

## Question 28

Analyse the impact of ~~the~~ protectionist policies on the domestic and global economies.

The following discussion will ~~now~~ analyse the impact of protectionist policies on the domestic and global economies.

In any economy, whether it's our domestic economy or the global economy, protectionist policies have a huge impact of them both and are also very important to them both.

On a domestic level it's very important to make sure that the dollar has a fair bit of security. The last thing an economy needs is to have its dollar drop

dramatically, because this could prove very costly to the economies status. So the economy has to employ protectionist policies in order to reach a certain degree of security in their economy. This could be things like forming Trading Blocs, which is an agreement between countries to trade freely within each other. It could also be things like the Balance of Payments (BOP) which is a record of all transactions made between Australia and the rest of the world.

When looking at economies on a global level, we need to adopt a more holistic approach. Where it's important to have a secure dollar on a domestic level, on a global level it's important to ensure that everything is fairly secure. It

would be important <sup>to introduce</sup> many Protectionist Policies into a global economy.

Something such as 'Globalisation' would be very wise to employ in a global Economy. This is a process in which countries look at working together, and trading, buying and selling together to form a single Global market. Therefore if an economy was to fall, there would be a lot of other economies around to help pick it self back up. And if an economy was struggling, the supply and demand states of its ~~supply~~ <sup>portfearing</sup> economies would help it to start improving again.

This is the impact that protectionist policies have on domestic economies and global economies.