1. Record Nr. UNINA9910971217203321

Autore	Kumhof Michael
Titolo	Fiscal Deficits and Current Account Deficits / / Michael Kumhof, Douglas Laxton
Pubbl/distr/stampa	Washington, D.C. : , : International Monetary Fund, , 2009
ISBN	9786612844386 9781462316410 1462316417 9781452706672 1452706670 9781451873849 1451873840 9781282844384 1282844385
Edizione	[1st ed.]
Descrizione fisica	23 p. : ill
Collana	IMF Working Papers
Altri autori (Persone)	LaxtonDouglas
Disciplina	338.973
Soggetti	Finance, Public - Econometric models Debts, Public Accounts current Fiscal policy Balance of payments Banks and Banking Current Account Adjustment Current account deficits Current account Debt Management Debt Exports and Imports Finance Government debt management Interest rates Interest Rates: Determination, Term Structure, and Effects International economics Public debt Public finance & taxation Public Finance Real interest rates Short-term Capital Movements

Sovereign Debt
United States

Lingua di pubblicazione	Inglese
Formato	Materiale a stampa
Livello bibliografico	Monografia
Note generali	"October 2009".
Nota di bibliografia	Includes bibliographical references.
Nota di contenuto	Cover Page -- Title Page -- Copyright Page -- Contents -- I. Introduction -- 1. IMF WEO and CBO Baseline Deficit and Debt Projections for the United States -- 2. CBO Long-Term Projections for U.S. Fiscal Deficits and Debt -- II. The Model -- A. Households -- 3. Dissaving and the Role of the Planning Horizon -- B. Firms -- 1. Manufacturers -- 2. Distributors -- 3. Retailers -- C. Government -- 1. Budget Constraint -- 2. Fiscal Policy -- 3. Monetary Policy -- D. Equilibrium and Balance of Payments -- III. Calibration -- IV. Permanent Increases in Fiscal Deficits -- A. U.S. Fiscal Deficits -- 4. One Percentage Point Deficit Shock, Instrument = Taxation, Part I -- 5. One Percentage Point Deficit Shock, Instrument = Taxation, Part II -- 6. One Percentage Point Deficit Shock, Instrument = Taxation, Part III -- 7. Current Account Deficit and the Planning Horizon -- 8. Real Interest Rate and the Planning Horizon -- B. Sensitivity Analysis -- C. Small Open Economies -- 9. One Percentage Point Deficit Shock in a Small Open Economy -- 10. Large Open Economy Dissaving -- 11. Small Open Economy Dissaving -- V. Conclusion -- References -- Footnotes.
Sommario/riassunto	The effectiveness of recent fiscal stimulus packages significantly depends on the assumption of non-Ricardian savings behavior. We show that, under the same assumption, fiscal deficits can have worrisome implications if they turn out to be permanent. First, if they occur in large countries they significantly raise the world real interest rate. Second, they cause a short run current account deterioration equal to around 50 percent of the fiscal deficit deterioration. Third, the longer run current account deterioration equals almost 75 percent for a large economy such as the United States, and almost 100 percent for a small open economy.