



COMMISSION OF THE EUROPEAN COMMUNITIES

Brussels, 12.8.2009
SEC(2009) 1120 final

COMMISSION STAFF WORKING DOCUMENT

Public Finances in EMU – 2009

Part 3 of 3 (page 261 to 285)

EN

EN

<u>Part VI:</u>	<u>Resources</u>	2
1.	<u>Abbreviations and symbols used</u>	262
2.	<u>Glossary</u>	267
3.	<u>References</u>	274
4.	<u>Useful internet links</u>	282

1. ABBREVIATIONS AND SYMBOLS USED

Member States

BE	Belgium
BG	Bulgaria
CZ	Czech Republic
DK	Denmark
DE	Germany
EE	Estonia
EI	Ireland
EL	Greece
ES	Spain
FR	France
IT	Italy
CY	Cyprus
LV	Latvia
LT	Lithuania
LU	Luxembourg
HU	Hungary
MT	Malta
NL	The Netherlands
AT	Austria
PL	Poland
PT	Portugal
RO	Romania
SI	Slovenia
SK	Slovakia
FI	Finland

SE Sweden

UK United Kingdom

EA Euro area

EU European Union

EU-25 European Union, 25 Member States (excl. BG and RO)

EU-27 European Union, 27 Member States

EU-15 European Union, 15 Member States before 1 May 2004

EU-10 European Union, 10 Member States that joined the EU on 1 May 2004
(CZ, EE, CY, LV, LH, HU, MT, PL, SI, SK)

Non-EU countries

AU Australia

CA Canada

CH Switzerland

JP Japan

KO South Korea

NO Norway

NZ New Zealand

US(A) United States

Currencies

EUR euro

ECU European currency unit

BGL Bulgarian lev

CZK Czech koruna

DKK Danish krone

EEK Estonian kroon

GBP Pound sterling

LTL Lithuanian litas

LVL	Latvian lats
HUF	Hungarian forint
RON	New Rumanian leu
SEK	Swedish krona
SKK	Slovak koruna
CAD	Canadian dollar
CHF	Swiss franc
JPY	Japanese yen
SUR	Russian rouble
USD	US dollar

Other [From 2008; still needs to be revised]

AMC	Asset management company
AMECO	Macro-economic database of the European Commission
CAPB	Cyclically-adjusted primary balance
CMFB	Committee on monetary, financial and balance-of-payment statistics
COFOG	Classification of the functions of government
DEA	Data envelope approach
DG ECFIN	Directorate-General Economic and Financial Affairs
DR	Debt requirement
DSGE	Dynamic stochastic general equilibrium
DWF	Discount window facility
ECB	European Central Bank
ECOFIN	Economic and Financial Council
EDP	Excessive deficit procedure
EERP	European Economic Recovery Plan
EFC	Economic and Financial Committee
EMU	Economic and Monetary Union

EPC	Economic Policy Committee
ESA(95)	European System of National and Regional Accounts
ESSPROS	European System of Integrated Social Protection Statistics
EU KLEMS	European database on capital, labour, energy, material and services
FDI	Foreign direct investment
GDP	Gross domestic product
GLS	Generalised least squares
IBP	Initial budgetary position
ICT	Information and communication technologies
IMF	International Monetary Fund
INSEE	Institut National de la Statistique et des Études Économiques
ISCED	International Standard Classification of Education
LIME	Working group on methodology to assess Lisbon-related Structural Reforms
LTC	Long-term budgetary cost of ageing
MTBF	Medium-term budgetary framework
MTO	Medium-term budgetary objective
NAIRU	Non accelerating inflation rate of unemployment
OECD	Organisation of Economic Co-operation and Development
OLS	Ordinary least squares
PBB	Performance-based budgeting
PISA	Programme for International Student Assessment
pp	Percentage points
PPS	Purchasing power standard
QPF	Quality of public finances
R&D	Research and development
RAMS	Recently acceded Member States
RoEA	Rest of euro area

ROW	Rest of the world
SCPs	Stability and convergence programmes
SFEF	Société de financement de l'économie française
SGP	Stability and Growth Pact
SLS	Special liquidity scheme
SSC	Social security contributions
TFP	Total factor productivity
VAT	Value added tax
WGHQPF	Working Group on the quality of public finance
WHO	World Health Organization

2. GLOSSARY

Asset management company Public or private body aiming at restructuring, recovering or disposing of nonperforming assets.

Automatic stabilisers Features of the tax and spending regime which react automatically to the economic cycle and reduce its fluctuations. As a result, the budget balance in percent of GDP tends to improve in years of high growth, and deteriorate during economic slowdowns.

Broad Economic Policy Guidelines (BEPGs) Annual guidelines for the economic and budgetary policies of the Member States. They are prepared by the Commission and adopted by the Council of Ministers responsible for Economic and Financial Affairs (ECOFIN).

Budget balance The balance between total public expenditure and revenue in a specific year, with a positive balance indicating a surplus and a negative balance indicating a deficit. For the monitoring of Member State budgetary positions, the EU uses *general government* aggregates. See also *structural budget balance*, *primary budget balance*, and *primary structural balance*.

Budgetary rules Rules and procedures through which policy-makers decide on the size and the allocation of public expenditure as well as on its financing through taxation and borrowing.

Budgetary sensitivity The variation in the budget balance in percentage of GDP brought about by a change in the output gap. In the EU, it is estimated to be 0.5 on average.

Candidate countries Countries that wish to accede to the EU. Besides the *accession countries*, they include Croatia and Turkey.

Close-to-balance requirement A requirement contained in the 'old' *Stability and Growth Pact*, according to which Member States should, over the medium term, achieve an overall *budget balance* close to balance or in surplus; was replaced by country-specific *medium-term budgetary objectives* in the reformed *Stability and Growth Pact*.

Code of Conduct Policy document endorsed by the ECOFIN Council of 11 October 2005 setting

down the specifications on the implementation of the *Stability and Growth Pact* and the format and content of the *stability and convergence programmes*.

COFOG (Classification of the Functions of Government) A statistical nomenclature used to break down general government expenditure into its different functions including general public services, defence, public order and safety, economic affairs, environmental protection, housing and community amenities, health, recreation, culture and religion, education and social protection.

Composite indicator: a compilation of several indicators into a single index reflecting the different dimensions of a measured concept.

Convergence programmes Medium-term budgetary and monetary strategies presented by Member States that have not yet adopted the euro. They are updated annually, according to the provisions of the *Stability and Growth Pact*. Prior to the third phase of EMU, convergence programmes were issued on a voluntary basis and used by the Commission in its assessment of the progress made in preparing for the euro. See also *stability programmes*.

Crowding-out effects Offsetting effects on output due to changes in interest rates and exchange rates triggered by a loosening or tightening of fiscal policy.

Cyclical component of budget balance That part of the change in the *budget balance* that follows automatically from the cyclical conditions of the economy, due to the reaction of public revenue and expenditure to changes in the *output gap*. See *automatic stabilisers*, *tax smoothing* and *structural budget balance*.

Cyclically-adjusted budget balance See *structural budget balance*.

Defined-benefit pension scheme A traditional pension scheme that defines a benefit, i.e. a pension, for an employee upon that employee's retirement is a defined benefit plan.

Defined-contribution pension scheme A scheme providing for an individual account for each participant, and for benefits based solely on the amount contributed to the account, plus or minus income, gains, expenses and losses allocated to the account.

Demand and supply shocks Disturbances that affect the economy on the demand side (*e.g.* changes in private consumption or exports) or on the supply side (*e.g.* changes in commodity prices or technological innovations). They can impact on the economy either on a temporary or permanent basis.

Dependency ratio A measure of the ratio of people who receive government transfers, especially pensions, relative to those who are available to provide the revenue to pay for those transfers.

Direct fiscal costs (gross, net) of a financial crisis The direct gross costs are the fiscal outlays in support of the financial sector that increase the level of public debt. They encompass, for example, recapitalisation, purchase of troubled bank assets, pay-out to depositors, liquidity support, payment when guarantees are called and subsidies. The direct net costs are the direct gross cost net of recovery payments, such as through the sale of acquired assets or returns on assets. Thus, the net direct fiscal costs reflect the permanent increase in public debt.

Direct taxes Taxes that are levied directly on personal or corporate incomes and property.

Discretionary fiscal policy Change in the *budget balance* and in its components under the control of government. It is usually measured as the residual of the change in the balance after the exclusion of the budgetary impact of *automatic stabilisers*. See also *fiscal stance*.

Early-warning mechanism Part of the preventive elements of the *Stability and Growth Pact*. It is activated when there is significant divergence from the budgetary targets set down in a stability or convergence programme.

Economic and Financial Committee (EFC) Formerly the Monetary Committee, the EFC is a Committee of the Council of the European Union

set up by Article 114 of the. Its main task is to prepare and discuss (ECOFIN) Council decisions with regard to economic and financial matters.

Economic Policy Committee (EPC) Group of senior government officials whose main task is to prepare discussions of the (ECOFIN) Council on structural policies. It plays an important role in the preparation of the *Broad Economic Policy Guidelines*, and it is active on policies related to labour markets, methods to calculate cyclically-adjusted budget balances and ageing populations.

Effective tax rate The ratio of broad categories of tax revenue (labour income, capital income, consumption) to their respective tax bases.

Effectiveness The same concept as efficiency except that it links input to outcomes rather than outputs.

Efficiency Can be defined in several ways, either as the ratio of outputs to inputs or as the distance to a production possibility frontier (see also Free Disposable Hull analysis, Data Envelope analysis, stochastic frontier analysis). *Cost efficiency* measures the link between monetary inputs (funds) and outputs; *technical efficiency* measures the link between technical inputs and outputs. *Output efficiency* indicates by how much the output can be increased for a given input; *input efficiency* indicates by how much the input can be reduced for a given input.

ESA95 / ESA79 European accounting standards for the reporting of economic data by the Member States to the EU. As of 2000, ESA95 has replaced the earlier ESA79 standard with regard to the comparison and analysis of national public finance data.

Excessive Deficit Procedure (EDP) A procedure according to which the Commission and the Council monitor the development of national *budget balances* and *public debt* in order to assess and/or correct the risk of an excessive deficit in each Member State. Its application has been further clarified in the *Stability and Growth Pact*. See also *stability programmes* and *Stability and Growth Pact*.

Expenditure rules A subset of *fiscal rules* that target (a subset of) public expenditure.

Fiscal consolidation An improvement in the *budget balance* through measures of *discretionary fiscal policy*, either specified by the amount of the improvement or the period over which the improvement continues.

Fiscal decentralisation The transfer of authority and responsibility for public functions from the central government to intermediate and local governments or to the market.

Fiscal federalism A subfield of public finance that investigates the fiscal relations across levels of government.

Fiscal governance Comprises all rules, regulations and procedures that impact on how the budget and its components are being prepared. The terms fiscal governance and fiscal frameworks are used interchangeably in the report.

Fiscal impulse The estimated effect of fiscal policy on GDP. It is not a model-free measure and it is usually calculated by simulating an econometric model. The estimates presented in the present report are obtained by using the Commission services' *QUEST* model.

Fiscal institutions Independent public bodies, other than the central bank, which prepare macroeconomic and budgetary forecasts, monitor the fiscal performance and/or advise the government on fiscal policy issues.

Fiscal rule A permanent constraint on fiscal policy, expressed in terms of a summary indicator of fiscal performance, such as the government budget deficit, borrowing, debt, or a major component thereof. See also *budgetary rule*, *expenditure rules*.

Fiscal stance A measure of the effect of *discretionary fiscal policy*. In this report, it is defined as the change in the *primary structural budget balance* relative to the preceding period. When the change is positive (negative) the fiscal stance is said to be expansionary (restrictive).

General government As used by the EU in its process of budgetary surveillance under the *Stability and Growth Pact* and the *excessive deficit procedure*, the general government sector covers national government, regional and local

government, as well as social security funds. Public enterprises are excluded, as are transfers to and from the EU Budget.

Government budget constraint A basic condition applying to the public finances, according to which total public expenditure in any one year must be financed by taxation, government borrowing, or changes in the monetary base. In the context of EMU, the ability of governments to finance spending through money issuance is prohibited. See also *stock-flow adjustment*, *sustainability*.

Government contingent liabilities Obligations for the government that are subject to the realization of specific uncertain and discrete future events. For instance, the guarantees granted by governments to the debt of private corporations bonds issued by enterprise are contingent liabilities, since the government obligation to pay depend on the non-ability of the original debtor to honour its own obligations.

Government implicit liabilities Government obligations that are very likely to arise in the future in spite of the absence of backing contracts or law. The government may have a potential future obligation as a result of legitimate expectations generated by past practice or as a result of the pressure by interest groups. Most implicit liabilities are contingent, i.e., depend upon the occurrence of uncertain future events.

Growth accounting A technique based on a production function approach where total GDP (or national income) growth is decomposed into the various production factors and a non-explained part which is the total factor productivity change, also often termed the Solow residual.

Indirect taxation Taxes that are levied during the production stage, and not on the income and property arising from economic production processes. Prominent examples of indirect taxation are the value added tax (VAT), excise duties, import levies, energy and other environmental taxes.

Integrated guidelines A general policy instrument for coordinating EU-wide and Member States economic structural reforms embedded in

the Lisbon strategy and which main aim is to boost economic growth and job creation in the EU.

Interest burden *General government* interest payments on public debt as a share of GDP.

Lisbon Strategy for Growth and Jobs Partnership between the EU and Member States for growth and more and better jobs. Originally approved in 2000, the Lisbon Strategy was revamped in 2005. Based on the Integrated Guidelines (merger of the *broad economic policy guidelines* and the employment guidelines, dealing with macro-economic, micro-economic and employment issues) for the period 2005-2008, Member States drew up three-year national reform programmes at the end of 2005. They reported on the implementation of the national reform programmes for the first time in autumn 2006. The Commission analyses and summarises these reports in an EU Annual Progress Report each year, in time for the Spring European Council.

Maastricht reference values for public debt and deficits Respectively, a 60 % *general government* debt-to-GDP ratio and a 3 % *general government* deficit-to-GDP ratio. These thresholds are defined in a protocol to the Maastricht Treaty on European Union. See also *Excessive Deficit Procedure*.

Maturity structure of public debt The profile of total debt in terms of when it is due to be paid back. Interest rate changes affect the budget balance directly to the extent that the *general government* sector has debt with a relatively short maturity structure. Long maturities reduce the sensitivity of the *budget balance* to changes in the prevailing interest rate. See also *public debt*.

Medium-term budgetary framework An institutional fiscal device that lets policy-makers extend the horizon for fiscal policy making beyond the annual budgetary calendar (typically 3-5 years). Targets can be adjusted under medium-term budgetary frameworks (MTBF) either on an annual basis (flexible frameworks) or only at the end of the MTBF horizon (fixed frameworks).

Medium-term budgetary objective (MTO) According to the reformed *Stability and Growth Pact*, *stability programmes* and *convergence programmes* present a *medium-term objective* for the budgetary position. It is country-specific to

take into account the diversity of economic and budgetary positions and developments as well as of fiscal risks to the sustainability of public finances, and is defined in structural terms (see *structural balance*).

Minimum benchmarks The lowest value of the structural budget balance that provides a safety margin against the risk of breaching the *Maastricht reference value for the deficit* during normal cyclical fluctuations. The minimum benchmarks are estimated by the European Commission. They do not cater for other risks such as unexpected budgetary developments and interest rate shocks. They are a lower bound for the *'medium-term budgetary objectives (MTO)*.

Monetary Conditions Index (MCI) An indicator combining the change in real short-term interest rate and in the real effective exchange rate to gauge the degree of easing or tightening of monetary policy.

Mundell-Fleming model Macroeconomic model of an open economy which embodies the main Keynesian hypotheses (price rigidity, liquidity preference). In spite of its shortcomings, it remains useful in short-term economic policy analysis.

NAIRU Non-Accelerating Inflation Rate of Unemployment.

Non-Keynesian effects Supply-side and expectations effects which reverse the sign of traditional Keynesian multipliers. Hence, if non-Keynesian effects dominate, fiscal consolidation would be expansionary.

Old age dependency ratio Population aged over 65 as a percentage of working age population (usually defined as persons aged between 15 and 64).

One-off and temporary measures Government transactions having a transitory budgetary effect that does not lead to a sustained change in the budgetary position. See also *structural balance*.

Outcome indicator Measures the ultimate results (outcomes) of policy choices (e.g. education attainment, healthy life years, economic growth).

Output costs from a financial crisis This is the gap between the hypothetical output development without a crisis and the actual output realised against the back of the crisis. Various methods are available to calculate output losses, in particular either using the trend GDP growth or the level of GDP as a benchmark.

Output gap The difference between actual output and estimated potential output at any particular point in time. See also *cyclical component of budget balance*.

Output indicator Measures the technical results (outputs) of policy choices (e.g. number of university graduates, number of patents, life expectancy).

Pay-as-you-go pension system (PAYG) Pension system in which current pension expenditures are financed by the contributions of current employees.

Pension fund A legal entity set up to accumulate, manage and administer pension assets. See also *private pension scheme*.

Performance-based budgeting A budgeting technique that links budget appropriations to performance (outcomes, results) rather than focusing on input controls. In practice, performance-informed budgeting is more common which basis decisions on budgetary allocation on performance information without establishing a formal link.

Policy-mix The overall stance of fiscal and monetary policy. The policy-mix may consist of various combinations of expansionary and restrictive policies, with a given *fiscal stance* being either supported or offset by monetary policy.

Potential GDP The level of real GDP in a given year that is consistent with a stable rate of inflation. If actual output rises above its potential level, then constraints on capacity begin to bind and inflationary pressures build; if output falls below potential, then resources are lying idle and inflationary pressures abate. See also *production function method* and *output gap*.

Pre-accession Economic Programmes (PEPs) Annual programmes submitted by candidate

countries which set the framework for economic policies. The PEPs consist of a review of recent economic developments, a detailed macroeconomic framework, a discussion of public finance issues and an outline of the structural reform agenda.

Pre-accession Fiscal Surveillance Framework (PFSF) Framework for budgetary surveillance of candidate countries in the run up to accession. It closely approximates the policy co-ordination and surveillance mechanisms at EU level.

Primary budget balance The *budget balance net* of interest payments on *general government* debt.

Primary structural budget balance The *structural budget balance net* of interest payments.

Principal components A statistical technique used to reduce multidimensional data sets to lower dimensions for analysis. This technique provides a compression of a set of high dimensional vectors (or variables) into a set of lower dimensional vectors (or variables) and then reconstructing the original set summarizing the information into a limited number of values.

Pro-cyclical fiscal policy A *fiscal stance* which amplifies the economic cycle by increasing the *structural primary deficit* during an economic upturn, or by decreasing it in a downturn. A neutral fiscal policy keeps the *cyclically-adjusted budget balance* unchanged over the economic cycle but lets the *automatic stabilisers* work. See also *tax-smoothing*.

Production function approach A method to estimate the level of potential output of an economy based on available labour inputs, the capital stock and their level of efficiency. Potential output is used to estimate the *output gap*, a key input in the estimation of *cyclical component of the budget*.

Public debt Consolidated gross debt for the *general government* sector. It includes the total nominal value of all debt owed by public institutions in the Member State, except that part of the debt which is owed to other public institutions in the same Member State.

Public goods Goods and services that are consumed jointly by several economic agents and for which there is no effective pricing mechanism that would allow private provision through the market.

Public investment The component of total public expenditure through which governments increase and improve the stock of capital employed in the production of the goods and services they provide.

Public-private partnerships (PPP) Agreements that transfer investment projects to the private sector that traditionally have been executed or financed by the public sector. To qualify as a PPP, the project should concern a public function, involve the general government as the principal purchaser, be financed from non-public sources and engage a corporation outside the general government as the principal operator that provides significant inputs in the design and conception of the project and bears a relevant amount of the risk.

Quality of public finances Comprises all arrangements and operations of fiscal policy that support the macroeconomic goals of fiscal policy, in particular economic growth.

Quasi-fiscal activities Activities promoting public policy goals carried out by non-government units.

QUEST The macroeconomic model of the EU Member States plus the US and Japan developed by the Directorate-General for Economic and Financial Affairs of the European Commission.

Recently acceded Member States Countries that became members of the EU in May 2004 and include Cyprus, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Slovakia and Slovenia. Two additional countries, Romania and Bulgaria joined in January 2007.

Ricardian equivalence Under fairly restrictive theoretical assumptions on the consumer's behaviour (*inter alia* infinite horizon for decision making), the impact of fiscal policy does not depend on whether it is financed by tax increases or by a widening deficit. The basic reasoning behind this statement dates back to Ricardo and was revisited by Robert Barro in the 1970s.

Securitisation Borrowing (issuing of bonds) with the intention of paying interest and capital out of the proceeds derived from assets (use or sale of) or from future revenue flows.

Sensitivity analysis An econometric or statistical simulation designed to test the robustness of an estimated economic relationship or projection, given various changes in the underlying assumptions.

Significant divergence A sizeable excess of the budget balance over the targets laid out in the *stability or convergence programmes*, that triggers the *Early warning* procedure of the *Stability and Growth Pact*.

Size of the public sector Typically measured as the ratio of public expenditure to nominal GDP.

'Snow-ball' effect The self-reinforcing effect of public debt accumulation or decumulation arising from a positive or negative differential between the interest rate paid on public debt and the growth rate of the national economy. See also *government budget constraint*.

Social security contributions (SSC) Mandatory contributions paid by employers and employees to a social insurance scheme to cover for pension, health care and other welfare provisions.

Sovereign bond spread The difference between risk premiums imposed by financial markets on sovereign bonds for different states. Higher risk premiums can largely stem from (i) the debt service ratio, also reflecting the countries' ability to raise their taxes for a given level of GDP, (ii) the fiscal track record, (iii) expected future deficits, and (iv) the degree of risk aversion.

Stability and Growth Pact (SGP) Approved in 1997 and reformed in 2005, the SGP clarifies the provisions of the Maastricht Treaty regarding the surveillance of Member State budgetary policies and the monitoring of budget deficits during the third phase of EMU. The SGP consists of two Council Regulations setting out legally binding provisions to be followed by the European Institutions and the Member States and two Resolutions of the European Council in Amsterdam (June 1997). See also *Excessive Deficit Procedure*.

Stability programmes Medium-term budgetary strategies presented by those Member States that have already adopted the euro. They are updated annually, according to the provisions of the *Stability and Growth Pact*. See also *Convergence programmes*.

Stock-flow adjustment The stock-flow adjustment (also known as the debt-deficit adjustment) ensures consistency between the net borrowing (flow) and the variation in the stock of gross debt. It includes the accumulation of financial assets, changes in the value of debt denominated in foreign currency, and remaining statistical adjustments.

Structural budget balance The actual *budget balance* net of the *cyclical component and one-off and other temporary measures*. The structural balance gives a measure of the underlying trend in the budget balance. See also *primary structural budget balance*.

Sustainability A combination of budget deficits and debt that ensure that the latter does not grow without bound. While conceptually intuitive, an agreed operational definition of sustainability has proven difficult to achieve.

Tax elasticity A parameter measuring the relative change in tax revenues with respect to a relative change in GDP. The tax elasticity is an input to the *budgetary sensitivity*.

Tax gaps Measure used in the assessment of the *sustainability* of public finances. They measure the difference between the current tax ratio and the constant tax ratio over a given projection period to achieve a predetermined level of debt at the end of that projection period.

Tax smoothing The idea that tax rates should be kept stable in order to minimise the distortionary effects of taxation, while leaving it for the *automatic stabilisers* to smooth the economic cycle. It is also referred to as neutral *discretionary fiscal policy*. See also *cyclical component of fiscal policy*.

Tax wedge The deviation from equilibrium price/quantity as a result of a taxation, which results in consumers paying more, and suppliers receiving less. When referring to labour tax wedge

more specifically, the tax wedge is usually regarded as the difference between the difference between the salary costs of an average worker to their employer and the amount of net income that the worker receives in return, the difference being represented by taxes including personal income taxes and compulsory social security contributions.

Total factor productivity Represents the share of total output not explained by the level of inputs (labour, capital or primary product). It is generally considered as a measure of overall productive efficiency.

UMTS Third generation of technical support for mobile phone communications. Sale of UMTS licences gave rise to sizeable one-off receipts in 2001.

Welfare state Range of policies designed to provide insurance against unemployment, sickness and risks associated with old age.

3. REFERENCES

- Afonso, A. and M. St. Aubyn (2006a), 'Cross-country efficiency of secondary education provision: A semi-parametric analysis with nondiscretionary inputs', *Economic Modelling*, 23 (3), pp. 476-491.
- Agell, J. (1996), 'Comment on F. Giavazzi and M. Pagano: Non-Keynesian effects of fiscal policy changes: international evidence and the Swedish experience', *Swedish Economic Policy Review* 3, pp. 105-111.
- Alesina, A. and E. Spolaore (2003), *The size of nations* (Cambridge, MA: MIT Press).
- Alesina, A. and G. Tabellini (2005), 'Why Is Fiscal Policy Often Pro-cyclical?', *NBER Working Paper* No. 11600 (Cambridge, MA: National Bureau of Economic Research).
- Andersson, M. and S. Viotti (1999), 'Managing and Preventing Financial Crises – Lessons from the Swedish Experience', *Quarterly Review*, 1, pp. 71-89.
- Aschauer, D. (1989), 'Is public expenditure productive?', *Journal of Monetary Economics*, 23, pp. 177-200; or Giordano, R, S. Momigliano, S. Neri, and R. Perotti (2007), 'The effects of fiscal policy in Italy: Evidence from a VAR model', *European Journal of Political Economy*, 23(3), pp. 707-733.
- Bank of Finland (1993), *Three assessments of Finland's economic crisis and economic policy* (Helsinki: Bank of Finland).
- Barrios, S. (2009), 'The impact of discretionary measures on tax revenues in the EU', (mimeo.)
- Barrios, S. and P. Rizza, (2008), 'Governments' revenues windfalls and the stabilisation function of fiscal policies', paper presented at the European Central Bank Public Finance Workshop (Frankfurt: European Central Bank).
- Barrios, S. and A. Schaechter (2008), 'The quality of public finances and economic growth', *European Economy - Economic Paper* No. 337 (Brussels: European Commission).
- Barrios, S. and A. Schaechter (2009), 'Developing quality of public finance indicators' (forthcoming).
- Barrot, B. (1995), 'The role of wealth in the aggregate consumption function using an error correction approach: Swedish experience from the year 1970-1993', mimeo (Stockholm: National Institute of Economic Research).
- Barth, R. and W. Hemphill, (2000), Financial programming and policy. The case of Turkey. IMF Institute, (Washington, DC: International Monetary Fund).
- Bayoumi, T. (2000), 'The morning after: Explaining the slowdown in Japanese growth', in: Bayoumi, T. and C. Collins (eds.), *Post-bubble blues. How Japan responded to asset price collapse*, pp. 10-44 (Washington, D.C.: International Monetary Fund).
- Becker, T. (2004), 'Financial and corporate sector restructuring', in: 'Thailand: Selected Issues', *IMF Country Report* 04/1, pp. 39-48 (Washington, D.C.: International Monetary Fund).
- Bergo, J. (2003), 'Crisis resolution and financial stability in Norway', Norges Bank, Speech at the 50th Anniversary of Bank Indonesia, 10 December 2003.
- Blanchard, O. (2008), 'The crisis: basic mechanisms and appropriate policies', *MIT Department of Economics Working Paper* 09-01 (Cambridge, MA).
- Blanchard, O. (2009), Transcript of a Press Briefing on the International Monetary Fund's World Economic Outlook and Global Financial Stability Report Updates (Washington, D.C.) January 28, 2009.
- Bonin, J.P. and P. Wachtel (2004), 'Dealing with financial fragility in transition economies', in: Evanoff, D.D. and G.G. Kaufman (eds.), *Systemic financial crises. Resolving large bank insolvencies*, pp. 141-157 (NJ: World Scientific).
- Bordo, M. (2008), 'An historical perspective on the crisis of 2007-2008', *NBER Working Paper* 14569.
- Bover, O. and J. F. Jimeno, (2007). "House prices and employment reallocation: international evidence," *Banco de España Working Paper* 0705.

- Boucekkine, R., M. Germain and O. Licandro, (1997), 'Replacement echoes in the vintage capital growth model', *Journal of Economic Theory* 74: 333-348.
- Boyd, J. H., S. Kwak and B. Smith (2005), 'The real output losses associated with modern banking crises', *Journal of Money Credit and Banking*, vol. 37(6), pp. 977-999.
- Brunila, A. (1996), 'Fiscal policy and private consumption-savings decisions: evidence from Finland', *Bank of Finland Discussion Paper* 28/96 (Helsinki: Bank of Finland).
- Buiter, W. (2008), 'Housing wealth isn't wealth', *NBER Working Paper* No. 14204 (Cambridge, MA: National Bureau of Economic Research).
- Calomiris, C. W., D. Klingebiel and L. Laeven (2005), 'Financial crisis policies and resolution mechanisms. A taxonomy from cross-country experience', in: Honohan, P. and L. Laeven (eds.), *Systemic financial crises. Containment and resolution*, pp. 25-75 (Cambridge University Press).
- Campbell, J. and J. Cocco, (2005), 'How do house prices affect consumption? Evidence from micro data', *Journal of Monetary Economics* 54(3), pp. 591-621.
- Caprio, G. Jr. and D. Klingebiel (1996), 'Bank Insolvencies – Cross-country experience', *World Bank Policy Research Working Paper* WPS 1620 (Washington, D.C.: International Monetary Fund).
- Caprio, G. Jr., D. Klingebiel, L. Laeven and G. Noguera (2005), 'Banking crisis database', in: *Systemic financial crises. Containment and resolution*, pp. 307-340 (Cambridge University Press).
- Cerra, V. and S. C. Saxena (2008), 'Growth Dynamics: The Myth of Economic Recovery', *American Economic Review*, 98, pp. 439-457.
- Chinn, M. D. and E. S. Prasad (2003), 'Medium-term determinants of current accounts in industrial and developing countries: an empirical exploration', *Journal of International Economics* 59(1), pp. 47-76.
- Chopra, A., K. Lang, M. Karasulu, H. Lian, H. Ma and A. Richards (2001), 'From crisis to recovery in Korea: strategy, achievements, and lessons', *IMF Working Paper* 01/154 (Washington, D.C.: International Monetary Fund).
- Cincera, M., D. Czarnitzki and S. Thorwarth (2009) 'Efficiency of public spending in support of R&D activities', *European Economy - Economic Paper* No. 376 (Brussels: European Commission).
- Claessens, S., D. Klingebiel, L. Laeven (2005), 'Crisis resolution, policies, and institutions', in: Honohan, P. and Laeven, L. (eds.), *Systemic financial crises. Containment and resolution*, pp.169-194 (Cambridge University Press).
- Corsetti, G., Pesenti, P. and N. Roubini, 'Paper tigers? A model of the Asian crisis' (1999) *European Economic Review* 43(7), pp. 1211-1236.
- Coval, J., J. Jurek and E. Stafford (2009), 'The economics of structured finance', *Journal of Economic Perspectives*, Vol. 23, No. 1, pp. 3-25.
- Credit Suisse (2008), 'Government policy initiatives – U.S. and European interest rate strategy'.
- Dell' Ariccia, G., E. Detragiache, and R. Rajan (2007), 'The real effects of banking crises', *Journal of Financial Intermediation*, 17, pp. 89-112.
- Demirgüç-Kunt, A. and E. Detragiache (2005), 'Cross-country empirical studies of systemic bank distress: A survey', *National Institute Economic Review* No. 192, 68-83.
- Denis, C., D. Grenouilleau, K. Mc Morrow and W. Roeger (2006), 'Calculating potential growth rates and output gaps – A revised production function approach', *European Economy - Economic Paper* No. 247 (Brussels: European Commission).
- Deroose, S., S. Langedijk and W. Roeger (2004), 'Reviewing adjustment dynamics in EMU: from overheating to overcooling', *European Economy - Economic Paper* No. 198 (Brussels: European Commission).
- Deroose, S., M. Larch and A. Schaechter (2008), 'Constricted, lame and pro-cyclical? The fiscal stance of the euro area revisited', *European*

- Economy - Economic Paper* No. 353 (Brussels: European Commission).
- Dress, B. and C. Pazarbasioglu (1998), 'The Nordic banking crises. Pitfalls in financial liberalization?', *IMF Occasional Paper* 161 (Washington, D.C.: International Monetary Fund).
- Duchene, S. and D. Levy, (2003), 'Solde structurel et effort structurel: un essai d'évaluation de la composante discrétionnaire de la politique budgétaire', *Analyses Economiques* 18, Direction de la Prévision et de l'Analyse Economique, Ministère de l'Economie, des finances et de l'industrie, France.
- Dziobek, C. (1998), 'Market-based policy instruments for systemic bank restructuring', *IMF Working Paper* 98/113 (Washington, D.C.: International Monetary Fund).
- Economist Intelligence Unit (1999), 'Country report Indonesia', December 1999.
- Economist Intelligence Unit (2000), 'Country report Philippines', April 2000.
- Englund, P. (1999), 'The Swedish banking crisis: Roots and consequences', *Oxford Review of Economic Policy*, Vol. 15. No. 3, pp. 80-97.
- Enoch, C., G. Garcia and V. Sundararajan (2002a), 'Recapitalizing banks with public funds: selected issues', in: Enoch, C., D. Marston and M. Taylor (eds.), 'Building strong banks through surveillance and resolution', pp. 308-367 (Washington, D.C.: International Monetary Fund).
- Enoch, C., A. Gulde and D. Hardy (2002b), 'Banking crises and bank resolution: experiences in some transition economies', *IMF Working Paper* 02/56 (Washington, D.C.: International Monetary Fund).
- Eschenbach, F. and L. Schuknecht, (2002), 'The fiscal costs of financial instability revisited', *ECB Working Paper* No. 191 (Frankfurt: European Central Bank).
- European Central Bank, (2009), *Monthly Bulletin* 3, March.
- Economic Policy Committee and European Commission (2009), *2009 Ageing Report. Economic and budgetary projections for the EU-27 Member States (2008-2060)*, *European Economy* No. 2/2009 (Brussels: European Commission).
- European Commission (2004), *Public Finance Report in EMU - 2004*, *European Economy* No. 3/2004 (Brussels: European Commission).
- European Commission (2006), *Public Finance Report in EMU - 2006*, *European Economy* No. 3/2006 (Brussels: European Commission).
- European Commission (2007), *Public Finance Report in EMU - 2007*, *European Economy* No. 3/2007 (Brussels: European Commission).
- European Commission (2008a), *Public Finance Report in EMU - 2008*, *European Economy* No. 4/2008 (Brussels: European Commission).
- European Commission (2008b), *Quarterly report on the euro area*, Volume 7, No. 3 (Brussels: European Commission).
- European Commission (2008c), 'Communication from the Commission to the European Council. A European Economic Recovery Plan', COM (2008) 800 (Brussels: European Commission).
- European Commission (2008d), *Taxation trends in the European Union*, Directorate General for Taxation and Customs Union and Eurostat.
- European Commission (2008e), 'EMU@10. Successes and challenges after ten years of Economic and Monetary Union', *European Economy* 2, (Brussels: European Commission).
- European Commission (2009), *Quarterly report on the euro area*, Volume 8, No. 1 (Brussels: European Commission).
- European Commission and Economic Policy Committee (2008), *The LIME assessment framework (LAF): A methodological tool to compare, in the context of the Lisbon Strategy, the performance of EU Member States in terms of GDP and in terms of twenty policy areas affecting growth*, *European Economy. Occasional Paper*, 41 (Brussels: European Commission).

- European Council: Presidency conclusions, 22-23 March 2005, *Report on Improvement of the Implementation of the Stability and Growth Pact*. Available from: [[http:// ue.eu.int](http://ue.eu.int)].
- Frank, N., B. González-Hermosillo and H. Hesse, (2008), 'Transmission of liquidity shocks: Evidence from the 2007 subprime crisis.' *IMF Working Paper* No. 08/200 (Washington, D.C.: International Monetary Fund).
- Freedman, C., M. Kumhof, D. Laxton and J. Lee (2009), 'The case for global fiscal stimulus', *IMF Staff Position Paper* SPN/09/03 (Washington, D.C.: International Monetary Fund).
- Freund, C. and F. Warnock, (2005), 'Current account deficits in industrial Countries: The bigger they are, the harder they fall?' *NBER Working Papers* 11823 (National Bureau of Economic Research).
- Frydl, E. J. and M. Quintyn (2000), 'The benefits and costs of intervening in banking crises', *IMF Working Paper* 00/147 (Washington, D.C.: International Monetary Fund).
- Furlanetto, F. and M. Seneca (2009), 'Fiscal shocks and real rigidities', *The B.E. Journal of Macroeconomics*, Vol. 9: Iss. 1 (Topics), Article 2.
- Gali, J. and R. Perotti (2003), 'Fiscal policy and monetary integration in Europe', *Economic Policy* 18 (37): 533-572.
- Galí, J., J.D. López-Salido and J. Vallés (2007), 'Understanding the effects of government spending on consumption', *Journal of the European Economic Association*, 5(1), pp. 227-270.
- Ghosh, A., T. Lane, M. Schulze-Ghattas, A. Bulir, J. Hamann and A. Mourmouras (2002), 'IMF-supported programs in capital account crises', *IMF Occasional Paper* 210 (Washington, D.C.: International Monetary Fund).
- Giavazzi, F. and M. Pagano (1990), 'Can severe fiscal contractions be expansionary? Tales of two small European countries', *NBER Macroeconomic Annual 1990* (Cambridge, MA: MIT Press).
- Giavazzi, F. and M. Pagano (1996), 'Non-Keynesian effects of fiscal policy changes: international evidence and the Swedish experience', *Swedish Economic Policy Review* 3, pp. 67-103.
- Giorgianni, L. (2001), 'Design and implementation of the Thai Asset Management Corporation', in: 'Thailand: Selected Issues', *IMF Country Report* 01/147, pp. 24-42 (Washington, D.C.: International Monetary Fund).
- Girouard, N. and C. André (2005), 'Measuring cyclically-adjusted budget balances for OECD countries', *OECD Working Paper* No. 434.
- Goodhart, C. and G. Illing, (2002), *Financial crises, contagion, and the lender of last resort* (Oxford University Press).
- Gros, D. (2009), 'Why a bad bank needs to be big', VoxEU.org (5 February 2009).
- Hall, R.E. and S. Woodward (2009), 'The right way to create a good bank and a bad bank', Vox, 24 February 2009 (<http://www.voxeu.org/index.php?q=node/3132>).
- Heikensten, L. (1998), 'Financial crisis – Experiences from Sweden', Speech on Seminar arranged by the Swedish Embassy, Seoul, Korea, 15th of July 1998.
- Heller, P.S. (2005), 'Understanding fiscal space', Finance and development 42(2), *IMF Policy Discussion Paper* 05/4 (Washington, D.C.: International Monetary Fund).
- Hemming, R. and M. Petrie, (2000), 'A framework for assessing fiscal vulnerability', *IMF Working Paper* 00/52, (Washington, D.C.: International Monetary Fund).
- Hemming, R., M. Kell and S. Mahfouz (2002), 'The effectiveness of fiscal policy in stimulating economic activity – A review of the literature', *IMF Working Paper* 02/208 (Washington, D.C.: International Monetary Fund).
- Hilbers, P., A.W. Hoffmaister, A. Banerji and H. Shi (2008), 'House price developments in Europe: A comparison', *IMF Working Paper* 08/211 (Washington, D.C.: International Monetary Fund).

- Hoelscher, D. and M. Quintyn (2003), 'Managing systemic banking crises', *IMF Occasional Paper* 224 (Washington, D.C.: International Monetary Fund).
- Hoggarth, G. and V. Saporta (2001), 'Cost of banking system instability: some empirical evidence', in: *Bank of England, Financial Stability Review*, June 2001, pp. 148-165.
- Honohan, P. and D. Klingebiel (2003), 'The fiscal cost implications of an accommodating approach to banking crises', *Journal of Banking & Finance*, 27, pp. 1539-1560.
- Honohan, P. and D. Klingebiel (2000), 'Controlling the fiscal costs of banking crises', World Bank Policy Research Working Paper WPS 2441.
- Ihori, T. T. Nakazoto and M.Kawade (2003), 'Japan's fiscal policy in the 1990s', *The World Economy*, 26, pp. 325-338.
- Ihori, T. and A. Nakamoto (2005), 'Japan's fiscal policy and fiscal reconstruction', *Hi-Stat Discussion Paper* No. 99 (Hitotsubashi University Research Unit for Statistical Analysis in Social Sciences).
- Im, K.S., M. H. Pesaran and Y. Shin, (2003), 'Testing for unit roots in heterogeneous panels', *Journal of Econometrics* 115, pp.53-74.
- International Monetary Fund (2000), 'Japan: economic and policy development', *IMF Country Report* 00/143, pp. 27-59 (Washington, D.C.: International Monetary Fund).
- International Monetary Fund (2001), 'Japan: economic and policy development', *IMF Country Report* No. 01/221, pp. 25-46 (Washington, D.C.: International Monetary Fund).
- International Monetary Fund (2008a), 'Financial stress and economic downturns', *World Economic Outlook*, Chapter 4, pp. 129-158 (Washington, D.C.: International Monetary Fund).
- International Monetary Fund (2008b), 'Fiscal policy as a countercyclical tool', *World Economic Outlook*, Chapter 5, pp. 159-196 (Washington, D.C.: International Monetary Fund).
- International Monetary Fund (2009a), 'Companion paper – The state of public finances – Outlook and medium-term policies after the 2008 crisis' (Washington, D.C.: International Monetary Fund).
- International Monetary Fund (2009b), 'From crisis to recovery: how soon and how strong?' *World Economic Outlook*, Chapter 3, pp. 103-138 (Washington, D.C.: International Monetary Fund).
- International Monetary Fund (2009c), *World Economic Outlook Update*, January 2009 (Washington, D.C.: International Monetary Fund).
- Ingves, S. and D. Hoelscher (2005), 'The resolution of systemic banking crises', in: Evanoff, D.D. and G.G. Kaufman (eds.), *Systemic financial crises. Resolving large bank insolvencies*, pp. 41-57 (NJ: World Scientific).
- Ingves, S. and G. Lind (1996), 'The management of the bank crisis – in retrospect', *Quarterly Review*, pp. 5-18 (Stockholm: Sveriges Riksbank).
- Ingves, S. and G. Lind (1997), 'Loan loss recoveries and debt resolution agencies: the Swedish experience', in: Enoch, C. and J.H. Green (eds.), 'Banking soundness and monetary policy', pp. 421-442 (Washington, D.C.: International Monetary Fund).
- Ingves, S., S. Seelig and D. He (2004), 'Issues in the establishment of asset management companies', *IMF Policy Discussion Paper* 04/3 (Washington, D.C.: International Monetary Fund).
- Ingves, S. and G. Lind (2008), 'Stockholm solutions', *Finance and Development*, Vol. 45, No. 4.
- Jaeger, A. and L. Schuknecht, (2004). 'Boom-Bust Phases in Asset Prices and Fiscal Policy Behavior' *IMF Working Papers* 04/54.
- Jonung, L. and T. Hagberg (2005), 'How costly was the crisis of the 1990s? – A comparative analysis of the deepest crises in Finland and Sweden over the last 130 years', *European Economy - Economic Paper* No. 224 (Brussels: European Commission).
- Jonung, L. (2009), 'The Swedish model of resolving the banking crisis of 1991-93. Seven

- reasons why it was successful, *European Economy - Economic Papers* No. 360 (Brussels: European Commission).
- Kaminsky, G.L. and C. M. Reinhart (2000), 'On crises, contagion, and confusion', *Journal of International Economics* 51(1), pp. 145-168.
- Kaufmann, D., A. Kraay and P. Zoido-Lobaton (1999), 'Governance matters', *World Bank Policy Research Working Paper* No. 2196 (Washington, D.C.: The World Bank).
- Keen, M. and V. Perry (2009) 'Tax policy and the crisis-first thoughts', IMF Fiscal Affairs Department, mimeo.
- Kellaway, M. and H. Shanks (2008), 'Northern Rock', NACC decision (Office for National Statistics):http://www.statistics.gov.uk/articles/nojournal/Rock_article.pdf.
- Kendall, M.G. and J.D. Gibbons (1990), *Rank correlation methods* (Oxford University Press).
- Kim, S. and N. Roubini (2008), 'Twin deficit or twin divergence? Fiscal policy, current account, and real exchange rate in the U.S.', *Journal of International Economics* 74, pp. 362-383.
- Klingebiel, D. (2000), 'The use of asset management companies in the resolution of banking crises', *World Bank Policy Research Working Paper* WPS 2284 (Washington, D.C.: World Bank).
- Kopits, G. and S. Symansky (1998), 'Fiscal policy rules', *IMF Occasional Paper* 162 (Washington, D.C.: International Monetary Fund).
- Kremer, J, R. Braz, T. Brosens, G. Langenus, S. Momigliano and M. Spolander, (2006), "A disaggregated framework for the analysis of structural developments in public finances", *ECB Working Paper* 579 (Frankfurt: European Central Bank).
- Kuttner, K.N. and A. S. Posen (2001), 'The Great recession: Lessons for macroeconomic policy from Japan', *Brookings Papers on Economic Activity* 2, pp. 93-160.
- Kuttner, K. and A. Posen (2002), 'Fiscal policy effectiveness in Japan', *Journal of the Japanese and International Economies*, 16, pp. 536-558.
- Laeven, L. and F. Valencia (2008), 'Systemic banking crises: a new database', *IMF Working Paper* 08/224 (Washington, D.C.: International Monetary Fund).
- Lane, A., T.,A. Ghosh, J. Hamann, S. Phillips, M. Schulze-Ghattas and T. Tsikata (1999), 'IMF-supported programs in Indonesia, Korea and Thailand. A preliminary assessment', *IMF Occasional Paper* 178 (Washington, D.C.: International Monetary Fund).
- Lane, P.R. and G. M. Milesi-Ferretti (2007a), 'The external wealth of nations mark II', *Journal of International Economics* 73, pp. 223-250.
- Lane, P.R. and G. M. Milesi-Ferretti (2007b), 'Europe and global imbalances ', *Economic Policy*, July, pp. 519-573.
- La Porta, R., F. Lopes-de-Silanes, A. Shleifer and R. Vishny (1998), 'Law and finance', *The Journal of Political Economy* 106(6), pp. 1113-1155.
- Langedijk, S and W. Roeger (2007), 'Adjustment in EMU: a model-based analysis of country experiences', *European Economy - Economic Paper* No. 274 (Brussels: European Commission).
- Larch, M. and A. Turrini (2008), 'Received wisdom and beyond: Lessons from fiscal consolidation in the EU', *European Economy - Economic Papers* No. 320 (Brussels: European Commission).
- Leal, T., J.J. Pérez, M.Tujula and J-P. Vidal, (2008), 'Fiscal forecasting: lessons from the literature and challenges', *Fiscal studies* 29, 347-386.
- Lindgren, C-J., T. Balino, C. Enoch, A. Gulde, M. Quintyn and L. Teo (1999), 'Financial structure crisis and restructuring. Lessons from Asia', *IMF Occasional Paper* 188 (Washington, D.C.: International Monetary Fund).
- Manasse, P. (2006), 'Pro-cyclical fiscal policy: shocks, rules, and institutions – A view from

- MARS', *IMF Working Paper* 06/26 (Washington, D.C.: International Monetary Fund).
- Marsaglia, G. (1997), 'The Diehard random number test suite' (<http://stat.fsu.edu/pub/diehard/>).
- Martin, R., L. Schuknecht and I. Vansteenkiste, (2007), 'The role of the exchange rate for adjustment in Boom and Bust episodes', *ECB Working Paper* 813, (Frankfurt: European Central Bank).
- Morris, R. and L. Schuknecht, (2007), 'Structural balances and revenue windfalls – the role of asset prices revisited,' *ECB Working Paper* 737.
- Mussa, M. (2005), 'Sustaining global growth while reducing external imbalances', Bergstein, F. (ed.), *The United States and the World Economy*, (Washington, D.C.: Institute for International Economics).
- Myung-Bak, L. (2009), 'How Korea solved its banking crisis', in: *The Wall Street Journal*, (27 March 2009).
- Nicoletti G., S. Scarpetta and O. Boylaud, (2000), 'Summary indicators of product market regulation with an extension to employment protection legislation', *OECD, Economics Department Working Papers* n°226, ECO/WKP(99)18.
- Onorante, L., D. J. Pedregal, J.J. Pérez and S. Signorini (2008), 'The usefulness of infra-annual government cash budgetary data for fiscal forecasting in the euro area', *ECB Working Paper* 901.
- Organisation for Economic Co-operation and Development (1995), *Economic Survey. Norway*, (Paris: Organisation for Economic Co-operation and Development).
- Organisation for Economic Co-operation and Development (2000), *Economic Survey. Japan*, (Paris: Organisation for Economic Co-operation and Development).
- Organisation for Economic Co-operation and Development (2005), 'Handbook on constructing composite indicators: methodology and user guide', *OECD Statistics Working Papers* 2005/3 (Paris: Organisation for Economic Co-operation and Development).
- Organisation for Economic Co-operation and Development (2009a), 'First interim report on the OECD's strategic response to the financial and economic crisis', C(2009)26 (Paris: Organisation for Economic Co-operation and Development).
- Organisation for Economic Co-operation and Development (2009b), 'The effectiveness and scope of fiscal stimulus', Economic Policy Committee (Paris: Organisation for Economic Co-operation and Development).
- Peter, M. and M. Grandes, (2005). 'How important is sovereign risk in determining corporate default premia? The case of South Africa,' *IMF Working Papers* 05/217, International Monetary Fund.
- Polackova Brixi, H. and A. Schick (2002), *Government at risk. Contingent liabilities and fiscal risk* (New York: World Bank and Oxford University Press).
- Rajan, R., and L. Zingales (1998), 'Financial dependence and growth', *American Economic Review* 88, pp. 393-410.
- Ranciere, R., A. Tornell and F. Westermann, (2008), 'Systemic crises and growth', *Quarterly Journal of Economics*, February, Vol. 123, No. 1, pp. 359-406.
- Ratto, M., W. Roeger and J. In 't Veld (2009), 'QUEST III: An estimated open-economy DSGE Model of the euro area with fiscal and monetary policy', *Economic Modelling*, 26 (2009), pp. 222-233.
- Reinhart, C.M. and K.S. Rogoff (2008a), 'Is the 2007 U.S. sub-prime financial crisis so different? An international historical comparison', *NBER Working Paper* 13761 (Cambridge, MA: National Bureau of Economic Research).
- Reinhart, C.M. and K.S. Rogoff (2008b), 'Banking crises: an equal opportunity menace', *NBER Working Paper* 14587 (Cambridge, MA: National Bureau of Economic Research).
- Reinhart, C.M. and K.S. Rogoff (2008c), 'The aftermath of financial crises', Paper prepared for

- presentation at the American Economic Association meetings in San Francisco, January 3, 2009.
- Reisen, H., (2008), 'The fallout from the global credit crisis: contagion – emerging markets under stress', in: A. Felton and C. M. Reinhart (eds.), 'The First Global Financial Crisis of the 21st Century Part II: June – December, 2008', (http://www.voxeu.org/reports/reinhart_felton_vol2/First_Global_Crisis_Vol2.pdf)
- van Rijckenghem, C. and B. Weder, (2001), 'Source of contagion. Is it finance or trade?', *Journal of International Economics* 54, pp. 293-308.
- Rodrik, D., (1998), 'Why do more open economies have bigger governments?', *Journal of Political Economy* 106(5), pp. 997-1032.
- Roeger, W. and J. in't Veld (2009), 'Fiscal policy with credit constrained households', *European Economy - Economic Papers* No. 357 (Brussels: European Commission).
- Rojas-Suarez, L. and S. R. Weisbrod (1996), 'Managing banking crises in Latin America: The dos and don'ts of successful bank restructuring programs', in: Hausmann, R. and L. Rojas-Suarez (eds.), *Banking crises in Latin America* (Washington, D.C.: Inter-American Development Bank).
- Ruscher, E. and G. Wolff (2009), 'Risks of a sluggish recovery in the euro area and policy implications', (mimeo).
- Sachs, J. (2009), 'A proposal on how to clean the banks,' The Huffington Post, 12 February 2009 (http://www.huffingtonpost.com/jeffrey-sachs/a-proposal-on-how-to-clea_b_166303.html).
- Sandal, K. (2004), 'The Nordic banking crises in the early 1990s – Resolution methods and fiscal costs', in: Moe, T, J.A. Solheim and B. Vale (eds.), 'The Norwegian banking crisis', *Occasional Paper* No. 33, pp. 77-115 (Oslo: Norges Bank).
- Schwierz, C. (2004), 'Economic costs associated with the Nordic banking crises', in: Moe, T.G., J.A. Solheim and B. Vale (eds.), 'The Norwegian Banking Crisis', *Occasional Paper* No. 33, pp. 117-144 (Oslo: Norges Bank).
- Spilimbergo, A., S. Symansky, O. Blanchard and C. Cottarelli (2008), 'Fiscal policy for the crisis', *IMF Staff Position Paper* SPN/08/01 (Washington, D.C.: International Monetary Fund).
- Standard & Poor's (2002), 'S&P's Banking Industry Country Risk Assessments: Global Annual Roundup', Standard & Poor's, (www.standardandpoors.com/ratingsdirect).
- Stone, M.R. (2000), 'Large-scale post-crisis corporate sector restructuring', *IMF Policy Discussion Paper* PDP/00/7 (Washington, D.C.: International Monetary Fund).
- Strauss-Kahn, D. (2009), 'IMF outline dire consequences if world fails to act on banks', *IMF Survey online* (February 7, 2009).
- Summers, L.H., (2000), 'International financial crises: causes prevention, and cures', *American Economic Review, Paper and proceedings*, 90(2), pp. 1-16.
- Sutherland, D., R. Price, I. Joumard, and C. Nicq (2007), 'Performance indicators for public spending efficiency in primary and secondary education', *OECD Economics Department Working Paper* No. 546 (Paris: Organisation for Economic Co-operation and Development).
- Turrini, A. (2008), 'Fiscal policy and the cycle in the euro area: the role of government revenue and expenditure', *European Economy - Economic Papers* No. 323 (Brussels: European Commission).
- Vale, B. (2004), 'The Norwegian banking crisis', in: Moe, T, J.A. Solheim and B. Vale (eds.), 'The Norwegian banking crisis', *Occasional Paper* No. 33, pp. 1-21 (Oslo: Norges Bank).
- Wolswijk, G., (2007), Short- and Long-run tax elasticities. The case of the Netherlands. ECB Working paper series 763, European Central Bank.
- Woo, D. (2002), 'Two approaches to resolving nonperforming assets during financial crises', in: Enoch, C., D. Marston and M. Taylor (eds.), 'Building strong banks through surveillance and resolution', pp. 265-307 (Washington, D.C.: International Monetary Fund).

European Union

European Commission	ec.europa.eu
Directorate-General for Economic and Financial Affairs	ec.europa.eu/economy_finance/index_en.htm
Eurostat	epp.eurostat.ec.europa.eu
European Council	consilium.europa.eu
European Parliament	www.europarl.europa.eu

Economics and Finance Ministries

Belgium	www.treasury.fgov.be/interthes	Ministère des Finances - Ministerie van Financien
Bulgaria	www.minfin.bg	Ministry of Finance
Czech Republic	www.mfcr.cz	Ministry of Finance
Denmark	www.fm.dk	Ministry of Finance
Germany	www.bundesfinanzministerium.de	Bundesministerium der Finanzen
Estonia	www.fin.ee	Ministry of Finance
Ireland	www.irlgov.ie/finance	Department of Finance
Greece	www.mnec.gr/en/	Ministry of Economy and Finance
Spain	www.mineco.es/	Ministerio de Economía y Hacienda
France	www.finances.gouv.fr	Ministère Économie, Finances et l'Industrie
Italy	www.tesoro.it	Ministero dell'Economia e delle Finanze
Cyprus	www.mof.gov.cy	Ministry of Finance
Latvia	www.fm.gov.lv	Ministry of Finance
Lithuania	www.finmin.lt	Ministry of Finance
Luxembourg	www.etat.lu/FI	Ministère des Finances
Hungary	www.p-m.hu	Ministry of Finance
Malta	finance.gov.mt	Ministry of Finance and Economic Affairs
Netherlands	www.minfin.nl	Ministerie van Financien

Austria	www.bmf.gv.at	Bundesministerium für Finanzen
Poland	www.mofnet.gov.pl	Ministry of Finance
Portugal	www.min-financas.pt	Ministério das Finanças
Romania	www.mfinante.ro	Ministry of Finance
Slovenia	www.gov.si/mf	Ministry of Finance
Slovak Republic	www.finance.gov.sk	Ministry of Finance
Finland	www.vn.fi/vm	Ministry of Finance
Sweden	finans.regeringen.se	Finansdepartementet
United Kingdom	www.hm-treasury.gov.uk	Her Majesty's Treasury

Central Banks

European Union	www.ecb.int	European Central Bank
Belgium	www.nbb.be	Banque Nationale de Belgique / Nationale Bank van België
Bulgaria	www.bnb.bg	Bulgarian National Bank
Czech Republic	www.cnb.cz	Czech National Bank
Denmark	www.nationalbanken.dk	Danmarks Nationalbank
Germany	www.bundesbank.de	Deutsche Bundesbank
Estonia	www.eestipank.info	Eesti Pank
Ireland	www.centralbank.ie	Central Bank of Ireland
Greece	www.bankofgreece.gr	Bank of Greece
Spain	www.bde.es	Banco de España
France	www.banque-france.fr	Banque de France
Italy	www.bancaditalia.it	Banca d'Italia
Cyprus	www.centralbank.gov.cy	Central Bank of Cyprus
Latvia	www.bank.lv	Bank of Latvia
Lithuania	www.lb.lt	Lietuvos Bankas
Luxembourg	www.bcl.lu	Banque Centrale du Luxembourg
Hungary	www.mnb.hu	National Bank of Hungary

Malta	www.centralbankmalta.com	Central Bank of Malta
Netherlands	www.dnb.nl	De Nederlandsche Bank
Austria	www.oenb.at	Oestereichische Nationalbank
Poland	www.nbp.pl	Narodowy Bank Polski
Portugal	www.bportugal.pt	Banco de Portugal
Romania	www.bnro.ro	National Bank of Romania
Slovenia	www.bsi.si	Bank of Slovenia
Slovak Republic	www.nbs.sk	National Bank of Slovakia
Finland	www.bof.fi	Suomen Pankki
Sweden	www.riksbank.com	Sveriges Riksbank
United Kingdom	www.bankofengland.co.uk	Bank of England

EU fiscal surveillance framework

Stability and Growth Pact:

ec.europa.eu/economy_finance/sg_pact_fiscal_policy/index_en.htm?cs_mid=570

Excessive deficit procedure:

ec.europa.eu/economy_finance/sg_pact_fiscal_policy/fiscal_policy554_en.htm

Early warning mechanism:

http://ec.europa.eu/economy_finance/sg_pact_fiscal_policy/fiscal_policy1075_en.htm

Stability and convergence programmes:

ec.europa.eu/economy_finance/sg_pact_fiscal_policy/fiscal_policy528_en.htm

Sustainability of public finances:

http://ec.europa.eu/economy_finance/sg_pact_fiscal_policy/fiscal_policy546_en.htm

Quality of public finances

http://ec.europa.eu/economy_finance/publications/publication_summary12186_en.htm

http://ec.europa.eu/economy_finance/epc/epc_publications_en.htm#Quality%20of%20public%20finances

Lisbon Strategy for Growth and Jobs

http://ec.europa.eu/growthandjobs/index_en.htm