

then there is the local system

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and the overall system (frame for the former)

The local system operates in

a given framework, an environment of macro economic policies

(Jeff: The macro determines the micro!)
= no feedback into the system — at least for a certain period

What is exogenous what endogenous

Connected to the ticklish question of distinguishing between the effects of active government intervention and endogenous (or other exogenous??) causes. What part of expansion of output is to be imputed to budgetary policy, what part of investment to measures of promotion etc. "Paradits" of budget can be only judged on the basis of given rules of budgetary policy (if there are any!) This may be related to the problem of the trend — the distinction of exogenous and endogenous influence. What do economists say?