

Five Key Questions About Macroeconomic Policy

	Classical macroeconomics	Keynesian macroeconomics	Monetarism	Modern consensus
Is expansionary monetary policy helpful in fighting recessions?	No	Not very	Yes	Yes, except in special circumstances
Is expansionary fiscal policy effective in fighting recessions?	No	Yes	No	Yes
Can monetary and/or fiscal policy reduce unemployment in the long run?	No	Yes	No	No
Should fiscal policy be used in a discretionary way?	No	Yes	No	No, except in special circumstances
Should monetary policy be used in a discretionary way?	No	Yes	No	Still in dispute