

**Fiscal Policy Councils:
A Comment on Sweden, Belgium and Austria**

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and What Makes Them Effective?"**

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3 (very different) papers about very different institutions:

(i) Belgium:

L. COENE and **G. LANGENUS**, Promoting Fiscal Discipline in a Federal Country: The Mixed Track Record of Belgium's High Council of Finance

(ii) Sweden:

L. CLAMFORS, The Swedish Fiscal Policy Council

(iii) Austria:

G. CHALOUPEK, The Government Debt Committee in Austria

⇒ hardly any common denominator.



Belgium: High Council of Finance

- **24 ordinary members, chaired by the Minister of Finance, 2 permanent sections and one study committee**
 - **Public sector Borrowing Requirements**
 - **Taxation and Social Security Contributions**
 - **Committee on Ageing**
 - **Restricted to fiscal issues**
 - **Nominations by the governments of the different levels**
- ⇒ **Independence?**



Sweden: Swedish Fiscal Policy Council

- **8 members, 6 academics, two former politicians**
small secretariat
⇒ **work done by the academics**
- **Broad mandate (German Sachverständigenrat)**
⇒ **Formal and real independence, but restrictions by the government**



Austria: Government Debt Committee

- **15 members, 6 are (more or less) representatives of interest groups,
chaired by a professor of economics
support by experts from other institutions
mainly unanimous decisions**
 - **Narrow mandate on fiscal issues, but broadening over time from narrow debt to more general fiscal issues.**
- ⇒ **Do the compromises to allow an unanimous decision also allow very concrete policy recommendations?**



Two major questions (I): What is the general impact?

- **Belgium: Before/after joining the EMU
Effect of the EMU and/or the committee?**
 - **Sweden: Do the reactions of the government indicate that it evaluates the impact of the committee being too strong? Is the impact mainly an impact on the public discussion?**
 - **Austria: How much did the (federal) government follow the recommendations of the committee? Have there been conflicts, and how have they been resolved?**
- ⇒ **What is the relation between formal and informal impact?**



Two major questions (II): What is the impact on sub-federal levels?

- **Belgium**: Different behaviour of the Flemish and Walloon regions.
- **Sweden**: No relevance.
- **Austria**: Nearly no relevance (90 percent are federal debt).
But, does / can the debt committee have an impact on the provincial finances at all? Did the relevance of the latter increase in recent years, and does this have an impact on the self-concept of the committee?



Further questions:

- (i) What is the effect of the totally different compositions of the committees?**
- (ii) Is independence a precondition for effectiveness?**
- (iii) Is there a relation between the broadness of the mandate and the effectiveness of the committee?**
- (iv) Who can / should evaluate the work and effectiveness of the committee?**





Thank you very much for your attention.

