Pragmatism and Keynesian Theory

Your Name (First M. Last)

Date

Pragmatism and Keynesian Theory

Response to Question 1

The growing concept of pragmatism referred to the philosophical movement that is actively linked with different forms of considerations. It is characterized as the practical approach used by the decision makers to resolve various prevailing problems. It is worthy to mention that the broad idea of pragmatism is associated with the functioning of entrepreneurial policymakers. It is vital to determine which aspects can be feasible for the policymakers to effectively utilize pragmatism practices into their overall perspective of public policy research. The notion of entrepreneurial decision making involves different forms of risks before the proper application of the policy. The philosophical domain of pragmatism can use by the entrepreneur to better handle all forms of risk through the option of testing ideas and consideration of the value of work. The entire process of public policy research involves a comprehensive assessment of all the aspects of risks that can timely determine through the experience of pragmatism practices.

Response to Question 2

Keynesian and austerity are two opposite school of thought or perspectives relevant to the time period of recession. It is interesting to figure out which paradigm can be a better option for the government to craft a significant policy during a recession. The idea of austerity is not recognized as the effective decision at the time of recession as compare to Keynesian because it can self-defeating prospect in that particular time. The feature of spending cuts can cause an immense level of decrease in aggregate demand. Reduction of aggregate demand in the economy further leads to diminishing growth rate. It is crucial to understand that if government cuts in its spending at the time of recession than the chances of the bigger fall of overall demand will be increased. Keynesian’s approach of increasing government spending in a recession can better solution to manage detrimental economic situation during the recession.