

Disparity in economies

Literature, Russian Literature



Task: Summary Chapter Transformations in the world's backstage have taken everybody with astonishment. In United s, the past two centuries have seen a change in the economy through growth and innovation leading improved life expectancy. Readily we can design different laptop paints withstanding discoveries in Mars. A century ago, an average American had a purchasing power equivalent to one-tenth of the current situation. The rise in economic growth is also evident China, India, Southeast Asia, Western Europe, and Japan. Despite enjoying and acknowledging the benefit of economic progress, sustaining the economic breakthrough to individual countries and others is a challenge. The challenge has led to the overall structure of the world hence different economies focusing attention on the entrepreneurs.

No silver bullet answer exists for disparity in economies; however, entrepreneurship is a route out of poverty that allows people endowed with little education, capital and experience to re-invent life. Therefore, a serious process of building the economy requires innovative entrepreneurs of objective interests with the ability to see one thing differently. Evidently, innovation is a key instrument in Entrepreneurship. In as much as no economy can succeed only with entrepreneurs the connection between ideas from entrepreneurs and products creates an economy. Notably, most successful economies have innovative entrepreneurs, refined, and established firms. Small firms have no ability to enjoy the economies of scale hence incapacitated to compete and produce commercially useful products. The difference affects reliability and affordability of goods and services, thus reshaping economies. Most successful economies have a great mix of

economic entrepreneurs and established firms without many generations.

Chapter four

The antagonistic war between communism and capitalism reached a pivotal point in 1989 when Berlin Wall fell. Capitalism slammed communism; however, it left many curious questions on how to recognize or identify its looks. Understanding Capitalism is difficult as most economies become profound socialists in the long run. Different types of capitalism exist ranging from state guided, Oligarchic, entrepreneurial, and Big-firm capitalism. Evidently, no single economy has a unitary type of capitalism. State-guided capitalism involves control from the government through policies and decisions. The state enforces rights of property, contracts, and shapes wages of workers. It is one of the successful strategies in areas such as Southeast Asia. Evidently, foreign technology can find its way into a country through foreign direct investment while knowledge via training abroad as proven worthwhile by India.

State guided capitalism, however, is indefinite and risky as it soothes excessive investment. Additionally, State guided capitalism is prone to corruption especially where a business relies on favors from the government. In most circumstances Oligarchic capitalism is confused with state guided capitalism, however, it has property rights protecting owners of substantial property. It exclusively promotes interest of the wealthy prevalent in Middle East, Soviet Union and much of Africa. It promotes inequality, informality, corruption, and overexploitation. Big firm capitalism, on the other hand, recognizes the central role of entrepreneurs in nurturing economy. Last but importantly, entrepreneurial capitalism has many players with the unceasing

incentive and drive to innovate. The main question, however, is how to motivate entrepreneurship and guarantee success of large firms without influence.