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Zur ökologisch orientierten Steuerreform

Johann Eekhoff

Abstract

The German Government is planning an ecologically orientated tax reform. The draft consists of two parts, an increase in energy taxes and a government subsidy to the national old age pension system in order to reduce direct contributions of the labor force to the pension system. The initiative is supposed to be a first step to higher energy taxes as a measure to reduce air pollution and to reduce labor costs at the same time. But the concept does not create a "double dividend" as is promised in the draft.

JEL-Classification: H 20, H 23, Q 48.

Finanzsysteme in Europa: Harmonisieren? Anglizieren?

Doris Neuberger

Abstract

Within the international competition of financial systems, Europe faces the question of whether to harmonize regulations towards a bank-oriented or a market-oriented financial system. Except the United Kingdom, all European countries have bank-based financial systems, however with large differences. In order to derive policy recommendations, we review the theoretical literature on welfare effects of financial systems. Neither the theory nor the empirical evidence indicates that one system is superior to the other in all respects. Hence, competition between financial systems should be recommended. However, global competition may induce an anglicization of European bank-oriented systems towards the market-oriented system, which may not always be advantageous.

JEL-Classification: G 28, H 77.

Beschäftigungswirkungen von Auslandsinvestitionen: das Beispiel Japan

Jochen Legewie

Abstract

This article offers an analysis of the domestic employment effects of foreign direct investment (FDI) for Japan between 1991 and 1996. After reviewing the current discussion in and outside Japan, the direct effects of Japanese overseas investment on trade, domestic production and employment are presented and discussed, based

on detailed data provided by the MITI. The results show that Japanese FDI had strong positive effects on domestic production and employment by stimulating exports of capital goods nearly equaling negative effects by export displacement and rising imports. Taking into account indirect effects as well as the fact that most FDI does not really substitute exports but takes place only as an outcome of import barriers and a regional shift of location advantages, it is argued that Japanese FDI had a clear positive overall effect on domestic employment so far. The low degree of production abroad by international standards even implies a special need for the Japanese industry to further accelerate the shift of production activities abroad to accelerate structural changes at home that ensure a high level of employment and wages in the long run.

JEL-Klassifikation: F 20, F 21

Wirtschaftspolitisches Forum

Währungskrisen: Frühwarnindikatoren, internationale Übertragungskanäle, Lösungsmöglichkeiten

Abstract

This economic policy forum addresses the subject "Monetary Crisis: Early Warning Indicators, International Transmission Mechanisms, Remedies". In the opinion of *Horst Siebert*, the excess supply of a weak currency on the exchange market is a signal for an economic crisis. There are various indicators for a monetary crisis, such as a decrease in currency reserves, expanding monetary supply at constant nominal exchange rates and asset price inflation. A monetary crisis can be transferred from one country to another by numerous international transmission mechanisms: interdependencies on financial and product markets, negative effects on the annual accounts resulting in the reduction of total equity and psychological factors. The author is not in favour of introducing reference zones for exchange rates and capital controls for preventing monetary crisis. Instead, Siebert proposes a multilateral codex for foreign direct investment as well as more transparency by improving the early warning indicators. He also stresses the importance of a country itself in providing economic stability.

Rüdiger Pohl argues that rather than reforming the international financial architecture one should focus at the main reason for monetary crisis: mistakes in the international allocation of capital. According to him, capital was given to countries which did not put it to efficient use. The reason does not lie in the functional weaknesses of the international monetary system but rather in a severe misjudgement of creditors and debtors. Only if these developments which cannot be held, are eliminated, the danger of a monetary crisis will be reduced. This plays a key role when it comes to moving towards a stabilisation of the exchange rate system.

According to *Lutz Hoffmann* monetary crisis are an attendant symptom of liberalised international capital markets, which are not only caused by wrong economic policies or distorted data on the economic performance of countries. Many of the approaches currently discussed are not adequate to prevent monetary crisis. Especially, the International Monetary Fund cannot handle this problem. One of the reasons is a lack of institutional competition. The author therefore suggests to expand the supervision and control of international financial actors. Also the countries concerned can implement certain measures. While these measures might not prevent an economic crisis, they can at least protect them from its negative impact.

JEL-Classification: E 50, 52, F 33, F 34.

Zur Theorie des Currency Boards

Wilfried Fuhrmann

Abstract

A Currency Board (CB) does not fly on its own wings. Monetary stabilization requires more than establishing a CB. Of course, the fixing of the exchange rate to an adequate anchor currency, a reserve ratio of 100 per cent for the monetary base (and by this foreign reserves) and, in avoidance of a reduced reputation, transparent rules for changes by a qualified majority in parliament only are important characteristics. Further indispensable essentials are an effective banking-supervision as well as the control of the money-creation on the base of domestic sources by means of a minimum-reserve-requirement, especially in countries under transition, or other efficient measures. This may be done by an independent central bank with additional boards, as there are a Banking Board and a Supervision-Agency, beside the CB. The foreign reserves, the independent central bank with given rules for the CB and efficient capital markets are important factors for the credibility of the CB-solution. However, most important is the social consensus. And at least, it has to be covered by fiscal stability and by (reforms of) the real-sectors and its integration into the international markets.

A Currency Board is a corner stone within an efficiency- and market-oriented framework, enforcing a convergent development of the country. Interpreting a CB with its fixed rules as a suboptimal solution (compared to a more flexible discretionary policy) as well as a temporary institutionalization (or even as the lesser evil) means to reduce its credibility from the very beginning, higher capital costs and to create severe problems when (creeping) switching to a regime with more national monetary autonomy and flexibilities. A Currency Board goes with economic reasoning and stands in contrast to politicians freedom of scope.

JEL-Classification: E 50, F 33.

Handels- und industriepolitische Eingriffe in die europäische Filmwirtschaft: Eine ökonomische Analyse

Markus Fredebeul-Krein

Abstract

The American dominance in the European film industry has been common for many years. As a response, Europeans have implemented various protectionist measures. By analysing these measures from an economic point of view it is shown that there is no case for government intervention in the audiovisual industry. On the contrary, national and regional subsidisation as well as national quotas are one of the main reasons for the low competitiveness of the European film industry. The direction to go is therefore to remove these protectionist instruments. Thereby the European film industry might become more competitive, although Americans will continue to dominate the European film market. However, this is rather positive, since both consumers and tax payers benefit from a dreregulated European film market.

JEL-Classification: F 10, H 20, L 82.