Homework V

due Wednesday, March 1st in class

Type out the answers, use single-spacing, and a size 12 font.

1. **Short Descriptions** *(3 points)* In two to three coherent sentences, explain and/or define each of the following concepts.

   (a) Dirigisme
   (b) Privatization
   (c) Ordnungspolitik

2. **The French Model** *(3 points)* According to the article “Vive la différence!” The Economist, May 9, 2009. pp. 27-29. (link on the class website), what are the three main roles of the French government in the economy? When it comes to these three roles, how does the French model compare to the US economic model?

3. **Indicative Planning** *(2 points)* “Many of the greatest economic evils of our time are the fruits of risk, uncertainty and ignorance.” (J. M. Keynes) What is the connection between the Keynes’ statement and the theory of indicative planning?

4. **Thatcherism** *(3 points)* Explain what is known as Thatcherism and some of its main characteristics. Compare it briefly with the what is know in the US as Reaganomics.

5. **The Rhine Model** *(3 points)* What are the fundamental characteristics of the Rhine model? Explain the concept of Mitbestimmung.

6. **Mittelstand** *(3 points)* Explain the importance of the “Mittelstand” for the success of German manufacturing and employment. If necessary, consult the article assigned in class.

7. **Germany and the Euro** *(3 points)* How has Germany benefited from the European Union and the euro in particular? Explain.