Note: My chosen worst company is **Walmart**

Using your chosen company’s (**Walmart**) domestic environment identify its economic environment and compare and contrast it using Rostow and Galbraith ( See the resources below)

**Theorists Rostow and Galbraith**

**Walt W. Rostow** is best known for his theory of the Stages of Economic Growth, one of the major historical models.  Rostow's model postulates that economic growth occurs in five basic stages, of varying length:

[VIEW VIDEO](https://www.youtube.com/watch?v=fc-IwHZD8Vo)  (Puchein, 2018, Transcript provided).

Summary of Rostow's Stages of Economic Growth:

1. **Traditional society**- This first stage is characterized by subsistence level - basic farming, bartering.
2. **Preconditions for take-off** - Industrial development has begun; has developed an international interest.
3. **Take-off** - This is where level 2 has moved into busier, concentrated activities in industrialization, with innovation exhibited in technology.
4. **Drive to maturity**- Longer sustained activity, developing infrastructure, diversifying business activities, industries, and increased focus on quality of life.
5. **Age of high mass consumption** - Broad consumer demands are met by mass production.

Countries can be identified at different stages of Rostow’s model and are evolving at different rates. U.S. businesses might find this model informative when considering where to target their global ambitions. Developing areas of Africa exemplify Levels 2 and 3.

[**John Kenneth Galbraith**](https://knowledge.wharton.upenn.edu/article/john-kenneth-galbraith-his-ideas-continue-to-resonate-in-a-post-911-world/)(Follow link to read article.)

John Kenneth Galbraith is best known for his theories and writings on capitalistic societies. In his most famous work, *The Affluent Society* (1958), which became a bestseller, Galbraith outlined his view that to become successful, post-World War II America should make large investments in infrastructure, such as highways and education, using funds from general taxation. Galbraith also critiqued the assumption that continually increasing material production is a sign of economic and societal health. Interesting, these two seemingly obvious conclusions are entirely consistent with the final stage of Rostow’s theory, where what he calls “mass consumption” defines the fully developed economic environment.

**Summary**

What can we learn from these pioneering giants of economic and business theories? Answer:  a great deal!  These are core business theories that provide a platform of understanding for building other ideas. While we can only touch the surface of their theories in our eight weeks framework, a survey of their principles in the context of your worst-company case study is a worthy endeavor.

The worldwide Economic Environment is currently dominated by recession in the U.S. and unsteady economies in countries such as Italy and Greece. Even emerging markets which have experienced phenomenal growth (*e.g.,* China and India) are not unscathed by global economic currents. Weathering this storm is now the principal concern of many U.S. multi-national businesses, not to mention national governments.