

**Government management of the economy**

- SOCIAL POLICY
- POLITICAL CONCERNS

**J**

**ECONOMIC POLICY**

- KEYNESIAN ECONOMICS
- SUPPLY SIDE ECONOMICS

**K**

**WHAT OBJECTIVE? (select one)**

1. domestic economy in recession (DC or LDC)
2. inflation is running out of control
3. poverty continues to be a key problem (LDC)
4. other

State why you are using this policy.

**D**

**What OBJECTIVES?**

Economic objectives:

- Full Employment
- Low Inflation
- Stable currency
- Rising standard of living
- Economic growth
- Economic development
- Regional development
- Trade policy: BoPayments, B of Trade.
- Balanced budgeting
- Redistribution of wealth

**A**

**Objective chosen: (1-4 above)? (select several)**  
**WHICH POLICIES TO USE?**

- 1
- 2
- 3

**E**

**What exactly should the government do? Here you must suggest specific policy measures e.g. cut income taxes by 10 % over a five year period**

- 1
- 2
- 3
- 4

**F**

**How to achieve them?**

1. Legislation
2. Fiscal policy
3. Monetary policy
4. Direct intervention  
e.g. prices + incomes policies
5. Exchange rate policy
  - Balance of Trade
  - Terms of Trade
  - Balance of Payments

**B**

**Advantages (use diagrams)**

**Disadvantages (use diagrams)**

**G**

**H**

**Non economic objectives:**

- social /political policies
- essential services
- law and order
- cultural affairs
- international relations
- social issues e.g. immigration in the EU
- wealth distribution

**C**

**WHAT ARE THE POLICY CONFLICTS ?**

(use diagrams where possible)

**i**