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Dynamisierung der Rente: Was ist die beste Rentenanpassungsformel?

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Abstract

Due to its complexity and incomprehensibility the mechanism for the annual pension adjustment has experienced rising criticism. We compare the actual formula and alternative adjustment proposals on the basis of different criteria. It will become evident that the current formula is better than its reputation suggests. However, a salary indexed adjustment formula extended to include a sustainability factor presents a valid alternative. Such a formula is coherent and predictable, it guarantees pensioners' participation in the technological progress, it balances the opposing goals of stable contribution rates and stable replacement rates, it limits intergenerational inequality and leads to a self stabilizing pension system. Adjustment formulas that are indexed to the wage bill or the inflation rate turn out to be less appropriate because they don't adequately account for future demographic changes.

JEL-Classification: H55

Wirtschaftspoliotisches Forum

Alternativen zum ESM - konstruktive Wege für die Zukunft des Euroraums

A sovereign debt crisis develops when lenders doubt that outstanding nominal debt is backed by the present value of future primary budget surpluses, argues *Bernd Lucke*. The European Stability Mechanism hopes to prevent default by promoting structural adjustments which improve primary budget surpluses. The author discusses inflation and an orderly default as alternative solutions to the debt problem. Inflation is shown to postpone rather than solve the debt problem, entailing severe macroeconomic distortions. An orderly default following proper recapitalization of vulnerable banks induces only moderate costs to public households, solves the debt problem and may well bring about the real depreciation necessary to balance the current account. This, ultimately, allows the insolvent country to stay in the currency union.

Thomas Straubhaar and *Henning Vöpel* state, that a permanent European Stability Mechanism (ESM) will replace the ad-hoc implemented European Financial Stability Funds (EFSF) and is intended to stabilize the Euro area by adding a missing institution to a non-optimal currency area. Nevertheless, there are doubts still remaining whether such a mechanism is able to prevent the Euro area from falling into further crises. Other tools should also be considered. In this article requirements for a sustainable and credible solution of the Euro crisis are derived from a Game theoretical analysis. Various potential tools are discussed against this background. It

is argued as a conclusion that two instruments are needed to aim two goals: a temporary fiscal union or transfer mechanism respectively in order to stabilize a non-optimal European monetary union in the short run and a monitored structural convergence process among member states in order to develop an optimal currency area in the long run. Moreover, a coordinated insolvency of banks and states should be enabled without triggering contagion and systemic risks in order to avoid moral hazard and conflicting incentives.

Michael Vogelsang describes the characteristics of a temporary double or parallel currency system as a compromise between an exit from the European Monetary Union (EMU) and a deflationary strategy to strengthen competitiveness. The aim of the procedure proposed here is to minimize shocks and the economic burden of structural reforms.

Today, the struggling Euro-countries face a threefold problem: a high, unsustainable indebtedness of the state; a weak banking sector; and a lack of competitiveness. The three problems are amplifying each other and a vicious circle has arisen.

The lack of competitiveness is the focus of his contribution. Low interest rates favoured investments in non-tradable goods, e.g. the construction sector in Spain or the state sector in Greece. The boom in the non-tradable sectors led to satisfying growth rates and masked the deteriorating performance in the tradable sectors.

With the temporary double currency system presented here, all domestic flow variables are changed into the new currency and a lower bound as a modification of a crawling peg related to the Euro is introduced. The transitory conditions are explored and it is shown that the system can work without capital controls, even if a continuous depreciation is expected. The central banks have to set the maximum depreciation rate and the exchange fee appropriately.

The temporary double currency system supports competitiveness in the short run and minimizes the perils of two other strategies: the political damage and the contagion effects when a country leaves the EMU suddenly, and the dangers of a deep recession when a deflation is intended. However, the temporary double currency is only one module of a comprehensive solution for the Euro-Zone members in trouble.

In the long run the option of introducing a temporary double currency makes the EMU more flexible and facilitates exits and entries. Therefore, it is a contribution to stabilizing the EMU.

JEL-Classification: E42, E42, E52, F16, F41

Das Leistungsschutzrecht für Presseverleger: Eine ordnungspolitische Pespektive

Torben Stühmeier

Abstract

Since the beginning of the year 2009 the German press publishers have lobbied for their own neighbouring right which should protect even short snippets of online press articles. The new right should basically protect the press publishers' investments in the online environment. Currently there is an intensive debate among several involved interest groups about the expected effects of such a right. The present article aims to sheds some light on the expected economic effects. It states that a neighbouring right is not sufficiently justified by economic theory and can distort efficiency both from an ex ante and an ex post point of view.

JEL-Classification: K11, K42, L82, L86