2 - Macroeconomics

GDP vs GNP stats	Developing countries have lower GNP than GDP, as much of their GDP is contributed by multinational corporations Bangladesh GDP 2017: 250 billion USD Bangladesh GNP 2017: 120 billion USD Half of Bangladesh's GDP is from foreign firms owing productive capacity in Bangladesh. This income is likely not spent in the country, so does not affect economic growth
Total GDP/GNI vs GDP/GNI per capita	India GDP: 2.6 trillion USD France GDP: 2.6 trillion USD India GDP per capita: 2,000 USD France GDP per capita: 38,000 USD
Green GDP	China measured Green GDP for one year, 2004. China GDP 2004: 1.9 trillion USD Environmental loss 2004: $66 billion, or 3% of GDP Was considered to be too conservative, as it only took into account the costs of environmental pollution. Did not take into account costs of natural resource depletion, soil contamination, ecological damage China may have stopped measuring green GDP as it could have been politically damaging. 460,000 died prematurely from air and water pollution each year. Announced in 2015 that they will reintroduce green GDP to "holistically reflect" the environmental cost of economic activity
High and low unemployment	Spain: 14% unemployment (high job protection) Singapore: 2% unemployment (no minimum wage)
Frictional unemployment	Singapore has been restructuring the economy, shifting towards a digital economy aiming to incorporate technology to increase productivity. One reason for this is slow workforce growth and short supply of domestic workers. As the economy restructures, new jobs are created and some jobs are abolished, which results in frictional unemployment as people change jobs.
Structural unemployment	During Singapore's economic restructuring, MOM said "jobs and skills mismatches will continue to be a challenge". SkillsFuture is a government program aimed at reskilling the workforce through training to gain skills that are in demand. Citizens are provided with credit that can only be used to go to a training programme.

Seasonal unemployment	Liberia: agriculture employs 70% of the population This would result in high seasonal unemployment, as most of the workforce is only required during peak periods, the harvesting and planting of crop support
Cyclical unemployment	2008 financial crisis sent many economies into recession, which increased cyclical unemployment In the US, before the financial crisis in Dec 2007, unemployment was 5%. At the end of the financial crisis in 2009, unemployment was 9.5%.
High inflation	Argentina: 50% Central bank increasing money supply by printing money to finance the government budget deficit, which creates inflation. The depreciation of the peso has worsened inflation, as imports become more expensive, domestic demand increases and firms have less incentive to cut costs
Target inflation	Singapore, US, China - 2%
Deflation	Japan has been experiencing periods of deflation since the late 1990s, due to the declining, aging population, strict immigration laws, and declining productivity growth. Japan is utilising negative interest rates to make money available for cheaper, buying back bonds to increase money supply in the economy, and introducing new visas to allow blue-collar workers to emigrate to Japan
High economic growth	India, referred to as the world's fastest growing major economy, around 7%. Growing population, privatisation of oil, coal and airline, tax reform, all helped increase growth.
Low economic growth (2 examples)	Jamaica, 1.8% GDP growth rate. Heavy debt from the failure of state owned enterprises in the past, worsened by the financial crisis, led to high unemployment, currently around 9%, and slow economic growth. Eurozone growth is slowing. 1.9% growth in 2018, but only 0.2% growth from Q3 to Q4 of 2018. Projected growth for 2019 reduced to 1.3%. Reason: Italy entered recession, France low growth, trade tensions between US China and Europe, uncertainty over Brexit.
Equal distribution of income	Norway Gini Coefficient: 0.23 Public education, including university, is free so everyone has an equal opportunity to earn a high income. Progressive taxes, long term unemployment benefits help redistribute income.
Unequal distribution of income	South Africa Gini Coefficient: 0.63 Over half of population in poverty Income distribution is worsening, not enough new jobs are being created, and the jobs that are being created are high-skill jobs, not accessible to those in poverty. Effects of apartheid have also left many in a poverty trap, with

	no education and no low-skill job opportunities.
Expansionary fiscal policy	Barack Obama's economic stimulus package, ended the recession following the 2008 financial crisis. Cut taxes by $290 billion, spent $220 billion in unemployment benefits, allocated $275 billion to federal contracts to create jobs. Helped build consumer confidence after the recession and reduce unemployment 830
Contractionary fiscal policy	Suggested by the IMF to Argentina when they made a deal in 2018. Higher taxes would allow Argentina to finance some of its debt, and lower government spending prevents worsening the debt In the 90s, Bill Clinton raised income taxes from 28% to 36% for high income earners. Corporate tax also increased from 34% to 36% for corporations. Inflation fell from 6% to 3%. However, unemployment increased
Expansionary monetary policy	Jamaica is employing expansionary monetary policy by reducing interest rates, currently slashed to 1.25%, in order to stimulate economic growth. European central bank employed long-term expansionary monetary policy to stimulate economic growth, utilizing 0% and negative interest rates of -0.4% to encourage spending, but still not effective.
Contractionary monetary policy	In mid 2018, the inflation in India was rising, nearing 5%. Contractionary monetary policy was used, increasing interest rates to 6.25% to curb spending and reduce inflationary pressure. Argentina used 40% interest rates to try to control inflation and try to control a dive in the peso
Investment in human capital	Singapore, developing a strong public education system. SkillsFuture is a government program aimed at reskilling the workforce through training to gain skills that are in demand. Citizens are provided with credit that can only be used to go to a training programme.
Investment in technology	Singapore committed to invest 1% of GDP into R&D, Fintech, AI, digital healthcare
Investment in infrastructure	Indonesia infrastructure investment 2017: $28 billion to build 30km bridge linking 2 islands Reduces transportation costs - reduces costs of production
Industrial policies	Tax Cuts and Jobs Act, implemented by Trump in Dec 2017 Reduced corporate tax from 35 to 21%, resulted in increased

	investment to expand productive capacity
Deregulation	Singapore removed regulations on the electricity market, allowing private firms to sell electricity from Nov 2018, which increases competition Previously, only government owned SP Group was able to sell electricity
Privatisation	India privatised the coal and oil industry, removing the monopoly power of the state and allowing private firms to join. This encourages domestic investment and FDI
Trade liberalisation	USMCA - US Mexico and Canada Agreement, signed in Nov 2018, allows select products to be traded tariff-free between the three countries, e.g. automobiles, dairy, intellectual property Made to replace NAFTA, with a few changes. Not yet ratified.
Anti monopoly regulation	Singapore Grab and Uber Competition and Consumer Commission Singapore fined Grab and Uber $13 million for merging in SEA, as it reduced competition in the market Grab was required to maintain the pricing algorithm it had pre-merger
Reducing unemployment benefits and minimum wage	US congress decided not to extend federal unemployment benefits at the end of 2013, which means unemployment benefits would end for 1.3 million people. This forced them to find a job, even if it was low paying.
Reducing labour union power	UK reducing trade union power, 2015, following a large number of strikes by London Underground and railways Increased punishment for unlawful strikes Introduced ability to fine the union for breaches of rules up to 20k pounds
Income and business tax cuts	Tax Cuts and Jobs Act, implemented by Trump in Dec 2017 Reduced corporate tax from 35 to 21%, resulted in increased investment to expand productive capacity, and reduced income taxes
Automatic stabilizers	In 2008 US spent $220 billion in unemployment benefits in order to stabilize the economy during recession