天津外国语大学（天外）
Tianjin Foreign Studies University
School of International Business

Economic Policy

Class starts at 14:00

(Beijing Time, GMT+8)

Ivan Monich, PhD
September 07, 2023

Before we start.
Key names in Business, Marketing and Management you should know.

Peter Drucker, Philip Kotler, Joseph Schumpeter, Mike Porter.

What is Joseph Schumpeter's theory?

Schumpeter believed that the was to introduce successful, well, innovations. The innovation theory of profit claims that the main function of an entrepreneur is to introduce, well, innovations—which Schumpeter defined as any new policy that reduces the overall cost of production or increases the demand for products.

Joseph Schumpeter

Economist and Economist Historian

Investopedia

Before we start.
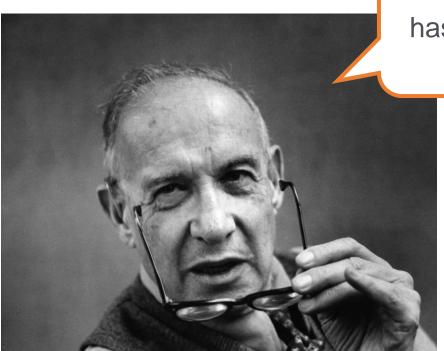# Key names in Business, Marketing and Management you should know.

Peter Drucker, Philip Kotler, Joseph Schumpeter, Mike Porter.

Porter's interest in economic development led him to develop the concept of the "diamond" model of national competitive advantage, which highlights the interplay between a country's factor conditions, demand conditions, related and supporting industries, and firm strategy, structure, and rivalry.

Peter Drucker

"All great change in business has come from outside the firm, not from inside"

https://www.azquotes.com/author/4147-Peter_Drucker/tag/change

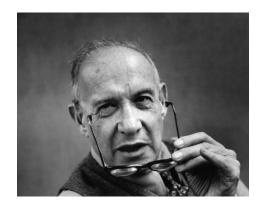The only thing we know about the future is that it will be different.

Peter Drucker

The best way to predict the future is to create it.
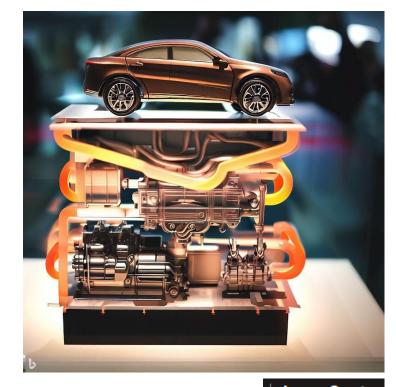
Peter Drucker

Peter Drucker

The best way to predict the future is to create it.

Peter Drucker

What is an Economic Policy?

Economic policy is a course of action that is intended to influence or control the behavior of the economy. Economic policies are typically implemented and administered by the government. Examples of economic policies include decisions made about government spending and taxation, about the redistribution of income from rich to poor, and about the supply of money. The goals of economic policy may vary depending on the political and economic situation, but they often include economic growth, full employment, price stability, and international trade. Economic policy can be divided into two main types: fiscal policy, which deals with government budget and taxation, and monetary policy, which deals with money supply and interest rates.

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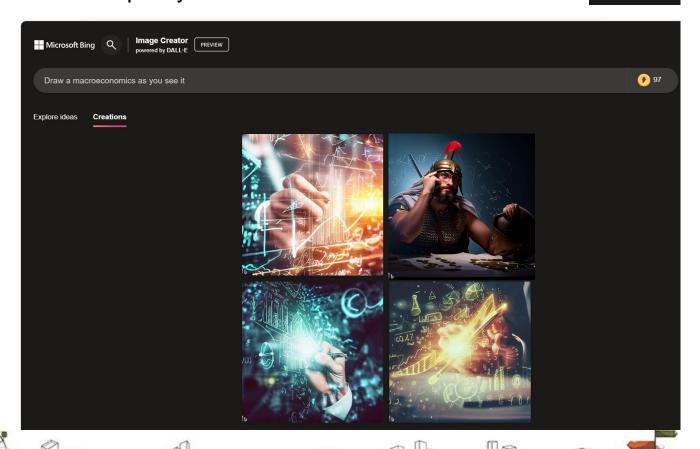
Image Creator
powered by DALL·E

What is an Economic Policy?

I asked the Microsoft AI engine DALL-E to draw how it sees the economic policy. Here is what we got.

Created with AI by prompt "What is an economic policy".

Microsoft AI engine DALL-E generated image

Economic policy is a course of action that is intended to influence or control the behavior of the economy. Economic policies are typically implemented and administered by the government.

Agenda for the first class

1. Teacher introduction and the studying process.

2. Syllabus overview and the list of ELOs.
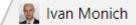
3. First lecture.

1. Teacher's introduction

Ivan holds PhD in Economics; he is a researcher with a special emphasis on cross-border tourism in Europe and Asia, From January 2021 is the Federal Expert of the Russian Agency for Strategic Initiatives in the Regional Tourism Development Council.

Ivan has an experience in leading an international tour operator company and aims to bridge the academic and business worlds together to benefit the local society.
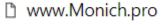
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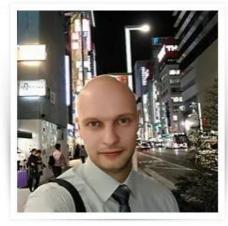
Ivan Monich - Sustainable Tourism Researcher

Ph.D. in Economics, Docent

Current position: Senior Lecturer at TFSU, Tianjin, China. Associate Professor, Transbaikal State University, Chita, Russia.

Previous position: Senior Lecturer at Tourism and Culture Department, Nanning Normal University, Nanning, China.

Previous position: Visiting Researcher at Umea School of Business and Economics, Umeå University, Umeå, Sweden.

Languages: English (fluent), Russian (mother tongue), Chinese (HSK 4).

Ivan holds a PhD in Economics; he is a researcher with a special emphasis on cross-border tourism in Europe and Asia.
Research interests: sustainable tourism, innovation in tourism, tourism economy, cluster approach, cross-border cooperation with China, marketing.

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Online Educational Platform by Ivan Monich

可用的课程

IT in Economics 🔑

IT in Economics

This course will help students evaluate the strategic role of modern information systems and the managerial and organizational and economic issues associated with IT.

教师: MonichIvan

Research Methods 🔑

The course provides some useful guidance throughout the whole process from initial ideas to writing it up and presenting the findings.

教师: MonichIvan

Syllabus and ELOs.
Expected Learning Outcomes.

Economic policy is the study of how governments and other institutions design and implement policies to achieve economic and social objectives. This course introduces students to the main concepts, tools and methods of economic policy analysis, and applies them to a range of contemporary policy issues. The course covers topics such as fiscal policy, monetary policy, trade policy, environmental policy, inequality and redistribution, and social welfare.

By the end of the course, students will be able to:

- Explain the role and functions of economic policy in different contexts and domains.

- Apply economic theory and empirical evidence to evaluate the effects and trade-offs of alternative policy options.

- Critically assess the strengths and limitations of different policy instruments and institutions.

- Communicate effectively the results and implications of economic policy analysis to various audiences.

Expected Learning Outcomes.

The course in Economic Policy will give theoretical and practical knowledge for the implementation of the main tools of the economic policy for the different sectors of the economy. The students will acquire skills and abilities to become experts in regulatory governmental bodies. In addition, the students will be qualified in the field of economic policy at the company's (microeconomics) level. You will be able to formulate and execute an adequate firm policy of adaptation to the changeable business environment.

Course content

1. Fiscal Policy
2. Monetary Policy
3. Income and employment policies
4. Investment Policy
5. Management of the foreign economic relations
6. Economic Policy for Sustainable Development
7. Economic policy at the micro level.

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Ivan Monich, PhD

September 08, 2023

Economic policy

Task 1. Please share what economic policy is.

Please, share what elements of economic policy you would like to study during our course in details? I want you to reply one by one.

- The economy of governments covers the systems for setting levels of taxation, government budgets, the money supply and interest rates as well as the labour market, national ownership, and many other areas of government interventions into the economy.

- Most factors of **economic policy** can be divided into either **fiscal policy**, which deals with government actions regarding taxation and spending, or **monetary policy**, which deals with central banking actions regarding the money supply and interest rates.

- Such policies are often influenced by international institutions like the International Monetary Fund or World Bank as well as political beliefs and the consequent policies of parties.

Types of economic policy

Almost every aspect of government has an important economic component. A few examples of the kinds of economic policies that exist include:

- Macroeconomic stabilization policy, which attempts to keep the money supply growing at a rate that does not result in excessive inflation, and attempts to smooth out the business cycle.

- Trade policy, which refers to tariffs, trade agreements and the international institutions that govern them. World Trade Organisation, WTO = World Tourism Organisation.

Types of economic policy

Almost every aspect of government has an important economic component. A few examples of the kinds of economic policies that exist include:

- Policies designed to create economic growth (cluster approach, IT cluster, Tourism cluster)

- Policies related to development economics

- Policies dealing with the **redistribution of income**, property and/or wealth。 Progressive tax rate, higher income leads to higher tax rate

- As well as: regulatory policy, anti-trust policy, industrial policy and technology-based economic development policy

Economic policy

- ~~Types of economic policy~~
- Macroeconomic stabilization policy
- Tools and goals
- Selecting tools and goals
- Demand-side vs. supply-side tools
- Discretionary policy vs policy rules
- Economic policy through history
- The first fiscal policy
- Business cycles
- Evidence-based policy

Macroeconomic stabilization policy

- Stabilization policy attempts to stimulate an economy out of recession or constrain the money supply to prevent excessive inflation.

- Fiscal policy

- Monetary policy

Tools and goals

Policy is generally directed to achieve particular objectives, like targets for inflation, unemployment, or economic growth.

To achieve these goals, governments use policy tools which are under the control of the government. These generally include the interest rate and money supply, tax and government spending, tariffs, exchange rates, labour market regulations, and many other aspects of governance.

Selecting tools and goals

Government and central banks are limited in the number of goals they can achieve in the short term. For instance, there may be pressure on the government to reduce inflation, reduce unemployment, and reduce interest rates while maintaining currency stability.

Demand-side vs. supply-side tools

This dilemma can in part be resolved by using microeconomic supply-side policy to help adjust markets.

Trade Unions, Unemployment Insurance.

Discretionary policy vs policy rules

For much of the 20th century, governments adopted discretionary policies like demand management designed to correct the business cycle. These typically used fiscal and monetary policy to adjust inflation, output and unemployment.

Economic policy through history

The first economic problem was how to gain the resources it needed to be able to perform the functions of an early government: the military, roads and other projects.

The first fiscal policy

With the accumulation of private capital in the Renaissance, states developed methods of financing deficits without debasing their coin. The development of capital markets meant that a government could borrow money to finance projects while causing less economic hardship.

Business cycles

The business cycle became a predominant issue in the 19th century, as it became clear that industrial output, employment, and profit behaved in a cyclical manner.

Evidence-based policy

Policy decisions can be grounded in, respectively, mechanistic evidence and correlational (econometric) studies.

Course content

1. Fiscal Policy
2. Monetary Policy
3. Income and employment policies
4. Investment Policy
5. Management of the foreign economic relations
6. Economic Policy for Sustainable Development
7. **Micro level. An adequate economic firm policy of adaptation to the changeable business environment.**

More exiting content ahead

Thank you