. The decision is self-processed, i.e. there’s a new alternative formed, the content of which may fundamentally differ from the content of those offered for free choice. *So, the level corresponding to the top of the pyramid of the “conditional propeller” (the plane of the phenomenon of “I”) is the place of forming a new alternative which becomes the object of a comparative analysis with the alternatives proposed for the evaluation by the mind.* Exactly on the level of the phenomenon of “I” there is the formation of idea in the context of the society’s development, to the motional force of which Vernadsky (1991) pointed. The above considerations may be considered as a logical continuation of Vukotic’s (2008) scientific research into revealing the content of economic freedom through the idea.

Secondly, labour resources as the main type of production resources may be presented as a labour potential. The correlation of the “resource” and “potential” categories follows from their characteristics. Resources are the stocks or sources that can be used in the working activity of a human. The potential is characterized through the resource’s ability to fulfil (provide) some actions. So, a resource has a potential. Such a dialectical unity of these categories is revealed through the interpretation of the category of “labour resource”. At this stage of the research, we consider it necessary to leave aside the further analysis of these definitions, limiting ourselves only to the fact that the work can be considered as

a human resource (human's labour capabilities), but the main content of this category is revealed through purposeful activities (direct interaction with subjects of human labour). According to Ludwig von Mises, the founder of the Austrian School of Economics, under labour we should understand the physiological functions and manifestations of human life, which are used as tools. From the economist's point of view, the manifestation of human energy potential and life processes, which are used by a human to achieve some external purposes different from the origins of these processes and from the physiological role they play in maintaining the biological life of its structure, is not the labour itself: it's just the life. "Humans work, if they use their own power and abilities as a means of eliminating the state of anxiety and replace the process of spontaneous and carefree discharge of nervous tension by the purposeful use of their own vital energy" (Mises, 2006). Thus, labour is the means, not the goal. In this context, we think that there is an interaction with the phenomenon of "I" (the top plane of the "conditional propeller" pyramid; the level of generating ideas (elaboration of a totally new alternative), and with our analogy, the level of economic freedom, manifestation of the human's potential energy and life processes that are beyond purposeful activity (labour potential)) with the material mind (the plane of "conditional propeller's" pyramid base, the ability to value the content and consequences of the choice of one or another alternative from the scope of those offered for an appropriate evaluation, the manifestation of thuman's energy for achieving the external purposes, the content of which differs from the usual process of life (direct labour activity)). For making the comprehension of the proposed model easier, we consider it possible to show it as a paradigm: the phenomenon of "I" or of the mind that is developing itself – the labour potential or highest level of freedom; intelligence (the ability of a rapid and successful adaptation to external conditions) is the real human's labour. With this paradigm, on the one hand, the positioning of the subject in the plane of the mind causes a lower level of freedom; on the other had, it offers a larger amount of real work. The question is to find such a level of freedom (in this case economic) on which the subject does not reduce the supply of labour, but at the same time it gives an opportunity to form an alternative for the further "free choice". By this logic, the maximum level of economic freedom (the top level of the pyramid or the level of "I") must lead to the minimization of the actual labour supply, at the same time maximizing the potential, although this fact does not find an unambiguous evidence in practice. Thus, one should pay attention to the lack of a proportional or linear dependence. The other side of this model is that the lack of economic freedom (the base of the pyramid, or the level of mind) does not lead to the exhaustion of the labour potential, *i.e. we can state a kind of a paradoxical situation: the maximum level of economic freedom does not provide for the maximum labour potential, and the minimum level of economic freedom causes the maximum offer of real work.* Although the assumptions about the paradoxes of the situation are conditional, for example, in an anti-democratic regime of

government (totalitarianism, despotism, authoritarianism) there is really a situation in which the phenomenon of “I” (potential, the maximum level of economic freedom) has no place in the overall values of society and finally offers no perspectives, although the actual level of labour supply is maximum (no freedom of labour: people are involved, people are working). In this case, the socio-political system works on the brink of its capabilities (the lack of capacity leads to the lack of development perspectives). However, the democratic regime implies the existence of the phenomenon of “I” but it does not always provide the conditions for its implementation, so the appropriate level of freedom (economic) in combination with the highly-developed “I”, don’t allow to transform the labour potential into real work. Such a situation can be explained through the existence of contradictions between the sphere of economic freedom and the sphere of individual freedom in the context of determining the priority of development.

Conclusions

From the above considerations, we can formulate the following conclusions concerning the relationship between economic freedom and the level of employment potential:

1. Making a decision by concerning the sphere of individual freedom of a personality (Fig 1), based on the level of understanding information (the base of the “conditional propeller” pyramid; plane of mind, minimum level of economic freedom) deprives the system of the possibility of using the competitive advantages of a personality (the phenomenon “I”; the top of the “conditional propeller” pyramid, the maximum level of labour capacity), but provides an expected result. Thus, keeping the scope of economic freedom (as a source of individual freedom) at a level that ensures the so-called “natural order of things” is a prerequisite for the development of the social system within the conventional scheme of evolutionary change (macroeconomic stability). However, staying within the “natural order of things” causes the functioning of the system on the principle of catching up the model of development (the repetition of traditional stages of development).

2. The fundamental basis for the functioning of the elements located in the plane of mind (the base of the “conditional propeller” pyramid) is a necessity determined by natural laws, while the underlying basis for the phenomenon of “I” is freedom. The mind, through the implementation of public will, creates society as a way of survival for an individual. In this context, human labour can be considered as a condition of human’s being in society, so the authorities of its use cannot be located solely within the competence of an individual. In turn, the phenomenon of “I” as a process of reflection, being in the sphere of perfect consciousness, becomes a conditional remnant in the mechanism of the formation of public liberty. The public will, as a condition of the existence of society, does not allow the impact of “I” on the decision, and thus the entity loses its own processing capabilities (a possible alternative) of the future actions. In

this context, economic freedom can actually be considered as a freedom of choice, so the economic freedom does exist, but the level of its development does not allow to use the phenomenon of “I” (potential) as a source of development. Thus, this unique and inimitable “I” (competitive advantage, potential) is excluded from the social system’s development, determining the potential alienation of human energy (working potential) located beyond the daily use.

3. The parallel participation of mind (the ability to create rules and algorithms of behaviour) and the phenomenon of “I” (the ability to understand the content of these rules and the behaviour algorithms) in the system of labour potential of an individual (from the real work to human’s labour potential) is due to the lack of the condition for which the situation is closest to the plane of the “conditional propeller” pyramid (the minimum level of economic freedom) and its top (the maximum level of economic freedom.) Among the subjects that directly determine the ratio between maximum and minimum possible levels of economic freedom are human, society and state, and the orientation vectors of their efforts do not match. Humans seek to maximize freedoms (closer to their own “I”), which leads to the accumulation of a potential for the future development. At the same time, the created opportunities can be implemented, but only under this condition they have a value within the interaction with other elements of the socio-economic subsystem of society. So, the maximum potential of “I” can be used most effectively only within the state and society. The state, by the nature of its existence, must restrict freedom with a view to establishing public liberty (everyone’s freedom with rejected differences). On the other hand, the state is interested not only in the use of the potential (the plane base of the pyramid), but also in its development (closer to the top of the pyramid). Thus, we may assume the existence of such a condition in which the state limits some freedoms but at the same time the level of this limitation gives an opportunity for the human’s “I” to be developed. Here is the border between making a free choice among the proposed algorithms (the traditional approach to the definition of economic freedom as a category) and the ability to handle a fundamentally new algorithm of action. It should be noted that the issue concerns the level of economic freedom, i.e. the level of making a free choice responds to the compromise (deviation of differences) and provides for the presence of the so-called lack of freedom. However, such a lack of freedom, in the ideal situation, should not destroy the system of the human’s “I”, and thus the system of individual potentials. In this process, society has to play the role of a „free harbour” within which persons has the possibility to realize their own “I” which in everyday life is below the daily use because of the “deviation of differences”. For example, each state, at the legislative level, as a rule, sets the maximum temporal duration of the workweek. For example, in Ukraine and the Russian Federation the normal amount of working hours of employees shall not exceed 40 hours per week, while for members of the European Union in 2012 the limit was 48 hours. According to experts’ of the International Labour

Organization (ILO) estimations, 22% of the global labour force (614.2 million workers) work more than 49 hours per week. Almost every second citizen of Peru and South Korea (50.9% and 49.5%, respectively) work more than 48 hours per week, while the corresponding figure for the Russian Federation and Moldova is 3.2%. Among the countries that are in the post-industrial stage of development of socio-economic relations, this figure is calculated at 18–25% (Lee, 2007). Perhaps here is a source of the development (activation of labour opportunities of the population), although in our opinion, considering that there is a low level of trust between a human and state (typical of most of the post-Soviet), this way cannot provide for a radical change of the situation. This is due to the fact that, by the methodology of ILO, the duration of working hours shall promote the health and safety of workers, the interests of the family (the balance between working time and time spent in the family: raising children, caring about elderly family members, commitment of obligations to family, etc.), gender (the need to take into account the unproportional distribution of the time devoted to work within the household between a male and a female), increasing productivity and opportunities of workers' independent choice of the duration of their working time (flexible scheduling of working hours and the establishment of a minimum duration of the working week) (Lee, 2007). To this list, in our opinion, there should be added the criterion the content of which is disclosed in ensuring the establishment and maintenance of the positive image of labour as a source of improving the material and spiritual levels. So, the increased duration of the working week (at least for residents of Ukraine, Russia, Belarus, Kazakhstan, etc.) as a source of activating the process of labour capacity use, would disturb the existing model of balance between the above criteria, which in the current form does not meet the established standards, either. In addition, the establishing of a new border is done at the level of pyramid's plane (the mind), which in turn will give the possibility to use the competitive advantages of the human's "I".

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