

The problem with us, the united states essay sample

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Introduction

For more than two decades the Americans have been living beyond their means (Baker, 2005). There was a tendency to over spend on commodities that consumers did not need but simply because the products have been advertised. The economy survived more on borrowing from foreign countries, less saving by the population; industries are collapsing since the environment does not favor a fair competition with commodities coming from foreign countries. All these have resulted to the diminishing of the American wealth compared to other countries. The results have been diverse; starting with the shift in the production of consumer goods to the developing countries because of the low costs of production in these countries.

This shift has had a positive impact on the developing countries as the workers benefit from wages hence an improvement in their living standards. On the other hand the citizens of the United States are not counting only losses from the entire change in economic model (Applbaum, 2000). There is much that can be learned and already Americans are learning. The trend to be always consuming has to stop as the citizens learn to produce. Similarly the government cannot afford to sit and watch as businesses and citizens are ruined. The intervention is inevitable for the continued survival of some of the businesses and for the welfare of the American people.

Benefits of a Disposable Consumer Economy

In the 1980's the American economy took on a different dimension in which the citizens become primarily the consumers of the goods as opposed to
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being the producers. In this way the economy of the country changed in various ways. The labor force and the population as a whole moved from the rural homes to cities; from farms to factories and the service industries. The producers of manufactured and consumer goods are far much outnumbered by the producers of public and personal services. The economy has grown so complex such that despite the earlier tendency to work for others more people have become self employed (Gordon, 1990).

Since the prices are determined by the supply and demand of goods, the businesses are aware of what to produce. If the consumers require more goods than they are available in the market then the prices will rise. This will in turn attract other companies to venture into the production of the commodity. On the contrary if the consumers want less of a particular good, the prices fall and some of the businesses are either forced out of business or they concentrate on the production of something else.

The individuals in a consumer economy are important in providing guidance to the economy. This is through the choices they make and also by voting for the officials who are charged with the responsibility to shape the economic policy (Morone and Marmor 1981). The consumers have been useful in the recent past in voicing concerns regarding environmental threats, safety of the products and the risk that it exposes the consumers. In this manner the government has been able to respond through the creation of agencies to promote the welfare of the public and protect the interests of the consumers.

The consumer economy has been very instrumental in the advancement of globalization (Hicks and Zorn 2005). This means that the United States concentrates on the service industry as opposed to manufacturing and agriculture. The importance of this shift is that American people can be employed in developing countries, which hunger for specialists in their service industry. American people act as consultants and specialists in the various fields which they are employed.

The living standards of the people improve a great deal in a consumer economy (Boskin and Jorgenson 1998). Since the majority are employed in the service industry; their remunerations are high and thus the citizens have more disposal incomes. They are more prone to be self employed hence the tendency to work hard.

The quality and quantity of the goods is dictated by the consumers and so they are guaranteed of high quality goods. The goods are also cheap hence affordable. These goods which are manufactured in the developing countries at a lower cost of production would have been obtained at high prices in the country due to the high production cost (Brown, 1997). In addition entrepreneurs and companies in the United States can easily go and establish businesses in the developing countries. In so doing the companies benefit the economy in a number of ways; repatriating profits, creating employment opportunities for Americans and also sending back the manufactured goods to America.

Benefits of a Planned Obsolescent Business Model

There are ways in which the current proposed business model would benefit the American people. The government has an important role to ensure that the consumers are protected and that they are not exploited by the businesses (Nelson, 1987). For instance there is agreement by the majority of Americans that some essential services should not be left in the hands of the private enterprises. At the moment the United States government is responsible for national defense, road system, justice and education (even though there are a number of private institutions). Similarly the government has been forced to intervene in the economy in order to avoid the collapse of some of the major public institutions. The bail out to both Freddie Mac and Fannie Mae has been important to help a number of families to be able to finance their mortgages.

In addition the government is responsible to the citizens' welfare in a number of ways. The consumers are protected against exploitation by some key institutions likely to merge and form powerful monopolies. It is the role of the government in this case to ensure that the businesses charge fair prices and that they offer quality services to the consumers (Mueller, 1990). There are issues such as unemployment which are beyond the scope of the market forces. The government will in most cases ensure that it provides unemployment and welfare benefits to those who cannot provide for themselves. This situation arises either through loss of jobs or simply after they have incurred challenges in their lives. The government also caters for the medical bills for the aged and physically challenged in the society. In general the government has the role to protect the citizens in a number of ways in which the private enterprises cannot afford.

The most important aspect of the government involvement in business is to ensure the growth and stabilization of the economy. It is important in guiding the level and pace of all the economic activities; ensures it maintains stability in the prices; steady growth and more employment opportunities. The reason being that the enterprises are concerned in making profits are would do anything so long as it helps to achieve this end.

There is also the concern for the environment. The major businesses have for a long time ignored issues to do with pollution of the environment. The government through regulation and taxes can ensure the businesses address these issues. The campaign for a green world forces the companies to concentrate more on the society as opposed to making profits. A friendlier environment is important for the present and future of the American people. Already global warming is threatening the livelihoods of the people meaning that without government intervention it unlikely that the businesses will do it at there own accord.

Conclusion

There are various benefits of both the consumer and the planned economy. The consumer economy ensures that there is plenty of what the consumer requires in the market. The prices are determined by forces of demand and supply and so little if any wastage of resources. On the other hand a planned system ensures that the government controls the businesses. It is important especially when the businesses are using unscrupulous ways to gain maximum profits such as merging to form monopolies. However in adopting either of systems the decision will depend on the level of development and

the nature of the consumers. In America today the consumer needs protection as most families are finding it hard to live in the current economic and financial melt down.

This is to say that there is no one particular model that is suitable at all times. One economic model can be appropriate and function quite well in one country but fail to perform in another. Nevertheless, the major problem of the American people is the failure to realize a mistake once it has been done. There is the tendency to reverse and acknowledge only what is indigenous and originally American. The foreign ideologies even though they are suitable are mistrusted and very suspiciously applied. It is primarily for this reason that the American people have been reluctant to accept government control even though the circumstances demand such intervention. Lack of government involvement has messed up a number of the enterprises that have shown poor performance. It is therefore proper, even as the citizens remain unenthusiastic about the whole idea of a planned system, to accept the reality of the present circumstances and act accordingly.

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