

Transformation of the resource scarcity principle in increasing return economics

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Abstract

This article deals with the peculiarities of functioning of increasing return economics and reasons the necessity to modify the resource scarcity principle as applied to the research of the subject matter of economic processes with increasing return. Modelling the results of reallocation of a common resource among alternative productions in the increasing return economics, the author determines constraints of the law of increasing relative costs. © IDOSI Publications, 2013.

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Keywords

Efficiency, Increasing return, Resource scarcity