

In the news: monopoly

[Literature](#), [Russian Literature](#)



In the News: Monopoly The exclusive control of products or service by large organizations or enterprises is an essential attribute of monopoly.

Monopolistic advances are not only inherent within the business sectors but extend to the government departments or corporations as well. Monopolistic government advances have proven effective in a few cases like in China, where the state controls the largest percentage of the existing corporations. The government ownership cuts across the steel, transport, telecommunication, energy, and many other industries. The importance of such ownership and market control is that the government is in the capacity to effectively control the prices in the market and protect the consumers from extreme exploitation advanced by the competitors through high pricing and low quality products (The Economist, par 3).

Nevertheless, monopoly is usually associated with adverse impacts on the market. Take, for instance, the case in India where the government has exclusive control over the coal sector. It has been established that the monopolistic attitude is overwhelmed with corruption with illegal allocation of captive mines to both private and state government enterprises. The captive mining promotes unfair competition and value of coal mining, for instance, between steel producers and power companies. This has led to the push for the government to scrap the state monopoly over the sector (ET Bureau, par 2).

I chose these two articles because I consider them very relevant and significantly aligning with our topic material. The articles essentially discuss the advantages and disadvantages of monopoly. Their basis for the government monopoly clearly depicts the impacts in the market and

economy. It also shows how states have tried to implement monopoly as a strategy; whereby some like China have succeeded while others like India are faced with numerous challenges and criticisms as well. The articles reinforce our material whereby through monopoly, a government can effectively protect its consumers while, on the other hand, the monopoly can harbor extreme corruption.

Works Cited

ET Bureau. “ Government Needs to Scrap State Monopoly in Coal Sector.” ET Bureau, 2014. Web. 22 June 2015 < http://articles.economictimes.indiatimes.com/2014-10-21/news/55279634_1_commercial-mining-coal-india-captive-mining> The Economist. “ Business in China.” The Economist, 2015. Web. 22 June 2015