Economics

Student Name

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Average Growth rate

Ethiopia =

China =

Japan =

United States =

According to World Bank, china has the highest growth rate among the four countries over the three-year period. Ethiopia has the second largest growth rate of 7.9%, following china closely. United States has the third highest growth rate of 2.5% and japan comes fourth in the highest growth rate of 0.9%.

Countries such as china and Ethiopia are still in rapidly developing which supports the high growth as compared to those of Japan and United states. The low growth of the United States and japan are because of their already development economies which does not need high growth rate as compared to the economies of China and Ethiopia. Therefore, countries such as China and Ethiopia have a rapidly growing economy because they are still developing nation, which are undergoing development phase. For United States and Japan, the two countries have the lowest growth rate because if the developed status of their economy. Japan is the most developed economy among the four countries therefore the growth rate will be lower because the state will spend less in developing the economy than that of China (World Bank, 2016).

China’s industrial policies, which focuses on boosting productivity, is one of the reason for the rapid growth of their economies. The reforms have transformed the economy of china by boosting rural productivity, which pushed the number of Chinese worker working on agriculture to industrial complex from “four in five” to “one in two” between 1995 and 1998. Reforms on the china’s economy promoted rural business activities shifting people’s focus from agriculture to business based activities (Hu & Khan, 2005).

Trade and industry policies in Ethiopia has contributed a lot in the industrial development process of the country. The policies have focused on promoting agricultural led industrialization, exportation development and expansion of labor-intensive industries (World Bank, 2016). The economic policies clear states the contribution of the private sector, the role of the government and integrated and coordinated participation of trade partners. These policies have focused on building infrastructure, promoting both internal and external trade for the development country’s economies.

United States foreign policy on capitalism have led to the development of trade between countries and helped reduce cost through outsourcing of jobs to other countries in order to save money. United States foreign policies on economic issues tend to promote trade with other countries, which has elevated the economy of the United States of America over the last twenty years (World Bank, 2016).

Japan on the other hand has focused on developing its industrial policies since the country is a major exporter of automobiles. The countries foreign, especially with the Americans has also contributed to increase in trade between japan and other nations, contributing enough in growth and development. Japan’s foreign trade with United States, Europe and Asian pacific countries have contributed significantly over the development of the economy of the japan (World Bank, 2016). The Japanese economic policies focus on monetary ease, structural reform and expansion of the fiscal policies. These policies have contributed enough in the promotion of the economy of japan (World Bank, 2016).

# References

Hu, Z., & Khan, M. S. (2005). Why Is China Growing So Fast? *Economic Journal*, 234-465.

World Bank. (2016, April 23). *GDP growth (annual %)*. Retrieved from World Bank: http://data.worldbank.org/indicator/NY.GDP.MKTP.KD.ZG?page=4