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Foundations in Business
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Response: Is America #1 Video

My initial impressions were changed slightly after viewing the video “Is America #1” by John Stossel and ABC’s 20/20. It made me really think about how I viewed many ideas including politics, government regulation and global markets. In comparing the opportunities that are available in the United States with those from India, Hong Kong and France, Stossel dynamically shows how the United States is in fact the best place for opportunities based on many factors. I learned that many of the factors that make America great are “given” or “fixed” while other factors are based on political or social environments. I had never looked at this in this light. Even with the negative factors that were discussed, the “opportunity atmosphere” that exists here is greater than anywhere else.

Governmental regulation, I thought, was vital to the creation of an environment of growth and prosperity. However, too much regulation, as shown in the video with the examples of India and France can create undue pressures to keep innovation and economic growth stagnant. In contrast, due the reduced regulations and low tax rates (Corporate, 16.5%, Individual, 15%, <http://www.ird.gov.hk/eng/tax/budget.htm#04>) in Hong Kong, allows for great growth and opportunity. The city of Hong Kong enjoys one of the lowest unemployment levels (4.3%, <http://www.indexmundi.com/g/r.aspx?c=hk&v=74>) which frees up resources to do even more to building the economy.

I now understand that capitalism is a strong economic model due to the factors of immigration, celebration of innovation and the open society that democracy and freedom allows.

Just as we have read in the text book, there are many models that have been tried and some of succeeded for awhile, but capitalism has had the greatest success at creating wealth and building a better society. However, capitalism needs an environment that allows for growth. The environment is created through less regulation (allowing the “invisible hand” to work) and honoring the personal rights of the people.

In both societies in the US and Hong Kong, capitalism is the economic model used. I found out that Hong Kong’s market system is even farther toward the “free and open” side of the sliding scale than is the United States. The United States and Hong Kong has great opportunities that will continue to allow those who want to pursue their dreams the ability to do so. I now believe it is vital to fight for low tax rates and less regulations that can hold back economic growth and innovation.