**CHANGES IN POLICY**

Policies change for various reason. Some of these reasons include the following

1. The economy is changing – Rental marketing getting too expensive
2. Government Changes – a new government might want to bring in their own policies
3. Conflicting Goals - a cut in taxes means people have more money to spend on goods – this might drive up inflation
4. Same economy – Our economy is affected by what happens in other countries – For Example Brexit

**WHO BENEFITS FOR POLICIES**

People benefit directly and indirectly with policies implement by the Government

FDI – People who get job in the country benefit directly this will also bring spin of business

Cut Tax – employees benefit directly as they have more disposable income and Business benefit indirectly as employees will have more money to spend on goods and services

**WHO BEARS THE COST**

Taxpayers will bear the costs of the policies in a county. For example

1. Local Property Tax (LPT) – Costs on homeowners
2. Universal Social Charge – Cost on employee
3. National Minimum wage – Cost to Business
4. Make an evaluation

**COST BENEFIT ANALYSIS**

The steps involved in the Cost benefits analysis includes the following

1. Gather the information
2. Calculate the costs
3. Examine the benefits
4. Balance the cost against the benefits
5. Is the policy equitable – is it fair
6. Is the policy sustainable – can the policy continue long term
7. Make an evaluation

**EVUALTE A GOVERNMENT POLCIY**

Here are some question to ask to evaluate a Government policy

1. What is the economic issue?
2. What caused the issue?
3. What are the Government doing about it?
4. What policies do other countries have?
5. Are there benefits to the policy – what are they?
6. What are the costs associated with the policy?

**EXAMPLE OF GOVERNMENT POLICY**

**AIMS OF GOVERNMENT POLICY**

**KEYWORDS**

**Policy -** This is a document that sets out proposed actions and principles for

businesses to follow. Some are required by laws (Anti bullying) and some by choice

**Government Economic Policy** -This is how the Government tries to influence the

Economy

**Fiscal** - This is how the Government set the spending of a country and the

taxation. It deals with the distribution of wealth

**Monetary** - This is used to control the money that is available in an economy. It

is used to set interest rate and control inflation

**Industrial** - This policy is the government developing the industries in the

Primary, Secondary and Tertiary sector

**Direct Intervention** - This looks at setting up semi state bodies to provide goods

and service that are not provide by the private sector

**Cost Benefit Analysis** - This looks at all the cost associate with the policy and

the benefits the policy. If the benefits are more the policy stays

**SELF-TEST QUESTIONSONS**

1. Explain the aims of Government policy

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3. Evaluate the costs and benefits of Government policy

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