F. A. Hayek vs. John Maynard Keynes

Macroeconomic Position Paper

F.A. Hayek and John Maynard Keynes were prominent 20th century economists who had very different views on how economic problems should be dealt with. The political debate in our country often centers on the magnitude of the government’s role in the economy. This debate has intensified with the election of a new administration in the White House.

Your assignment is to prepare a 2-3 page position paper that analyzes their economic philosophies and states which philosophy you believe would work best in the United States given current and expected future economic conditions.

As part of your analysis, you should address the following points:

- Each economist’s view on government involvement in the economy.
- Their ideas as to what the best strategy is to pull an economy out of a recession/depression.
- The risks of too much or too little government involvement in the economy.
- You should use academic sources to analyze how economic policies influenced by Keynes or Hayek have (in your view, and/or the view of the author) positively or negatively impacted the world or individuals. You can think in terms of policies that focus on:
  - providing access to healthcare and acquisition of health insurance,
  - helping the unemployed,
  - providing social services and financial aid to those in need, and
  - promoting or restricting free trade.

In writing your position paper, do not seek to give me what you think I want to hear. Develop your own unique thoughts and use facts, examples and statistics to support your position. There is no single correct answer.

Don’t be afraid to switch your position as you perform the research and write the paper, however, remember that you must take a position as to which economic philosophy you think works best. You cannot create a hybrid philosophy by merging Hayek’s and Keyne’s distinct ideas on the economy.

In performing your research, you must cite at least 3 sources of which one should represent an opposing viewpoint.

Part of your grade will be based on the quality of writing, i.e. the use of complete thoughts, proper sentence structure, proper grammar, and correct spelling.