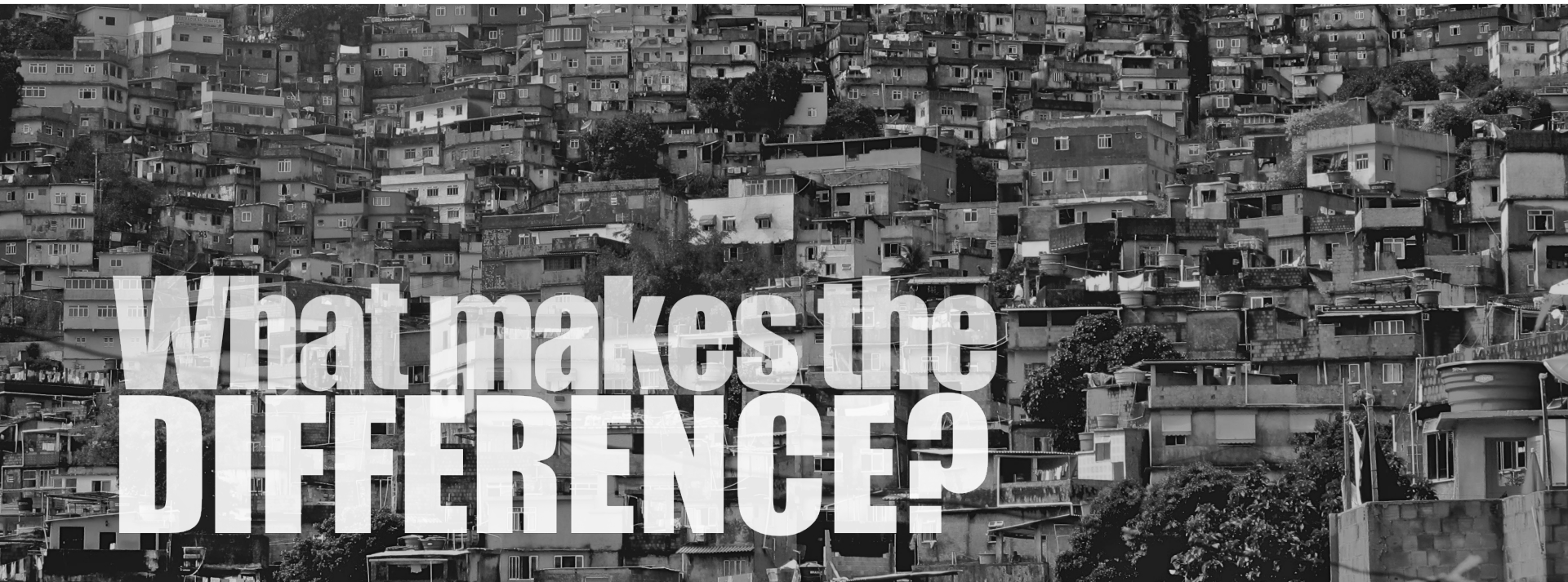


# MACROECONOMICS





# THE BIG ISSUE



# What makes the DIFFERENCE?



1993

35%



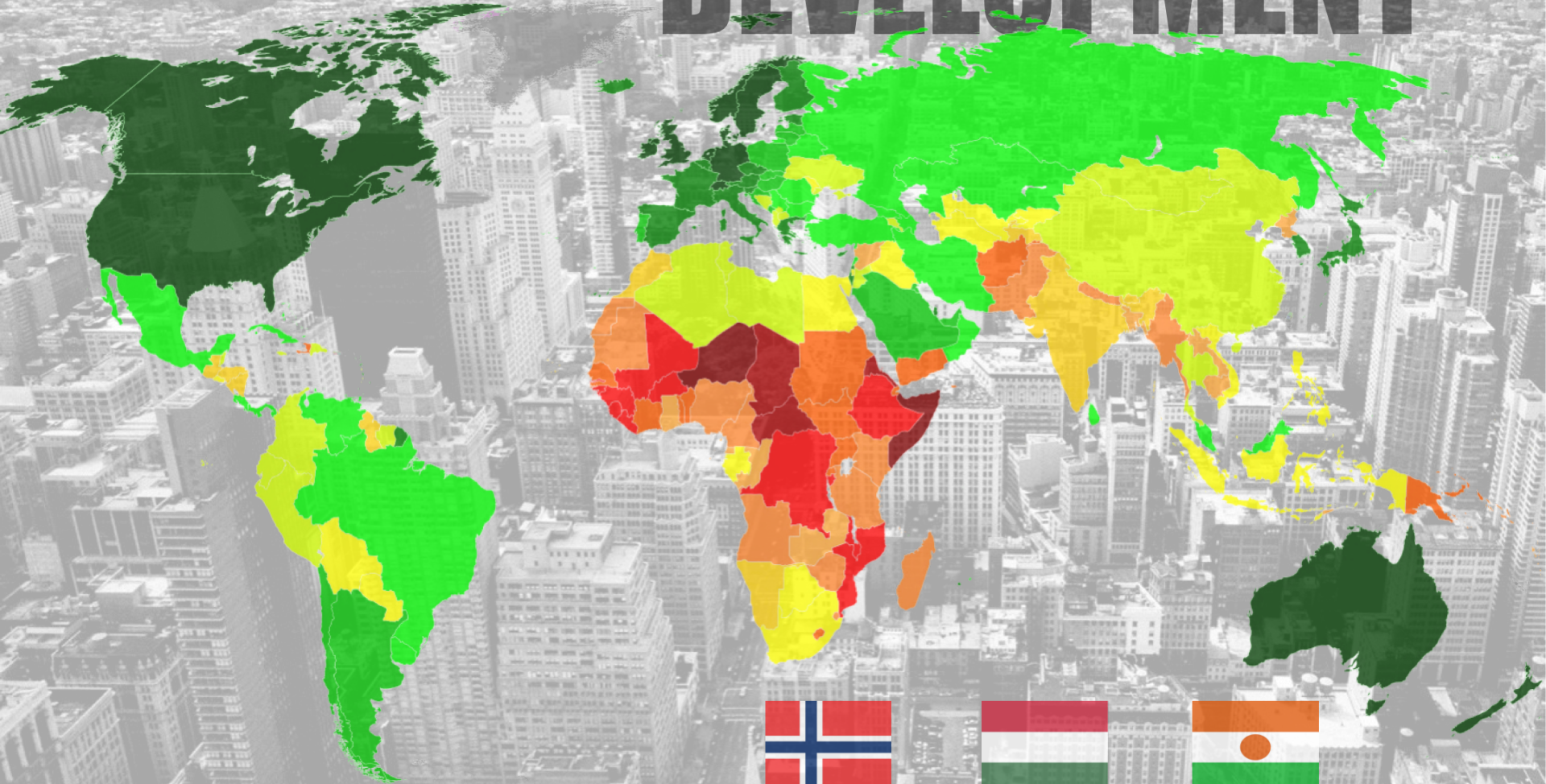
2013

12%

# EXTREME POVERTY

less than  
**\$1.90**  
per day

# HUMAN DEVELOPMENT



**0.994**



**0.828**



**0.348**

1992 1994 1996 1998 2000 2002 2004 2006 2008 2010 2012 2014

5%

2%

-1%

-4%

-7%

GDP/CAPITA ANNUAL GROWTH RATE

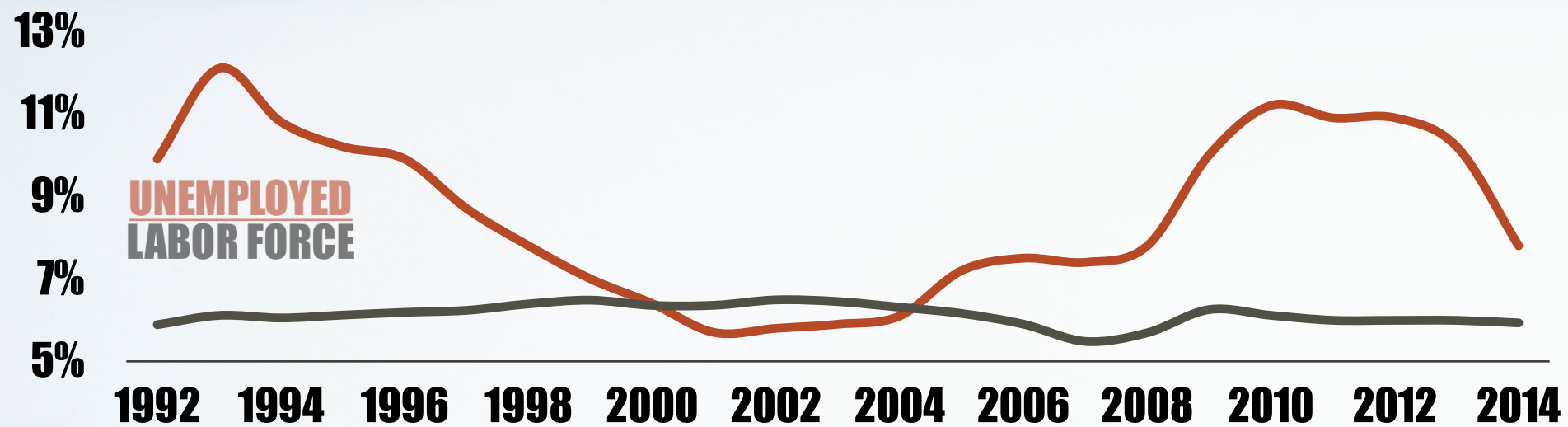
**WHAT DRIVES  
ECONOMIC GROWTH?**



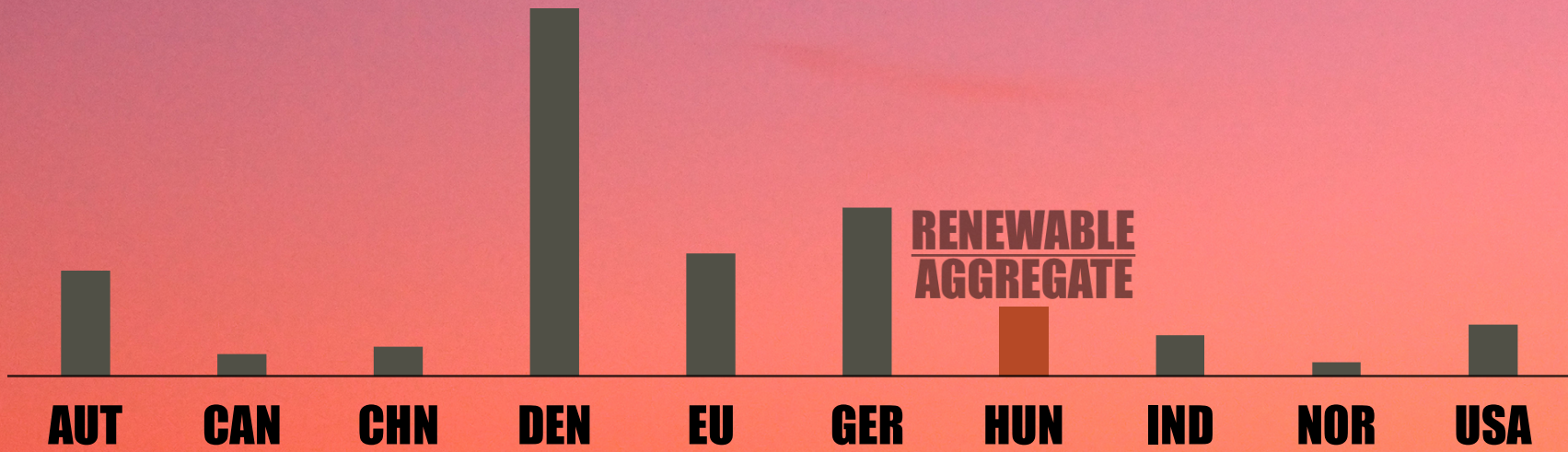
# WHY DO CRISES HAPPEN?



# WHY ARE PEOPLE UNEMPLOYED?!



40%  
30%  
20%  
10%  
0%



**RENEWABLE  
AGGREGATE**

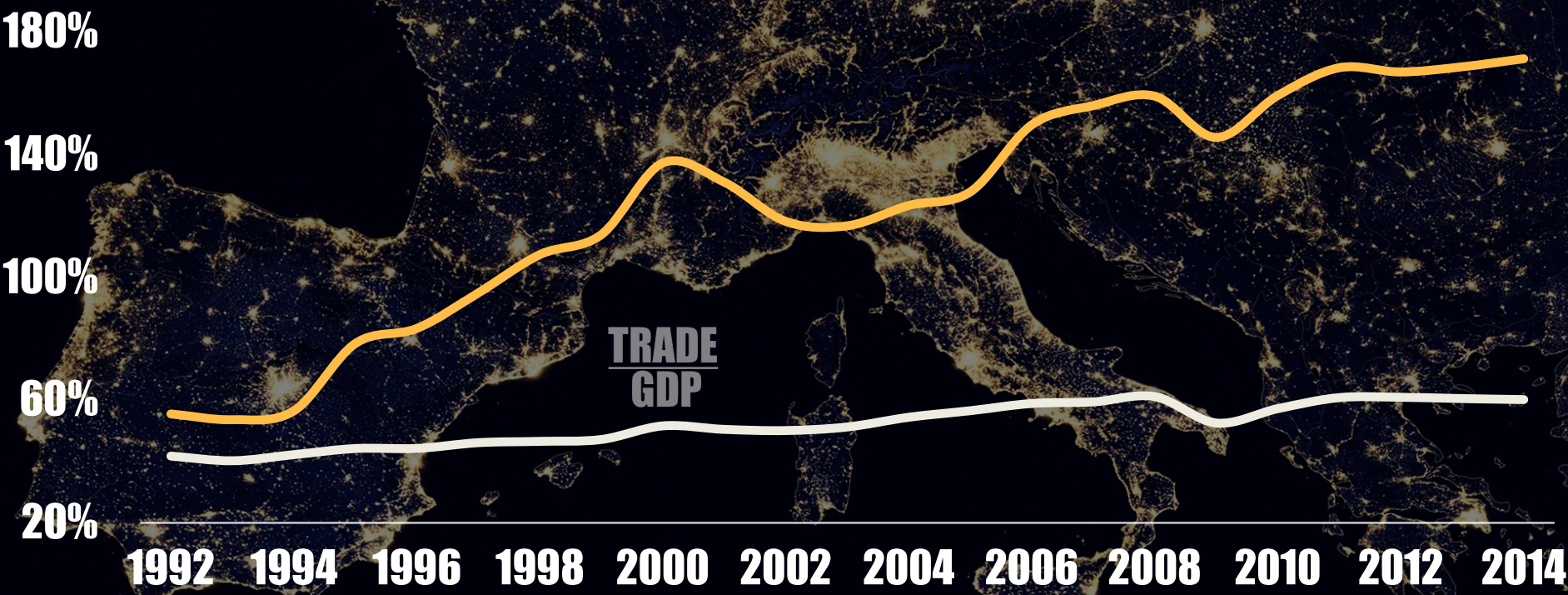


# (UN) SUSTAINABILITY

ECONOMIC | SOCIAL | ENVIRONMENTAL



# ECONOMIC INTEGRATION



# PANAMA CANAL

14.500 / year





**GLOBALIZATION**

**VS**



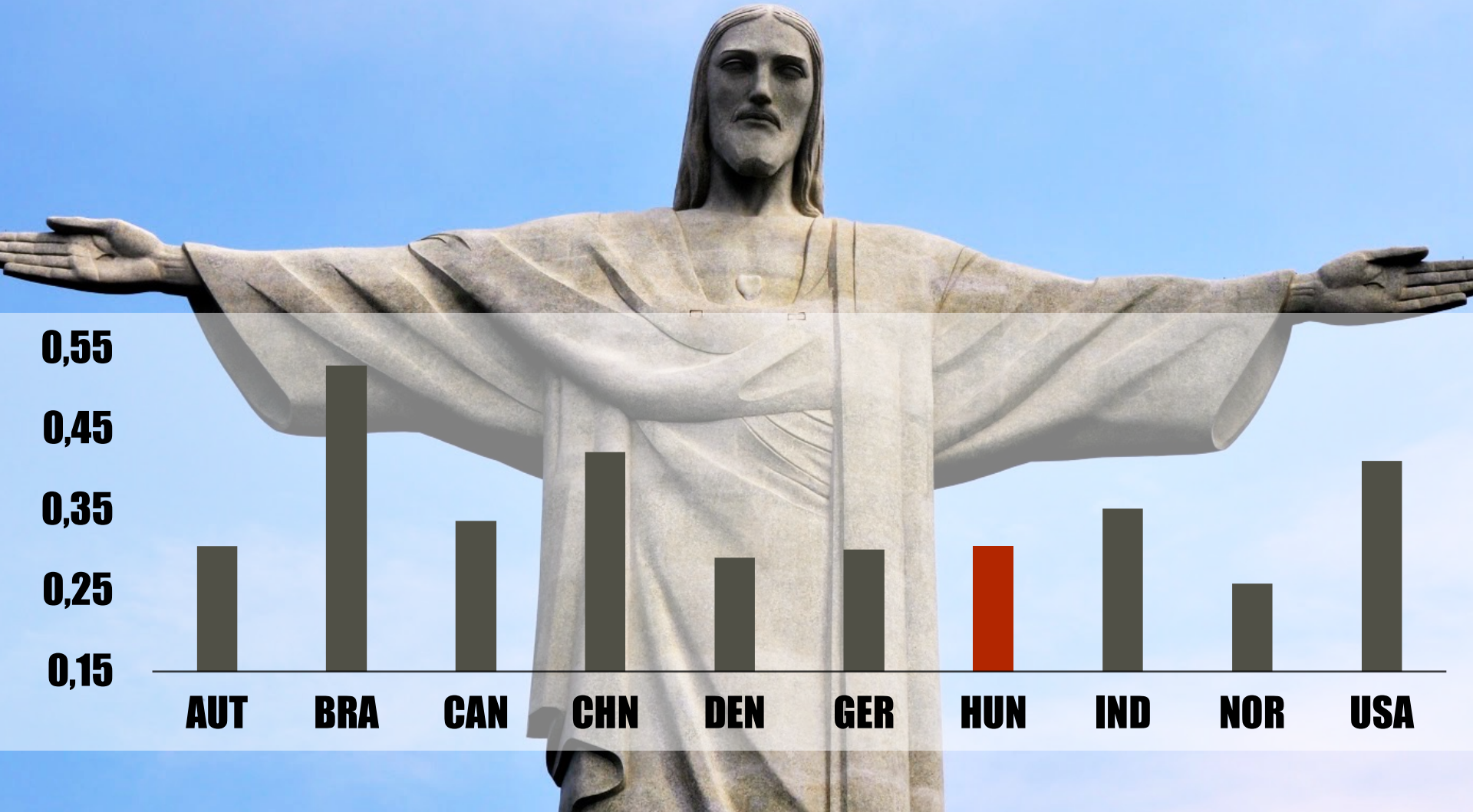
**GLOCALIZATION**



# WEALTH **IN** EQUALITY



# GINI COEFFICIENT

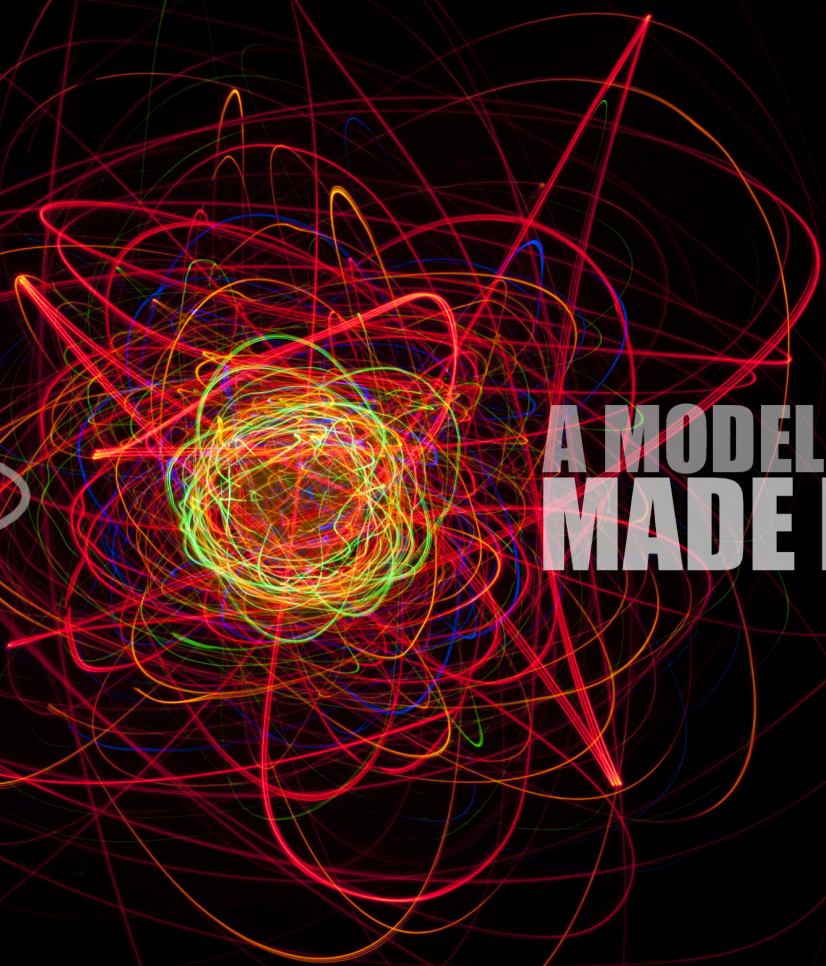
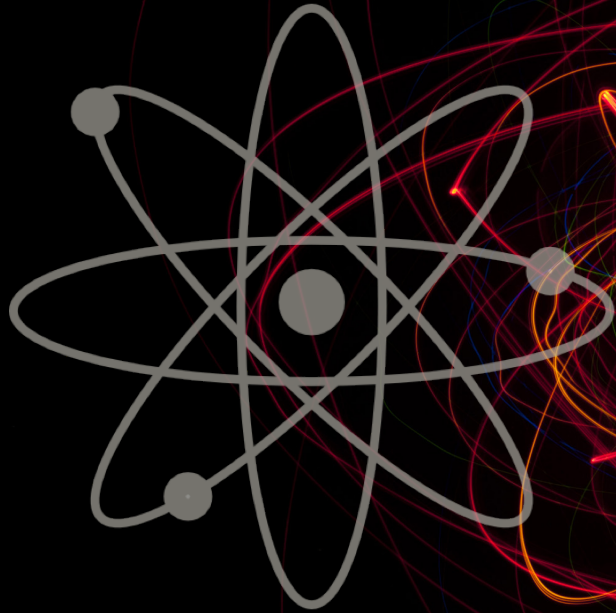




**BUILDING**



**MODELS**



**A MODEL IS A STORY  
MADE PRECISE**

**A SET OF  
TOOLS**



**VS**

**THE THEORY OF  
EVERYTHING**





A color portrait of Albert Einstein, showing his characteristic wild white hair and mustache. He is looking slightly to the right of the camera with a thoughtful expression.

**PHYSICS ON THE  
LARGE SCALE**

A black and white portrait of Paul Dirac, wearing round glasses and a suit. He is looking directly at the camera with a neutral expression.

**PHYSICS ON THE  
SMALL SCALE**

A black and white engraving of Adam Smith in profile, facing right. He is wearing a powdered wig and a high-collared coat.

**ECONOMICS ON  
LONG RUN**

A black and white portrait of John Maynard Keynes, showing his mustache and receding hairline. He is wearing a suit and looking directly at the camera.

**ECONOMICS ON  
SHORT RUN**

**SOLOW  
MODEL**

**CLASSIC  
THEORY**



**UNPREDICTABLE**



**GROW?**

**SAVE**

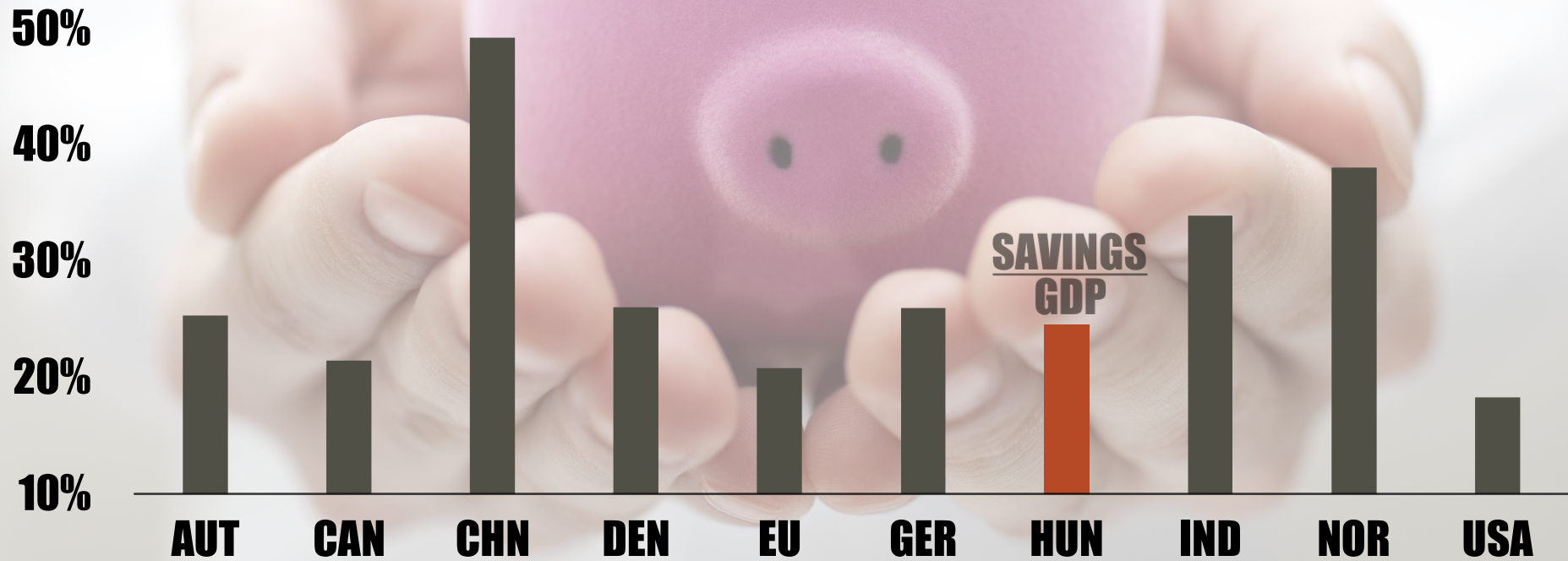


**HOW TO**

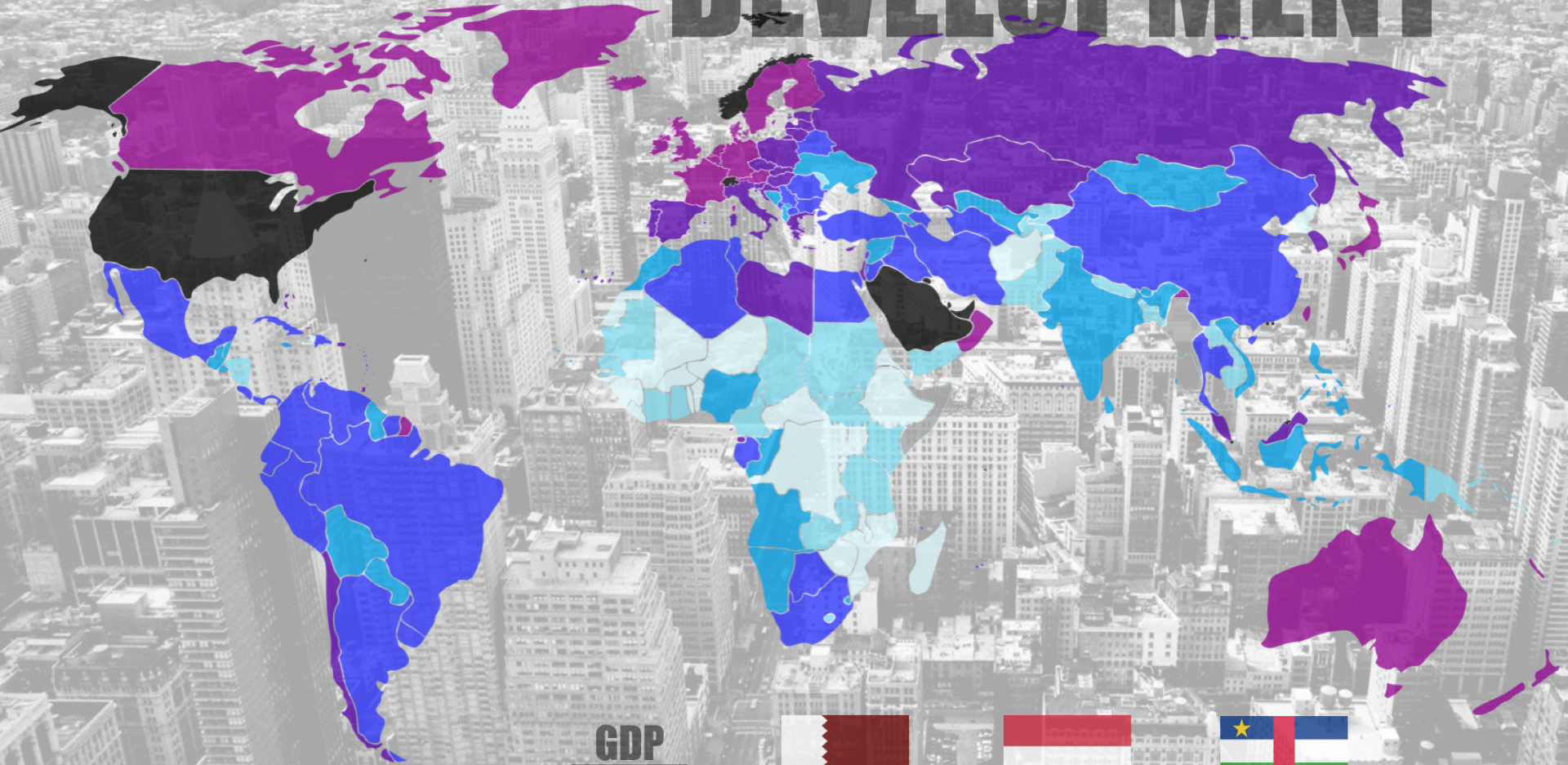
**?**

**SPEND**

# GROSS SAVING RATE



# ECONOMIC DEVELOPMENT



**GDP  
CAPITA**



**143.788**



**25.582**



**594**



**DOES THE  
INVISIBLE  
HAND  
WORK WELL?**

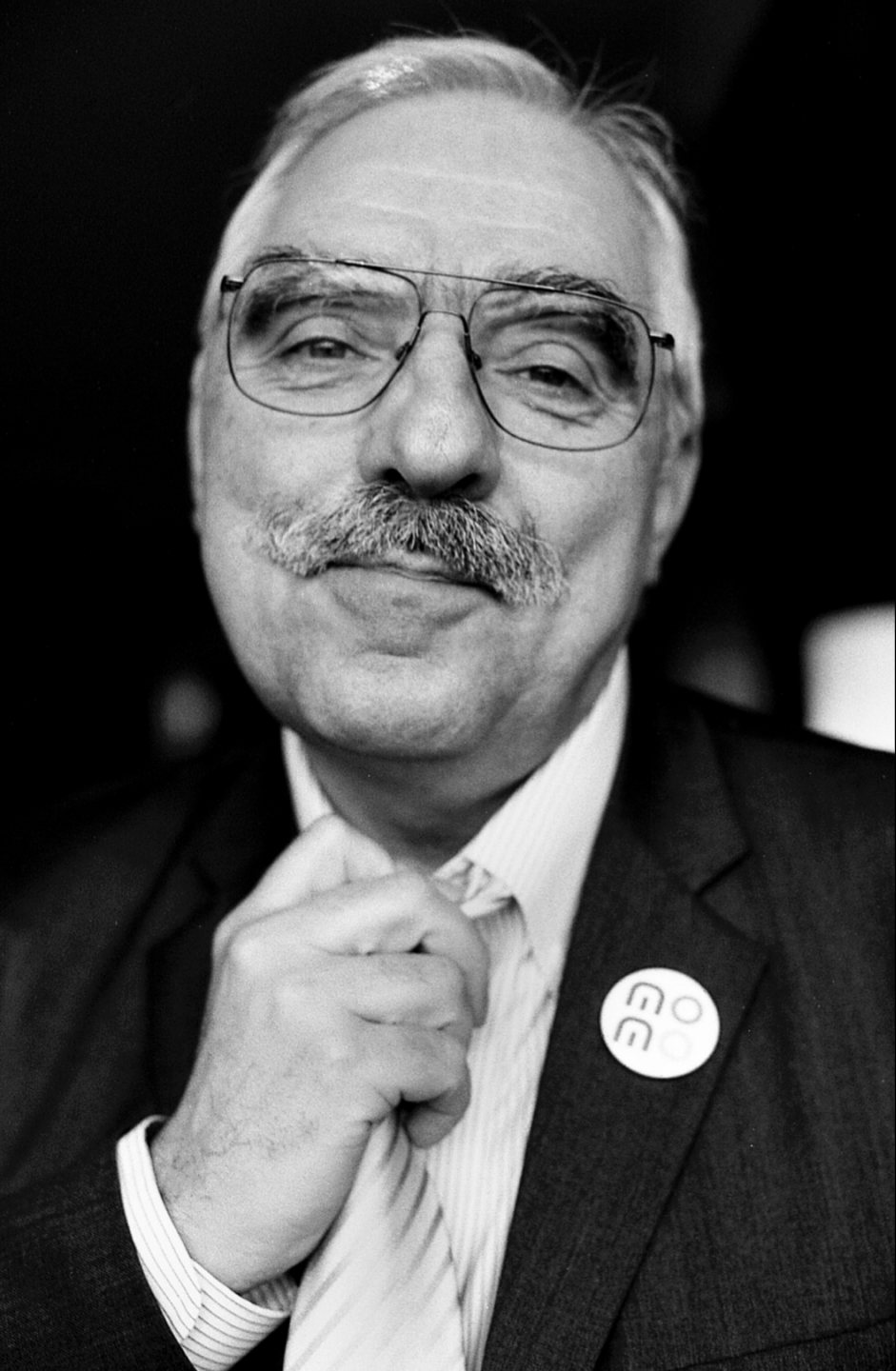


**VS**



**FLEXIBLE  
PRICES**

**STICKY  
PRICES**



# WHAT ECONOMIC POLICIES DO WE NEED?





# **MACROECONOMICS**



**PRESENTED BY  
BASED ON**

**DATA SOURCES  
AVAILABLE AT  
CONTACT**

**LÁSZLÓ SZALAI, DEPARTMENT OF ECONOMICS  
N. GREGORY MANKIW – MACROECONOMICS  
CHAPTER 1: THE SCIENCE OF MACROECONOMICS**

**THE WORLD BANK  
<http://kgt.bme.hu>  
[szalai@kgt.bme.hu](mailto:szalai@kgt.bme.hu)**