

Impacts of the revised system on economic growth and welfare

[Business](#)



A number of alterations had to occur in the general system of economic growth. This occurred due to the massive destruction that resulted from the World War 2. After these prolonged wars, industrialization and foreign exchange activities experienced a rapid depreciation. Thus, this called for an effective and well-revised method of improving the global economic state and welfare (Chan, 2006).

In the event of forming a world policy, the West comprised of the United States and Europe. In addition, the Soviet Union constituted Russia and Eastern Europe. After the collapse of the Soviet Union, came the IMF and World Bank (MEIER, 2007). These two organizations provided aid to different nations in the event of crisis or emergencies. However, after dealing with Asia's financial cricks, the IMF encountered a decline. The revised system on the economic growth and welfare possesses various impacts on the global economic state.

Since the early ' 90s, a tremendous growth has occurred in the global economic state. The dependency rates have reduced due to the increasing job opportunities in the job markets (Munasinghe, 1996). However, the welfare agencies carry out certain procedures to reduce cases of more dependency cases. In particular, these welfare agencies tend to force individuals into low paying jobs in order to avoid lending support to such needy people. Although this trend helps in reduction of poverty levels in the society, some individual get pushed into employments when not ready to fend for their families (Feige, 2007).

Economic development can be viewed from various perspectives depending on its impacts. The revised systems laid down impacted differently on different economies globally. While other economies encountered increased pensions and welfare assistance, other faced a clear decline of slow growth in these areas. It all depends on the perspective from which respective governments view the whole situation of economic growth. The rates of expenditure on social welfare also affect the economy generally. Thus, nations tend to seek external aids constantly leading to high debts (Davis, 1971).

In conclusion, the revised system on economic growth and welfare posed various impacts on different economies. The overall dependency rate has immensely declined. However, the general expenditure rates are still high. Hence, this still tends to strain the economies of different nations and the globe at large (Romano, 2009).