

ZEITSCHRIFT FÜR WIRTSCHAFTSPOLITIK

51. Jahrgang
2002

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ISSN: 0721-3808

Wie sinnvoll ist die Regionalpolitik der Europäischen Union?

Jens Südekum

Abstract

European Regional Policies aim to close real income gaps between EU-regions by subsidising the economic periphery. These policies are motivated by new divergence theories in economics that imply regional income divergence as a possible result of free markets. However, the same theories identify various advantages from a spatially uneven resource allocation and do not point to an essential need for political interventions. Moreover, the European Commission in its endeavour to countervail agglomeration even pursues policies that sometimes achieve quite the opposite. This paper thus argues that European regional policies lack a convincing conceptual framework and should undergo substantial reforms.

JEL-Classification: R 5, H 1, F 4

Lässt sich ein Abbau der öffentlichen Verschuldung politökonomisch erklären?

Thomas Döring

Abstract

Public debt is one of the controversial and therefore most exciting subjects in the field of public finance. Since the 1970s many industrial countries constantly accumulated public debt, and this development was explained mainly from a public choice perspective. In the meantime the trend has reversed. Therefore the paper pursues the question whether this change in the borrowing behavior of government can also be explained from a public choice view. For this purpose and with special focus on Germany, first, the fading away of fiscal illusion is considered, induced by the learning processes which the citizens have undergone in the meantime. In addition, changes in political ideologies and institutions are analyzed as well as the fiscal constraints which result from a permanent high governmental debt. It is argued that the sum of these factors is responsible for the fact that politicians do not pursue their previous fiscal behavior any longer and instead revert to a strategy of budget consolidation.

JEL-Classification: H 6, D 7

Wirtschaftspoliotisches Forum

Zur Lage auf dem Arbeitsmarkt: Reformvorschläge in der Diskussion

Johann Eekhoff deals with the employment of low skilled workers. He recommends not to subsidize recipients of social security, but to offer them unpaid jobs, so that they get a chance to render their services in return of the received social aid, to train their skills, and to improve their prospect of getting a regular job. Monetary incentives for work are not compatible with the system of social security, and they are not necessary. The main problem is not willingness to work but the denial of jobs for low skilled workers in a society with strong labor unions and restrictive regulations. Charitable employment is one way to relieve the problems of unemployed recipients of social security, to increase employment, and to reduce public spending.

In his paper *Wolfgang Franz* points out "The Need to more Flexibility on Labor Markets in Germany". He determinates that an important aspect distinguishes the time pattern of unemployment in Germany from that in other countries such as the United States. After a recession unemployment rates in Germany do not decline to pre-recession levels. This raises the suspicion that ratchet effects are at work. Besides an unadequate wage policy several malfunctionings of the institutional framework of the labor market are highlighted in his paper mostly associated with labor laws such as lay-off restraints, insufficient decentralized.

Alexander Sperman is writing about the improving financial incentives by the Mainz employee subsidy model - a placebo pill for low qualified workers? He determinates that the Mainz employee subsidy model was introduced in March 2002. It implies a time-restricted, degressive employee subsidy that subsidizes a part of employee's social insurance contributions for a maximum of three years. In his paper he points out the enormous bureaucratic effort associated with paying back social contributions. A much more simpler and cost effective measure to reach the same goal would be to reduce the burden of social insurance contributions directly rather than indirectly. But for political economic reasons the chosen procedure could be reasonable. Furthermore, the introduction of the Mainz model was premature because evaluation results of field experiments with a couple of employee subsidy models are still missing. Therefore, the Mainz model could easily be a placebo pill for the low qualified workers as well as "Red Bull" for the government in election times.

JEL-Classification: J 30, J 31, J 5

Liberalisierungsversprechen und Regulierungsversagen - Das kalifornische Strommarktdebakel

Lars Kumkar

Abstract

This paper discusses the California electricity market debacle and asks which lessons could be drawn from the Californian experience. It analyzes the market developments and depicts the reasons for the market meltdown. It is shown that the present situation in California may be only the calm before the next storm. Essential questions concerning regulatory policy are unsettled, and the Californian policymakers at present do not seem to be able to resolve the problems largely stemming from their own past decisions. The revealed regulatory failure demonstrates that design and analysis of adequate competition and regulation policy must explicitly consider incentive constraints in the political-regulatory area.

JEL Classification: K 2, L 2, L 5, L 9, Q 4

Die Ministererlaubnis für den Zusammenschluss von Unternehmen - ein Konflikt mit der Wettbewerbsordnung

Steffen J. Roth und Michael Voigtländer

Abstract

On 5. July 2002 State Secretary Dr. Alfred Tacke gave ministerial approval for the merger of E.ON and Ruhrgas. Previously both the German Cartel Office and the Monopoly Commission had voted against the fusion on the basis of feared restricted competition. According to paragraph 42 § of the GWB Law, the German Economics Ministry may revise the decision of the German Cartel Office, when in the individual case the restricted competition is balanced out by the overall economic advantages of the merger, or the fusion is justified by an overwhelming general interest.

In this article it will be examined, whether there is really a conflict between competition policy and general interest. In the first stage the demands of a ministerial approval are defined from a proper political perspective. In the second stage it is examined whether in the actual process the presented common welfare grounds were tenable. It turns out as a result that the ministerial approval represents a violation of the independence of competition control.

JEL-Classification: K 21, L 40, P 10