

# How Does the Political Economy Affect the Macroeconomic Factors of a Country

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**Abstract:** *Though the Reserve Bank of India has been able to control inflation through monetary measures, other factors such as global trade and, indirectly, the state of international politics, also serve as indicators of a country's macroeconomic conditions and inflation. The increase in inflation rates following the pandemic, due to pent-up demand and supply chain disruptions, has been a growing source of concern. Thus, this essay will examine the issues facing India and the ways in which India is affected by the political unrest brought about by the trade war between the US and China and the Russia-Ukraine conflict.*

*This essay discusses the political economy, which has seen significant recent changes, and it identifies the main reasons for these changes, including the COVID-19 epidemic, the fierce conflict between Russia and Ukraine, and the ongoing trade spat between the US and China. It examines how trade affects other countries and what that means for India.*

*The main focus of this working paper is how the pandemic and the political economics of the global environment relate to the country's rising costs of goods and services and how this might be addressed.*

**Keywords:** political instability, Russia-Ukraine war, US-China trade war, international politics, Covid-19

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