Ten political economical ways to increase a country's' wealth essays example

Finance, Investment

Introduction

Initially, wealth can be defined as the entirety of abundant and valuable resources which may belong to an individual, organization of society. In modern perception, stipulates that the presence of ample economic wealth is the significance the wellbeing of the personalities. This is because it creates a status of wellbeing of the people (Friedman, 1982). However, any significant wealth of any country is represented by the presence of any capital be it human or financial where qualitative and quantitative analysis is deemed to give a detailed composition of the country's wealth (Backhouse & Medema, 2009).

Any country that has a stable framework of the political economics entity is subject to overwhelming economic wealth. In common terms, some of the factors that are believed compose the economic wealth include minerals, energy and well maintained natural environment. The vital issues that influence the stability of the economic wealth are the government and economic institutions that are expected to work together to earn a substantial income. This paper aims at elaborating ten factors that affect a country's wealth affirmatively.

Argument

First, the government has the responsibility of maintaining political sobriety. This situation is implicated where the government puts into place security structure and other related systems that are deemed essential in ensuring safe carrying out activities within the country. Sobriety in politics encourages safe exploitation of resources to enhance individual investments that add up to the aggregate wealth of the country (Mill, 1900). Secondly, the government, through the economic institutions has the mandate of establishing a safe environment of distributing the resources evenly within the country. It is awful for any country to have a centralized strategy that essentially deprives people off their constitutional right to have the resources. This improves the rate at which the country can utilize its resources equitably to improve the wealth creation rate.

Thirdly, the government involves itself with the borrowing from other international funding sources. It is important to note that every country has its own resources. However, the government is required to top up the resources and investment by the use of international aid or domestic borrowing. This is where public debt becomes useful. Use of the debt to develop infrastructure and employment improves a country’s wealth (McCulloch, 1870). Fourth, the government is responsible for the provision of public services. Ideally, economic structures are put into place to ensure that all the programs that are run on the basis of controlling private investors. Therefore, the government ensures that international forces do not cause any harm to the economy.

Fifth, the government uses its political influence to negotiate economic deals with international bodies. For instance, issues concerning market for agricultural products within the global market depend on how good the government is at negotiating for the market. Ideally, a good political term with other countries is likely to improve the economic wealth in the country. Sixth, the government has the responsibility of advertising and encouraging international investors to invest within the country (Backhouse & Medema, 2009).. Ideally, when many international industries engage in production or manufacturing activities within the country, the possibility is that most of the employees are the citizens of the country. Therefore, the international investment enables people to uplift their living standards. This accumulates into the aggregate income.

Seven, the government has a vital role in creating regulations based on the manner in which production is deemed to take place. In addition, the government has the role of identifying and imposing regulations that consider some of the products produces to be more beneficial than others. Ideally, the there are some products that do not have substantial yield to sustain a developing economy. Eighth, the government has economic sectors that are responsible for maintenance of the balance of payments and balance of trade (Backhouse & Medema, 2009).. First, the government should enhance political sobriety in monitoring economic sectors that are responsible for the balance of payments and balance of trade. That is; it ensures that the domestic currency should have a considerable value compare to the superior currencies such as the dollar and pound.

Ninth, the government has the right to install regulations such as taxations and subsidies. Therefore, the incorporation of a realistic tax rates to both the international and domestic investors to ensure that the ample revenue is corrected. For example, international investors are just allowed to take off a fraction of their income to their domestic countries. The revenue collected is used to boost the local economy which is essential for the generation of wealth (Friedman, 1982). Finally, the government with the assistance of other economic institutions within the country should ensure that the country is in a position make more exports than imports. A country that manages to sell more than it buys does not suffer from trade deficit. The trading exercise occurs at the advantage of the country. The aggregate income of the country boosts the country's wealth.

Conclusively, there are many ways through which a country can enhance optimal wealth. However, the government, as well as, economic institutions faces challenges while trying to meet the expected wealth level. Successful bids to carry out the functions of improving wealth are assessed by the living standard of the citizens of the country, as well as, the status of infrastructure.

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