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# *Debt overhang and stabilization policy*

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# Debt overhang

Table 3.1: Selected Fiscal Indicators (as a percentage of GDP), 2006-2014

	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>General government surplus</b>									
Denmark	5.0	5.0	3.2	-2.8	-2.7	-2.1	-3.7	-1.1	1.2
Sweden	2.2	3.3	2.0	-0.7	0.0	-0.1	-0.9	-1.4	-1.9
Norway	18.0	17.1	18.7	10.3	11.0	13.4	13.8	11.3	9.1
Euro Area	-1.5	-0.6	-2.1	-6.2	-6.1	-4.1	-3.6	-2.9	-2.4
Greece	-6.1	-6.7	-9.9	-15.3	-11.1	-10.2	-8.7	-12.3	-3.6
Portugal	-4.3	-3.0	-3.8	-9.8	-11.2	-7.4	-5.6	-4.8	-4.5
<b>General government gross debt (Maastricht criterion)</b>									
Denmark	31.5	27.3	33.4	40.4	42.9	46.4	45.6	45.0	45.2
Sweden	43.1	38.2	36.8	40.3	36.9	36.2	36.5	38.7	43.8
Norway	54.0	49.8	47.4	42.2	41.8	27.4	28.6	28.8	26.5
Euro Area	67.6	65.2	69.0	78.7	84.3	86.8	91.4	93.5	94.6
Greece	102.9	102.8	108.8	126.2	145.3	171.2	156.8	175.1	177.4
Portugal	69.2	68.4	71.7	83.6	96.2	111.1	125.8	129.7	130.2

Source: OECD Economic Outlook No. 97 Database, (Edition 2015/1).

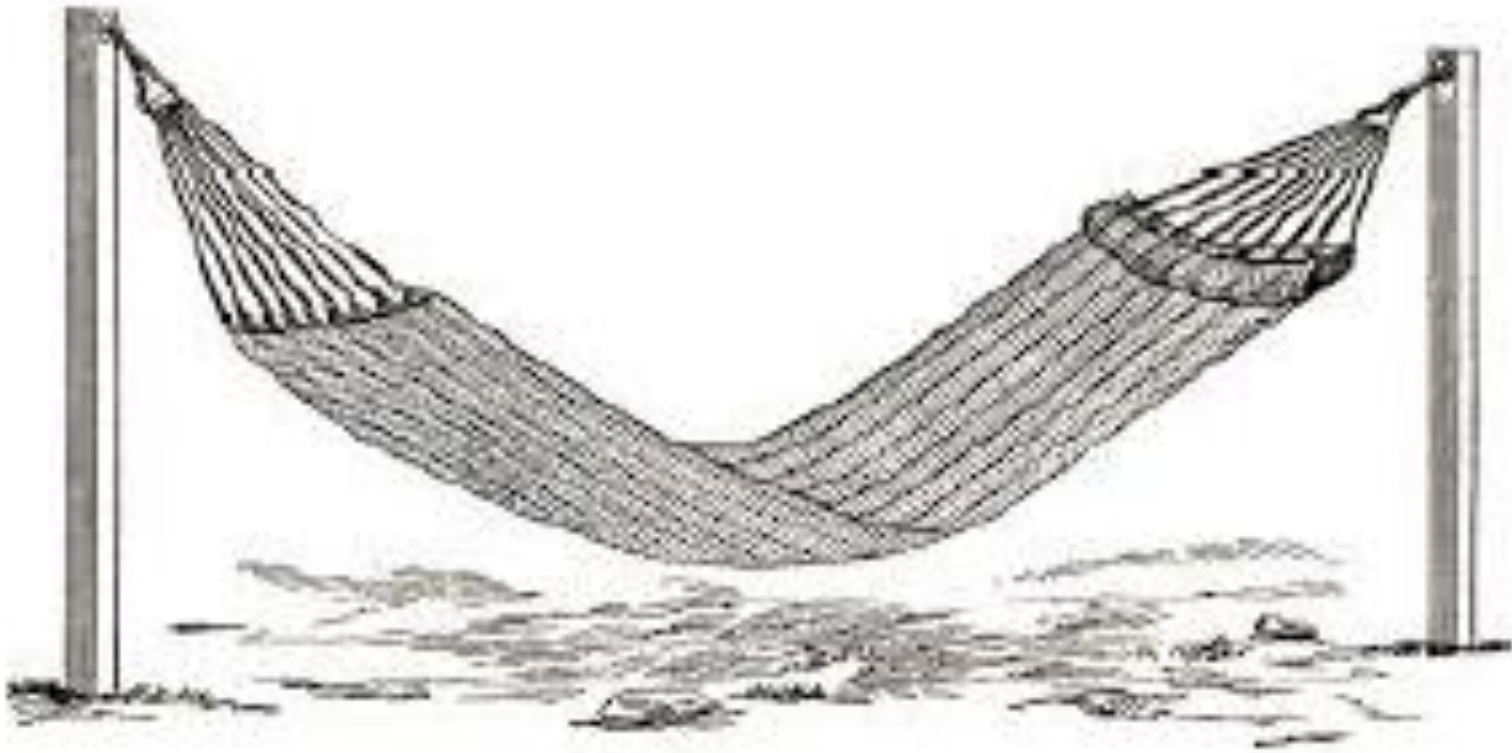
# Stabilization policy

Table 3.2: Cyclically Adjusted Budget Balance and Output Gap, 2007-12

	<b>Cyclically adjusted budget surplus (CAB)</b>				<b>Output gap</b>			
	2007	2010	2011	2012	2007	2010	2011	2012
Denmark	2,7	-0,7	-0,5	-1,5	3,7	-3,3	-2,5	-3,4
Sweden	1,4	0,8	0,0	0,1	3,3	-1,4	-0,2	-1,7
Euro Area	-2,1	-5,1	-3,6	-2,5	2,6	-2,0	-1,1	-2,3
Greece	-9,1	-9,7	-5,8	-2,7	5,0	-3,1	-9,1	-12,6
Portugal	-3,5	-10,8	-6,3	-3,2	1,0	-0,7	-2,1	-4,9

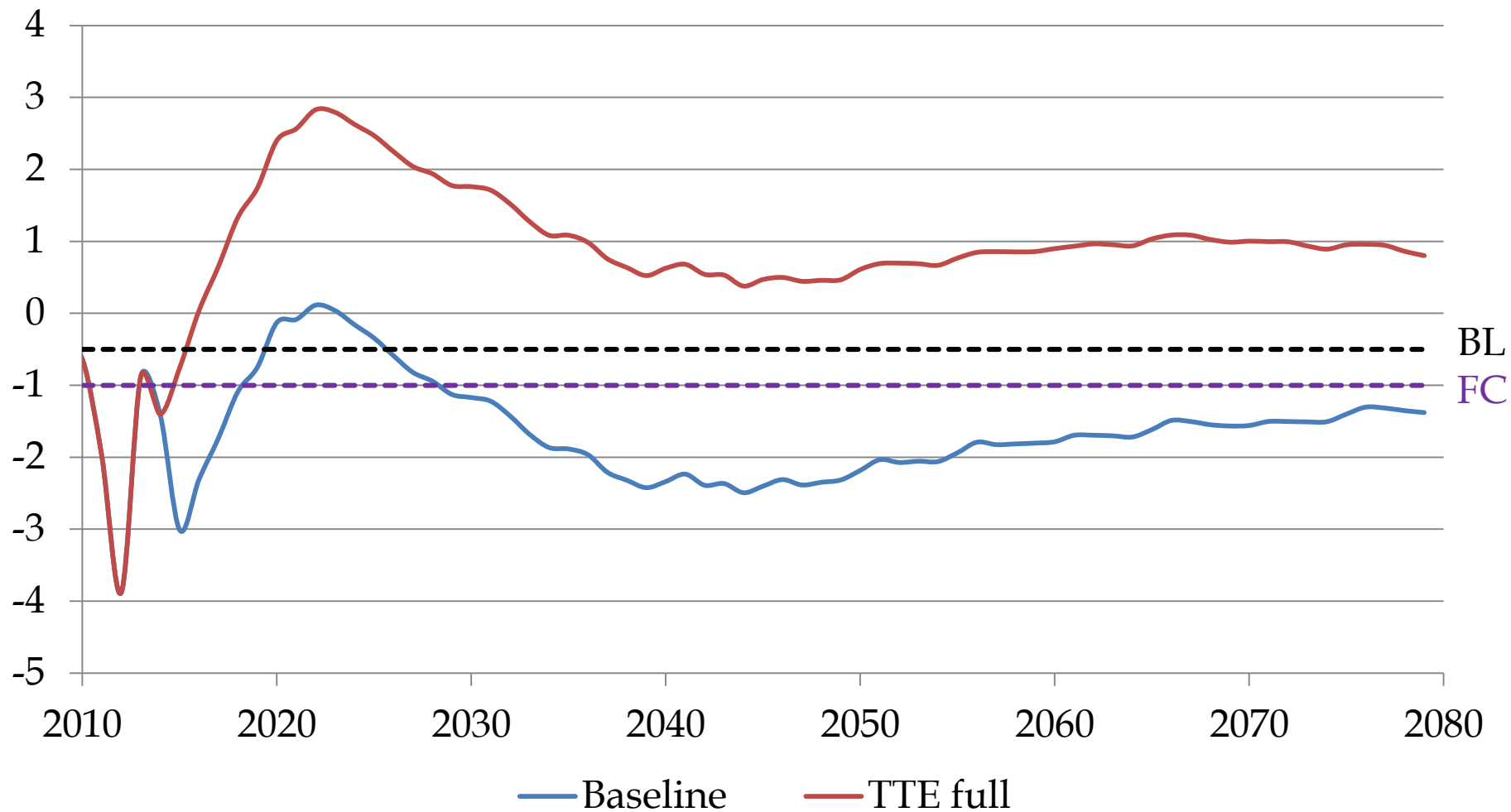
Source: European Commission, AMECO database (5 November 2015 revision).

# The hammock problem...



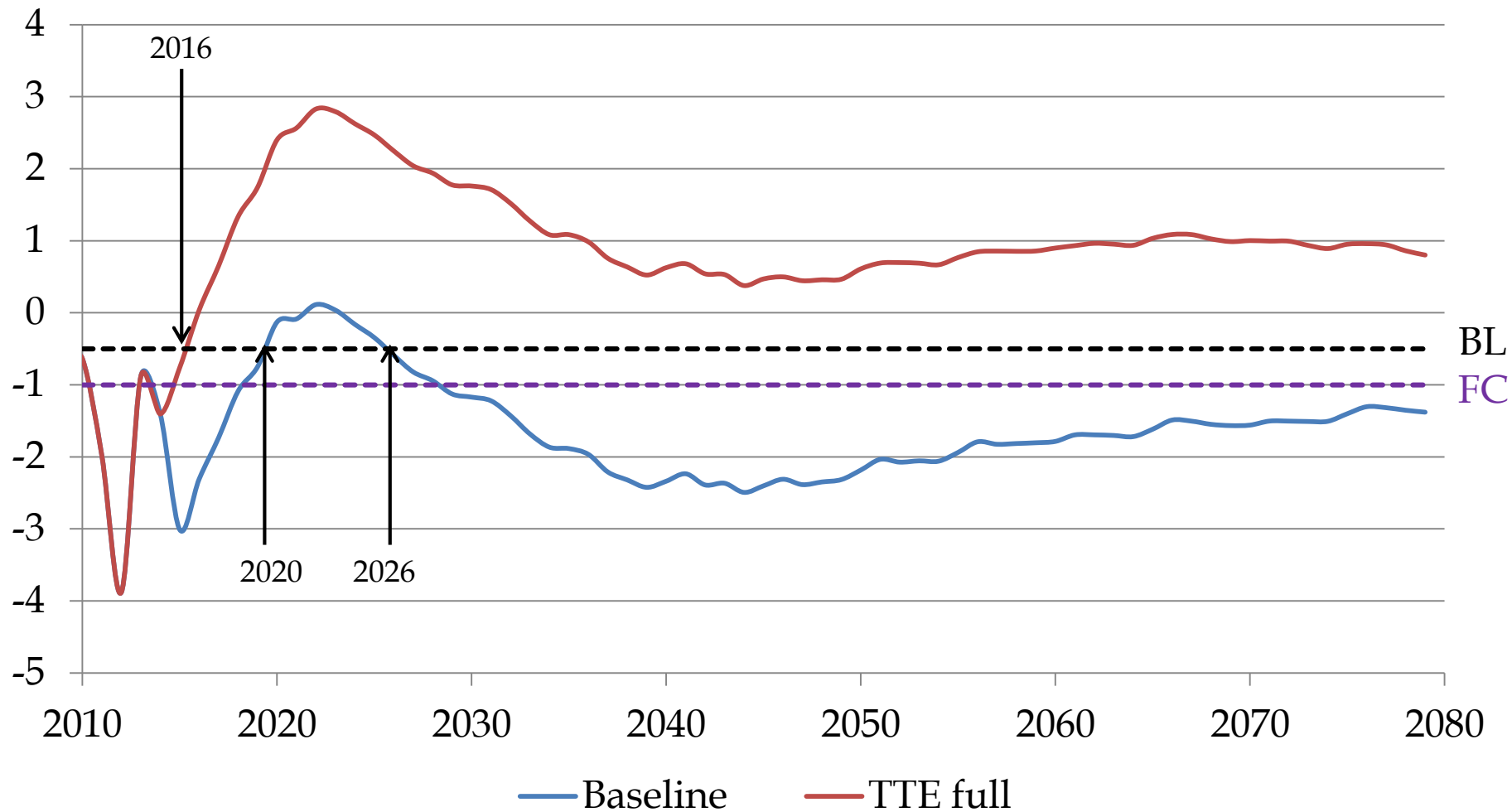
# From ETT to TTE Taxation: Effects on Structural General Budget Balance

Pct. of GDP



# From ETT to TTE Taxation: Effects on Structural General Budget Balance

Pct. of GDP



# From ETT to TTE Taxation: Effects on Public Net Wealth

Pct. of GDP

