

Name essay example

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Keynesian approach to economic development

John Maynard Keynes and Friedrich Von Hayek have been the two most important economic thinkers of our time, and their ideas have shaped the policies of most global nations in the past century. Both of them had clear ideas about what a country’s economic policy should be, and their views were completely opposite to each other. Through much of the nineteenth century, countries of the world have employed both their ideas with varied degrees of success.

Keynesian economics is a school of thought, which believed that when the market is in recession, the Government should spend more. Keynes was of the opinion that the government should create jobs by spending on projects, when the country is faced with huge scale unemployment. He argued that during the recession, the government should put the purchasing power back into the hands of the citizens, by large scale spending even at the risk of running deficits.

His ideas had a great influence on the Western nations, particularly during the depression era, whereby they borrowed money and increased debt to create employment, thus risking inflation. To offset this, Keynes advised the Governments to cut down spending and build surplus during the boom times. His theory of macroeconomics saw spending and deficits as tools a Government should use to manage economics.

However, Hayek believed that curing unemployment by increasing inflation would not solve the economic woes of a country in the long run. He was a

firm believer in the free market, and absolutely rejected the idea of Government intervention in controlling the market. He advocated that, if the people are allowed the freedom to choose, then the economic machinery will run more efficiently. He is a firm believer that the market forces have the ability to correct themselves, and the less government will result in an efficient economy.

While both the ideas have merit in them, and historically we have seen both these principles in operation, it will be safe to say that Hayek's argument has more merit. When Governments interfere in economic policies too much, like we saw in Russia, pandemonium almost always follows, and the consumers' freedom of choice is hampered. Even though Government non-intervention might be testing at times of recession, for long term economic prosperity, the markets should be given a free reign.

Globalization - meaning

Campbell et al. define globalization as a series of social processes consisting of multiple, and ongoing actions or events, which create and expand networks of connections across national boundaries. Today, the world is but a one large connected village, where geographical boundaries are becoming meaningless. Thanks to the technological advancements, people and businesses are able to reach out to others across the globe, with very little time and effort.

Experts define globalization as an environment where trade barriers are less, and there is a growing interdependency among various countries. Under globalization, there is an increased amount and variety of trade transactions across the border. There is a free flow of international capital, and

technology is disseminated all over the world. Not just economic transactions, but many social and cultural exchanges too take place through globalization. The increase in trade will affect US economy and people, both by providing cheap labor and increased job opportunities. It will also help in technological inflow from across the border.

Like any phenomenon, Globalization has both supporters and detractors. The supporters of globalization argue that it brings the people of the world together, and benefit them by offering a free flow of goods, services, technology, and sociological benefits. They advocate that, globalization is a healthier trend as it brings people together, and the benefits of technological developments can be shared in a widespread scale.

The detractors of globalization challenge these views by stating that, the gap between the rich and the poor has not been reduced by international trade, but, in fact, have widened. They argue that, by outsourcing jobs developed countries are exploiting the underdeveloped and developing countries by paying less wages. This process also affects the laborers of the host country, whereby they are rendered jobless or have to take a wage cut.

Despite these arguments, globalization is a reality today, and the world has to learn to cope with the economic and cultural challenges posed by this phenomenon. In a world where communication is bringing people ever closer, there is no way to escape globalization, so countries have to find a way to deal with the negative effects, rather than argue against it.

Values, Ethics and Morals

Defining and differentiating values, ethics, and morals, have been a challenge to academicians throughout the ages as these three terms have

been used synonymously in normal conversations and because of their theological underpinnings. However, understanding these concepts is important for employing them effectively in practice.

Values are fundamental beliefs of a person, and the rules based on which he conducts his/her life. These are yardsticks against which a person measures his decisions, and judges whether they are good or wrong. Morals are a guidance system for a person, and are derived from sources outside the individual like his society, family or religion. It has a greater social element and is more than just about deciding whether a particular decision is good or bad. A person is judged by others more based on his morals than his values. Ethics are a set of codes a group of people adopt for themselves, to guide the way they conduct their profession or work. Professional ethics is an often recited phrase, which denotes the rules a group has accepted to base their functions on. Ethics and Morals are mostly used interchangeably as both of these terms refer to a set of values or beliefs. In the business world, many ethical codes are determined based on the moral values of the person/group. Moral values are those traits that distinguish a person of upright conduct from others, and ethical behavior is one which gives a company or profession its character.

Though there is an argument that morals should be universal, it is not a feasible option. Moral values of a person differ with the group he belongs to and the values he believes in. For example, an African tribe leader passing a judgment on a community crime, after validating all evidences, might look undemocratic to a western citizen, who is used to a court judicial system. However, this doesn't make the system wrong, and there are many citizens

who believe in the morality of the tribal judicial system. Thus, morals can only be relative and not universal.

Works Cited

Campbell, P. J., MacKinnon, A., & Stevens, C. R. (2011). An Introduction to Global Studies. West Sussex: John Wiley & Sons.