



JOHN MAYNARD KEYNES

Presented by: Ninon Barrera



4th April, 2024

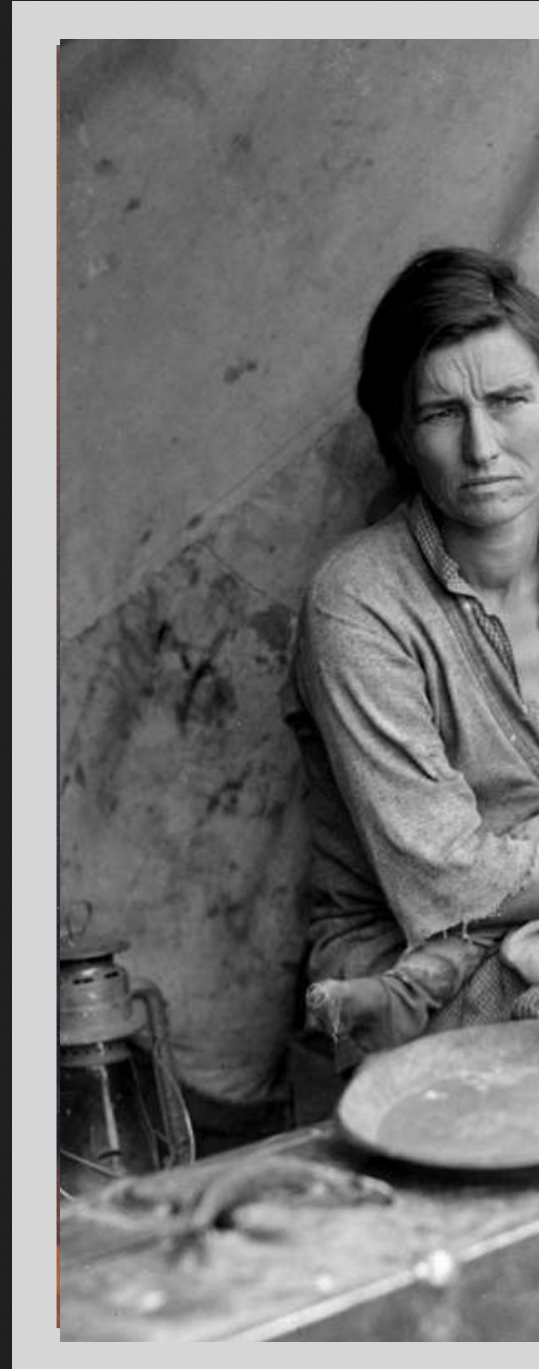




Table of Contents

- 01 Introduction
- 02 Keynesian revolution
- 03 Keynesian heritage
- 04 Conclusion

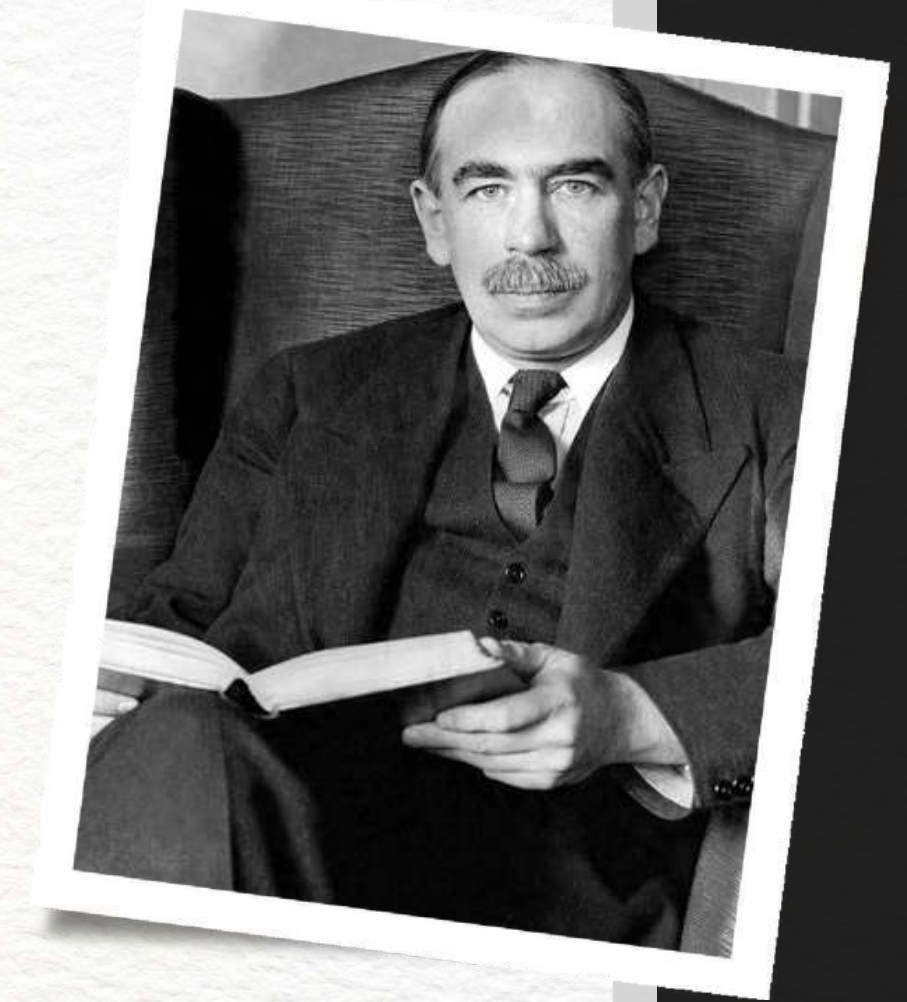
John Maynard Keynes

"Keynes's strength is that he gave us a practical response to the economic problems we might face". Walter Heller

John Maynard Keynes (1883-1946) : economist with ideas had the most fundamental influence on the twentieth century.

Contemporary of both world wars.
Keynesian policy was one that called for unity.

What would John Maynard Keynes have to say about Trade, Politics and the Global Economy in 2024?



2. Keynesian revolution

A. Keynesian Reasoning

Classical theory

Work value
Say's Law
Neutrality of money
Crowding-out effect

Neoclassical theory

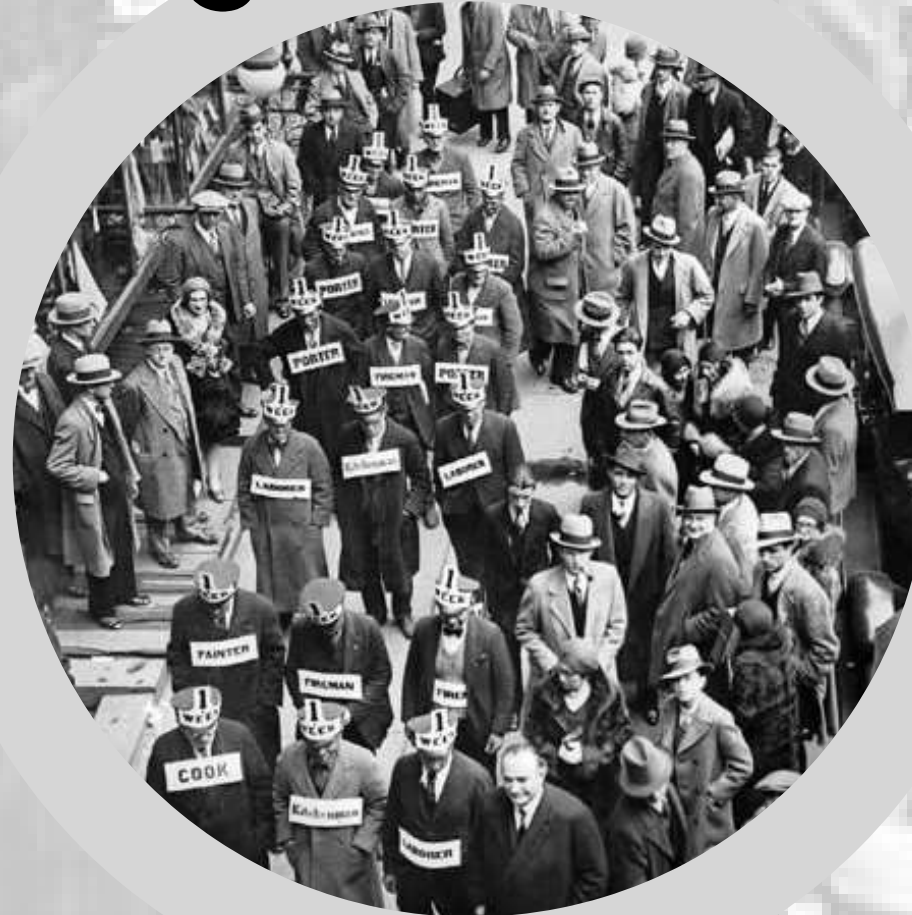
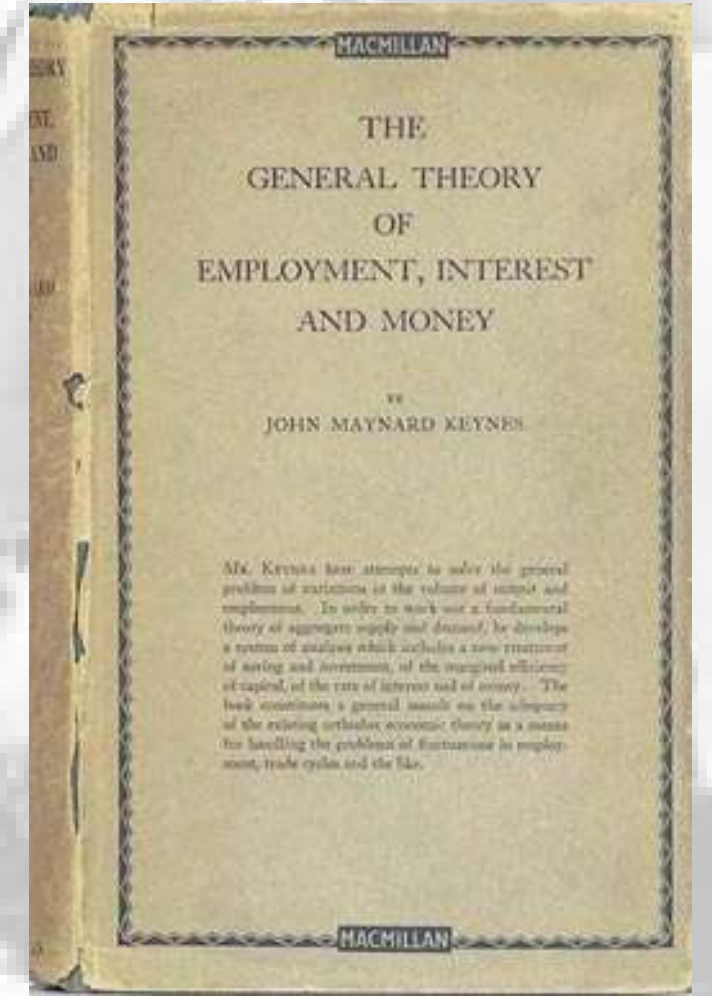
Value in use
Say's Law
Neutrality of money
Crowding-out effect

Keynesian theory

~~Say's Law~~
~~Neutrality of money~~
~~Crowding-out effect~~

2. Keynesian revolution

A. Keynesian Reasoning



Difficult debt repayment

Less investment

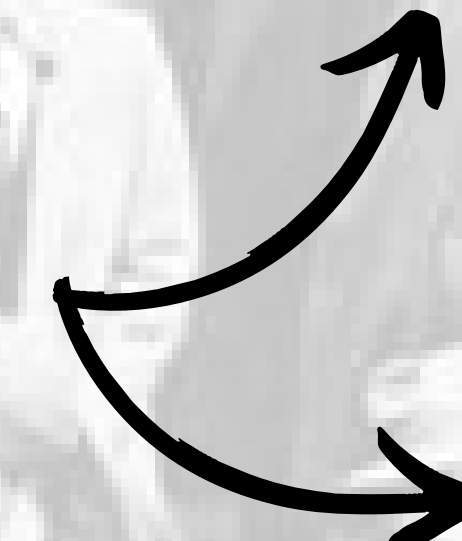
Less Hiring
More Hiring

Price cuts

Wage cuts

More consumption

Less consumption

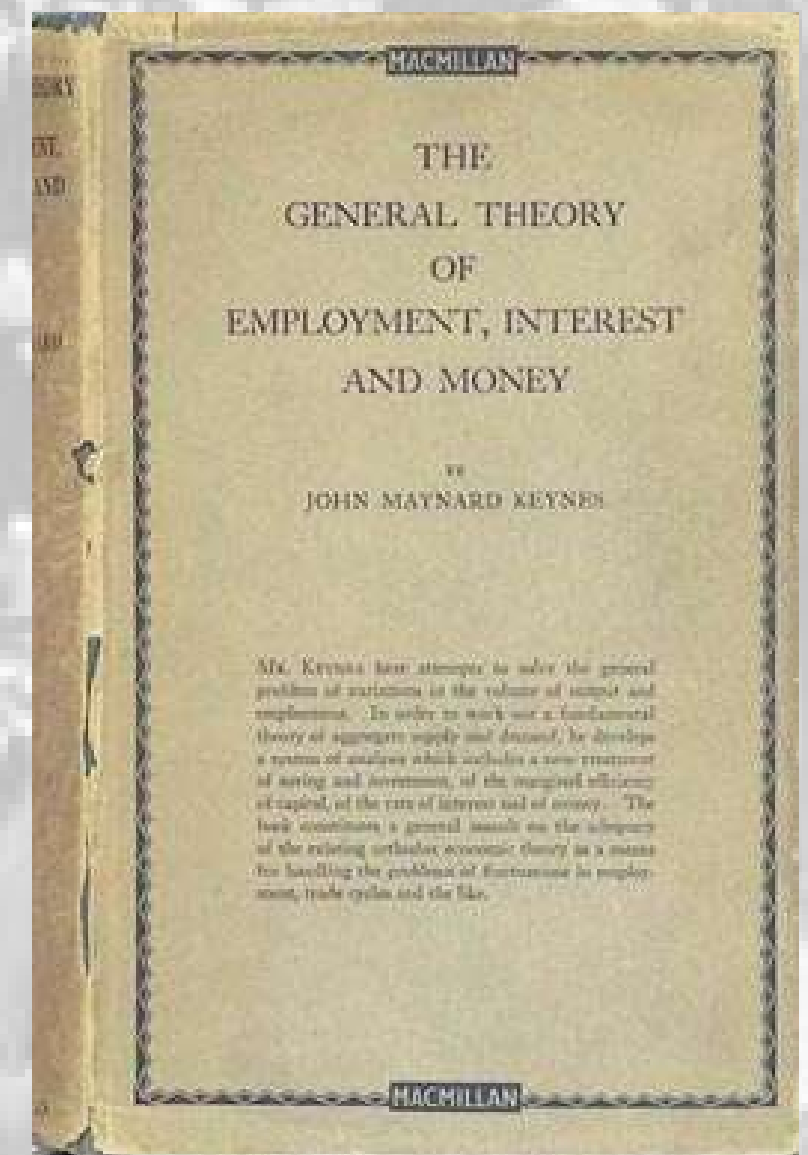


2. Keynesian revolution

B. Responding to Economic Challenges

How can we prevent unemployment from systematically leading to general impoverishment?

- Expansionary fiscal policy
- Accommodating monetary policy
- Under-employment equilibrium
- Neutrality of Money
- Inflation
- Property rights



3. Keynesian heritage

A. Trade

1. Questioning Globalization

Efficiency economies, comparative advantage, persistent trade imbalances

Protectionist measures

Balance between free trade and policies

2. Supply chains and Autarky

Support for diversification and economic autonomy, without excessive dependence on the outside world.

Economic

3. Economic alliance

Importance of regional trade agreements and a flexible international monetary system (Bretton Woods, Bancor).

3. Keynesian heritage

B. Politics

1. Economic Populism

Recognition of the risks to economic stability.

Support for policies to reduce inequality and strengthen the middle classes.

Current examples: Brazil, Hungary, Mexico.

Promotion of International Economic Governance

2. Defence of international cooperation (Bretton Woods).

Advocating strong international institutions for stability and economic growth.

3. State Interventions

Importance of state intervention to correct market failures.

Active measures in social protection and investment in infrastructure.

Conference reorganisation of the world economy (1944) with Harry Dexter White

- International Monetary Fund
- World Bank
- General Agreement on Tariffs and Trade (GATT - WTO)
- Proposed the ICU and the Bancor (not accepted)

3. Keynesian heritage

C. Global economy

1. Response to COVID-19

Support for a strong fiscal response to reduce the economic impact of the pandemic. Increased government spending to stimulate demand and promote rapid recovery.

2. Public Debt Management

Use debt to finance productive investment to stimulate future economic growth. Importance of debt financing growth, employment and productivity.

3. Tax Policy for Growth

Regulation of aggregate demand through a balanced fiscal policy. A combination of tax cuts and increased public spending to stimulate investment and consumption.

Thank You for your attention !

Any questions ?

