

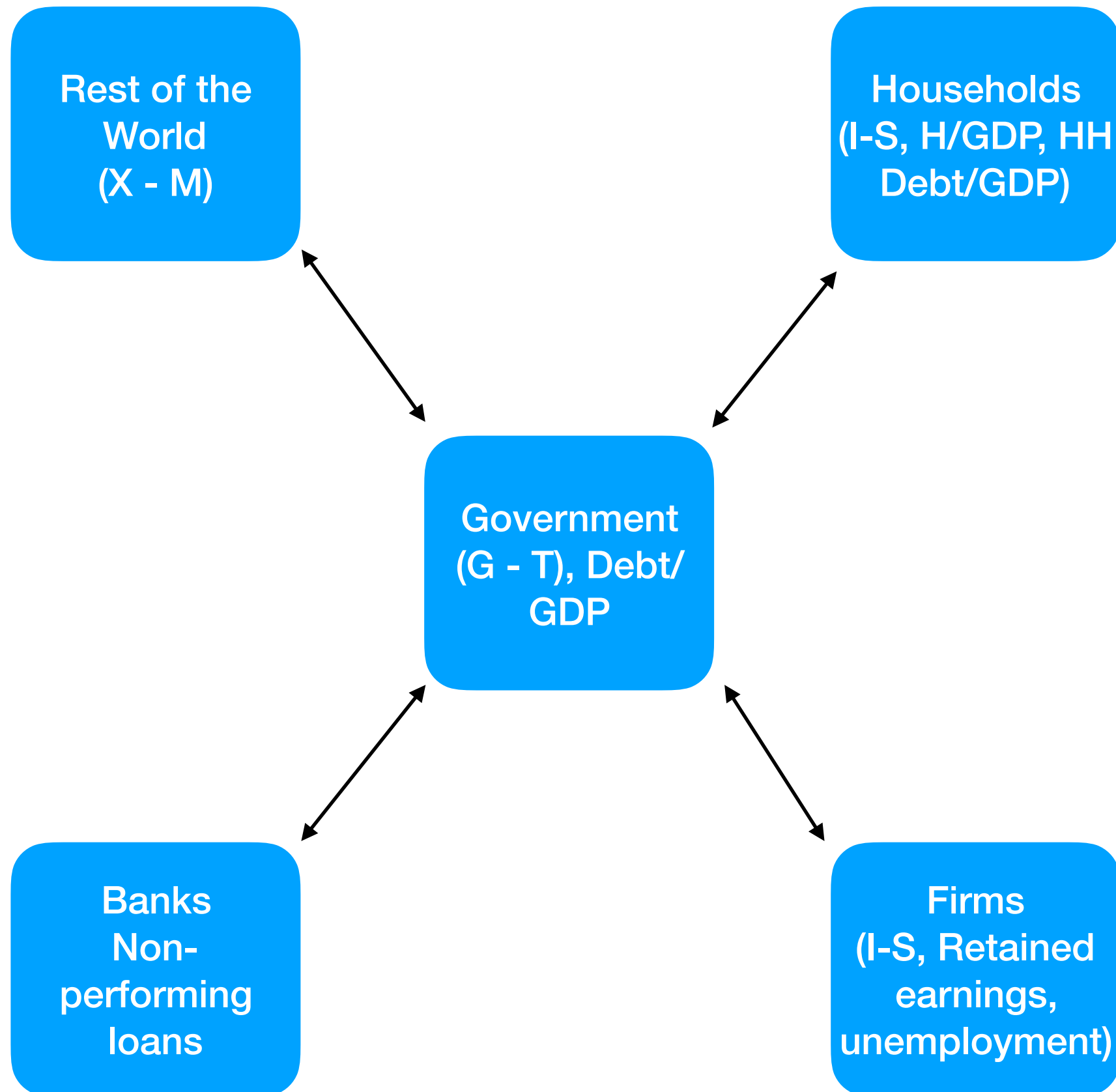
# Governing Challenges Day

## 3 Agenda

- 9-10 Recap of days 1 & 2, introduction to policy simulation
- 10-11  $t$
- 11-12  $t + 1$
- 12-1  $t + 2$
- 1 - 2 Lunch
- 2-3  $t + 3$
- 3-4  $t + 4$
- 4-4.30 Concluding thoughts

# Recap

# Policy Simulation



# Rules/Roles

# Each student has a role

- These roles are public and private diaries, and interact with each other throughout the simulation.
- They react to 'news' and decide what actions to take.
- Their actions change the simulation and have ramifications.

# Diaries

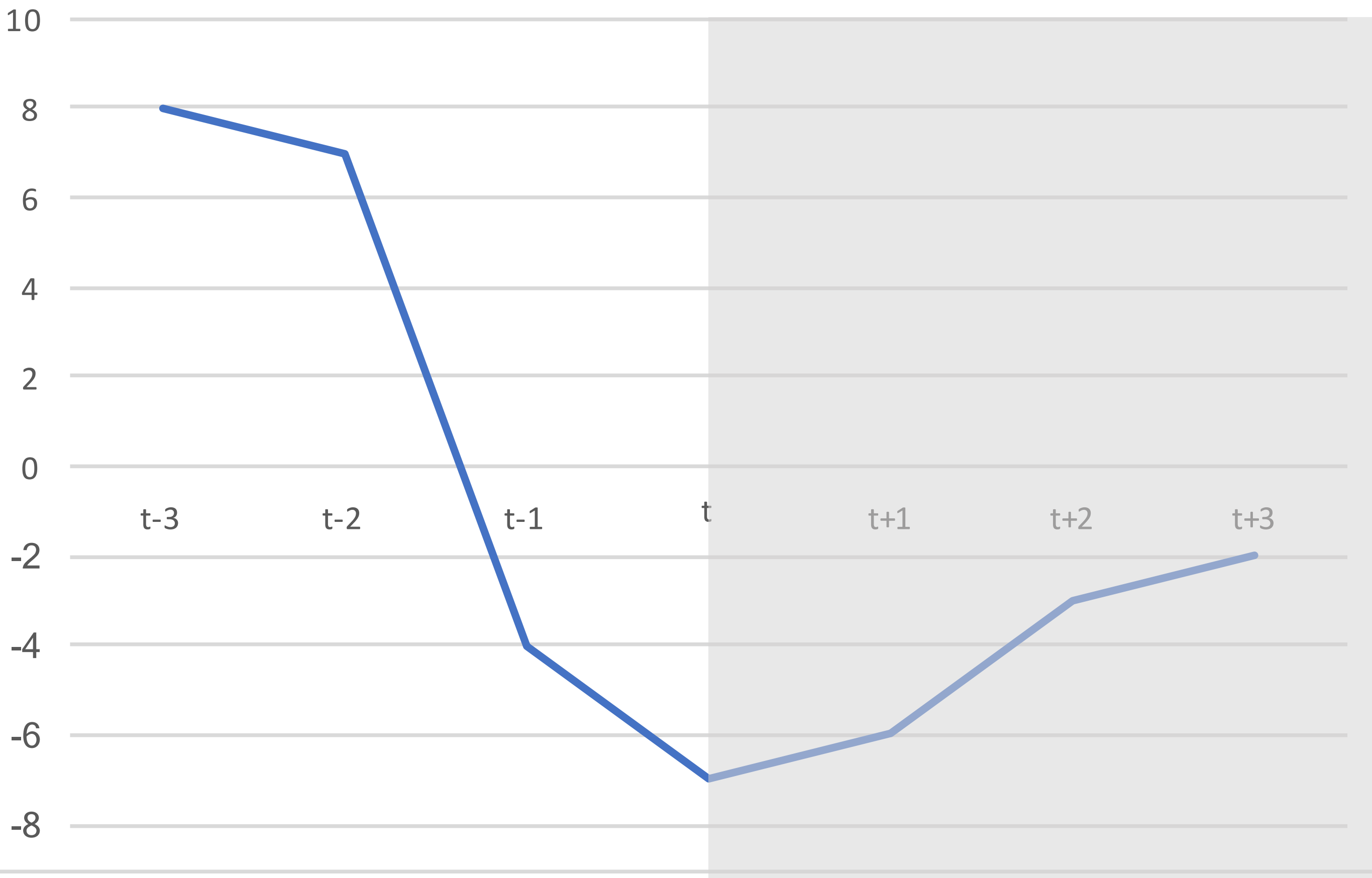
- Please keep two Word Files (or paper if easier) of
- 1. Your public reactions to the news. EG: bond yields, rising, opinion polls changing, banks failing, etc.
- 2. Your private reactions to the news. EG. It's looking likely we'll lose power. Do we blame everyone else, or not?

# News/Data

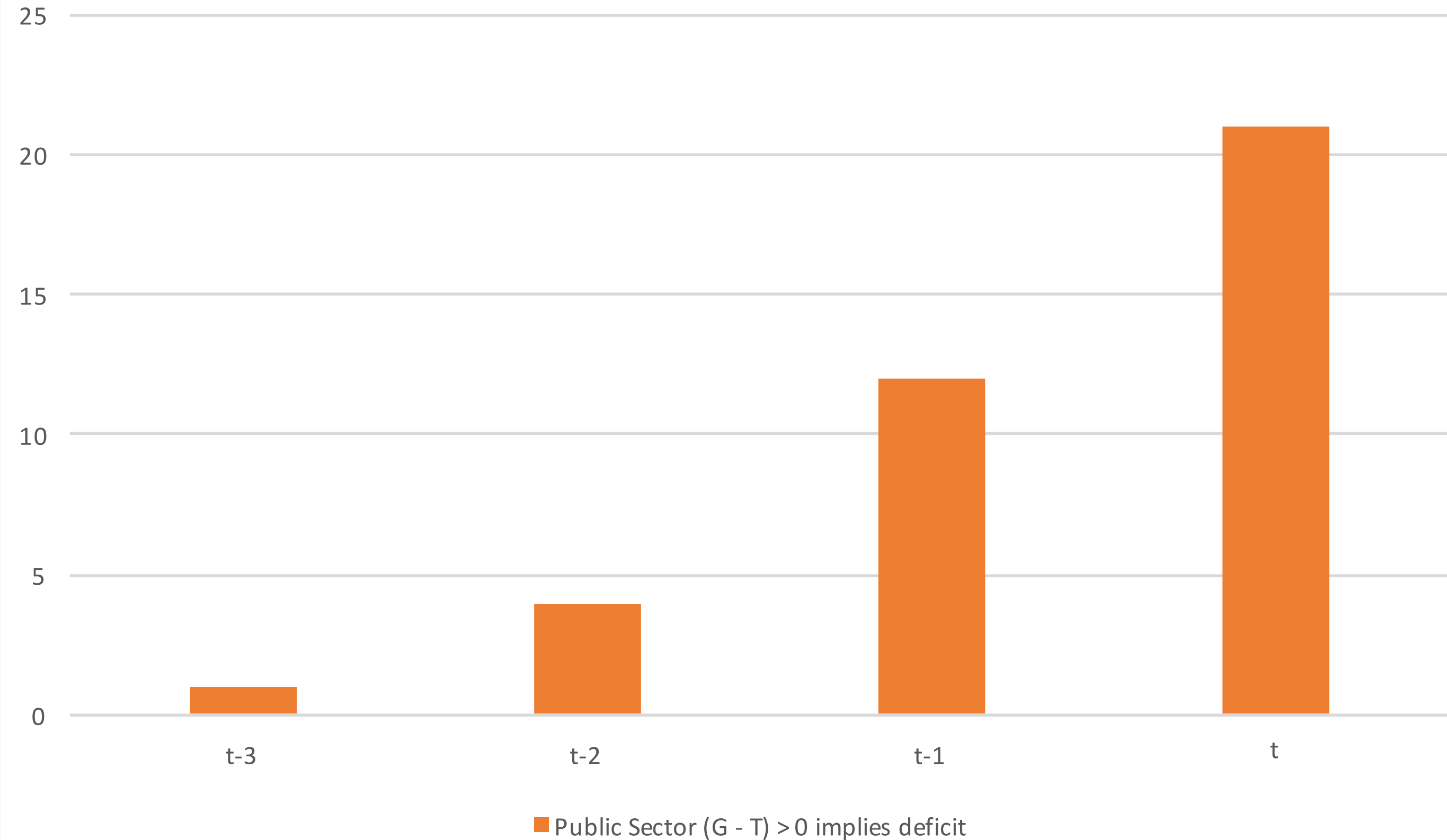
- Comes in 2 forms. Private data and public. You can choose to make private data public if you think it will help your cause.



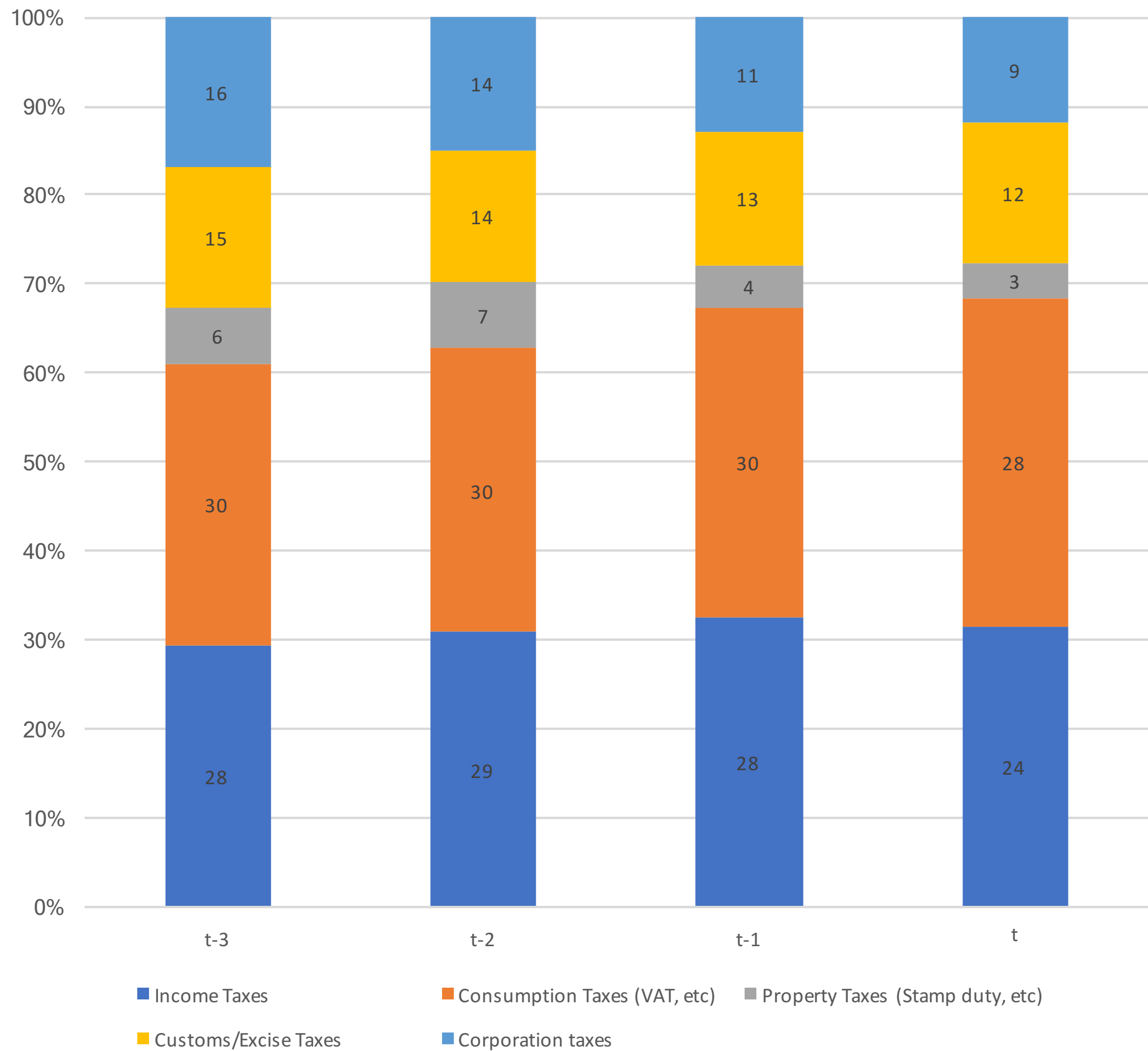
# Change in Real GDP, Year on Year



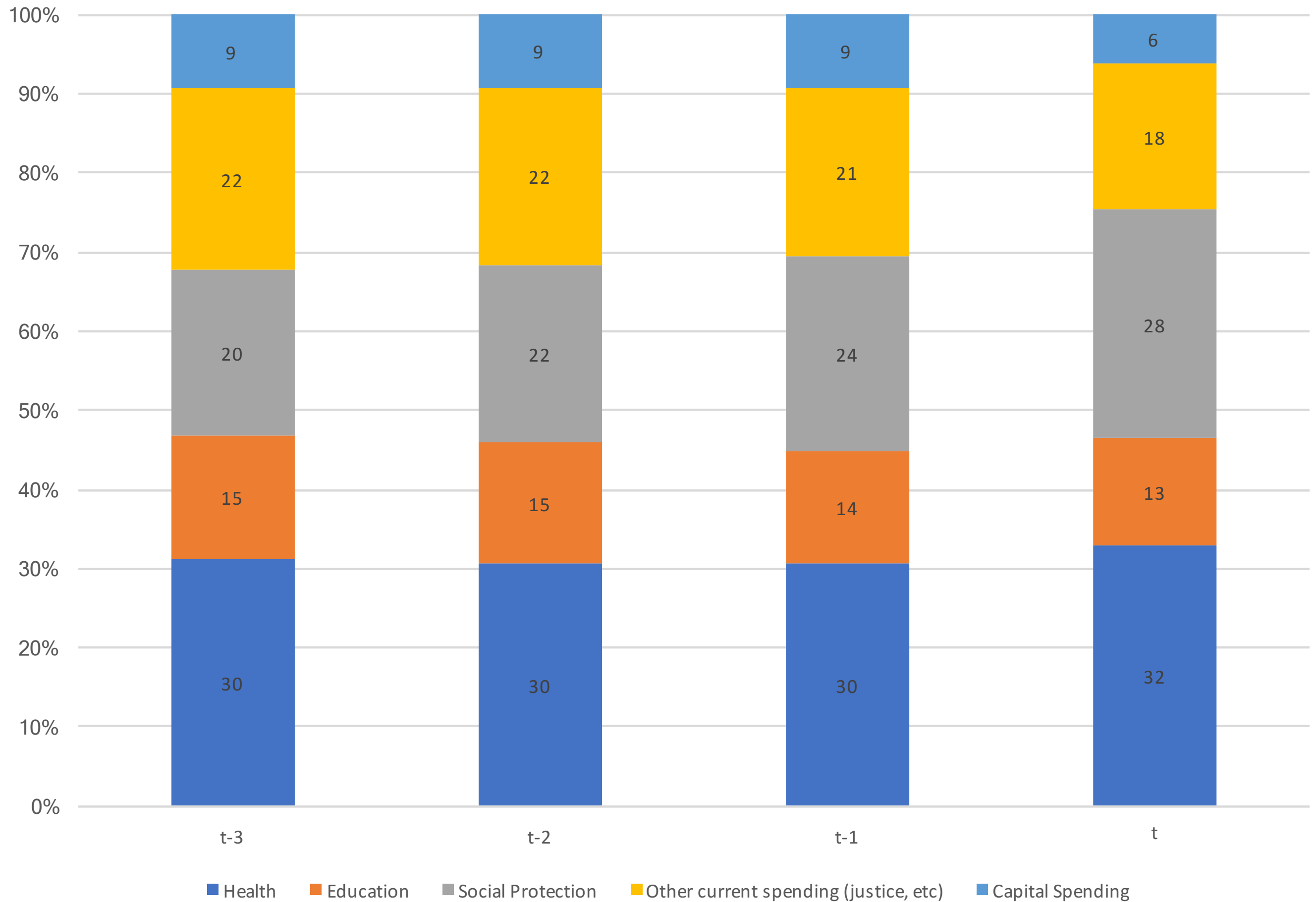
Public Sector (G - T) > 0 implies deficit



## Taxation Revenue



## Uses of Government Revenue



# Sectoral Balances

