

** Teacher's version P148-.151*

(Activity 2: A mini-debate on the thesis: "Transfer will discourage people to work" or "Transfer would help the poor more effectively.")

Assignment 2

1. In some countries, the tax rates for high-income groups are around 40-50%. It is common for the public organisations, such as schools and hospitals, to have difficulty recruiting senior management staff. Explain this phenomenon with some economic concepts.

2. In some countries, the USA for example, the recipients of unemployment benefits need to show records of seeking jobs. Moreover, these governments set the maximum period of provision of unemployment benefits. Explain the possible economic rationales behind these policies.
