

University PhD thesis

**THE SPREAD OF NATIONAL FISCAL RULES AND THEIR EFFECT
IN EUROPE – LESSONS TO BE LEARNT FOR HUNGARY**

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1. Research background and motivation of research

The nearly one and a half decades preceding the 2007-08 crisis did not make it into the history books in vain as the period of the Great Moderation (Bernanke, 2004). While the volatility of most macroeconomic indices decreased significantly compared to the previous years, relative calmness characterized the economy of European states with some exceptions. Although there were significant differences between individual countries, thanks to the budget consolidation started in the nineties and carried out more or less successfully from the point of view of short-term balance improvement, the increasing trend of the debt stock could be reversed.

The ever increasing national and union fiscal rules were meant to ensure the preservation of the orderly fiscal position, as well as the expected fruits of the European integration process (EU enlargement, common currency). Apparently not unsuccessfully: before the crisis broke out, budget deficit dropped to be less than 1 per cent of the GDP in the whole of the EU, and public debt decreased to less than 60 per cent of the gross domestic product¹.

The economic crisis that broke out in 2007-08, however, ended instantaneously – as a milestone in economic history – the carefree years of budgetary politics and forced economists and decision makers alike to reconsider their views and ideas on fiscal policies (Muraközy, 2014).

This was partly due to the fact that the financial, and the real economic crisis it led to caused a debt crisis within some years in numerous European countries, and more than half a dozen states were obliged to request financial help from international organizations to be able to comply with their payment obligations. The relevance of the problem is highlighted by the fact that in its middle-term forecast of the 2015 report, the European Commission detected a medium or higher risk in terms of the sustainability of the state finances of almost half of the member-states. The debt crisis and its consequences, however, would not have led necessarily to a change of attitude. The roots of the latter, however, grew primarily out of the lessons and new discoveries of the experience of past years.

One of the most important of these is related to fiscal policy itself and its role. This field was less in the spotlight than monetary policy before the crisis. Partly because the „skepticism about the effects of fiscal policy” on the economy was general, just like the „concerns about temporal lags and political influences in the implementation of fiscal policy” (Ionescu, 2012, 86.o), and apart from this, many thought it was enough to operate automatic stabilizers to

¹ Source: AMECO

stabilize the economy, not making use of discretionary measures (see Taylor, 2000). The crisis and the subsequent period had, however, three lessons in terms of the above. Firstly it turned out that the fiscal policy had a very significant effect on economic performance, especially during crisis.² This means it is able to increase not only the pace of recovery, but also influences long-term fundamental processes. Romer (2012) for instance calls attention to the fact that in times of crisis, a country is obliged to run a fiscal policy that reduces demand instead of stimulating it, which slows down not only economic recovery but keeps unemployment on a higher level in the long term as well. Blanchard and Leigh's (2013) self-critical study also strengthens this argumentation. The authors call attention to the fact that compared to what had been previously presumed, the value of fiscal multipliers proved to be much higher during the crisis, which also valorizes the importance of the fiscal policy with its implicit dangers and opportunities.

The other important lesson of the crisis is that deficit management is not sustainable in the long term, especially with regard to the effects of globalization. „Of course, we always knew that bond markets could turn on a country. But until recent events, I am not sure that I truly believed they would ever turn on a stable, advanced economy such as Portugal or Ireland” (Romer 2012, p. 6). All this is closely related to another, previously also known schoolbook warning, whose implementation proved to be successful in several places: namely that the state is only able to run an economic policy that invigorates economy if it can ensure itself sufficient fiscal space with the help of disciplined fiscal policy in economic conjuncture.

The third lesson is also related to sustainability, and it is not a novelty either (see previously Buiter, 2004), but this time its recognition was seemingly more widespread due to the size of the crisis than before. It is about the close relationship between private economy and public finances. During the crisis it namely turned out that the imbalances of the private sphere and – within that especially in the financial sector, though not exclusively – as well as the imbalances within the banking system may pass to the field of budget. The central government needed to offer several times financial help to the crumbling branches which eventually (in the case of Spain or Ireland) had the consequence that the crisis dragged general government along (Beetsma–Gradus, 2012).

While the problems related to budget and the conclusions to be drawn from the debt crisis called attention to the issue of fiscal sustainability, a relatively new, but quite versatile

² Especially if monetary policy clashes with the lower threshold of interest reduction.

instrument got naturally into the foreground, which might help precisely in solving the problems of this field. Although national budget regulations appeared already back in the first half of the 20th century, their boomlike spread started at the beginning of the nineties. The number of national level fiscal rules valid in the EU grew sixfold in the past quarter century, and 2014 was the first year when all the community member-states had such provisions³. Although the new means took over Europe at a dynamic pace, we need to underline that we can hardly talk of a standardised appearance. Budget regulations applied in practice were in fact extremely versatile, especially in terms of the economic content, legal background and institutional environment of the regulations. Apart from this, rules often work in an interlinked way, that is two or more regulations not only complement one another, but in terms of their effect such a construction can even become more than the sum of the rules acting separately. This explains how in fact the analysis of the rules often means examining the system of rules in reality.

The subject is even more topical because the leaders of the European Union saw one of the reasons of the debt crisis stemming from the 2007-08 world economic crisis in the community being unable to force a part of the member states into a disciplined budget policy with the help of supranational rules, that is why they reconsidered the set of tools the community had. As part of this, they increased the number of rules, strived to strengthen the institutional system supporting the rules and – what is more important from the aspect of our subject – prescribed the implementation of the supranational rules into the national legislation of the member-states.

The motivation of research is therefore based on two processes: on the repeated appearance of the problems related to the sustainability of the fiscal policy on the one hand, and on the spread of the national level fiscal rules on the other. The European debt crisis called our attention again to the significant damages an undisciplined state management can cause to a country (or even to a whole community of states), and that this issue means a recurring serious problem to democracies. On the other hand, as a direct and indirect consequence of the crisis, so much public debt to GDP ratio was accumulated in the developed states within a couple of years as during World War 2, which probably keeps the issue of budget sustainability topical for a long time. Apart from this, enough time passed till the beginning of the 2010s to scientifically investigate whether the fiscal rules are able to solve at least a part

³ In 1990 less than a third of the later states making up the EU27 had budget rules, and these regulated mostly only the management of local governments.

of the problems stemming from undisciplined fiscal policies. In other words, the time has come to analyse whether the new remedy can be effective in fighting the old illness. What provides a special flavour to this topic when speaking of our country is that the Hungarian budget policy was among the first to recur to outside help, which is only one symptom of the problems characterizing fiscal policy since the change of the regime.

2. Investigation issues

The central topic of our thesis is made up of national level fiscal rules. The concept we employ is limited from several aspects. Our investigation on the one hand covers only the regulations containing numeric provisions of the procedural rules used during the practical composition and execution of the budget. On the other hand, we concentrate on the rules that appeared directly in the national legal systems, and thus we ignore supranational provisions. Thirdly, although budget rules are used in every inhabited continent, we deal with European practice, and within that with the member-states of the European Union.⁴

Our thesis tries to find an answer to what processes contributed to the spread of fiscal rules. After that we will concentrate on the pre-crisis period and examine whether any link or joint movement can be detected between the spread of budget regulations, the strengthening of rule systems and the sustainability of the fiscal policy of individual countries. In order to better understand the correlation, we strive to discuss the two approaches related to the functioning of the rules separately. According to one, the introduction of the budget rules serves as a signal to the different market and political actors about the government's dedication to obtain a disciplined fiscal policy⁵. In this case it is the decision makers that use the budget rules as a tool to influence the external judgment of the government economic policy. According to the other approach we analyse in detail, the gist of the budget regulations is that they internalise the costs of an undisciplined budget policy for the decision makers. The budget rule functioning adequately is in this case the means that is able to influence the behaviour of the decision makers via different incentives. The central issue of our thesis is whether the rules can affect the decision makers, strengthening sustainability via a disciplined budget policy. At the same time, the thesis also strives to solve the tension existing between the two views. Furthermore, we are also interested in finding out the features of the budget rules that are

⁴ As our thesis deals mostly with the period of time ranging from the beginning of the nineties until the crisis outbreak, during our analysis we are compelled to ignore Croatia that joined the European Union only later. This thesis therefore always means the EU27 when referring to the European Union.

⁵ See Debrun–Kumar (2007)

most able to strengthen budget discipline, and whether the obtained results are appropriate to evaluate the set of budget rules of a given country.

3. Thesis structure and methodology

Our thesis is structured the following way: in the first half of chapter 2 following the introduction we focus on clarifying the concepts used in the thesis. First we deal with the issue of fiscal sustainability and determine that in our thesis we rely on the definition used in the more limited sense of the expression, linked to solvency.⁶ Based on this, there is relative consensus regarding the definition which says that a budget policy is sustainable if it does not endanger the solvency of the country in the future either (Croce–Juan-Ramon, 2003). Having this as a starting point, we state that a budget policy can later be considered sustainable in the case of a given country if the given state does not depend on the aid of international organizations in order to keep its solvency. As similarly to fiscal sustainability, the expression of budgetary discipline is also used in various meanings in literature, we define this latter also in this part. By budgetary discipline, our thesis means the feature of fiscal policy to ensure economical budget management in times of prosperity in order to have sufficient space for the general government to have enough movement during economic recession to mitigate negative effects. Afterwards we will analyse in detail the phenomenon whose handling is one of the most important goals of budgetary rules. Apart from understanding the nature and coming about of the deficit bias, it is important to clarify the link between the deficit bias and lossmaking management. While the latter very often can be justified based on intergenerational aspects of redistribution, or even due to fiscal smoothing, for instance in times of crisis, the expression 'deficit bias' is used when it endangers state finances and hinders the successful fulfillment of state functions (e.g. the stabilization of economy). In the second half of the chapter we go through the theoretical background of budgetary rules, emphasizing to a great extent not only the different forms and types of this tool, but also the direct goals it may aid, and the aspects based on which its efficiency can be evaluated.

At the beginning of chapter three we provide an overview of economic history in order to try to highlight the phenomena which to our mind contribute to the spread of budget rules. As part of this, we will dig to the roots of the budgetary procedures which endangered the sustainability of fiscal policy in several European countries by the beginning of the nineties, and also analyse the most important periods of European integration, with special attention on

⁶ Economists mostly refer to this as the government's ability to comply with its current duty of paying debts (Burnside, 2005)

fiscal requirements the membership implies. Thirdly, we will analyse the changes the 2007-08 crisis and the subsequently evolving debt crisis brought both from the aspect of fiscal sustainability and Union integration.

As a next step after informing about the used database, we confirm our message with figures. With the help of descriptive statistics, we demonstrate how the fiscal rules asserted themselves in several phases in Europe, also showing to what extent the previously summarized phenomena (fiscal problems, Union integration) contributed to the appearance of such a wave. Apart from this, we sum up the most important features and characteristics of the rules. In the last part of the chapter we use the 2007-08 crisis and the European fiscal crisis it led to as a measure for sustainability. During the period literature mentions all the more often as the Great Crisis, more than half a dozen European countries needed different kinds of financial help, which created the possibility to examine the effects of the budgetary regulations used in the period preceding the crisis from the point of view of sustainability. It is in this spirit that we examine what marked differences appear from the point of view of budgetary rules between the countries that proved to be unsustainable and the ones that survived the crisis with stable public management.

The most important goal of chapter four is to provide an overview of the previous investigations important for our subject, together with the results of literature. As part of this, we provide a detailed presentation of the large-sample econometric research carried out in the past period, separated into three groups, and highlighting the different methodological obstacles that appeared during the analysis, together with the response provided to these. The largest extent is dedicated to the presentation of the works dealing with the analysis of the link between the budgetary rules and the budget balance, as the following chapter examines and sums up the research results which analyse budgetary rules from the point of view of fiscal consolidations and the trust towards the economic policy of the government. Of the methodological difficulties, we lay a lot of emphasis on the problem of endogeneity, and on the different ways of handling this in literature. The causal relationship between the budgetary rules and fiscal policy can be manifold, as it cannot be excluded that budgetary rules would be introduced as part of disciplined fiscal policy, and in that case the result of the latter is not the former. All this is also important because if we cannot separate the different causal relationships, it would distort the results of regression estimates.

Chapter five is made up of the description of our own econometric estimates, whether the rules are able to strengthen budgetary discipline. As a first step, we present the database we

use, especially considering the new variable created by us, which would – according to our plans – be able to ascertain whether the creation of a given rule or set of rules can be linked to the government in power. We believe the issue of endogeneity can be handled with this new method, as thus we can separate the political will responsible for the creation of the rule (which can belong to a previous government) from the will responsible for the current budgetary policy. Following this we would analyse with the help of estimating procedures whether the fiscal rules are able to improve the GDP-proportional primary balance during boom, thus strengthening budgetary discipline and thereby sustainability. Apart from this, by using econometric methods we strive to demonstrate the features of the fiscal rules that provedly increase the efficiency of the rule.

In the last chapter we make an attempt – by studying the Hungarian practice – to show to what extent the results of the previous analyses can be used when evaluating the set of budgetary rules of a given country. As part of it, first we sum up the deficiencies and mistakes of Hungarian budgetary policy in the correction of which budgetary rules can help, thus justifying the legitimacy and necessity of this kind of fiscal tools. After this, we provide a detailed presentation of the currently valid budgetary rules, laying more emphasis on the provisions that also refer to central budget. In the end, we will evaluate the set of rules with three methods, essentially using a normative approach. On the one hand we examine with the help of model calculations what kind of budgetary policy the current set of rules would have prescribed to the government in the past nearly two decades. On the other hand, with the help of simulations we will map which of the different rules is the most severe in different economic environments (e.g crisis, boom) and to what extent the economic policy it prescribes strengthens budgetary discipline. Thirdly, we examine the features of the set of rules that proved to be important during our previous research in terms of strengthening budgetary discipline and fiscal sustainability.

4. The points of the doctoral thesis

1. The European spread of national level budgetary rules was dynamised by fiscal consolidations carried out due to budgetary problems and Union expectations referring to disciplined fiscal policy. This also means that based on experience, supranational rules do not make up for national level rules, but incentivate the appearance of the latter instead.

The spread of national budget rules can be traced back to two factors in the past quarter century. Both fiscal sustainability problems and Union integration contributed in several waves to the spread of the new tool. By the end of the nineties, most European countries struggled with serious fiscal problems. The process of indebtedness, starting at the beginning of the seventies, reached its peak back then in the western part of the continent, the average debt rate of the states making up the EU15 grew from 24 per cent to 70 per cent in twenty years. In the Central-Eastern European countries, however, it was rather the transformational crisis linked to the change of the regime, and very often the Communist heritage that burdened the management of the states. The division of Europe lasted from this aspect until the 2007-08 crisis, which meant new indebtedness and at the same time the coercion of adjustment on the whole continent. In the nineties and also after the crisis, budgetary consolidation often went hand in hand with the introduction of national budgetary rules.

Fiscal problems themselves, however, do not explain the spread of the rules alone. This processes was significantly strengthened by the community expectation stemming from European integration – if it went together with the proper mechanism of coercion. This role was taken in the case of Western European countries by the introduction of the euro and the fiscal expectations this was conditioned to, while in the case of the new member-states it was the 2004 and 2007 Union enlargement and the corresponding Maastricht criteria that meant the adequate incentive. This explains that within the examined period, the first bigger wave of the spread of the national rules lasted in the case of the Western European countries roughly until the turn of the century, while in the case of the new member-states until the mid-2000s. The next bigger wave came about due to the crisis, where integration played its role again. This is due to the fact that the European Union – as a response given to the debt crisis – on the one hand strengthened its set of rules with new provisions, on the other hand expected its member-states to implement Union rules into national legislation. All this shows that – based on experience – supranational rules are not substitutes of national level ones, but dynamize the spread of the latter instead.

2. The stronger a set of budgetary rules, the more able it is to strengthen the sustainability of fiscal policy. The number of the pertaining rules is irrelevant, but the strength of the rules is important, and that it should cover the larger possible area of public finances. From the aspect of sustainability, of the characteristics of the rules the determined character of the goals set in the rule is relevant, together with the alert mechanism, the corresponding monitoring body and media visibility.

The 2007-08 world economic crisis and the European debt crisis it led to also served as a standard from the point of view of the operation of budgetary rules. In order to exploit these, we collected the differences between the set of budgetary rules of the states that proved to be unsustainable from the aspect of fiscal policies and the countries that ran on stable management during the crisis. Considering the number of rules per country, the difference between the two categories of countries is relatively little, but in the case of the states that proved to be sustainable, the fiscal rules index (FRI) proved to be much stronger than in the case of the countries that required outside help. This can partly be traced back to the fact that individual rules were on the one hand stronger in the first group, on the other hand the public financial coverage of budgetary rules was much higher, the provisions typically regulated a large part of the state management too.

We also examined what the difference between the two groups of countries is in terms of the features of the rules. We found that the countries that can be characterized with sustainable management defined and set the goals related to the budgetary rules more precisely, the alert mechanism signalling the violation of the rule was more frequent, the functioning of the rule was more often accompanied by an independent budgetary council, and the media provided more publicity to the operation of the rule and thus to budgetary policies in general.

3. National level budgetary rules are able to strengthen fiscal discipline in times of prosperity and thus contribute to fiscal sustainability. The scientific novelty of our statement is firstly that we examined fiscal discipline not in general terms, but expressly in times of prosperity, secondly that we handled the issue of endogeneity by examining only the cases when there was a rule whose creation could not be linked to the government in power. We found that in times of prosperity, the stronger a fiscal rules index (FRI), the more favourable is the primary balance in the percentage of GDP. In certain elements of the rules, the strong legal background, the correspondently determined set of goals provedly strengthen budgetary discipline if there is an alert mechanism and if there is – if possible – a monitoring body independent of the government and a public discourse on the functioning of the rules.

The appearance and strengthening of national budgetary rules led to a more disciplined fiscal policy, the places with a more favourable primary budgetary balance also had a higher Fiscal Rules Index (FRI) measuring the strength of budgetary rules. The problem was caused by the identification of causality. We cannot exclude the possibility that a government opted for the introduction of fiscal rules precisely because it was committed to disciplined fiscal policy. In

these cases it was not the set of rules that influenced fiscal policy but the causality relationship was also reversed. In order to filter these out, we handled the issue of endogeneity by considering in our panel econometric analysis only the cases when there was a case whose creation could not be linked to the government then in power. Thus we managed to separate the power running the fiscal policy and the one responsible for the creation of the rule.

We altered the attitude typical of literature as we did not examine the effect of budgetary rules on the primary balance in general terms, only in times of prosperity. The function of the budgetary rules that limits management is not of a general nature, decision makers should be obliged to recur to strict budgetary policies only when the cyclical fluctuation of the economy provides the opportunity. Our econometric studies proved that the strengthening of budgetary rules can contribute to disciplined budgetary policies in times of prosperity, and thus support the sustainability of budgetary management. Within this, the higher the legal norm the rule is based on, the more it can contribute to budgetary discipline. The efficiency of a budgetary rule is increased if it contains precise rules, an alert mechanism is linked to it, an independent monitoring body supports its operation and the discourse linked to the rule appears in public.

4. The tension between two attitudes related to the judgment on the effect of fiscal rules can be dissolved with the inclusion of different time horizons. One attitude emphasizes signalling government dedication, the other stresses true disciplinary effect. This is because the introduction of national fiscal rules can be considered in the short term the government's sign of commitment to strict fiscal policy to different market and non-market actors, in the long term, however, it is our results that can contribute to disciplined budgetary policy.

The operation of national budgetary rules can basically relate two ways to budgetary policy, and our judgment on the efficiency of the tool can change according to which we consider to be dominant. One approach, according to which the rules do not really affect budgetary policy, but serve primarily as a signal to market actors and actors of (foreign) policy in terms of the government's dedication for strict budgetary policy (Debrun – Kumar, 2007). The *raison d'être* of this approach is further strengthened by the fact that the implementation and strengthening of budgetary rules does often not precede but follow budgetary consolidation and debt reduction (Debrun, 2007; Benczes, 2011).

According to the other approach, causality is the other way round, but the budgetary rules themselves are able to influence fiscal policy. We stress the latter in our thesis, and by

handling the issue of endogeneity in a novel way we strived to prove that there is such a relationship between the rules and budgetary policy.

It is, however, important to show that the two approaches are not necessarily in contradiction, our research results suggest precisely that they do not replace but complement one another. Endogeneity is treated in a way that we only consider the cases when the creation of the currently valid budgetary rule cannot be linked to the government in power. This naturally also means that the government has been changed at least once since the implementation of the rule, which can also mean that we interpreted the middle and long term effect of the rule. The apparent contradiction between the two approaches can thus be dissolved the following way: when implementing a new rule or strengthening an already existing one, the rule primarily serves the purpose of showing the government's dedication for disciplined budget policy. In the long term, however, especially after a change of government, the value of this signal reduces significantly, the direction of causality is reversed and this rule is able to contribute to disciplined budgetary policy.

5. The budgetary rule system currently valid in Hungary obliges the government to run on appropriately strict management in the case of a boom, but does not enable demand stimulus in times of crisis. The fact that the rules covers the whole of public finances and that there is a Fiscal Council is favourable to enforce both sustainability and disciplined budgetary policy. On the other hand, however, determining the goals and the lack of an alert mechanism is problematic in the case of most rules, just as the fact that the competence of the Fiscal Council is generally quite reduced and its capacity is also reduced, as well as that it supports the operation of only one rule out of four.

There are currently four national level budgetary rules in Hungary that are valid at least in terms of central budget management: debt rule, debt formula, Maastricht deficit target, medium-term budgetary objective (MTO). Medium-term budgetary objective is usually the strictest of the four provisions, this means effective limit. This is favourable because the medium-term budgetary objective refers to the structural balance and this latter can handle economic cycle via the operation of automatic stabilizers. It is favourable in terms of all the rules that in times of prosperity the government is obliged to run on an appropriately strict budgetary policy, but in times of crisis it does not provide an opportunity for demand stimulus, in these times it is procyclical.

If we examine the Hungarian rule index based on the aspects that are relevant from the aspect of our research, then the result we get is mixed. It can be deemed favourable that all four rules cover the whole of state management, and that there is a Fiscal Council, which is able to support compliance with the debt rule with very strong means (veto). On the other hand it is problematic that the objective of the rules are not clear, the government can change them with a simple majority in Parliament, the calculation methods referring to the rule are not properly defined and other technical issues, there are no alert mechanisms which would signal in time if compliance with a rule is endangered. Apart from this, the fact that the Fiscal Council only supports the debt rule out of the four rules hinders the operation, especially as the competence of the Fiscal Council is generally limited, and therefore its capacity is also reduced. All this means that in terms of the whole system of rules there is no control body that would supervise compliance with the rules, would evaluate budget policy and would truly increase the transparency regarding fiscal policy.

5. Summary, further directions of research

The central subject of our thesis is made up of national fiscal rules. Based on the analysis of European practice, we strived to find out what factors contributed to their spread, and under what conditions and to what extent they are able to strengthen fiscal discipline and support the sustainability of budgetary policy.

At several items of the thesis we emphasized, however, that budgetary rules make up only a part of the fiscal framework (Kumar–Ter-Minassian, 2007). This latter includes the institutional solutions that on the one hand strengthen the transparency of budgetary management, and on the other hand internalize differently the long-term costs of undisciplined budgetary policy for politicians (Wyplosz, 2012). Among such institutional solutions, an ever more relevant role is given to independent budgetary councils that supervise fiscal policy, examine compliance with the rules, strengthen publicity and support professional work related to budgetary policy. Their importance also recurs in our research results, as we found that the rules whose functioning is supported by a monitoring body provedly strengthen budgetary discipline and also fiscal sustainability. The topicality of the subject is also proven by the fact that in the couple of years following the crisis most Union

member-states either created a fiscal council or significantly transformed an already existing organization of this kind.⁷

The analysis of the operation of fiscal councils therefore is of highlighted importance among eventual further research. One of the most important issues is the channels through which councils can contribute to fiscal policy and what the most important traits of efficiently working councils are. An important field of research can be the analysis of the relationship between fiscal rules and fiscal councils, based on which it can become clear what kind of council structures suit individual rule types. Moreover, we believe it would be worthwhile to include country-specific social factors into the examinations (such as trust, collaboration), which can fundamentally affect the operation and efficiency of formal institutions.

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⁷ A new budgetary council was set up or the already functioning body was reformed in 16 member-states of the European Union between 2010 and 2013.

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7. List of Publications

- Tóth G. Csaba** (2014): A költségvetés fenntarthatóságát mérő mutatók előrejelző képessége. *Pénzügyi szemle*, 59. évf. 4. sz. 544- 561. o. (The Forecasting Capacity of Indicators Measuring Budget Sustainability)
- Tóth G. Csaba–Virovác Péter** (2013): Nyertesek és vesztesek: a magyar egykulcsos adóreform vizsgálata mikroszimulációs módszerrel. *Pénzügyi szemle*, 58. évf. 4. sz. 385-400. o. (Winners and Losers. An Assessment of the Hungarian Flat Tax Reform with Microsimulation)
- Tóth G. Csaba** (2012): Debt Dynamics and Sustainability. *Hungarian Statistical Review*, Special Number 16. 123-149. o

- Balaton András–**Tóth G. Csaba** (2012): Az új magyar adósságszabály értékelése. *Közgazdasági Szemle* 59. évf. 9 szám 1107-1137 o. (Assessment of the new regulations on debt)
- Tóth G. Csaba** (2012): Muraközy László: Államok kora. Az európai modell. *Közgazdasági Szemle* 59 évf. 5. szám 558-564. o. Könyvismertetés (Age of States. The European Model)
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