

TOWARDS A CLOSER UNION? NEXT STEPS TO FOSTER REAL ECONOMIC CONVERGENCE

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Figure 8: G/Y growth historical var. decomposition

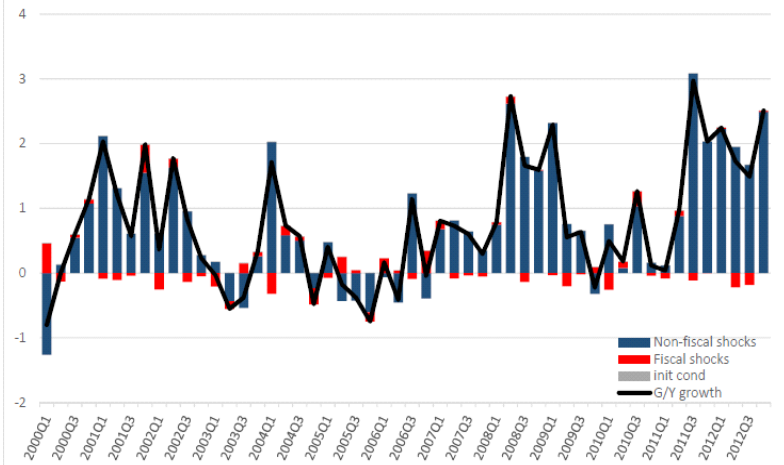


Table 5: Fiscal multipliers.

Tax rates multipliers are computed as a percentage increase in output following a 1 basis point increase in the tax rate.

Time horizon	Public consumption	Public Transfers	Consumption Tax	Labor Tax
Short run	1.48	0.59	-0.48	-0.37
Long run	1.20	0.42	-0.41	-0.47

Figure: PIIGS output growth historical decomposition by country origin of shocks.

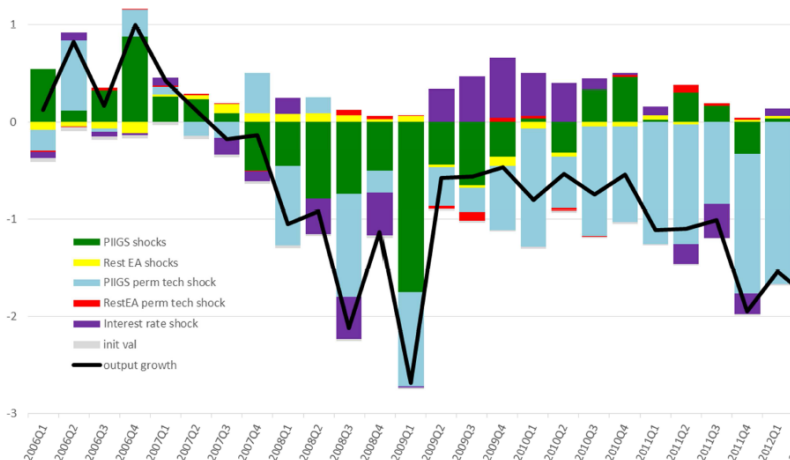


Figure: Rest of EA output growth historical decomposition by nature of shocks.

