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Microeconomic Theory to Justify Government Regulation

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Microeconomic Theory to Justify Government Regulation

The United States has progressed economically as well as in its regulations for a long time. Although the country is still pushing on and devising new ways of enhancing consumer behavior and improving the regulations that will control how business is done, according to Friedman, the American government has stabilized its laws through a constitution. The struggle began many years ago when the bourgeoisie was struggling to get a share in the feudal system. The feudal was the leading class, and everyone was to work based on their rules as they had no power to control them. Moreover, the merchant class was among the lowest group of individuals; therefore they developed a merchant law that would enhance the bourgeoisie class.

According to Friedman, the Supreme Court together with other federal systems of justice decided to set diversity laws. This in my view translates that globalization in the United States will lead to an increase in cases regarding the laws that guide people from different states. Moreover, Congress can control how commerce is done within countries by using the constitution. I believe the constitution is the best tool to be used in setting laws and regulations that will be followed to ensure safety while working. Although businesses are regulated using laws, several institutions and industries have been employing young children and provide cheap wages to their workforces.

Consequently, women championed their rights in getting jobs and businesses rather than staying home. Furthermore, Federici and Tiger were able to change to capitalism because they recognized merchants and women rebelling for freedoms from the bourgeois. The development of commerce and trade resulted in a new beginning in politics as it shifted the structure of power and the duties of leaders. Moreover, the development of commerce-enabled the people in power to foster the well being of other individuals and provide an environment for people to prosper. In

turn, commerce resulted in the development of laws that would control what people in power should rule their subjects and maintain businesses.

The growth of the economy was perceived that the world was changing to be a better place for human lives. Although businesses developed and infrastructures were enhanced, many people lived in poverty. Remarkably few people managed to cope with the economic development, especially those who were enlightened of what is going on in the 1890s. As a result, industrialization emerged and caused several people to be rich and other poor because they had to work with low wages in the firms and industries. Furthermore, the revolutionary age emerged, and the aim was to bring change in social and political conditions hence achieving a better society.

According to Friedman, several infrastructures developed due to the increase in industrialization for instance railroads and other roads. Progressivism was developed to deal with challenges in urbanization, industrialization, corruption and globalization. The rise of industrialization resulted in the development of infrastructures such as roads and hence boosted business among countries. Friedman argued that the laws were to ensure there is no discrimination in industries such as the railroads to charge normal rates. Many people from different countries came to the United States for raw materials and finished products to supply them in their countries. Furthermore, industrialization provided more job opportunities for people who came from other countries and hence making the population in those areas to increase, leading to urbanization. Globalization was brought about by businesses that trended along with different countries and the need for materials available in one state and market for finished products from industries.

However, the development of industries in the United States resulted in several other issues such as corruption and selling of counterfeit products, which resulted in low-quality standards of products in the market. I agree with Friedman that such issues as corruption has resulted in mistrust and therefore bringing in the need for antitrust laws. Nonetheless, several firms managed to be a monopoly in the production of such goods. Hence, they were leading to Karl Marx coming up with capitalism as the changing theory of people's social life. They believed that owners of productive resources acquired more wealth than those who are offering labor in the companies; therefore, the working class was being abused which resulted in the need for revolution.

Laws are used by the government to control and regulated businesses. However, the laws developed affected the economy in different ways. The government establishes regulations to intervene on the performance of how production industries operate to ensure people get high-quality goods and services as well as remove other challenges that customers may encounter. Business corporations have emerged as a success in the United States. Although there have been several controversies in the growth, many people needed to be associated with franchises and monopolies. Government entities were able to handle and control several monopolies in the country so that they can remain in power.

Some of the businesses the government hold as a monopoly include insurance companies and banks. Initially, corporations were regarded as businesses that do not produce money in reality but they did not realize the power the corporations had. For that reason, the governments attained power through corporations since they can have funds to boost their operations as well as control the public. Without the government undertaking businesses that the public cannot translate that it will not have much power to control the people. The legislature has set several

rules to control how corporations should operate by setting the general corporations' act.

Currently, the laws that intervene in how certain businesses operate and are run by following certain standards have been established and are improved as the business environment changes.

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