

# Lesson Notes:

## Political and Economic Institutions' Response to Economic Change in Canada:

1. Governments:
  - Moral Suasion: Governments use moral suasion to influence the behavior of banks and other financial institutions, encouraging them to act in a way that is in line with the government's economic policies.
  - Regulation: Governments implement regulations to manage economic activities and maintain stability in the financial system.
  - Public-Private Partnerships: Governments collaborate with private sector companies to finance and manage public infrastructure projects.
2. Crown Corporations:
  - Policy Implementation: Crown corporations implement government policies related to economic development, public services, and infrastructure.
  - Regulation Compliance: They comply with regulations and standards set by the government to ensure fair competition and consumer protection.
3. Banks:
  - Monetary Policy Implementation: Banks implement monetary policy decisions made by the central bank, such as setting interest rates and managing the money supply.
  - Lending Practices: They adjust their lending practices in response to changes in economic conditions to maintain financial stability and support economic growth.
4. Industry:
  - Marketing Strategies: Firms may change their marketing strategies in response to economic changes to adapt to consumer behavior and market conditions.
  - Research and Development (R&D) Aims: Firms may shift their R&D aims to develop products or services that cater to new market demands or technological advancements.

## What action have governments in Canada taken in response to increases in unemployment?

Answer:

Governments in Canada have taken various actions in response to increases in unemployment, including:

- Fiscal Stimulus Packages: Implementing fiscal stimulus measures, such as increased government spending and tax cuts, to boost economic activity and create jobs.

- Employment Insurance (EI) Benefits: Extending and enhancing EI benefits to provide financial support to unemployed individuals.
- Job Training and Education Programs: Investing in job training and education programs to help unemployed individuals acquire new skills and re-enter the workforce.

These measures aim to mitigate the economic and social impacts of unemployment and support economic recovery.

**Why might a firm change its marketing strategies and/or research and development aims in response to an aging population or other demographic shift?**

Answer:

A firm might change its marketing strategies and/or research and development aims in response to an aging population or other demographic shift to:

- Adapt to Changing Consumer Needs: Develop products and services that cater to the preferences and needs of the aging population.
- Explore New Market Opportunities: Identify and tap into new market opportunities arising from demographic changes.
- Maintain Competitiveness: Stay competitive by adapting to demographic trends and evolving consumer demands.

By adapting their marketing strategies and R&D aims, firms can better align with demographic changes and capitalize on new market opportunities.