Impact Of US Economy To The World

The economic strength of the US became so profound as they have succeeded in facing their challenges to a large extent and influence the global market. Considering certain approach and vestige, this essay would give details in discourse on how the economy of the United States has influenced the world through offering financial support to re-boost most nations after the war, the impact of their importation and exportation of goods and services and effect of their economy to the world.

Before the outbreak of World War 1, the topographical location called the United States of America was explored by interested merchandise and business tycoon from Europe who came to have a share of their rich economy. Although this is out of scope however to understand the US economy and how it spreads its tentacles to the global economy, it is pertinent to have an idea of this.

By the end of World War II, the Economy of most European countries had lost their balance in the international system because of the immense damage caused by war. Using tactical approaches, the US took advantage of this opportunity to gain control over the international system and the global market. It is important to note that the major victims of the war were the European communities, The United States came into the war on the side of the allied forces with Harry Truman as a leader and under his regime, the Marshall Plan was enacted. The US then provided 15 billion US dollars to finance the reconstruction efforts of the European continent. This enabled American businessmen and exporters to easily access the European market more than it was before the war.

Furthermore, the Brentwood conference of 1914 enabled their economy boost as they discussed global economy issues leading to the acceptance of the US dollars as a dominant currency and made possible the wide use of US dollars for financial transactions. A boom in the US economy often influence global activities. The October 1929 stock market crash led to severe damages to the Latin American economy because it depends largely on the US economy since it export materials to US industries. This made the US pull out of European investment, the United States in an effort to promote more sales of their goods increased the cost of foreign-made goods making it expensive for US consumers, this made them opt for their goods. This decision is targeted at making the European union pay its war debt and also weaken the foreign economy, this action eventually suppressed the European economy due to the loss of foreign capital and markets. This outcome shows how dependent most parts of the world is to the US economy and how important the United States is to the economy of the world.

Also, the “Dust Bowl” of the 1930s is a valid example. This is said to be the worst scarcity experienced in North America for years. It results in a lack of business, inefficiency of farm produce and unemployment. Though the government made effort to proffer solutions to the problems by introducing welfare and financial assistance, this did not help much as farmers began selling their farmlands. The government was left with no choice than to seek financial aid from the US government which still points a finger to our topic on how the US influences the world economy.

United States became the world’s largest global economy in the 21st century exporting goods and services more than any nation in the world. The interdependence of nations on global exchange increases the US economy in the global market scheme. Evidently, the 2008 financial set back plunged the world into a “Great Recession.” This affected most nations of the world. What began as a domestic crisis in the subprime market in the United States resulted in a global crisis in the US affecting both industrialized and non-industrialized nations of the world.

Consequently, this shows that the US economy engineers the world. She has an immense impact to the world and has earned herself the role of an international business partner. The growth of the US could serve as a major determinant to the world’s economy as a result of its global partnership.

In conclusion, the US economy has influenced the world in many ways starting from the wide usage of US dollars, the importation of goods and services to the world making her the largest importer and second-largest exporter in the world of global markets. It extends her influence to other nations through the exportation and importation of goods thereby enabling global partnering, giving aids such as loans to foreign countries and helping them have a share of their own economy as seen after the World War 1. Due to their global political and social influence, they are known as the most powerful country in the world, their importance cannot be ignored considering their role as the front liner of free trade and the significant role they played in global financial institution which avails her the opportunity to influence the world.