Macro Economics

Four Main Objectives:

- Full Employment (or low unemployment)
- Low inflation and price stability
- Positive GDP Growth (High standard of living for citizens)
- Balanced Trade (Balance of payments) with overseas economies (International trade)

ALSO:

- Fair income redistribution
- Sustainable economic growth & development (instead of just GDP growth)
- Development occurs when human well-being improves:
  - Reducing poverty
  - More equal distribution of income
  - Promoting sustainable economic activity by not wasting scarce resources

Standard of living

- Life expectancy - Both
- Qualifications – Individual
- GDP per Captia – Individual
- Population – Government
- Unemployment percentage - Government
- Homeowners vs. renters (Assets) - Individual
- Religious Freedom - Gov
- Doctors + how good they are – Both

Level 1: Raise the standard of Living

Level 2: Raise the national income

Macroeconomic Objectives

Unemployment

Labour force survey (ILO) / Claimant Count

Under 5% in UK

Not just people, resources (land, labour, fish, entrepreneurs.)

Inflation

CPI – Consumer prices Index

RPI – Retail prices index

Economic Growth

GDP growth = 0.6% per quarter