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Arbeitsplätze durch Arbeitsmarktöffnung - Reflexionen zur aktuellen beschäftigungspolitischen Debatte

Juergen B. Donges

Abstract

The high level of structural unemployment has been for many years the most serious economic problem in Germany. It is argued that this problem can be traced to two persistent distortions: One refers to misconceived collective wage agreements, which do not provide an adequately differentiated wage structure according to workforce qualifications and to sectoral and regional characteristics; the other cause is a lack of flexibility on the labour market as a result of overregulation. The German labour market does not function with the elasticity required to cope with the challenges of globalization and technical progress. There is an urgent need to reform the institutional framework of the labour market. Various proposals are made in this paper. They address both the wage negotiators and the legislator. However, at present the Federal Government is taking initiatives of regulatory policy which may further deepen rigidities on the labour market and thus make a sustained increase in employment more difficult to achieve.

JEL-Klassifikation: J 00, J 5; J 6

Reforming the World's Financial Order. Institutional and Theoretical Aspects

Anton P. Müller

Abstract

Modern financial markets are characterized by rapid innovation and expansion as well as intensive internationalization. The liberalization of capital markets since the 1980s has been accompanied by a shift from structural regulations towards prudential supervision along with endeavors to establish international norms on capital adequacy. During the same period, the markets have been hit by a series of crises, which have caused concern that more strict and direct controls are warranted.

This paper argues that although liberalized capital markets do in some way possess an inherent tendency towards instability, almost all cases of severe disturbances in the international capital markets are the result of excessively expansive fiscal and monetary policies, which at some point had to give way to a sharp liquidity contraction. In order to stabilize the system, the monetary and fiscal authorities quite often accelerated expansive measures, exposing investors, lenders and borrowers to misleading interest rate and price signals which resulted in a postponement of the adaptation process and in a number of cases to the prolongation of stagnation. Given

the international integration of modern financial markets, misplaced monetary and fiscal policies cause various international spillover effects. Repeated bailouts of borrowers and creditors by central banks, governments and international institutions have led to the persistence of moral hazard as the assumption of implicit guarantees to stabilize financial markets has lowered the perception of risk and resulted in over-exposure.

This analysis leads to the conclusion that while more strict regulations might be applied to off-balance financial innovations and that capital adequacy norms should be more strictly enforced on an international level, further direct control seems to bring more harm than good and deflect the attention from the causes of financial instability which are the inadequate control of liquidity.

JEL-Classification: F 30; F 33; G 15; G18

Wirtschaftspoliotisches Forum

Braucht die Europäische Union ein neues Finanzsystem?

Abstract

This economic policy forum is assigned to the question "Does the European Union need a new financial order?"

Hans Fehr considers the recent development of the budget of the EU and discusses a number of reform options for the future. He shows that during the 90ies there has been considerable success in consolidating the budget and reforming its structure. The future challenge will be twofold. On one side the UK correction has to be further reduced and finally eliminated, since there are a number of countries with similar budgetary imbalances. In addition, the intended eastern enlargement of the EU creates a stronger reform pressure for the EU expenditure programs. Fehr argues that since there will be no new financing sources available in the medium term, one can be optimistic that the EU will continue its budget consolidation strategy also in the future.

Bernd Huber analyzes the financing mechanism of the European Union. After presenting the current financing system, the paper studies the potential for reform. He remarks that in principle, the EU can be financed by contributions of member states or by taxes assigned to the EU. In a system of contributions, contributions should be imposed according to member states' GDP. In the current state of integration, the EU can only impose indirect taxes. Huber argues that a contribution system dominates EU financing via taxes.

JEL-Klassifikation: F 00; F 3; G 18

Rationale Wirtschaftspolitik in einem komplexen System

Manfred E. Streit

Abstract

Starting point of the present analysis is the finding, that a market economy represents an interactive complex and open system. A discussion of these properties emphasised by systems theory leads to the result, that attempts to steer such a system by means of economic policy have to face narrow boundaries which can only be surpassed by initiating unpredictable reactions of the system. As a consequence the steering knowledge is considered to be unsatisfactory from the point of view of an economic policy guided by the rationality principle. This leads to the question how interventions should look like which comply with the steering properties of the system. It requires a reformulation of the criterion of systems conformity by drawing on two processes which govern the economic performance of the system. According to this criterion, interventions should neither interfere with the self-coordination of the actors nor with their self-control by competitive action. Considering typical examples of interventions leads to the unpleasant result that there are good reasons to accept the hypothesis of rent-seeking as a salient feature of economic policy-making. Interventions emerge from the interaction between a rent-seeking lobby and rent-creating political actors. Considering finally scientific policy advice, a conflict between the advisor who has himself committed to systems conformity, and the advised political actor, who is involved in rent-creating, is bound to emerge. This conflict can only be solved by engaging in constitutional reforms which change the incentive situation of political actors completely. However, such reforms are difficult to bring about because they manifestly go against the interests of political actors who have to set their own constitutional rules.

JEL-Klassifikation: H 00

Effizienz und Praktikabilität von Universaldienstauktionen im Bereich der Postdienstleistungen

Wolfgang Eisenbast

Abstract

Due to German postal law, franchising of non economic universal services is regarded as the preferred alternative for their allocation in a liberalised market. Unfortunately, there are no practical experiences of such 'carrier of last resort (COLR) auctions'. Therefore, by the knowledge of auction theory as well as the economics of the postal sector blueprints for suitable COLR-auctions have to be designed by the regulator. In this paper a framework for an COLR-auction on the level of incidental services, mainly for the distribution of letters and parcels in rural

areas, is developed. According to the most important economic criteria, allocative efficiency, avoidance of collusion and of a 'winners curse', and by taking account of economies of scope, mechanisms for the allocation of non economic universal services are identified. Finally, the rights for the successful bidder to interconnect with market dominating firms are characterised.

JEL-Klassifikation: D 44, H 54, L 51

Die Psychologie begrenzt rationaler Wirtschaftspolitik: Das Beispiel des Reformstaus

Friedrich Heinemann

Abstract

Mainstream economists are reluctant to integrate features of bounded rationality into their behavioural assumptions. However, particularly in the field of economic policy the scope for limited rationality is given, since voters lack incentives for rational reasoning concerning their voting decision. The explanatory power of limited rationality is demonstrated for the example of reform resistance. Status quo preferences, endowment effects and loss aversion are typical deviations from full rationality and explain resistance against beneficial reforms even if there is full information and no uncertainty. From this psychological perspective, a major precondition for the implementation of reforms is the loss of the status quo as an available option. Test runs of policy options might also be helpful for overcoming psychological reform resistance.

JEL-Klassifikation: D 78, A 12