

# Free essay about economic history

[Technology](#), [Development](#)



Countries are classified under developed, developing and underdeveloped based on their economies. In an ideal world, resource rich countries should be rich and developed, but this is not the case. Resource rich countries in Latin America, Asia and Africa fall either under the umbrella of developing nations or underdeveloped nations. Thus the question of why some countries are rich and others are poor arises. A study of economic history is thus vital to understand and answer this basic question, a study of the economic history also helps the reader learn from the past and design solutions for the future. A study of the history of Economics reveals that it has been constantly changing with new economic models adopted in tune with the changing times. The study of economic history as we now know it to be is recent and started with the mercantilist era which lasted from 1500 to 1800. Under Mercantilism the Europeans set sail to discover new colonies and colonized most of the world. The growth of industrialization furthered the colonial expansion with the colonies being exploited for their raw materials and as markets for finished goods. The British Empire came out as the most powerful and richest and this led to the next era of catching up by the western European countries and the USA. The 1900's saw the consolidation of the economies of the USA and Western Europe with the creation of a unified market, internal and external tariffs, banks and the policy of universal education (Robert, 2011). Decolonization and Deindustrialization in the colonies after the World wars ensured that the income gap between the colonizers and the colonized were stark, leaving the colonies with a lot of catching up to do. While most African countries remain poor or under developed, few Asian countries like Japan, Taiwan and South Korea have

achieved the status of developed nations. India and China are also huge developing economies driving the global growth. Latin American countries like Brazil and Bolivia too have seen an increased Economic index in the recent years. In terms of Asia the growth has largely been due to the transfer of manufacturing bases from the west to the east. A study of Economic history is also important as it is intricately tied with the politics of a nation. There have been numerous instances of economic wars fought between countries and an equal if not more number of regime change and coup accelerated by people's dissatisfaction with the economy. Although economic theories abound, the world economies are broadly divided into a capitalist and communist form of Economy. Although only a handful of countries follow the communist model of economics, it still remains a valid political and economic theory. The post development thought in Economics is another theory that grew out of disillusionment with the existing economic models.

A study in Economics would not be complete without a reading of Adam Smith's 'The Wealth of Nations'. Published in 1776 it still remains a masterpiece on the study of international economics and the working of the market economy. Das Kapital by Karl Marx is another important book for any student of Economics. This book offers a critical analysis of the capitalist mode of production and served as the basis for a communist economic model. The Post Development Reader edited by Rahnema and Bawtree is another important book that details existing alternate economic models as practiced by many people around the world. This book also analyses the other economic models giving a history of the world economy, most

importantly answering the questions of how, when and why the countries came to be classified as developed, developing and underdeveloped.

Friedman's, 'The world is flat', Stiglitz's, 'Globalization and its discontents' and Economics by Paul Samuelson are other books for further study to gain an understanding of World Economy.

Economics is not just a field of study, it is a choice, a way of thinking and decision making that affects various other fields such as politics, law and everyday life. As a student of Economics and having studied Economic history, I will not only have gained knowledge of how the markets operate but I will also have learnt from history on what should not be done.

Economics help in policy decisions, resource allocations and opportunity costs and I hope to be a part of it. I hope to work as an Economist in one of the United Nations Organizations or in a Bank where I can put my economic skills to good use.

## **Works Cited**

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