

What are the effects of fiscal rules on fiscal discipline in the European Union?

Published on March 31, 2021 – Updated on July 15, 2021

Dates

on the March 31, 2021

Focus on research

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We study the impact of national fiscal rules on fiscal discipline in the European Union. Our impact analysis, that accounts for potential endogeneity, shows that national fiscal rules significantly improve our new measure of fiscal discipline, namely Global Financial Performance Index (GFPI). In addition, we show that this favorable effect dramatically depends upon the type of fiscal rule and different structural factors. These two features, together with alternative measures of fiscal discipline, are found to be key ingredients that should be taken into account when assessing the effects of fiscal rules on fiscal discipline.

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Reference

"[National fiscal rules and fiscal discipline in the European Union](https://www.tandfonline.com/doi/abs/10.1080/00036846.2020.1859453?journalCode=raec20&)(<https://www.tandfonline.com/doi/abs/10.1080/00036846.2020.1859453?journalCode=raec20&>)", *Applied Economics*, First online on the 5th of March 2021

<https://cerdi.uca.fr/english-version/news/news/research-focus/what-are-the-effects-of-fiscal-rules-on-fiscal-discipline-in-the-european-union>(<https://cerdi.uca.fr/english-version/news/news/research-focus/what-are-the-effects-of-fiscal-rules-on-fiscal-discipline-in-the-european-union>)