

Macroeconomic Policies

Concept	Examples	
Expansionary Monetary Policy (Lowering Interest Rates)	The European Central Bank cut interest rates in 2014 amidst fears of the Greek crisis and economic slowdown in European economies, leading to a depreciation of the value of the Euro currency.	
Contractionary Monetary Policy (Raising Interest Rates)	In 2015, South Africa increased interest rates in order to counter rising inflation rates. However, the resulting economic contraction also forced the central bank to reduce its growth forecast for the year.	
Expansionary Fiscal Policy	In response to slowing growth forecasts, the South Korean adopted more expansionary fiscal policies in 2015, increasing government expenditure by 3% and accelerating many public works projects that were scheduled for the next year.	
Contractionary Fiscal Policy	In 2010, the Singaporean government adopted contractionary fiscal policies to promote price stability amidst high economic growth rates after the Great Recession. The budget surplus for the year exceeded \$6 billion, which was higher than average.	
Interventionist Supply Side Policies	Investment in Human Capital	In 2013, Singapore introduced subsidies of 95% for employers who sent low wage workers for training under the Workfare Income Supplement Scheme. The Singaporean government has also set up Continuing Education and Training (CET) centres for workers to undergo retraining, with more than 150,000 workers benefitting from the scheme.
	Research and Development	South Africa has invested millions of dollars into research in nanomaterials to incentivise research into the niche field. The government has also offered tax incentives to companies that spend on research.
	Provision and Maintenance of Infrastructure	Every government in the world invests in public transport, internet access, education and health.
Market-Oriented Supply Side Policies	Reduction in income/corporate tax	Ireland reduced the corporate tax rate from 18% to 15% in 2008 to boost growth and attract corporate investment in its recovery from the global financial crisis.
	Increase Competition through FDI	In Singapore, foreign direct investment was encouraged by granting foreign firms tax breaks for 10-15 years after they set up production.
	Privatisation	In 2015, China has started partial privatisation of many State Owned Enterprises (SOEs) in oil, gas, and electricity, in order to combat slowing economic growth.
	Deregulation	In 2014, Peru passed laws curbing environmental safeguards in order to attract investment in mining and hydrocarbons.
	Labour Market Reforms	In 2015, the United Kingdom reduced unemployment benefits for job seekers, lowering the benefit cap that recipients were eligible for, as part of a series of budget cuts.