

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

G

Advantages (use diagrams)

Disadvantages (use diagrams)

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: draw on reverse side)

I