

being such as the focus of unemployment and economic growth. The number of major macroeconomic objectives is fixed, as a greater split of focus can have a negative impact on fellow economic problems. Thereby deflation to be seriously considered would remove a certain impact the government would have on more important policies in the greater scheme of things such as improved productivity, as it offers the possibility of steady, non inflationary, sustainable growth and job creation, possibly with improvement in the current account of the balance of payments. It directly contributes to various other objectives rise in aggregate demand, which when rising there's expansion in the productive capacity of the economy as shown below.

To conclude I don't think that the avoidance of price deflation should be a major macro economic objective. Primarily as The most important objective today, is inflation. Although it should be growth, all government's efforts are devoted to the control of inflation. If this goal is missed, it is felt, then the goal of higher growth will not be attainable either. As the government focuses on achieving their 2% inflationary target they are in sense attempting to avoid deflation and so it is arguably already a government objective in the same way avoiding economic downfall is. However the depends on many variables for instance the current inflation rate of the economy, ie. If its near 0 level the focus would be preventing it going below that in addition if a future outlook could provide deflation such as a newly imported high technological advance then the objective would be to prevent it rather than reach the 2% target.

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Page 3 of 3