



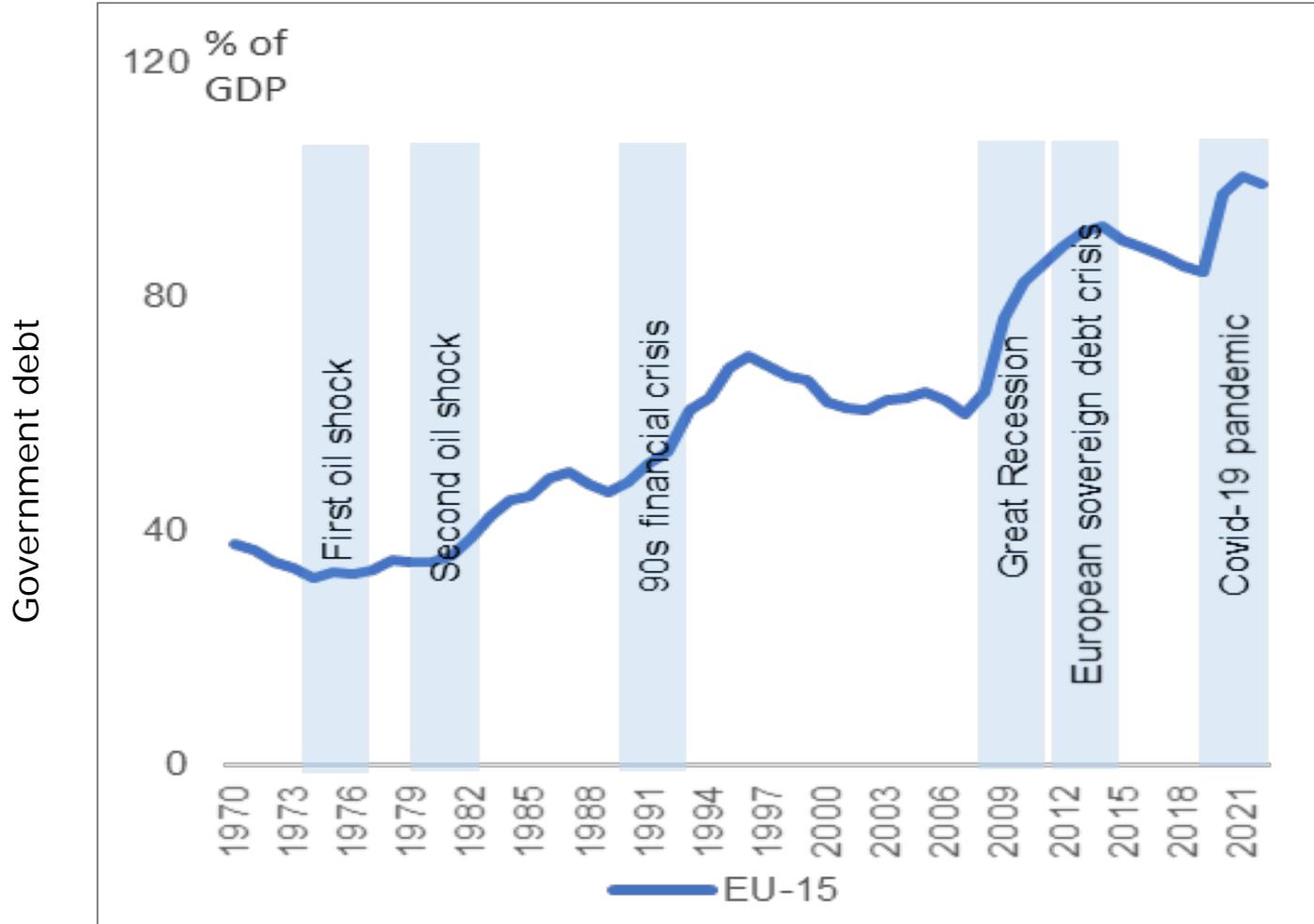
Countercyclical Properties of Fiscal Rules: an EU perspective

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JVI Webinar
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Why fiscal rules?



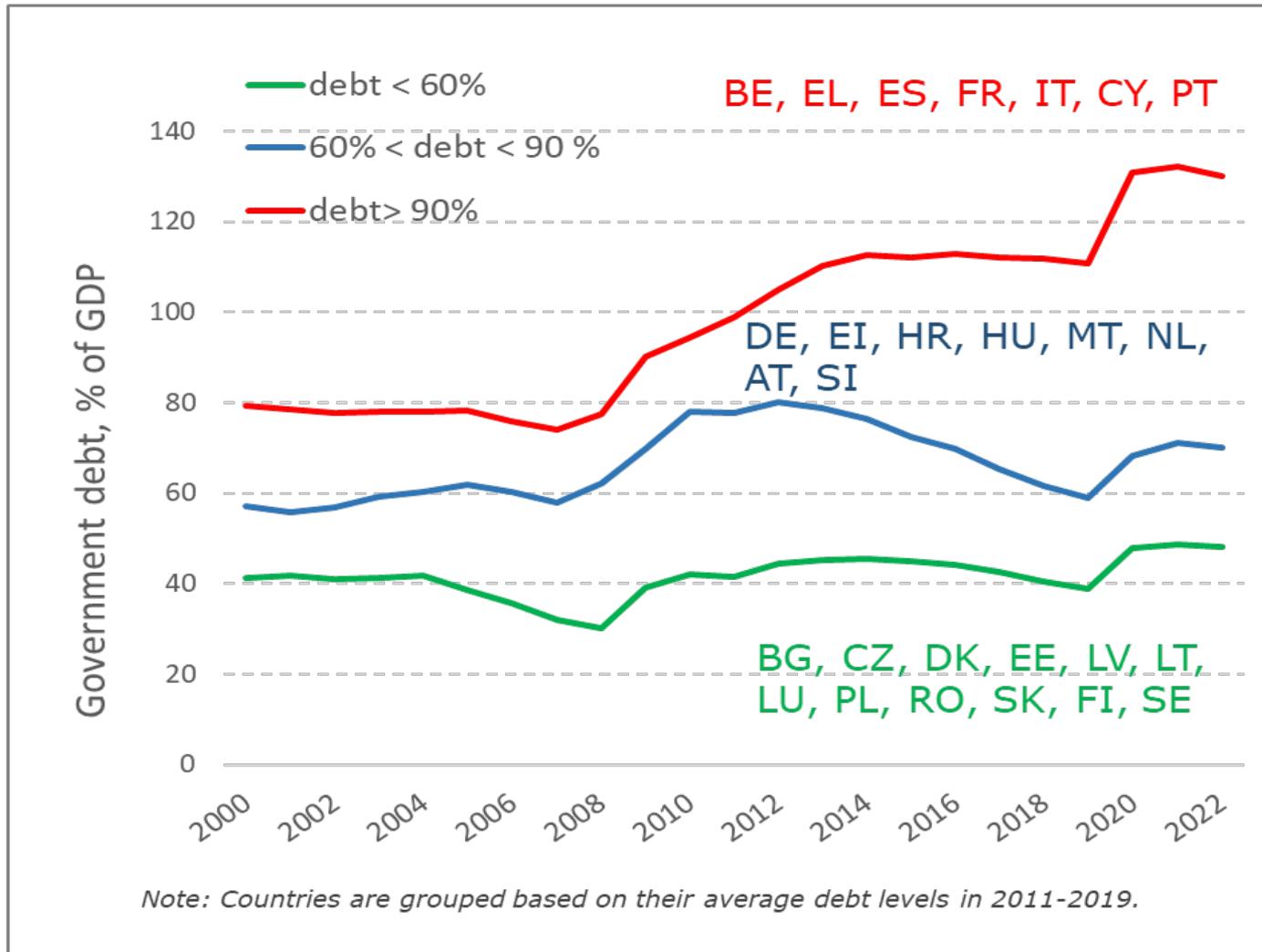
Why fiscal rules?

The early view: *Tie the hands of fiscal policy makers*



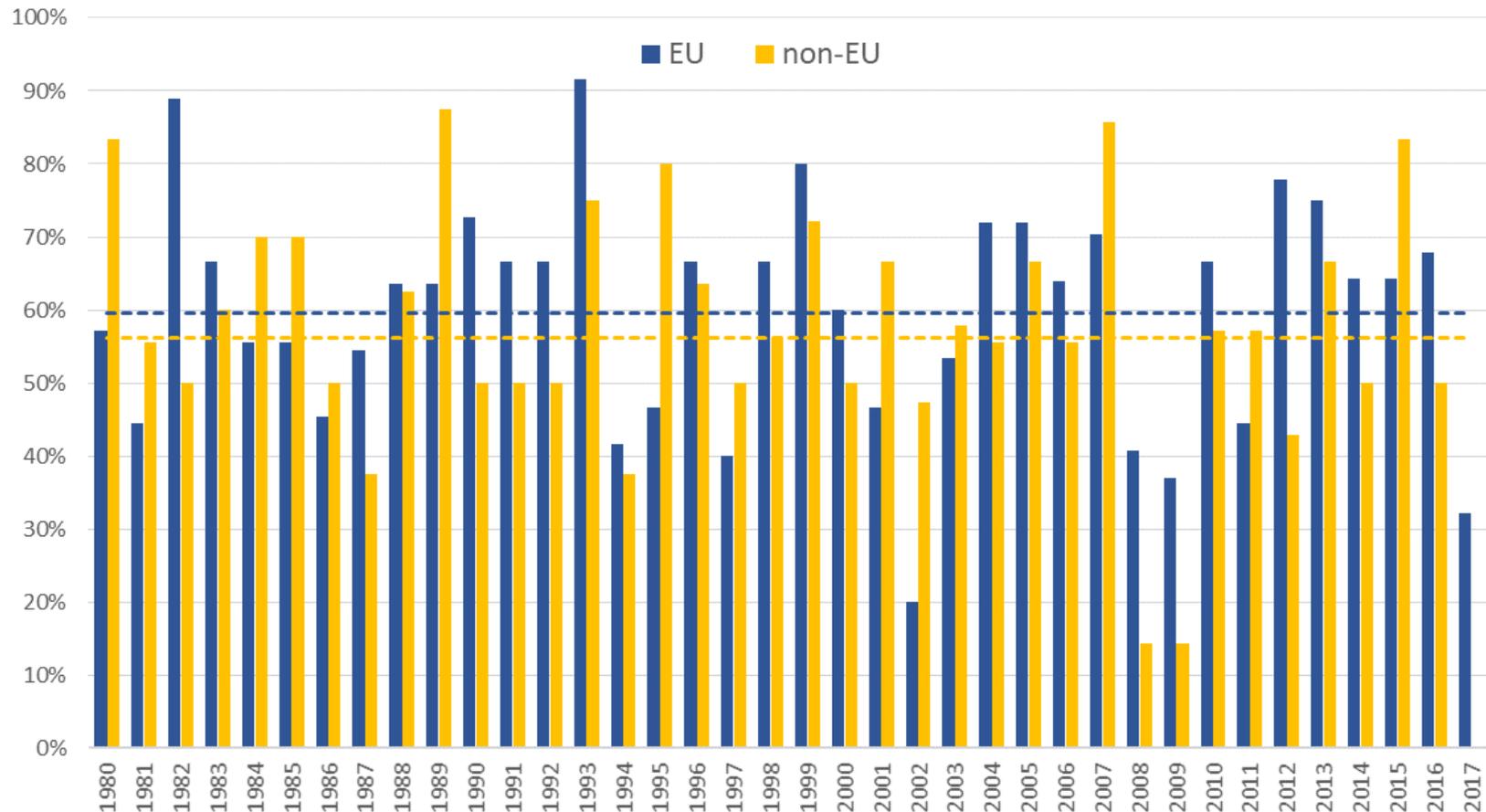
John William Waterhouse, Ulysses and the Sirens (1891), National Gallery of Victoria (Melbourne, Australia)

Have fiscal rules been effective?



Have fiscal rules been effective?

Share of pro-cyclical episodes per year: 40 OECD countries incl. 27 EU



Larch, Orseau, van der Wielen (2020) Do EU Fiscal Rules Support or Hinder Counter-Cyclical Fiscal Policy? Journal of International Money and Finance.

Do we need new fiscal rules?

Updated view: *Hands of policy makers cannot be tied, but they need advise*



Pier Francesco Cittadini (ca. 1650) Ulysses and Circe (Private collection, Italy)

Thank you for your time!

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