

1. Record Nr.	UNINA9910788408003321
Titolo	Fiscal Consolidation in Israel : : A Global Fiscal Model Perspective
Pubbl/distr/stampa	Washington, D.C. : , : International Monetary Fund, , 2006
ISBN	1-4623-3667-1 1-4527-1280-8 1-283-51284-X 1-4519-0966-7 9786613825292
Descrizione fisica	1 online resource (33 p.)
Collana	IMF Working Papers
Soggetti	Fiscal policy - Israel Economic stabilization - Israel Macroeconomics Public Finance Debt Debt Management Sovereign Debt Fiscal Policy National Government Expenditures and Related Policies: General Public finance & taxation Public debt Fiscal consolidation Expenditure Government debt management Fiscal policy Debts, Public Expenditures, Public Israel
Lingua di pubblicazione	Inglese
Formato	Materiale a stampa
Livello bibliografico	Monografia
Note generali	"November 2006."
Nota di bibliografia	Includes bibliographical references.

Nota di contenuto

""Contents""; ""I. INTRODUCTION""; ""II. FISCAL PERFORMANCE IN ISRAEL""; ""III. THE MODEL""; ""IV. FISCAL CONSOLIDATION: NOW VERSUS LATER""; ""V. TAX CUTS""; ""VI. CONCLUSION""; ""APPENDIX. CALIBRATION OF GFM""; ""REFERENCES""

Sommario/riassunto

Fiscal consolidation has become an important policy prescription for many emerging market countries (EMCs), particularly for the highly indebted ones. Although prudent fiscal policies tend to reduce vulnerabilities, their implementation is usually postponed. This paper represents, to the best of our knowledge, one of the first attempts in the literature to quantify the costs of delaying fiscal consolidation in an EMC. In particular, using the IMF's Global Fiscal Model (GFM), we find that early consolidation through expenditure cuts would result in a substantial increase in Israel's long-term output growth relative to the case with delayed fiscal adjustment. Using an alternative fiscal instrument, we find that delaying tax cuts would result in cumulative real GDP that is much larger than otherwise.
