An evaluation of different proposals for a European fiscal capacity

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Abstract

Recently, several policy makers and academics advocated a fiscal capacity for the euro area. It is supposed to help countries stabilise their economies during recessions. At the same time, such a capacity should not generate permanent transfers, which may lead to moral hazard. This paper evaluates different transfer mechanisms, where payments are linked to the development of the unemployment rate. There is a trade-off between stabilisation on the one hand and avoiding permanent transfers on the other. Our results suggest that a cap on transfers may be a good compromise between these two objectives.

Keywords: fiscal capacity, EMU, asymmetric shocks, macroeconomic stabilisation, moral hazard.

JEL Codes: E32, E62, E63, F55
1 Introduction

Along with the establishment of the Euro, competencies in monetary policy were shifted to the European level, while leaving only fiscal policy at national discretion. This effectively reduced the toolkit available in response to asymmetric shocks. Alternative measures such as increased factor mobility or risk sharing via financial markets might compensate for the loss in exchange rate flexibility (Mundell, 1961, 1973).\(^1\) In the euro area, however, risk-sharing across countries is relatively underdeveloped (ECB, 2018) and national fiscal policy continues to play a crucial role in dealing with macroeconomic shocks (Gali and Monacelli, 2008; Adao et al., 2009; Farhi and Werning, 2017; Weiske and Wieland, 2018).

Sufficient fiscal leeway is therefore essential in order to guarantee the stabilising function of national fiscal policy. In the euro area, however, many countries exhibit very high levels of public debt, which could be considered as unsustainable (GCEE, 2018). Against this background, several proposals for a fiscal capacity have been made. Such a capacity is supposed to provide fiscal transfers to countries hit by an asymmetric shock and should thus complement existing fiscal instruments at the European level (e.g., Bénassy-Quéré et al., 2018).

The general idea of a fiscal capacity is to provide insurance against asymmetric shocks. In contrast to fiscal unions, these schemes have the goal of providing only temporary transfers. As the proposed schemes do not explicitly ask for repayment, unlike in case of a credit, they rely on randomly distributed shocks in order to avoid systematic transfers. As these shocks cannot be easily identified, proposals for a fiscal capacity usually link payments to observable macroeconomic figures such as the unemployment rate (e.g., Arnold et al., 2018; Dolls et al., 2016; Dullien and Perez del Prado, 2018). But this may give rise to adverse political incentives and triggers that may be potentially manipulated in anticipation of transfers. In turn, this could lead to permanent transfers from the fiscal capacity, which would be at odds with its principles (GCEE, 2018). Most proposals therefore suggest different strategies, such as ex-ante conditionality including the compliance with fiscal rules, in order to prevent the occurrence of long-lasting net transfers (e.g., Arnold et al., 2018; Bénassy-Quéré et al., 2018).\(^2\)

Besides potential net transfers, the degree with which a fiscal capacity can provide a timely and sufficient stabilising function is essential. Macroeconomic stabilisation re-

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\(^1\)Further channels which help compensating for the loss of monetary policy might involve intensified free trade or increased price/wage flexibility (McKinnon, 1963).

\(^2\)Alternatively, Beetsma et al. (2018) suggests to rely on other triggers that might be less susceptible to adverse incentives.
quires payments to be countercyclical, i.e. a country should receive money from a capacity when its output gap is negative. This aspect is closely linked to the potential formation of net transfers and the strategies implemented to prevent them. A proposal for a fiscal capacity that effectively reduces net transfers at the expense of timely payouts might be considered as equally inappropriate as a proposal with timely payouts however unable to prevent net transfers. A systematic analysis of this trade-off currently lacks in the literature. In this paper, we therefore analyse the formation of transfers, the effectiveness of different strategies discussed in the literature to prevent permanent transfers and their consequences on the potential ability of a fiscal capacity to stabilise countries hit by asymmetric shocks.

We find that a fiscal capacity linking transfer payments to deviations of the unemployment rate from its moving average would have resulted in significant transfers across countries over the last decades. Concepts for a fiscal capacity rely on the presumption that everyone will be eventually hit by a shock such that no country should be a net recipient/contributor. Like tossing a fair coin, no participant in such a scheme could expect positive pay-offs on average. But given the significant differences in labor market structures across euro area countries, this condition of a “fair bet” would probably be violated for a capacity linking payments to the unemployment rate. In particular, countries with a very volatile unemployment rate would have received much higher transfers from a fiscal capacity than countries with a relatively smooth unemployment rate. Therefore, several extensions would need to be considered, in order to prevent permanent transfers. Our results, however, suggest a substantial trade-off between avoiding permanent transfers and guaranteeing that transfer payments are countercyclical. Setting a cap on total transfers may be a good compromise between the two objectives. First, it reduces the countercyclicality of transfers only slightly compared to the baseline scenario of unrestricted transfers. Second, it mechanically prevents the accumulation of sizable cross-country transfers, which may increase the political acceptance of a capacity.

The remainder of the paper is organised as follows. While Section 2 presents the currently discussed proposals for a fiscal capacity, Section 3 discusses in detail the transfer schemes and strategies to prevent net transfers considered in the simulations. Section 4 reports the results of our simulations with a particular focus on the size of transfers, their persistence and cyclicality, conditional on the particular design of the respective transfer scheme. Section 5 concludes.
2 Proposals

Currently, several proposals for a fiscal capacity are discussed covering a wide range of design features, especially with respect to strategies to prevent cumulative net transfers as well as the fact whether the fiscal capacity can borrow from financial markets. For instance, Dolls et al. (2016) propose a fiscal capacity in which payout are targeted at short-term unemployed. It should not exceed 50% of the unemployment benefits of short-term unemployed which are defined by an unemployment spell between two to 12 months. The conditions for transfers are given by certain minimum standards which national unemployment schemes have to meet and the increase in national unemployment has to exceed the respective change at the European level. Potential adverse incentives are supposed to be curtailed by the need for national co-financing as well as the waiting period of two months prior to the start of transfers from the fiscal capacity. The contributions are set by a standardised rate on revenues from national social security contributions and the fiscal capacity is not allowed to borrow from financial markets.

Bénassy-Quéré et al. (2018) propose a fiscal capacity in which transfers are made proportional to the deviation of the actual unemployment rate from a preset threshold value. As the proposed fiscal capacity is not allowed to borrow from financial markets, transfers would be reduced proportionally if available funds are depleted. Conditions for the payment of transfers are given by large changes in the unemployment rate or wage bill exceeding a predetermined threshold. Furthermore, transfers are earmarked and must be used, for instance, for public investment. Annual contributions to the fiscal capacity are set as about 0.1% of GDP while this figure should positively depend on the volatility of the respective trigger variable used to determine the transfer. In order avoid moral hazard, Bénassy-Quéré et al. (2018) propose to condition the payout of transfers on the adherence to fiscal rules and country-specific recommendations made during the European Semester as well as experience ratings which induce higher contributions following the receipt of transfers.

A related proposal for a fiscal capacity is made by Arnold et al. (2018). Transfers are again proportional to the degree with which the unemployment rate deviates from a certain threshold. In particular, this threshold is computed by a 7-year rolling window of past national unemployment. While the contributions to the fiscal capacity are set as 0.35% of GDP, the fiscal capacity is explicitly allowed to borrow from financial markets. Strategies to avoid moral hazard involve the compliance with fiscal rules and usage premiums but also a cap on cumulated net transfers.

In order to avoid moral hazard that might stem from relying on trigger variables
that to some extend are under the control of governments, Beetsma et al. (2018) propose a fiscal capacity which relies on figures in world trade. These are expected not to be under the direct control of individual countries. Furthermore, the proposal asks for the condition that transfers in each period must add up to zero. Given the reliance on trade figures, contributions and transfers are defined by the relative development of national exports in a specific sector relative to the euro area as well as the export exposure of the respective sector.

The European Commission (2018) has also issued a proposal for a fiscal capacity at the European level. In contrast to the previously discussed proposals however, transfers to the member states are made via loans. The conditions and terms such as with respect to the duration or interest would be at the discretion of the European Commission. For instance, this may involve a waiver of up to 100% of the capital costs of the loan. The financial means for the rebate of capital costs would originate from the fiscal capacity which is financed by both national contributions proportional to their seigniorage income as well as borrowing from financial markets using guarantees from the EU budget. Strategies to avoid moral hazard again involve the compliance with the Stability and Growth Pact as well as the Macroeconomic Imbalances Procedure in the past two years.

3 Transfer schemes

In total, seven different transfer schemes are considered. They are based on Arnold et al. (2018).

Baseline Each country pays annual contributions proportional to its GDP. In Arnold et al. (2018) annual contributions of country \( j \) in year \( t \) are

\[
CB_{j,t} = 0.35\% \times GDP_{j,t}. \tag{1}
\]

Country \( j \) receives gross transfers when its unemployment rate \( u_{j,t} \) is above its seven-year moving average \( u_{j,t}^{7y} = \sum_{s=1}^{7} u_{j,t-s} \), i.e. the unemployment gap is positive. Gross transfers are then given by

\[
TR_{j,t}^g = 0.5 \times \max\{ (u_{j,t} - u_{j,t}^{7y}); 0 \} \times GDP_{j,t}. \tag{2}
\]
Note that this transfers scheme is asymmetric in the sense that gross transfers cannot become negative. In a symmetric transfer scheme, countries with an unemployment rate below its seven-year moving average would have to contribute more to the capacity, i.e. gross transfers would become negative. Net transfers are simply the difference between gross transfers (2) and the regular annual contributions (1)

\[ TR^g_{j,t} = TR^n_{j,t} - CB_{j,t}. \]  

Cumulated net transfers are simply the sum of annual net transfers

\[ CUM_{j,t} = \sum_{s=t}^{t} TR^n_{j,s}. \]  

**Usage premium**  When a country has received more transfers than it has payed in contributions, i.e. \( CUM_{j,t} > 0 \), it has to pay an additional annual contribution of 0.2% of GDP

\[ CB_{j,t} = (0.35\% + 0.2\%) \times GDP_{j,t}. \]  

This additional contribution has to be payed only when the unemployment gap is negative, i.e. \( u_{j,t} < u_{7y}^{7y} \). In other words, the usage premium is only applied in “good” economic times.

**Double trigger**  In addition to rule (2), a second condition need to be fullfilled in order to trigger transfers. The unemployment rate has to bee above it seven-year moving average and its increase compared to the previous year has to be greater than one percentage points. Equation (2) now becomes

\[ TR^g_{j,t} = 0.5 \times \max\{(u_{j,t} - u_{7y}^{7y}); 0\} \times \max\{\Delta u_{j,t} - 1\%; 0\} \times GDP_{j,t}. \]  

**No borrowing**  The capacity is not allowed to borrow

\[ CB_t = \sum_{j=1}^{N} CB_{j,t} \leq 0. \]  

Contributions of countries are adjusted proportionally such as to guarantee conditions (7). For example, when the capacity would need to borrow 0.25% of GDP in year \( t \), contributions for each country would be equal to 0.6% of its GDP.
Symmetric cap  Total net transfers, positive and negative, cannot exceed 2% of GDP

\[ |CUM_{j,t}| = \max\{|CUM_{j,t}|, 2\% \times GDP_{j,t}\}. \quad (8) \]

When condition is about to be violated, a country would be required (allowed) to pay higher (smaller) contributions in this year such as to fulfill (8).

Debt premium  When total cumulated net transfers are positive, countries have to pay additional contributions proportional to the debt level of the capacity

\[ CB_{j,t} = (0.35\% + \max\{0, 0.2\% \times CUM_t/GDP_t\})GDP_{j,t}. \quad (9) \]

Compliance with fiscal rules  Countries receive gross transfers only when they comply with fiscal rules of the EU. In order to reduce moral hazard issues, most proposals for a fiscal capacity tie payments to countries’ compliance with fiscal rules. The fiscal framework in the European union, however, is very complex as it has been extended by more and more rules over time (Christofzik et al., 2018). In the following, we focus on the two earliest rules introduced with the Treaty of Maastricht in 1992: the three percent deficit rule and the 60 percent debt to GDP ratio. Table 6 in the appendix provides an overview of countries’ compliance with these two rules. To get an idea how non-compliance with fiscal rules would have affected the transfer payments of a fiscal capacity, we consider the following very crude rule: a country is non-compliant with fiscal rules if it has missed both rules in at least three of the previous five years. In this case, a country would have received no transfers. Due to data availability, this constraint on transfers would start not before 1999.

4 Simulations

Figure 1 shows the evolution of total cumulated net transfers as % of GDP, \(CUM_t/GDP_t\), in the respective year. Cumulated total net transfers are given by \(CUM_t = \sum_{j=1}^{N} CUM_{j,t}\). In the calculations it is assumed that the capacity can lend/borrow at zero interest rates. The numbers represent the total amount of net transfers in percent of GDP that the fiscal capacity has payed out to countries. Positive values thus mean that the capacity had payed out more in gross transfers than it had received in contributions from countries. The capacity had been borrowing money. Negative values mean that contributions had been larger than gross transfers. The capacity had been saving money.
Calculations for the baseline scenario, not least due to the possibility of borrowing, show substantial, long-term total net transfers for the capacity as a whole and between countries. As of 2017, the capacity would have paid out almost half a trillion Euro more on transfers that it received in contributions. During the first half of the 1980s, the mid 1990s and the early 2010s, the fiscal capacity would have run annual deficits of 0.5-1% of GDP (see Figure 5 in the appendix). The surpluses generated during the interim years would have not be sufficient to balance the net transfer payments during the high-unemployment periods. When countries would have had to pay a usage premium, total net transfers would have been reduced. But the capacity would have had to borrow about 300 billion Euro (about 3% of 2017 GDP) between 1970 and 1990. A double trigger, however, would have led to permanent surpluses. In total, almost 300 billion Euro would have been saved by the capacity, which would become more of a “saving facility” than a stabilisation facility. The reason is that the second condition (6), i.e the increase in the unemployment rate is larger than one percent, is relatively strict. As a consequence, countries would have met this criterion not very often. Imposing a non-borrowing constraint would have prevented the accumulation of large deficits at the cost of restricting transfer payouts in crisis years. Such a capacity would have been able to run current deficits only if these are financed through the reduction of accumulated savings in previous years. For example, the capacity would have been able to pay out net transfers to countries of about 2% of GDP during the financial crisis, before savings were finally exhausted.

Setting a cap on the cumulated net transfers of countries would also limit the total amount of cumulated transfers. As of 2017, the total balance of the capacity would be close to zero. Alternatively, countries could be obliged to pay higher contributions, when the capacity is in a debtor position. This would be less strict than a non-borrowing constraint. Such a capacity would have not borrowed more than 2-3% of GDP in crisis times. When payments would be conditioned on the compliance with fiscal rules, transfer payments would have resulted in much smaller net transfers. In fact, the capacity would have paid out less in transfers than in would have received in contributions.

A first glance at Figure 1 may lead to the erroneous conclusion that the capacity would have accumulated deficits only during the 1970s and 1980s, whereas contributions seemed to have been large enough to cover transfers to countries afterwards. But what is displayed in Figure 1 is the total deficit, i.e. the debt ratio, of the capacity relative to GDP in the respective year. And indeed, this ratio has increased by slightly less than one percentage point from 3.64% in 1990 to 4.57% in 2017 (Table 1, left panel). At the same time, however, the capacity has accumulated an additional deficit of 337 billion Euro
Cumulated total net transfers in percent of GDP in the respective year: $CUM_t / GDP_t$ with $CUM_t = \sum_{j=1}^{N} CUM_{j,t}$. Cumulated total net transfers are given by $CUM_{j,t} = \sum_{s=1}^{t} TR_{j,s}^H$.

Figure 1: Cumulated Net Transfers as % of GDP
Table 1: Cumulated net transfers (capacity)

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<td></td>
<td>% of GDP (1990) billion Euro</td>
<td>% of GDP (2017) billion Euro</td>
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<tr>
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<td>337</td>
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<td>1.5</td>
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<tr>
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<td>-249</td>
</tr>
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<td>-10</td>
<td>-0.1</td>
<td>-7</td>
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<td>-66</td>
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<td>111</td>
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<td>Compliance</td>
<td>3.6</td>
<td>161</td>
<td>-0.6</td>
<td>-66</td>
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</table>

Cumulated total net transfers $CUM_t = \sum_{j=1}^{N} CUM_{j,t}$.

(Table 1). This amounts to 3.1% of GDP in 2017. So why has the total ratio not increased to 6.7 percent of GDP? The reason is GDP growth, as the following decomposition of the debt ratio shows

\[
\frac{CUM_{2017}}{GDP_{2017}} - \frac{CUM_{1990}}{GDP_{1990}} = \frac{CUM_{2017} - CUM_{1990}}{GDP_{2017}} - \left(1 - \frac{GDP_{1990}}{GDP_{2017}}\right) \frac{CUM_{1990}}{GDP_{1990}}. \tag{10}
\]

GDP in current prices has increased by 145% between 1990 and 2017. With increasing nominal GDP, past debt-ratios (or surpluses) become automatically smaller over time. This growth effect helped reduce the debt-ratio of the capacity by 2.14 percentage points, despite the sizable net transfers that it had to pay out in the meantime.

Table 2: Cumulated net transfers (countries)

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<td>0.7</td>
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<td>25.2</td>
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<td>30.8</td>
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<td>3.3</td>
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<tr>
<td>Usage premium</td>
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<td>0.3</td>
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<td>-4.5</td>
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Cumulated net transfers $CUM_{j,t}$ in percent of GDP (2017).
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In percent of GDP (as of 2017).
Figure 2: Labor Markets and Average Annual Transfers
4.1 Stationarity

To be completed...

Table 4: Stationarity tests

<table>
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4.2 Persistence of transfers

To be completed...

Error correction

\[ TR_{j,t}^n = \alpha_j + \phi_j CUM_{j,t} + \sum_{s=1}^{p} \delta_s TR_{j,t-s}^n + u_{j,t} \]  

Transfers payed back

\[ CUM_{j,t} - CUM_{j,t-h} = \alpha + \beta CUM_{j,t-h} + u_{j,t} \]
Table 5: Persistence of transfers

<table>
<thead>
<tr>
<th>Error correction $\phi$ Countries (avg.)</th>
<th>Capacity</th>
<th>Transfers payed back $\beta$</th>
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<td>No borrowing</td>
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4.3 Cyclicality of transfers

The purpose of the fiscal capacity is to provide transfers to countries facing an economic downturn. Ideally, countries would receive transfers when their output gap is negative. Measuring output gaps in real time is difficult, though. That is why most proposals make transfers payments conditional on the unemployment rate instead of the output gap.

Let $\rho_j$ denote the correlation of annual net transfers with output gap

$$\rho_j = corr(T R^n_{j,t}, gap_{j,t}),$$

where $TR^n_{j,t}$ are the annual net transfers for country $j$ in year $t$ and $gap_{j,t}$ is the output gap estimate for country $j$ in year $t$ from the European Commission as of May 2018. In general, the unemployment rate is negatively correlated with the output gap. The difference between the unemployment rate and its moving average should thus serve as a suitable trigger for countercyclical transfers. But there are differences across countries and schemes (Figure 3). For some countries, transfers would have been highly countercyclical (France, Spain, or Greece), while for other countries the correlation would have been rather week (Germany, Netherlands, or Luxembourg).

For Germany, the statistical link between the output gap and the unemployment rate has been particularly weak over the past 15 years. Germany would have not received payments from the capacity during the severe recession of 2008 and 2009, despite an output gap of about minus 5%. Unlike in other countries, the German unemployment rate increased only slightly during the recession and began to fall again in the year 2010. The unemployment gap, as measured by the difference between the unemployment rate and its 7-year moving average, can be a very imprecise proxy of the output gap. When
the natural unemployment rate, which is as difficult to estimate in real time as the output gap, is falling, the one-sided moving average may be lagging behind for years. This shows the problems of such a one-sided filter, which separates temporary and structural components of unemployment only imperfectly (GCEE, 2018).

Not only are there differences across countries, but also across the different specifications of transfers. In most scenarios, the average correlation is lower than in the baseline scenario. There is also more heterogeneity across countries, in particular when a double trigger or a no-borrowing constraint are considered. In the latter case, the correlation with the output gap varies between 0.2 (Luxembourg) and -0.8 (Greece). In terms of stabilisation, some countries would have benefited more from a fiscal capacity than others.

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3Beetsma et al. (2018) links transfer payments to the export performance of countries. A country receives a transfer if total euro area exports are particularly weak in those economic sectors, for which the country’s share of total euro area exports is comparatively high. The average correlation of transfers with the output gap, however, would have been relatively low (GCEE, 2018).
Correlation of annual net transfers with output gap $\rho_j = corr(TR^n_{j,t}, gap_{j,t})$, where $TR^n_{j,t}$ are the annual net transfers for country $j$ in year $t$ and $gap_{j,t}$ is the output gap estimate for country $j$ in year $t$ from the European Commission as of May 2018.

Figure 3: Correlation with Output Gap 1970-2017
4.4 Trade-offs

A fiscal capacity is supposed to perform along several dimensions. First, transfers should be countercyclical. Second, countries should not receive permanent transfers. Third, the fiscal capacity should not turn into a debt capacity, i.e. contributions from countries should cover the transfers. Here, we focus on four different criteria, in order to evaluate the various specifications for a fiscal capacity. These are: (i) the average correlation of transfers with the output gap across countries, \( \frac{1}{N} \sum_{j=1}^{N} \rho_{j} \), (ii) the average estimated error correction term of net transfers across countries, \( \frac{1}{N} \sum_{j=1}^{N} \phi_{j} \), (iii) the estimated error correction term of total net transfers country paid out by the capacity, \( \phi \) with \( TR_n^t = \alpha + \phi \text{CUM}_t + \sum_{s=1}^{t} \delta_s TR_n^{t-s} + u_t \), and (iv) the average absolute balance of the capacity \( \frac{1}{T} \sum_{t=1}^{T} |TR_n^t| \).

The first criterion measures the potential stabilisation gains from a fiscal capacity. The second criterion gives information about whether and how quickly a positive or negative transfer balance is corrected. The third criterion measures this correction for the capacity itself. The last criterion is about how much money the capacity has to borrow/invest on financial markets each year. Figure 4 displays the trade-offs associated with these four criteria. Not all of them can be met at the same time. The baseline scenario provides the largest stabilisation gain, but at the cost of persistent transfers and large total annual deficits that need to be financed, e.g. through bond issuance.

Most other specifications face similar trade-offs. But some of them seem to provide a better balance between stabilisation on the one hand and avoiding permanent transfers on the other. In particular, a symmetric cap seems to be a good compromise between the two. Such a transfer scheme would yield a reasonable negative correlation of transfers with the output gap, a strong correction of accumulated deficits/surpluses and a budget that is balanced most of the time.\(^4\)

\(^4\)Two other specifications (no borrowing and debt premium) have a much higher error correction term for the capacity. But note that with a symmetric cap no substantial transfers accumulate that need to be corrected eventually (Figure 1).
Average correlation with output gap: \( \frac{1}{N} \sum_{j=1}^{N} \rho_j \). Error correction (countries): \( \frac{1}{N} \sum_{j=1}^{N} \phi_j \). Error correction (capacity): \( TR_t^n = \alpha + \phi CUM_t + \sum_{s=1}^{P} \delta_s [TR_{t-s}^n - u_t] \). Absolute annual balance: \( \frac{1}{T} \sum_{t=1}^{T} |TR_t^n| \).

Figure 4: Trade-offs
5 Conclusion

A fiscal capacity for the euro area is supposed to meet certain requirements. Countries should receive transfers if and only if they are in need for stabilisation. At the same time, transfers should not be permanent. The capacity should not accumulate debt over time, such as not to create some kind of “euro bonds” through the backdoor. The capacity should not encourage moral hazard and should be consistent with the legal framework, in particular regarding the budgetary rights of national parliaments.

This paper is not meant to assess whether these conditions are necessary or whether a fiscal capacity is needed. Instead possible transfer mechanisms are analysed such as to meet as many of those requirements as possible. We simulate different transfer schemes building on the proposal by Arnold et al. (2018), who use the difference between the unemployment rate and its moving average as a trigger for transfer payments. Our results suggest that constructing a capacity that fulfills the aforementioned conditions is very difficult. It turns out that not all targets can be achieved at the same time. In particular, there seems to be a trade-off between stabilisation on the one hand and no permanent transfers on the other. A cap on total net transfers seems to be a good compromise between these two conflicting objectives. Moreover, setting a fixed cap on transfers might strengthen the political support for a fiscal capacity.

References


A Additional Tables and Figures

Table 6: Compliance with fiscal rules 1995-2017

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Green: debt-to-GDP ratio below 60% and deficit less than 3% of GDP. Yellow: debt-to-GDP ratio below 60% or deficit less than 3% of GDP. Red: debt-to-GDP ratio above 60% and deficit higher than 3% of GDP. ✓: compliance with at least one rule in at least three of the last five years.
Figure 5: Annual Net Transfers as % of GDP
Figure 6: Annual and Cumulated Net Transfers as % of GDP (Spain)
Figure 7: Annual and Cumulated Net Transfers as % of GDP (Greece)