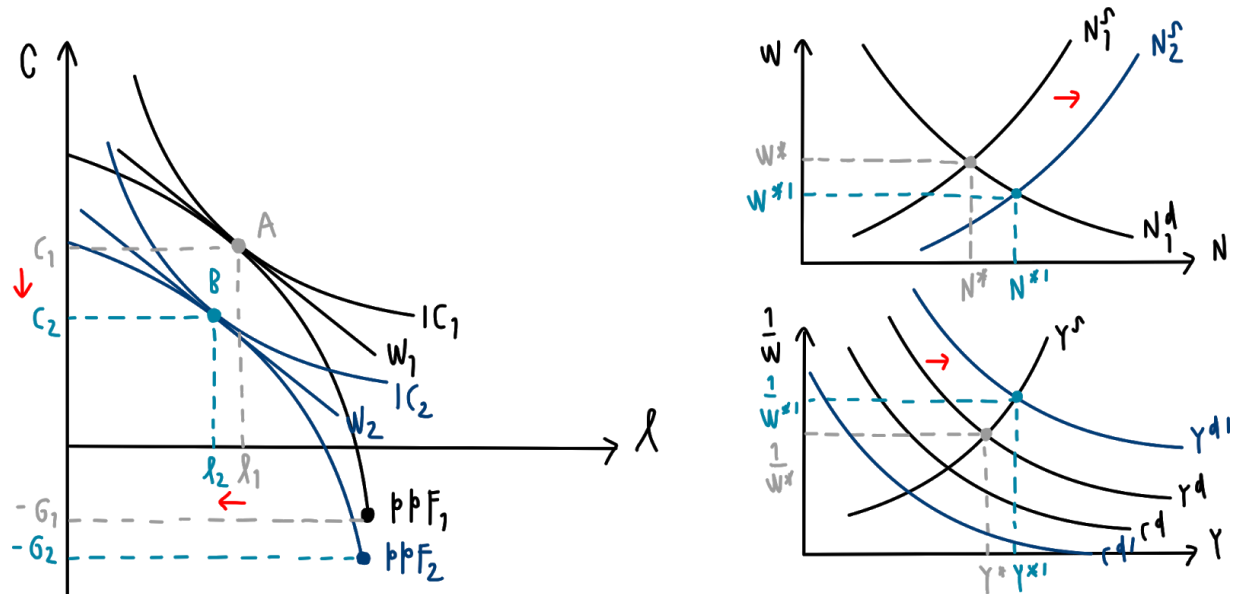


Half-half policy: The government gives away 3,000 baht each to 10 million people and adds 500 baht more to poor person cards for 3 months.



An increase in government spending leads to a fall in $(\pi-T)$ ppf_1 shifts to the left to ppf_2 . Because C and L are normal goods, C_1 decreases to C_2 and L_1 decreases to L_2 . Since L decreases, $(h-l)$ increases, labor supply also shifts to the right from N_s^1 to N_s^2 in the labor market. As a consequence, Wage falls from w^* to w^{*1} . Due to the lower wage, people will consume less (C_d to C_d'). Lastly, ($Y_d = C_d + G$) since C_d decreases a little, but G increases a lot, Y_d shifts to the right from Y_d to Y_d' . Hence, Price of consumption goods ($1/w$) also rises.

Reference: <https://ch3thailandnews.bectero.com/news/208587>