

Short answers about introduction to political economy



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Here Here Here Here Economic Question Responses Arguments for the implementation of progressive income taxes includes the call for a means to prevent the wealthiest from dominating markets, the suggestion that the wealthy will suffer less from increased taxation, and eased burden on lower income classes will strengthen the economy. Those against this tax system say it is illegal due to the the equality of freedom, that it would diminish work incentives, and that it could negatively impact social structure.

2. Some of the causes of monopolization include company advantages due to size and/or economy of scale, extensive spending on irrecoverable costs over time, taking political actions to exclude competitors, having exclusive ownership/delivery of a specific resource or service, and receiving a legal grant to exercise domination over a market.

3. Companies are motivated to compete with each other by influences such as potential market gains and the economic power that may result.

Competition can also produce benefits by casting innovation and advancement as necessities, rather than gratuities. Collusion is a tempting option for companies, especially in markets where only a few businesses tend to dominate. Collusion can result from regular conference calls that necessitate inter-corporate strategizing, can be a means of controlling wages, and allows participants to benefit from the resulting price stability.

4. The regulation of trade presents potential benefits, as well as concessions. Restrictions help to protect companies from competition, particularly on an international basis. However, as a consequence of this security, the spread of unfair policies that favor domestic businesses will surely pose as a barrier to global commerce. Another problem is that markets would become limited as less resources were available due to regulations.

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5. Capture theory refers to the tendency for government market regulation agencies to act in the interest of the industry they regulate, rather than the consumers. The result is that the agency head essentially becomes the president of a pseudo-monopoly. The public-interest theory states that the government needs to step in and regulate industry due to the likelihood of the public struggling without guidance, and that this supervision is in the best interest of the people.

6. The ten planks of the communist manifesto include: 1) Abolish private ownership of land, 2) heavily progressive tax system, 3) dismissal of inheritance rights, 4) seizing the property of all dissenters, 5) exclusive government monopoly of credit and capital, 6) centralized state control of all communication and transportation methods, 7) the utilization of recoverable land for the expansion of state factories and increasing production, 8) establishing armies of workers, especially in agriculture, by making work obligatory, 9) integrate manufacturing and agriculture, and achieving an even distribution of people across the country, and 10) Free government schooling connected to industry, while banning child labor (Marx & Engels).

7. Mercantilism focuses on gaining national power by exporting more than importing, resulting in high tariffs, it was popular in the 16th-18th centuries, and was heavily influenced by Jacob Viner and Robert Ekelund. The work of Adam Smith fueled the development of the free market (ruled by supply and demand) in the late 18th century, and the system has remained dominant in the western world, though not without needed restructuring at times. A challenge from communism (developed by Marx, Lennin, and others), which promotes government-controlled equality of wealth, staggered the free-markets position at the top of the economic ladder following the second <https://assignbuster.com/short-answers-about-introduction-to-political-economy-essay-samples/>

World War, but the theory could not withstand fervent political opposition in the West.

Work Cited

Marx, Karl, and Friedrich Engels. The communist manifesto. Yale University Press, 2012.