

Discussion period

In the 1960s UK suffered from chronic economic problems of inflation and unemployment. In the 2000s its economic performance is the best among three major states of UK, Germany and France. What is the main cause for such a change?

| Source: IMF WEO | GDP growth | | Inflation (cpi) | | Unemployment | |
|--------------------|------------|------|-----------------|------|--------------|------|
| | 2003 | 2004 | 2003 | 2004 | 2003 | 2004 |
| UK | 2.2% | 3.0% | 1.5% | 1.8% | 5.0% | 5.0% |
| Germany | -0.1 | 1.5 | 1.0 | 1.3 | 9.3 | 9.1 |

(source: European Commission)