

# [Third world country](https://assignbuster.com/third-world-country/)

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Third world country Task: Third world country Diverse theories exist which seek to elaborate what s should embark on to boost the value they gain from international commerce. Ricardian model seeks to enhance the value, which a state obtains from international commerce. The model stipulates that such an entity should enhance its production in the sector which it generates merchandise cheaply. Under this model, trade emanates from disparity in technological levels hence this model seeks to enhance specialization. Fundamentally, a state should produce a commodity, where it bears comparative advantage (Maneschi, 2008). Kenya is an emerging nation, which predominantly produces agricultural trade outs. The nation has enormous economical labour, which supports agricultural activities. Furthermore, the state has lush land that supports an assortment of agricultural activities. As such, farmer incurs minimal firming relative to other states, which may require irrigation to sustain agriculture. Overall, the nation can produce agricultural products like coffee or tea cheaply owing to factors that favour firming of the above commodities notably cheap labour and apposite weather. Conversely, Kenya encounters multiple hurdles in manufacturing owing to soaring expenditure on inputs. Consequently, the merchandise manufacture in this country lack competitiveness. Conclusively, Kenya has a comparative benefit generating agricultural commodities relative to manufactured merchandise (Kenya Investment Authority, 2011).
Germany constitutes the elite nation with a diverse economy. Notably, manufacturing make a sizeable contribution to the economy. The country prides in phenomenal level of technology. The country has apposite technology that support manufacturing. Specialization has allowed mechanization to replace human labour reducing expenditure thus boosting efficiency. Germany has enough natural resources that avail a required component that sustain industrialization. Evidently, this country also possesses the required expertise to support manufacturing. Manufacturing particularly in the automobile sector necessitates expertise. Accordingly, presence of the relevant expertise has enabled Germans to undertake exceedingly technical manufacturing. Evidently, Germany has relative lead in manufacturing. The advantage arises from certain trait that the country possesses. Consequently, Germany leads in automobile assembly in Europe. Conversely, the unfavourable environmental condition makes agriculture an unviable option. Conclusively, adhering to this model would culminate in the nations engaging in sectors in which they bear comparative advantage. Subsequently, Germany should focus on manufacturing while Kenya ought to concentrate on agriculture so that each nation optimizes benefits emanating from trade-in and trade-out (Fingleton, 2011).
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