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Steht das US-Leistungsbilanzdefizit vor einer Korrektur?

Guido Zimmermann

Abstract

Will the huge US current account deficit finally come down? Are lower capital imports into the US or even a capital flight out of the country threatening the US dollar? I will argue that the US current account deficit will close gradually over the next years. Due to higher productivity growth relative to Europe and Japan and because of the special role of the US dollar this will not entail a strong depreciation of the dollar, however.

JEL-Classification: F 01, F 32.

Familiengeld und Kindergeld als Instrumente der Familienförderung

Johann Eekhoff und Barbara Henman

Abstract

In this article the consistency, redistributive effects and work incentives of the support payment for dependent children (Kindergeld) in Germany are discussed. The child benefit, although paid out as a lump-sum, does not lead to an equal monetary transfer per child. The transfer rather depends on the family-income, as the support is optional to taking tax allowances for dependant children (Kinderfreibeträge). Considering that child allowances are no tax benefits, but lead to an equal taxation of taxpayers with children and without, the remaining transfer, the net child benefit, depends on the families tax burden paid on the – otherwise tax-free – income needed for child maintenance. Due to the progressive income tax rate the tax surcharges are increasing with the income and the net-transfer per child decreases accordingly. This leads to disincentives to work for parents. The reasoning and general rules of distribution behind the optional child benefit remain unclear. The payment does not serve welfare purposes as it counts against the supplementary welfare benefits (Sozialhilfe), which secure a minimum income of the poor. The income related transfer also does not generally recognize the upbringing of children, e. g. to make up for disadvantages families face in some of the social insurances on a pay-as-you-go basis, above all the pension insurance fund (gesetzliche Rentenversicherung). The authors argue for a separation of both instruments – the child support payment and the allowances for children. In addition, the current disadvantages of families in the pension insurance fund demand systematic family oriented reforms within the pay-as-you-go system.

JEL-Classification: D 1; D 30; H 24.

Kennzeichnungspflicht für genetisch veränderte Lebensmittel: Eine ökonomische Analyse

Justus Haucap und Helmmar Schmidt

Abstract

In July 2001, the European Commission has published its proposal on new labeling requirements for genetically modified food. In order to reduce informational deficits on consumers' side, the Commission proposes to decidedly strengthen the current labeling requirements. Our paper utilises an economics of information framework to analyse this proposal. We conclude that, while there may be a risk of market failure associated with genetically modified food, the Commission favours an inefficient, overly drastic form of market intervention, which does not only lead to increased production costs and a loss of allocative efficiency, but also has adverse distributive effects from the bottom to the top.

JEL-Classification: D 82; K 29; L 15; L 66.

Wirtschaftspolitisches Forum

Staatlich geförderte Altersvorsorge als Lösung der Rentenproblematik?

In this paper *Bernd Raffelhüschen* gives some insights into the political decision making process which changed the latest German pension reform from a fundamental step towards sustainability into a reform to be reformed. Nevertheless, he explains that the pension reform still bears a fundamental change, since it reduced transfers and at the same time opened for tax-preferred private and occupational pension plans. Hence, his paper investigates how these measures are developing presently and will develop in the future. Finally, some educated guesstimates are derived concerning those further reform steps to be undertaken in order to ensure the sustainability of a reduced pay-as-you-go scheme in future Germany.

In their contribution, *Johann Eekhoff, Markus Jankowski and Michael Voigtländer* discuss the pros and cons of the Riester pension scheme. This so called "Riesterrente" involves a taxation scheme which can be regarded as a first step towards a consumption based taxation and can be justified in order to maintain intertemporal neutrality. The additional financial support for families and low-income earners, however, is neither based on efficiency grounds nor on a reasonable way of redistribution. The financial advantages are only granted if the capital investment is made in approved types of financial services. These restraints on capital investment will distort the functioning of the capital market which might lead to reduced economic growth and unemployment. Therefore, the authors conclude that the favouring of

certain types of private saving should be abolished for the benefits of introducing consumption based taxation.

Bert Rürup argues that central issues of last year's pension legislation were a limitation of the growth of expenditures and as a result also a limitation of the expansion of the contribution rate as well as a redistribution in favour of younger generations as a precondition for intergenerational justice. The simultaneous reduction of the pay-as-you-go financed first pillar of old-age security while strengthening the funded pillars of old-age security helped to reach those targets.

In his paper he argues that at the same time it was politically decided to melt down - in relative terms - the extent of the first pillar while simultaneously preserve the function of the old-age security system as an instrument to secure the standard of living after retirement. That also meant not to cut back the statutory pension insurance to a flat rate system in the long run. It should together with benefits from private systems guarantee - on the average - to keep up the income position reached in the period of professional activity also after retirement. This specific target makes state subsidization of private old-age security plans inevitable. The only alternative would be to turn the mandatory system into a compulsory one which would be the „cheaper“ solution. The author states that compulsory saving for old-age security purposes versus targeted subsidization has distributive disadvantages and would hamper basic rules of market economy. And it would in Germany be impossible to be introduced due to political reasons.

If for normativ reasons („lean state“) the state organized old-age security system should be reduced e.g. like in Great Britain to the level of a system that provides protection against poverty, consequently state subsidization of private saving for old age purposes must be rejected. The first question to be answered is: Should state old-age security policy be directed towards maintaining the standard of living reached in working life or should it create only something like basic security? If that question is being answered in favour of the first, then a discussion on the nature and extent of state subsidization of private saving for old age purposes makes sense.

JEL-Classification: H 55; J 26.

Untereentwickelter Risikokapitalmarkt und geringe Beschäftigungsdynamik: Zwei Seiten derselben Medaille im strukturellen Wandel?

Ansgar Belke und Rainer Fehn

Abstract

Labor market performance has differed considerably between OECD countries over the last two decades. The focus of the literature so far has been to ask whether these differences can be explained by varying degrees of labor market rigidities and generosity of welfare states. This paper takes a different perspective and analyzes whether differences in venture capital investments have explanatory power with respect to labor market performance across countries and over time. In particular, the Anglo-Saxon countries have been relatively successful over the last two decades in producing employment growth and in reducing unemployment compared to most continental European OECD countries. As a rule they have also been and are still ahead in developing thriving venture capital markets that are often deemed crucial for the creation of new firms and for successfully managing the ongoing radical structural change away from traditional industrial production toward the so-called “new economy”.

JEL-Classification: D 24; J 21; J 24.

Arbeitsanreize für gering Qualifizierte: Anforderungen an das Transfersystem

Michael Vierling

Abstract

Germany's social aid and unemployment assistance do not support work incentives, neither with regard to their levels nor their reductions when working hours increase. Thus the social policy trap is complemented by the trap of wages that are too high to allow for full employment. As a consequence, the less qualified are excluded from work. This part of the unemployment problem could be avoided. The key question is how to reconcile incentives for work and for obtaining state transfer. How can the “make-work-pay”-target be achieved? It seems crucial that social aid and unemployment assistance be transferred from income substitutes to wage supplements for those who can work.

Positive work incentives can be expected if the transfer depends on hourly wages and, consequently, on the hours worked. The transfer can be designed as a wage rate subsidy or as an exemption from social security contributions. The features of the “Mainzer Modell”, recently introduced on the federal level, do not meet this requirement. However, the USA's EITC income tax transfer scheme - at least EITC's

income supplementation for the lowest income ranges - could actually serve as a model for change in Germany.

JEL-Classification: J 23; J 31; J 65.