

KCC Business Forum | Kitzbühel, 21. Oktober 2016

# Geldpolitik im Dauerkrisenmodus

Risiken und Nebenwirkungen für Unternehmensentscheidungen

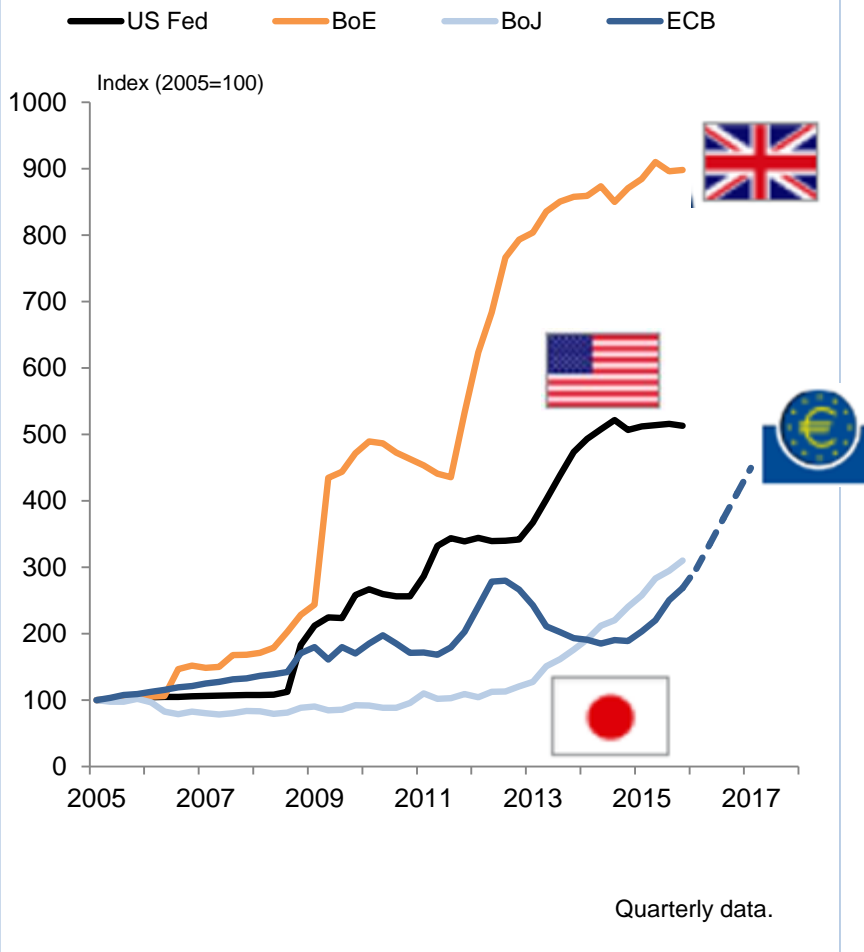
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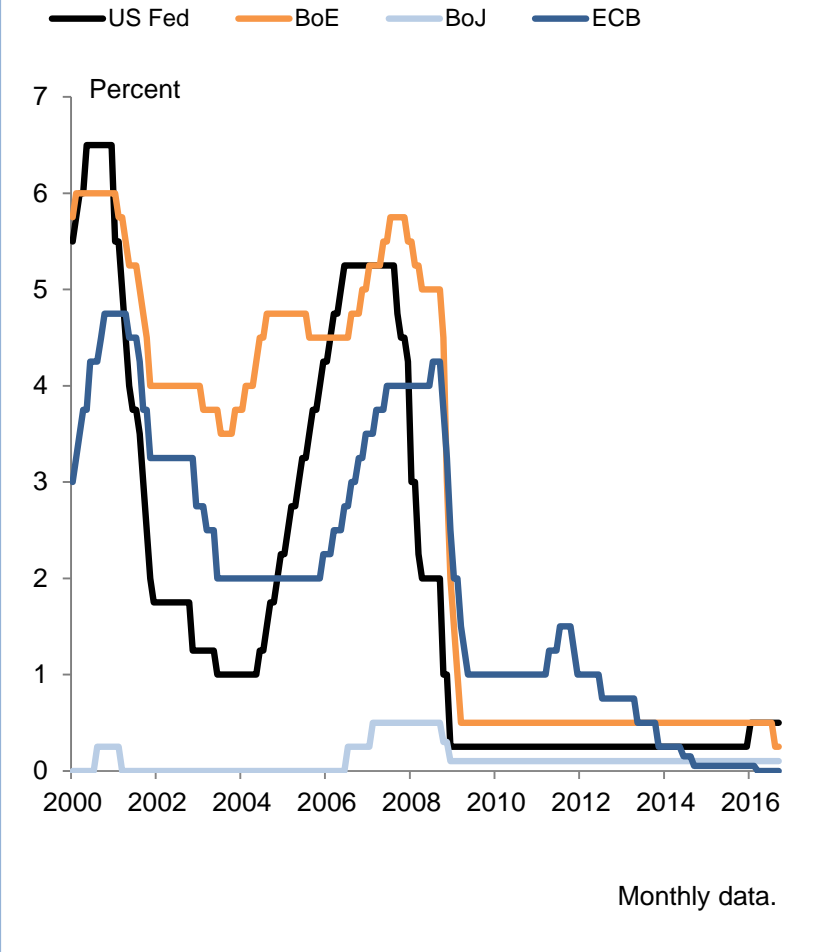
Quantitative „Easing“ (QE)/Zero Interest Rate Policy (ZIRP):

Größtes geldpolitisches Experiment  
der Menschheitsgeschichte

## Monetary Base



## Monetary policy rates



## Zinsen ...

- ... Instrument der Geld- und Konjunkturpolitik?
- ... oder zentraler Preis im Kapitalismus?
  - » Preis der Zeit („Zeitpräferenzrate“, Kapitalgüter)
  - » Koordination von Ersparnis- und Investitionsentscheidungen im marktwirtschaftlichen Gefüge
  - » Einfluss auf die Kapitalstock-/Produktionsstruktur
  - » Bestandteil aller Güter- und Faktorpreise

⇒ „Capital gives money time to cause trouble.“ (Garrison)

- **Private ownership** of production factors

- » Land (natural resources)

- » Labor

- » **Capital (produced means of production)**

- **Private risk taking**

- » Uncertain future → speculation

- » No risk-free assets

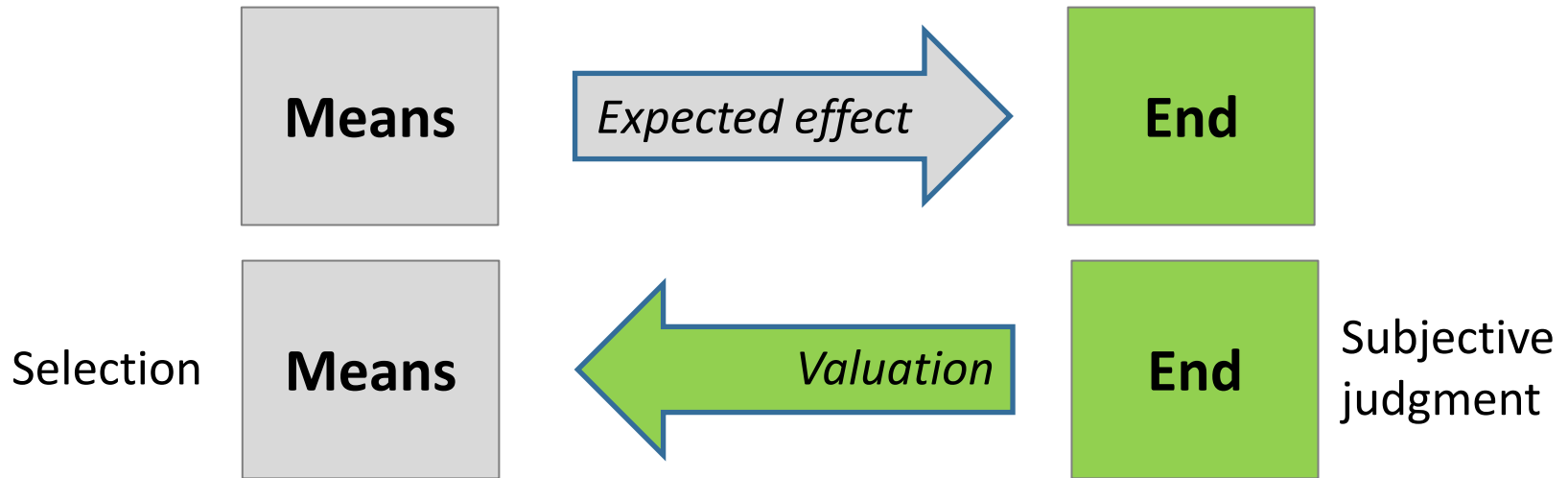
↔ **Personal wealth**

- **Accountability**

- » Private profits and private losses

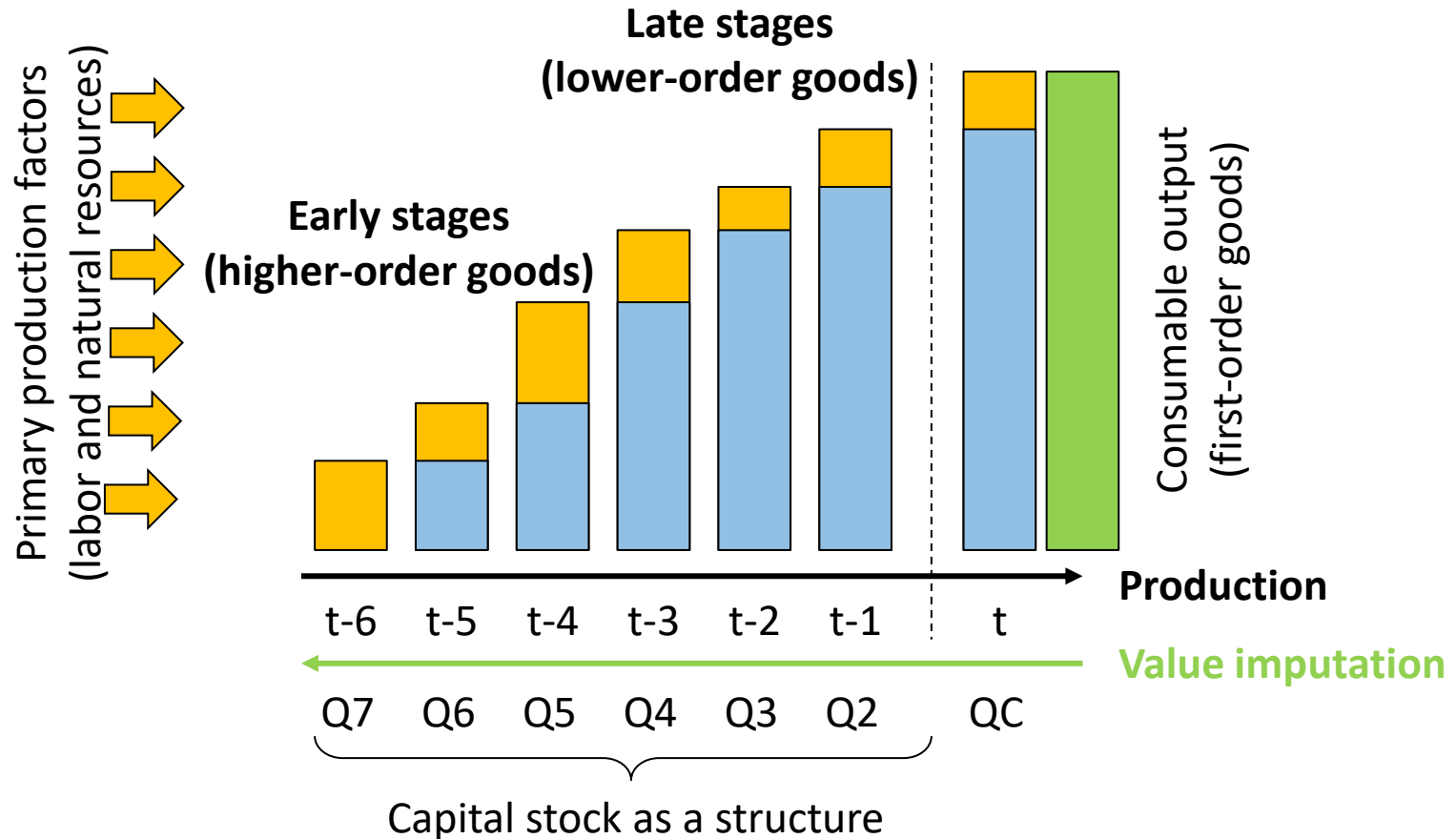
- » Liquidation in case of failure

# Human action: Means, ends, and values



- Reverse value imputation
    - » The end may not „sanctify“ the means, but it **values** it!
  - Limited knowledge
    - » Action under uncertainty (= speculation)
  - Rationality
    - » Humans do not purposefully act against their aims
- ⇒ **Final purpose of economic activity: Consumption goods**

# Production: A time consuming, multi-stage process

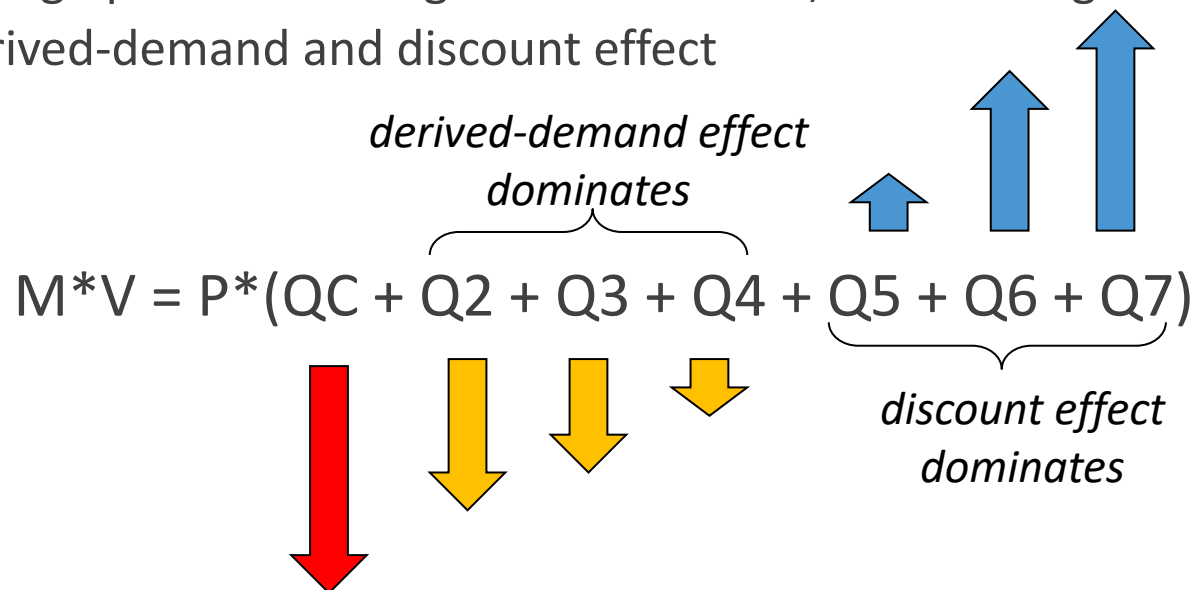


⇒ **Capital formation: intertemporal intermediate consumption**

# Savings glut? Coordinating saving and investment

## ■ Saving

- » Saving up for something: Future demand, not a leakage
- » Derived-demand and discount effect



- Investment: Stage pattern matters (not volume alone)

⇒ **Entrepreneurial challenge: bringing capital structure in line with pure time preference (intertemporal arbitrage)**

# Secular stagnation? Labor productivity and capital

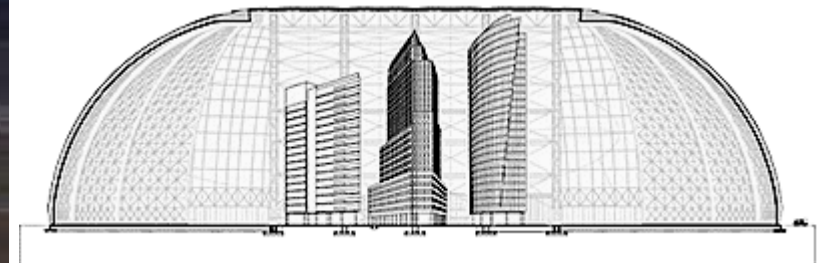
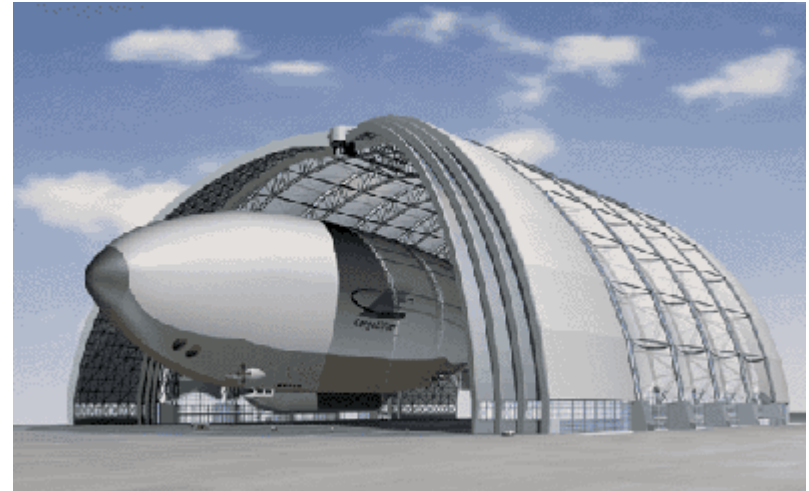


- Low capital intensity



- High capital intensity
  - » Higher **gross** value added per capita (trivial)
  - » Higher **net** value added per capita (via natural forces)

# Fallstudie CargoLifter Plan ...



# Fallstudie CargoLifter ... und Ergebnis: Tropical Islands



# Fallstudie CargoLifter

## Montagehangar ⇒ Wellness-Oase

**Produktionskosten:**  
78 Mio. Euro (1999/2000)

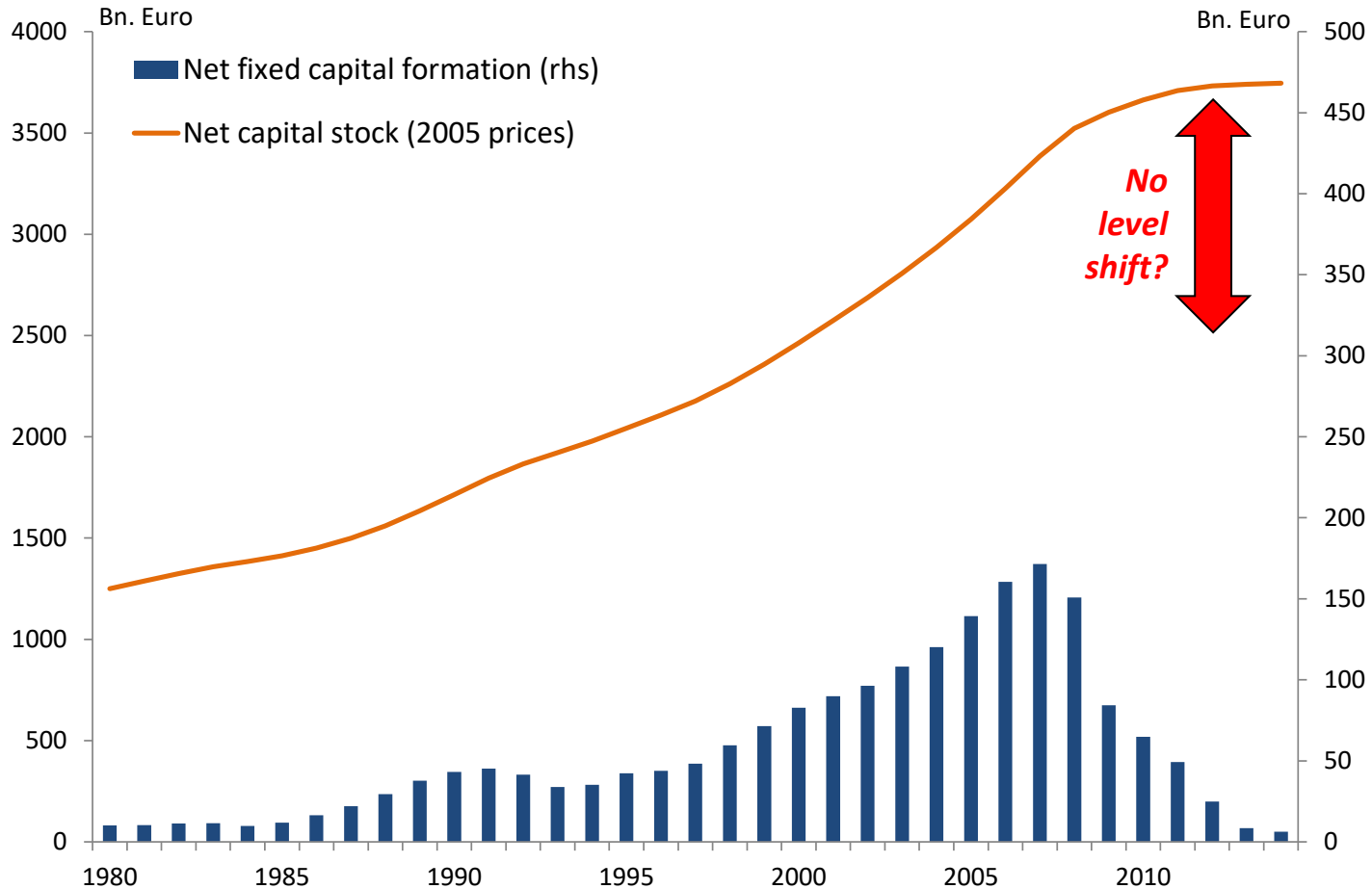


**Liquidationswert:**  
17,5 Mio. Euro (2003)

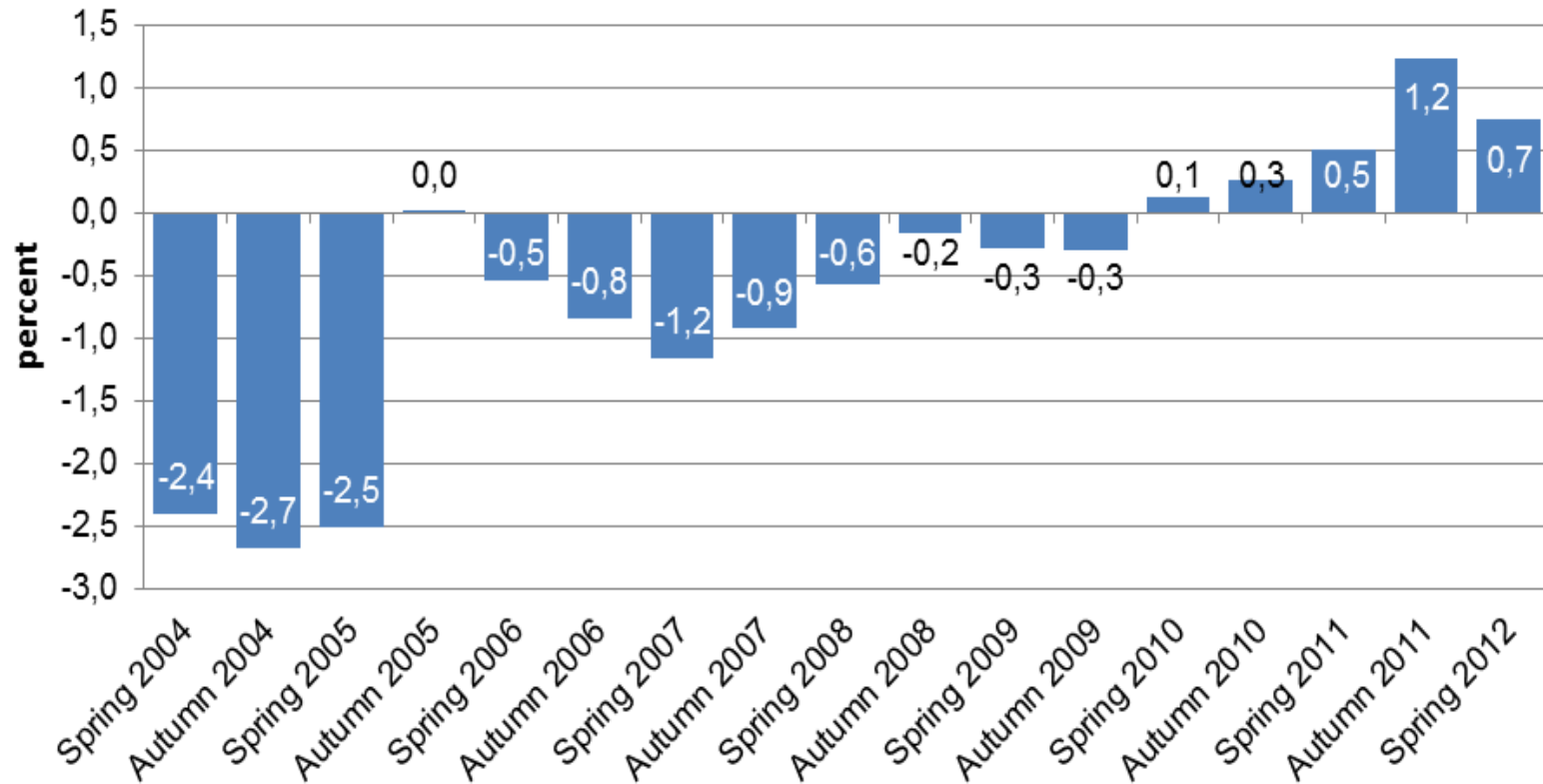
# *Fallstudie CargoLifter*

## Kapitalstockrechnung der VGR

Ein Hangar ist ein Hangar ist ein Hangar ...



Source: AMECO Database.

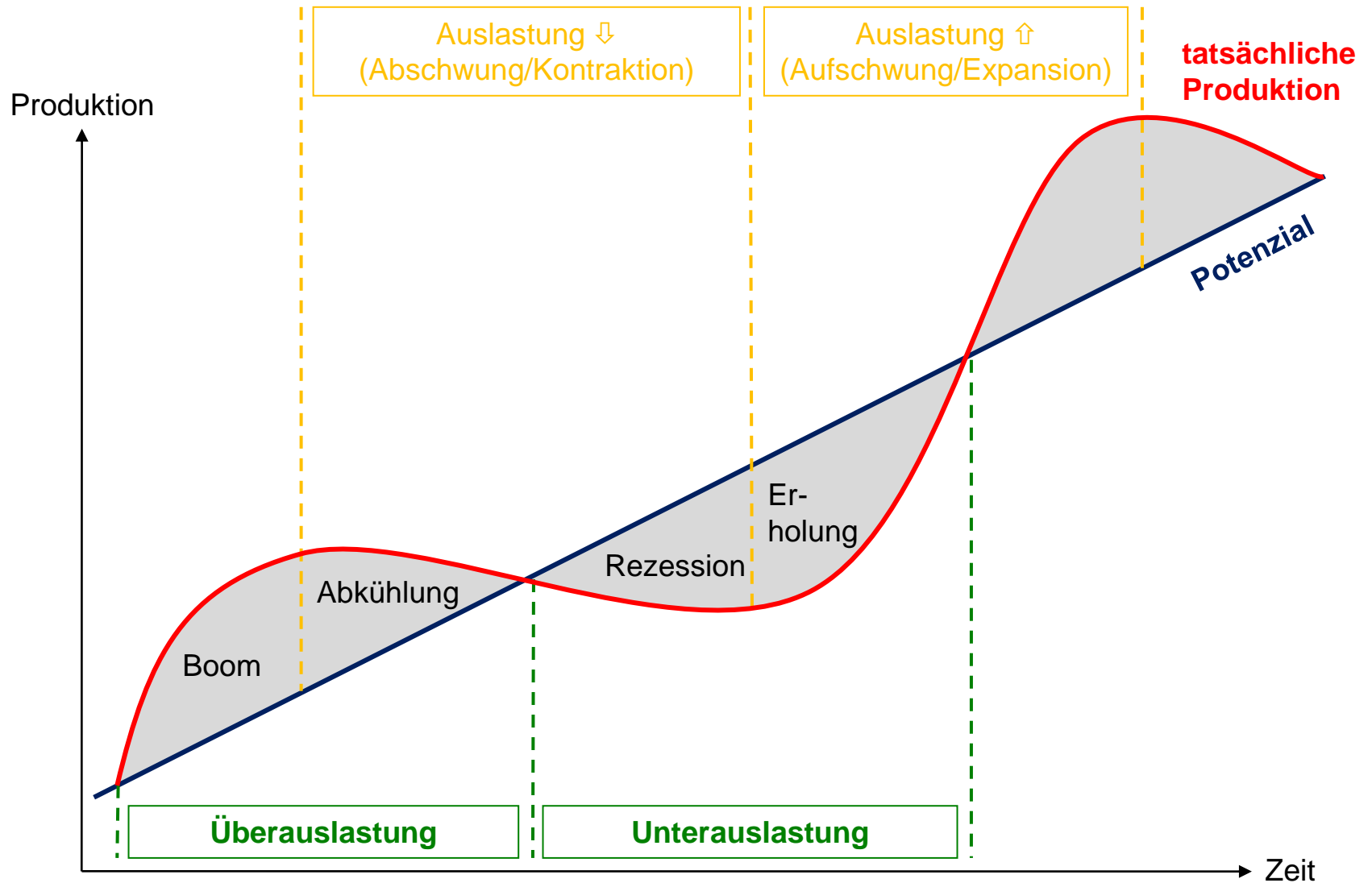


Source: European Commission, various years.

# Two types of mal-investments

- **Idiosyncratic: Cargolifter example**
  - » Wrong expectations of one market participant
  - » Happens every day, no systemic risk
  - » Liquidation, reallocation of resources
  
- **Pervasive: Expansionary monetary policy**
  - » Systematically wrong expectations of all market participants
  - » Financial crisis (debt crisis = flip-side of heavy capital stock distortion)

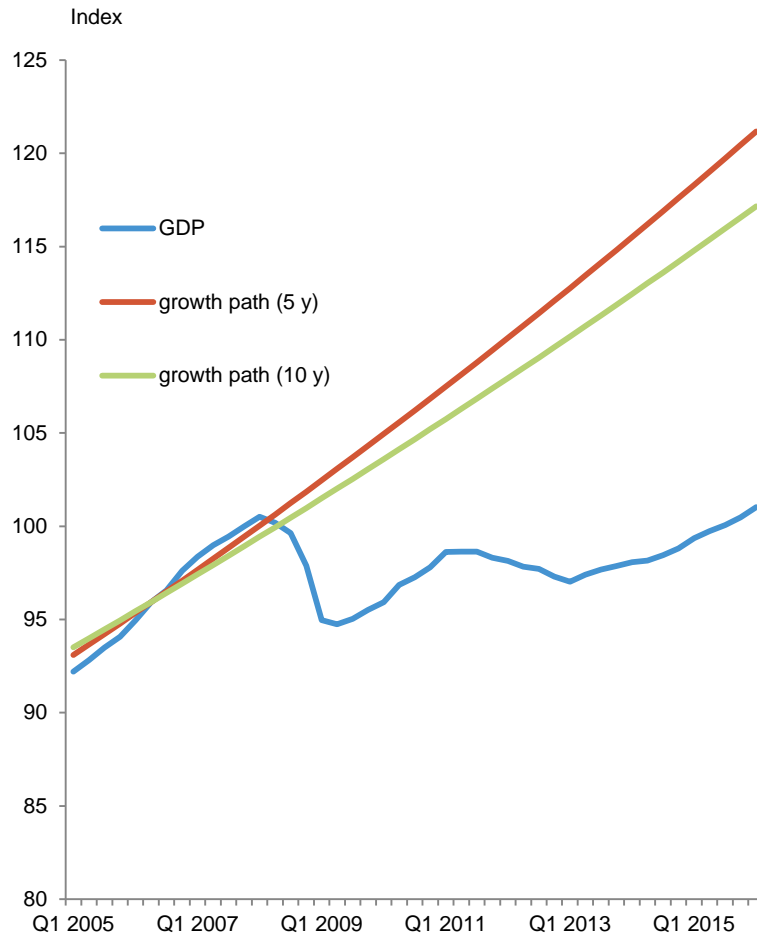
# Boom-Bust-Zyklen



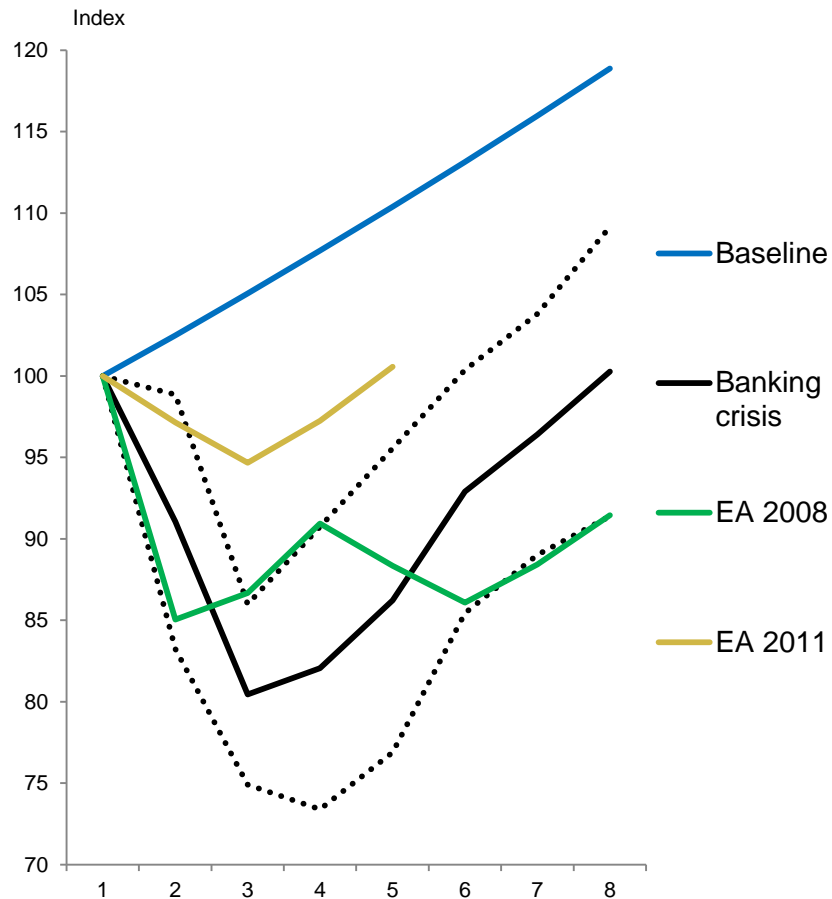
- Finanzkrise  $\Leftrightarrow$  realwirtschaftliche Kapitalstockkrise (Verzerrung der Produktionsstrukturen)
  - » Aufbau obsoleter (= nicht-marktfähiger) Kapazitäten
  - » Finanziert mit zukünftigen Zahlungsverprechen (Krediten), die sich realwirtschaftlich nicht verdienen lassen

⇒ **Überschuldungspositionen**
  
- Fragilität des (heutigen) Bankensystems
  - » Banken als Finanzintermediäre (Kreditvermittlung)
  - » Banken als Geldproduzenten (Kreditschöpfung)

⇒ **Überschuldung bedroht Geldsystem**



- Schwache Expansion ...
  - » ... gemessen an Vorkrisentrends
- Zwei Krisen in Folge
  - » Globale Finanzkrise (2007/2008)
  - » Europäische Schuldenkrise (2011 ff)



- Gewöhnliche Nachkrisen-Muster
- Investitionsimpulse?
  - » Kapazitätserweiterung ...
  - » ... oder Kapazitätsauslastung?

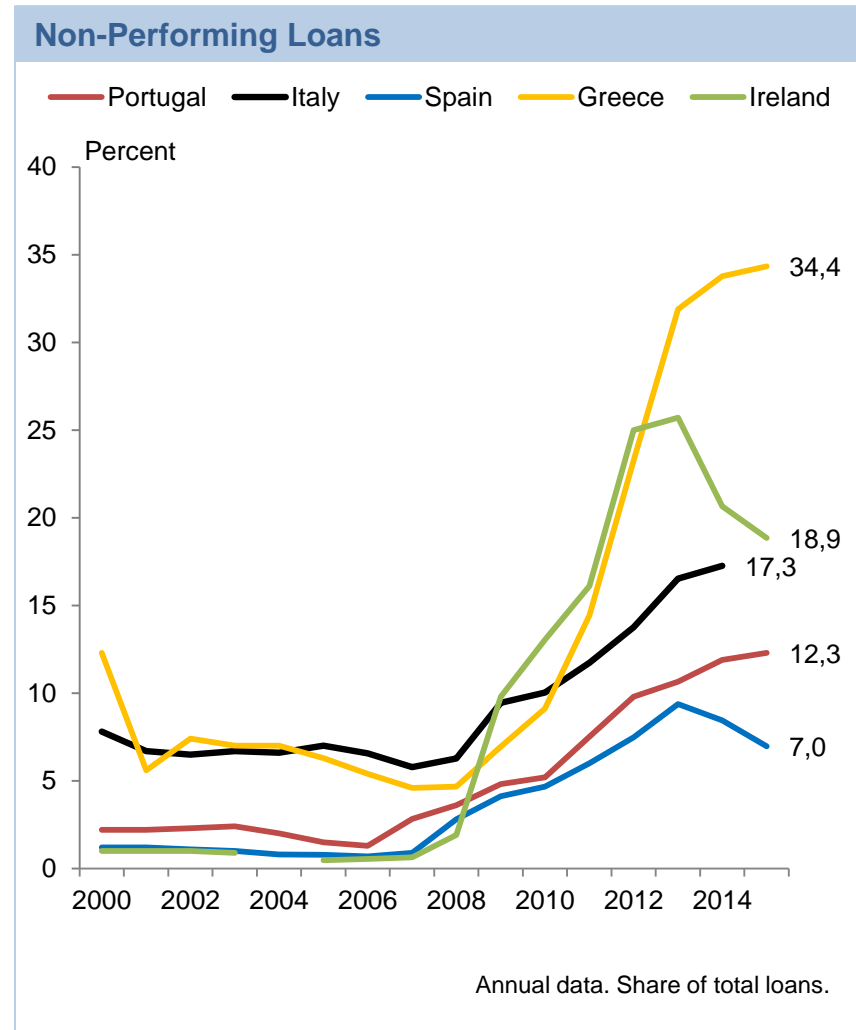
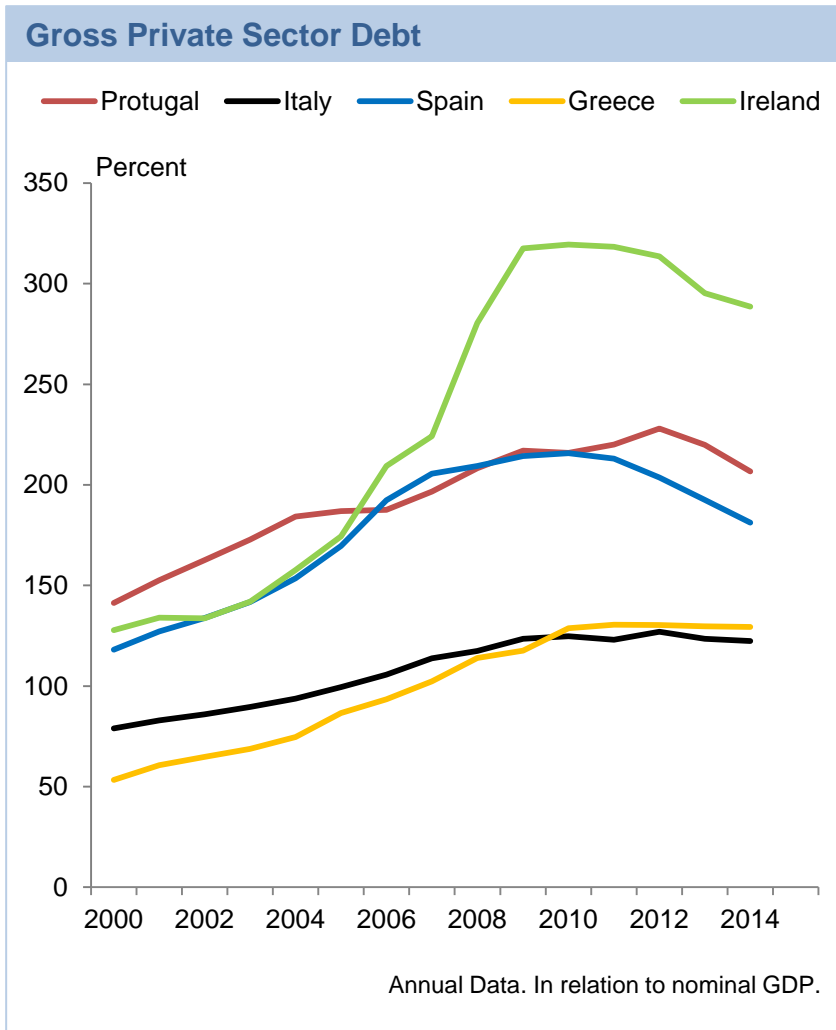
# Three options of coping with debt-crises

- **Public bail-outs**
  - » Shifts private debt to public sector
  - » Private debt crisis  $\Rightarrow$  sovereign debt crisis
  - » No solution for fiscally distressed countries
- **Inflating the debt away**
  - » Takes a long time, promotes zombification
  - » Puts the currency at risk
  - » Not targeted towards non-performing loans
- **Liquidation**
  - » Tough (cold turkey) in the short-run ...
  - » ... but targeted (and root cause oriented)
  - » Puts capital at second (now first) best use

**Anti-capitalist approach**  
(harms principle of accountability, creates moral hazard risks)

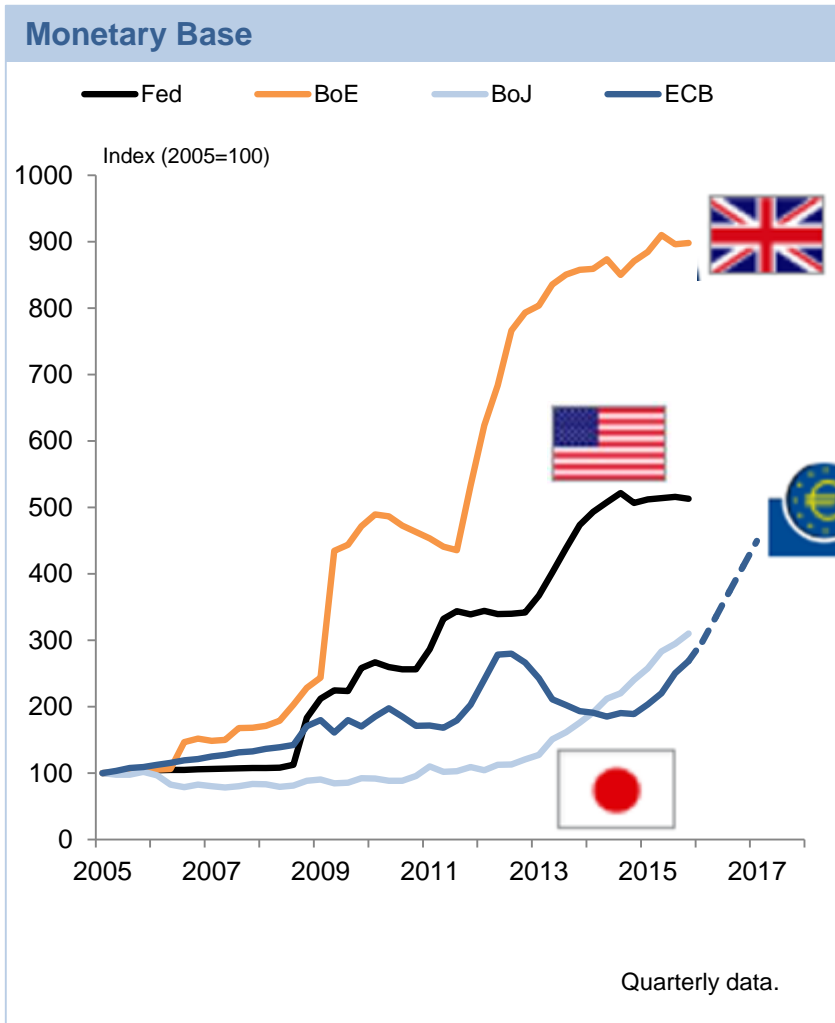
**Capitalist approach**  
(in line with free market principles)

# Kehrseite der Nicht-Liquidierung: Überschuldung verstopft Kreditkanal



Data source: Bank for International Settlements, World Bank.

# Politik der „Quantitativen Lockerung“



- Typ 1: Liquiditätsversorgung bei akutem Finanzmarktstress (wirksam)
- Typ 2: Konjunkturstimulierung an der Nullzinsgrenze (unwirksam)

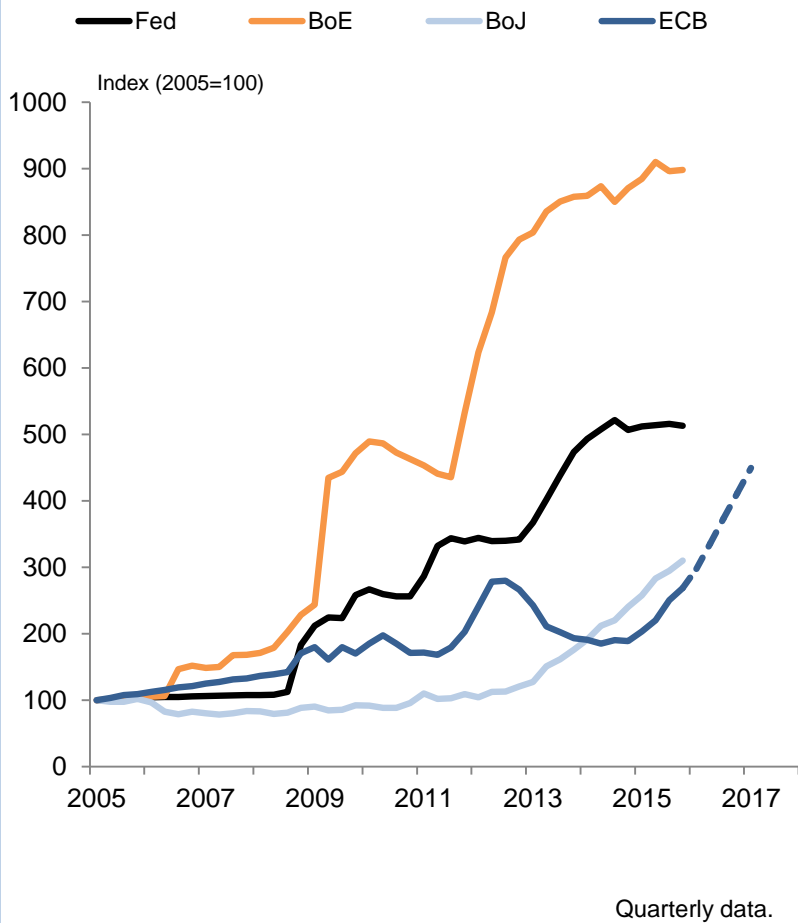
⇒ Exit-Strategie?

⇒ EZB: Ausweitung nur bei Kriterienanpassung

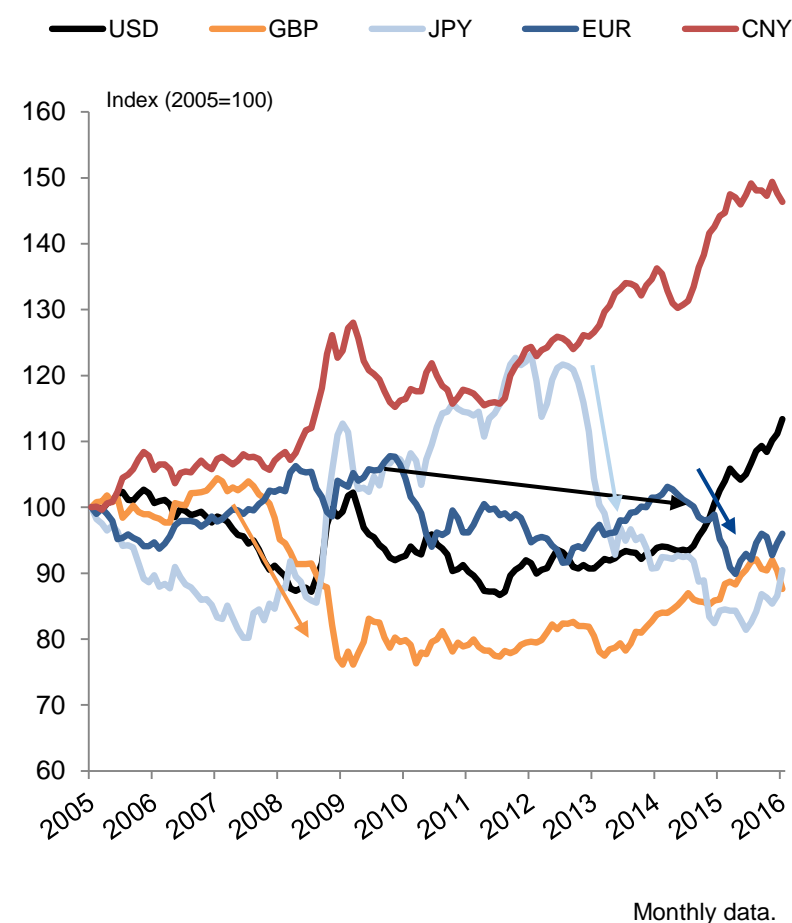
# Globales QE: Abwertungskaskaden

Quelle: Thomson Reuters Datastream, Berechnungen des IfW

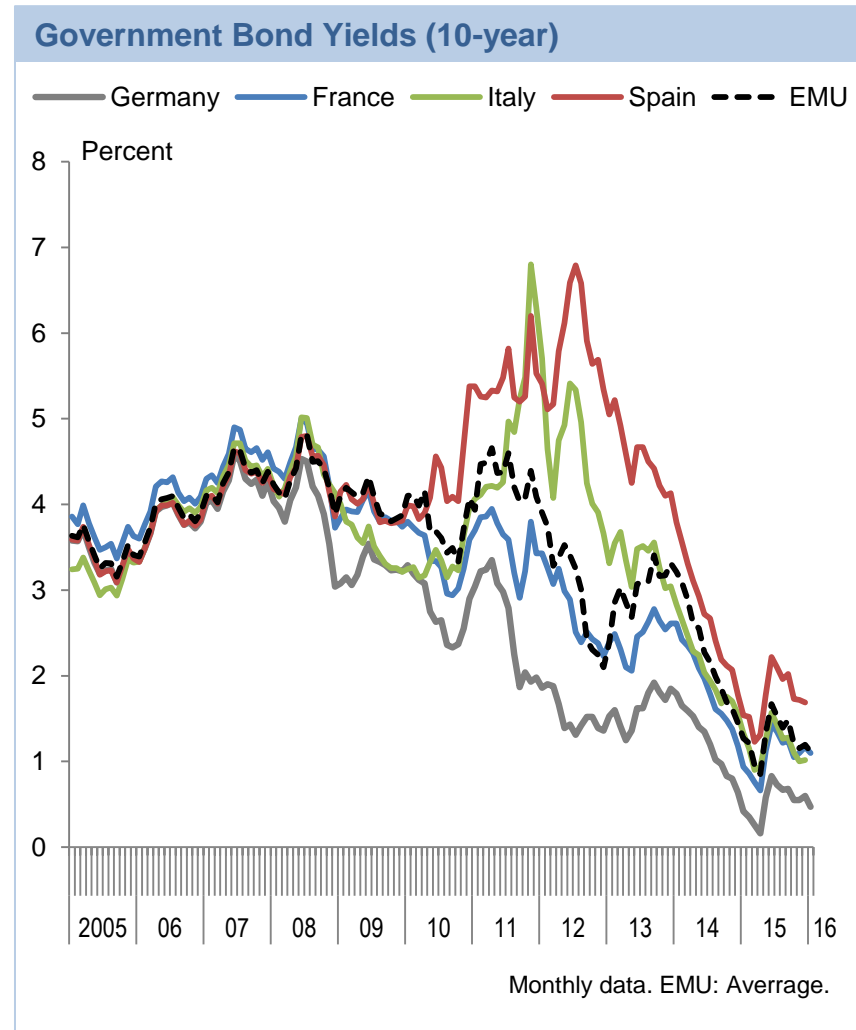
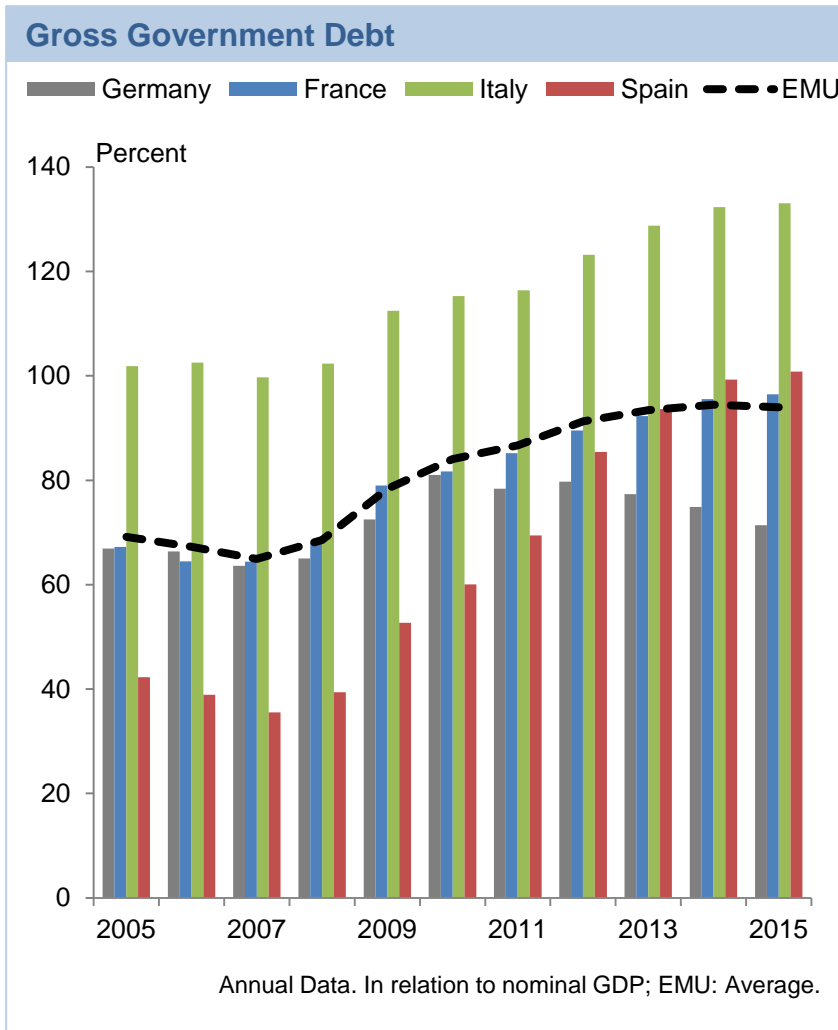
## Monetary Base



## Nominal effective exchange rates



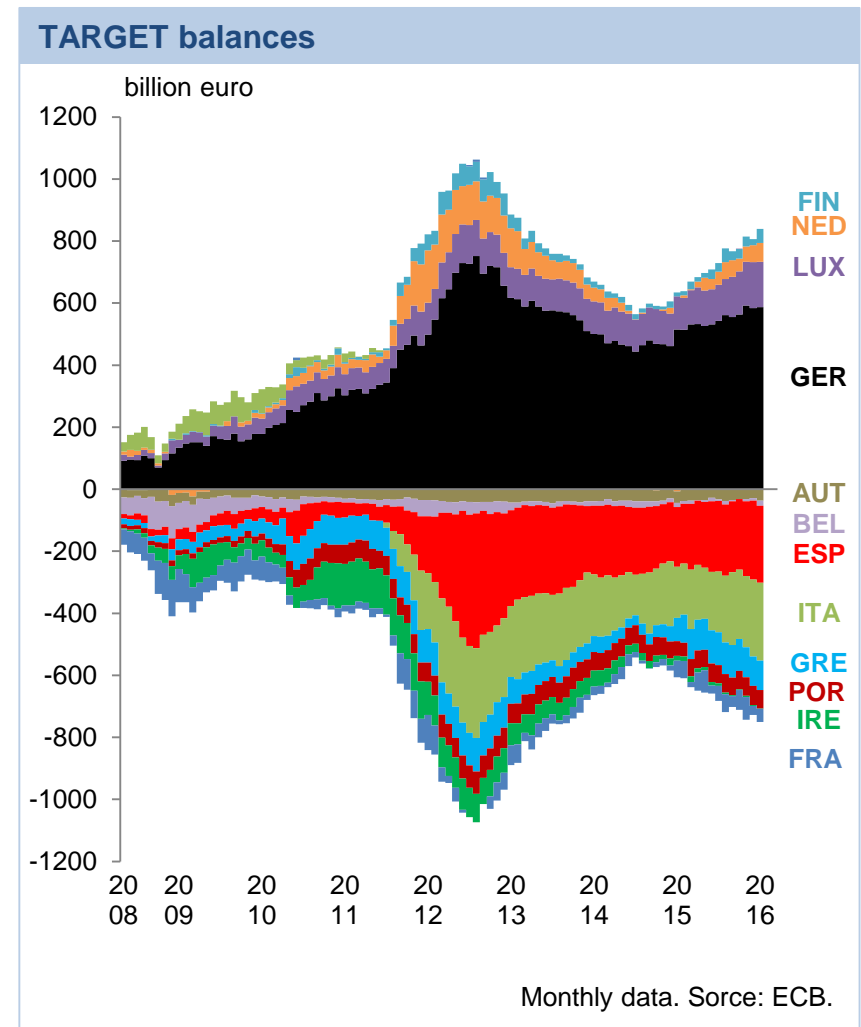
# EWU: Monetäre Staatsfinanzierung



Data source: Eurostat, European Commission.

# Target-2-Salden: Liquiditäts- und Kapitalflucht

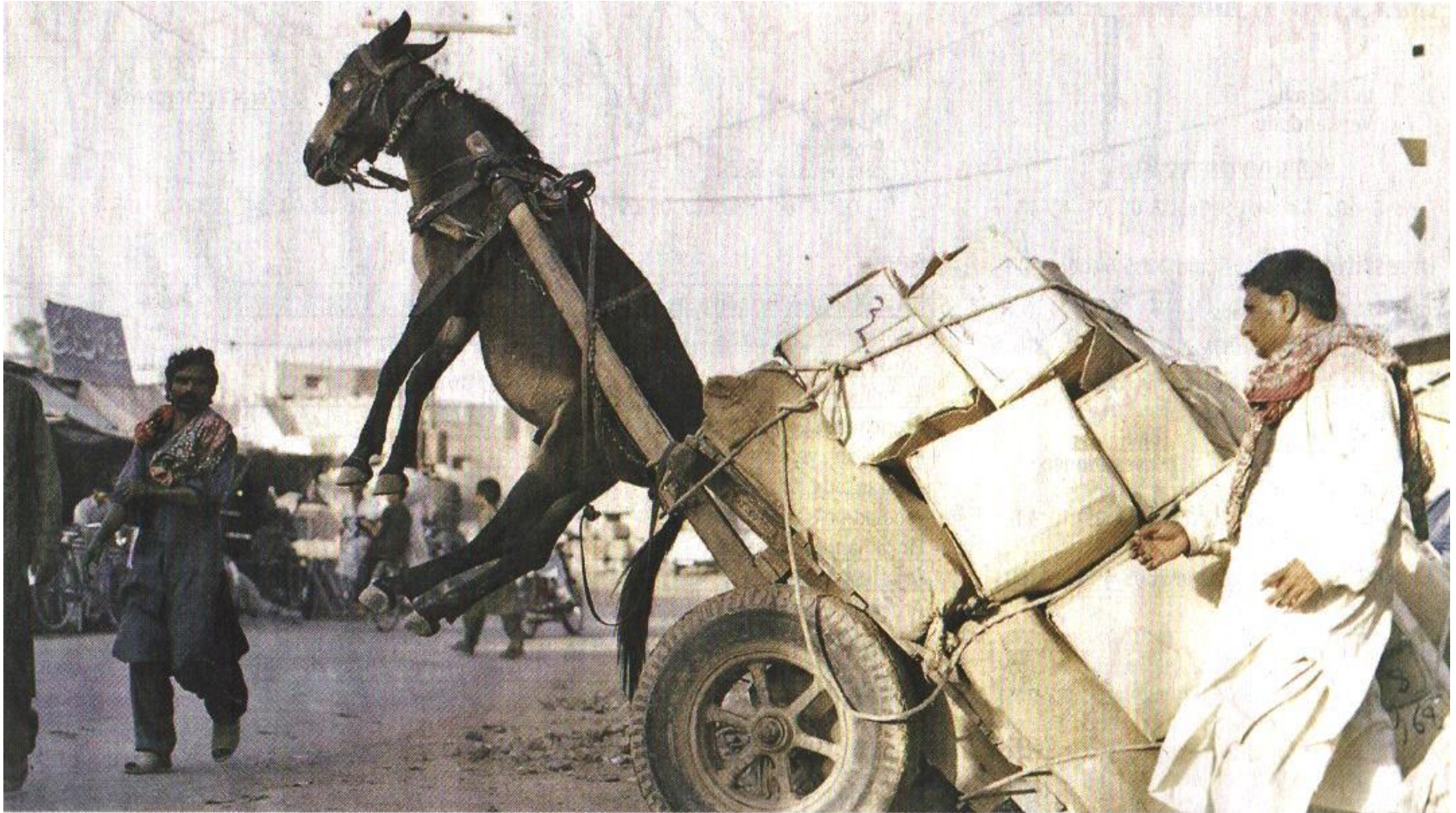
- Bank Recovery and Resolution Directive (BRRD)
  - » Passed in March 2014
  - » Bail-in elements
  - ⇒ **Liquidity flight**
- Greek crisis 2015
  - » Capital flow and cash controls
  - » ELA
  - ⇒ **Liquidity and capital flight**
- QE-programs
  - » Starting in March 2015
  - » 60 (now 80) bn Euro/month
  - ⇒ **Capital flight**



- Hauptaufgabe: Bereitstellung eines verlässlichen Tauschmittels
- Zusatzaufgaben
  - » Staatsfinanzierung
  - » Monetisierung von Schulden
  - » Beschäftigungsförderung
  - » Konjunkturglättung
  - » Finanzsystemstabilität

} Tinbergen?
- Konflikte
  - » Raum für exzessives Lobbying
  - » Selbstreferentielle Stabilisierung der Sicherheiten im Eurosystem
  - ⇒ **Risiko, das Hauptziel den Zusatzzielen zu opfern**
  - ⇒ **Systemrisiko: Exzessive Kreditexpansion als Ursache von Finanzkrisen**

# Geldpolitik: Überlastet!



Quelle: FAZ, 26. Oktober 2011, S. 11

- Verzerrung der Kapitalstock- und Produktionsstruktur
  - Zombifizierung
  - Verzögerung der Konsolidierungs- und Reformpolitik
  - Verwässerung des strukturellen Budgetsaldos
  - Überschuldungskrise nicht gelöst, sondern vertagt
  - Monetäres Niemandsland schürt Unsicherheit
  - Anstieg der Inflationsrate offenbarte Dilemma für die EZB
  - Gefahr globaler Abwertungswettläufe
  - Interventionsspirale: Too-big-to-fail vs. Too-small-to-perform?
- ⇒ **Monetäres Umfeld für D/AT auf Jahre hinaus zu expansiv**
- ⇒ (Monetäre Strategie des „Inflation Targeting“ überdenken)

## ■ Structural Reforms

- » Become even more important as economies are aging ...
- » ... but remain unpopular

## ■ Monetary policy

- » Did (more than) enough
- » Runs out of (positive) impact, risk of negative side-effects

## ■ Fiscal policy

- » Hampered after heavy GFC interventions, sustainability issues
- » Back on stage? „Keynes put“? Implications for European governance?

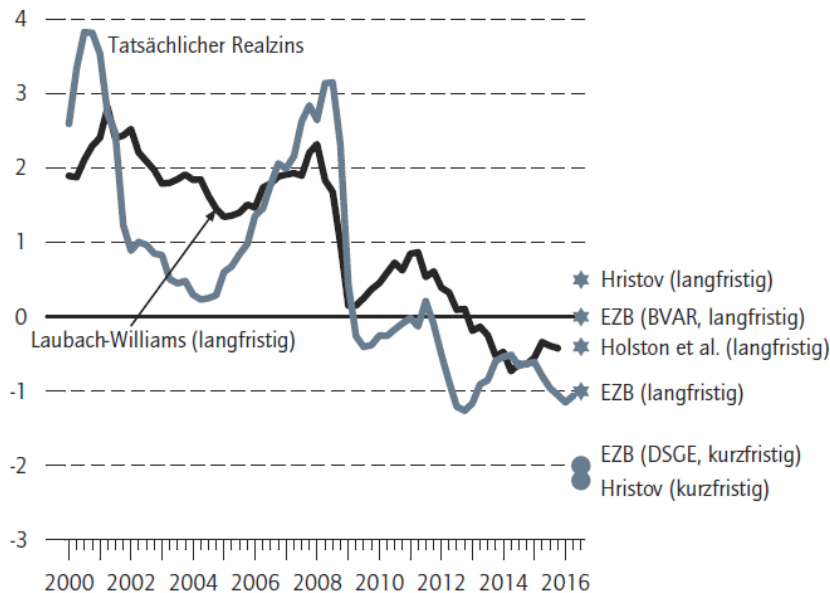
## ■ Neo-protectionism/economic disintegration (Brexit)

- » Popular (but destructive) temptation: Beggar-thy-neighbor ...
- » ... gains momentum

# „Neutraler“ Realzins und monetärer Expansionsgrad

## Tatsächlicher und neutraler Realzins

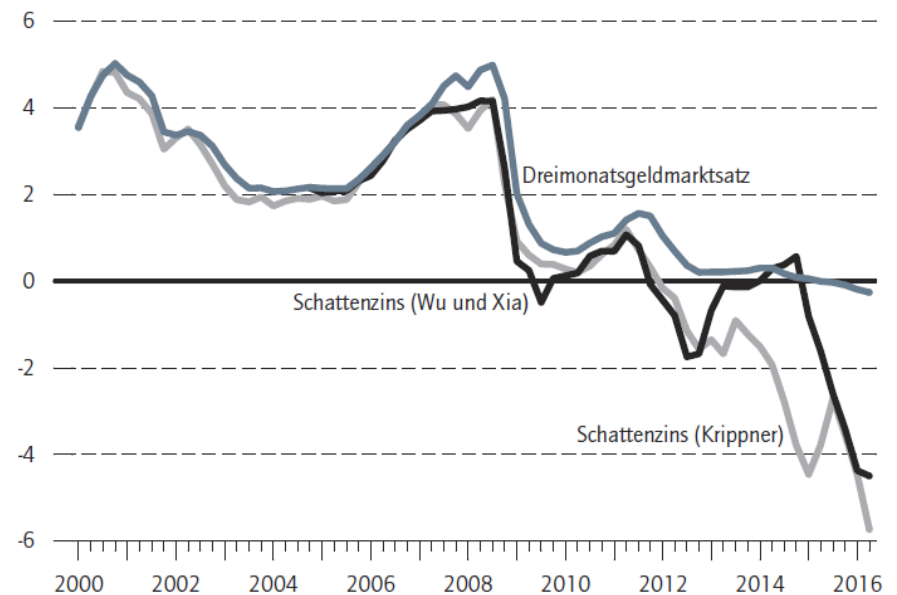
In Prozent



Quellen: Eurostat; EZB; OECD; Holston et al. (2016); Hristov (2016); Berechnungen der Institute.

## Schattenzinsen

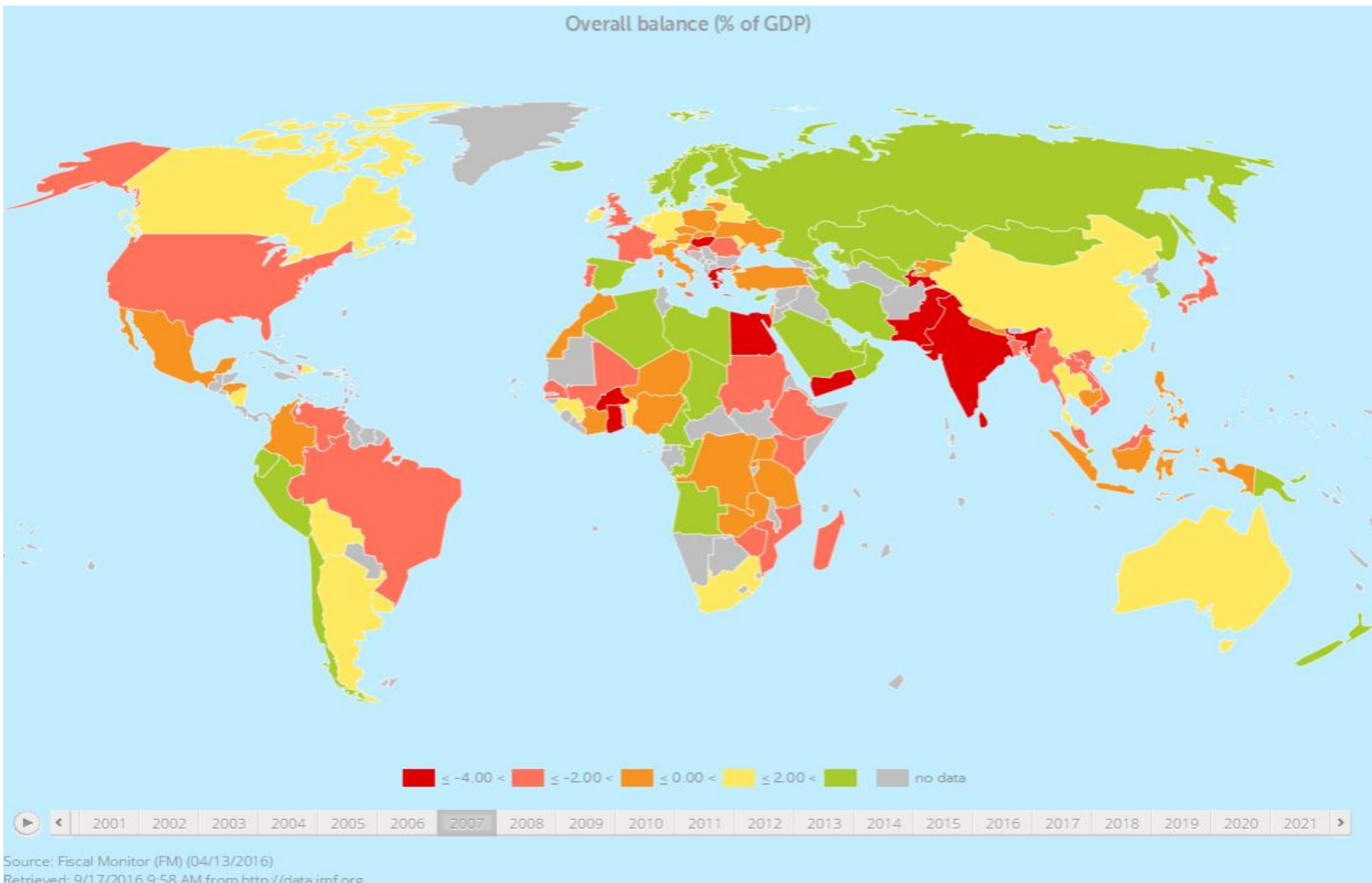
In Prozent



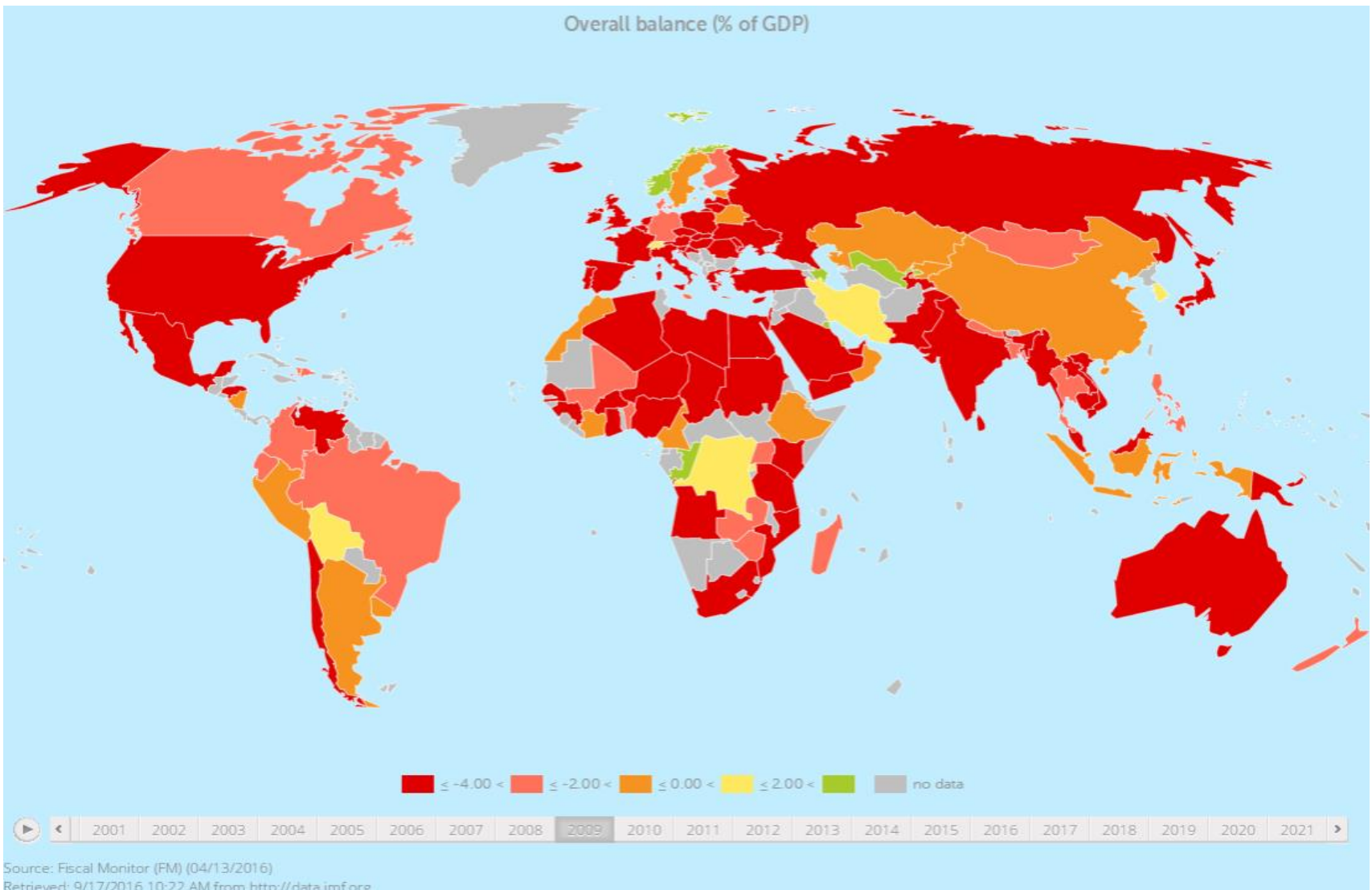
Quellen: Wu, J. C., Fan, D. X. (2016): Measuring the Macroeconomic Impact of Monetary Policy at the Zero Lower Bound. *Journal of Money, Credit and Banking*, 48 (2-3); Krippner, L. (2016): Documentation for measures of monetary policy. 13. Juli 2016. Berechnungen der Institute.

Quelle: Gemeinschaftsdiagnose Herbst 2016.

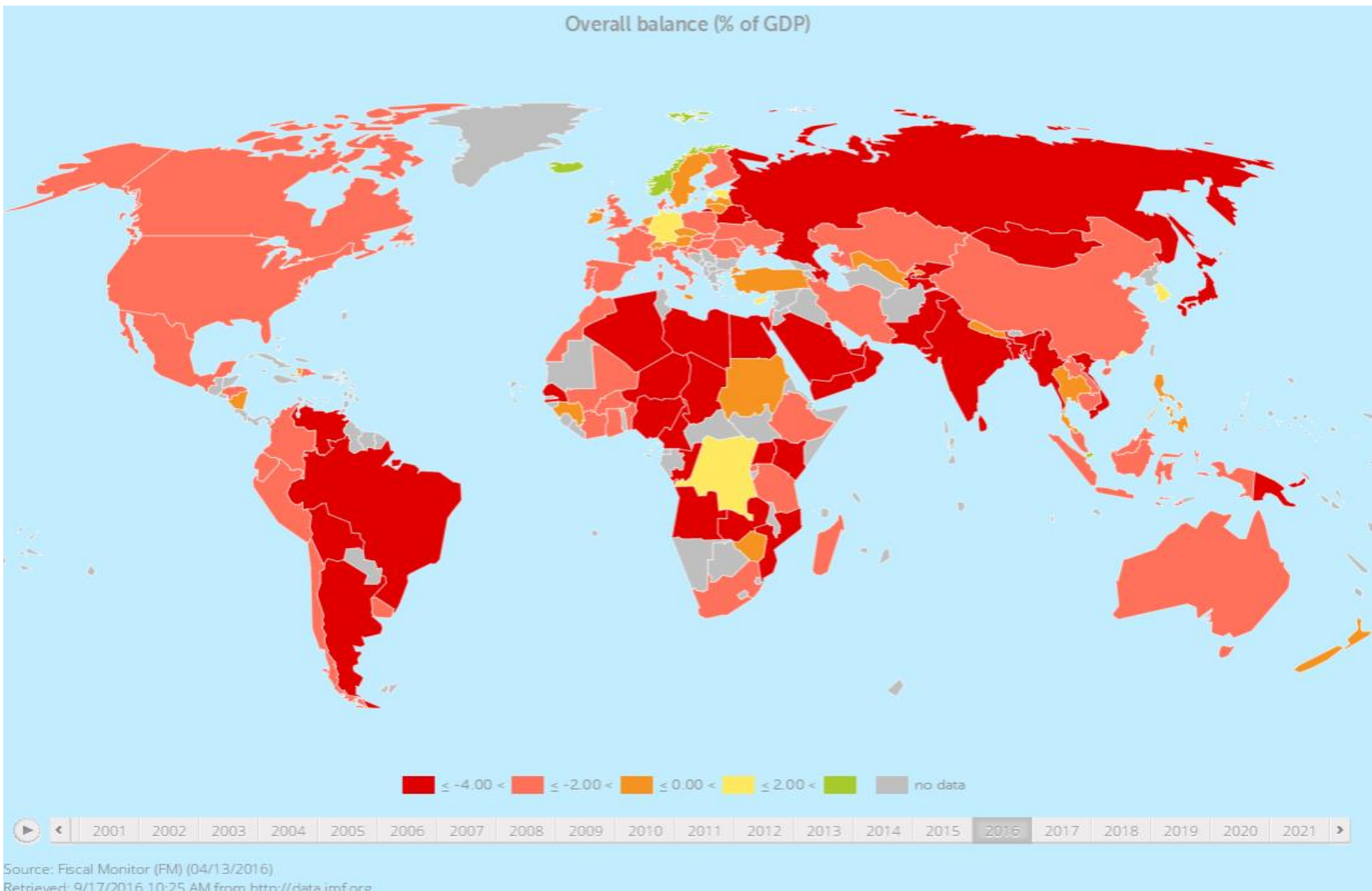
# Fiscal stance 2007 (pre-crisis)



# Fiscal stance 2009 (in crisis)

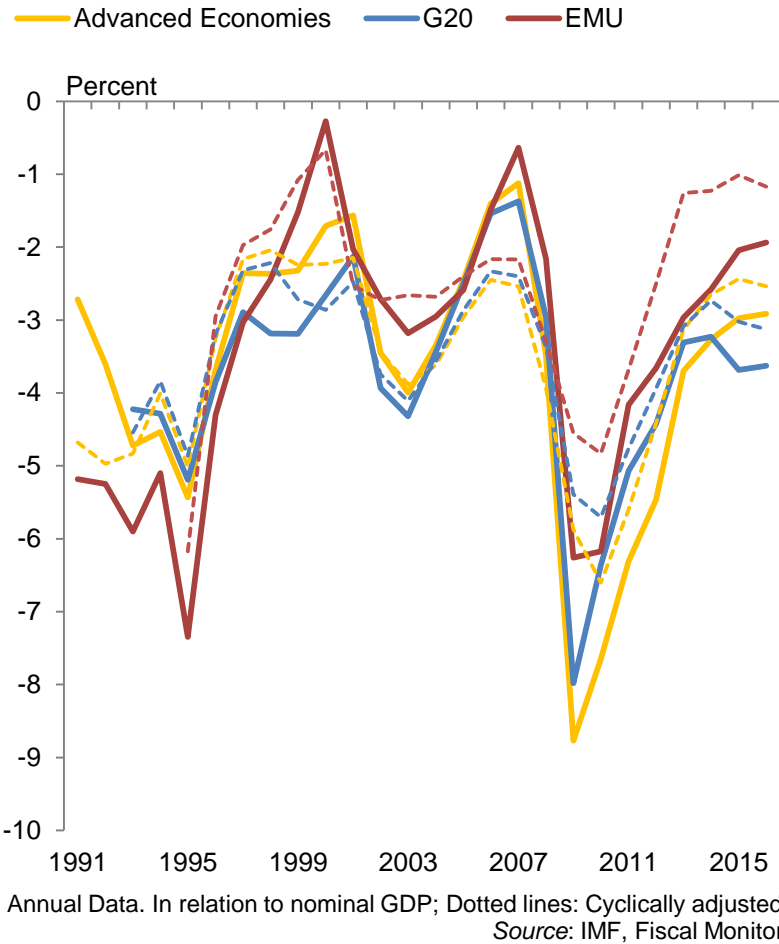


# Fiscal stance 2016 (post-crisis?)

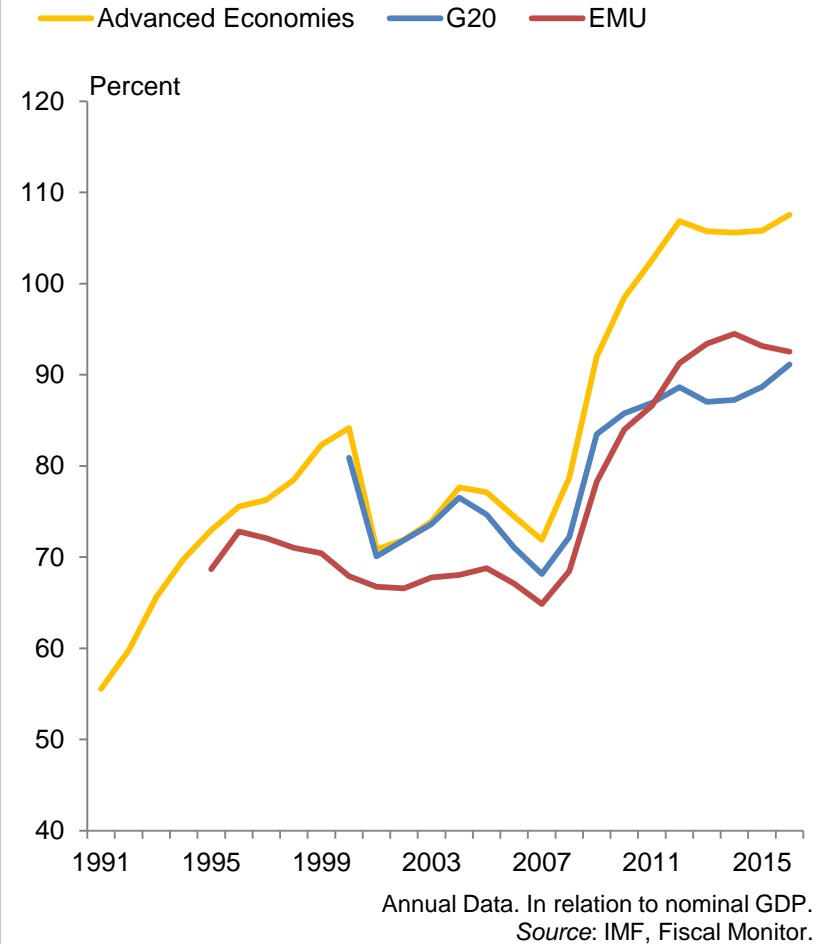


# Fiscal stance and public debt

## Net Public Lending



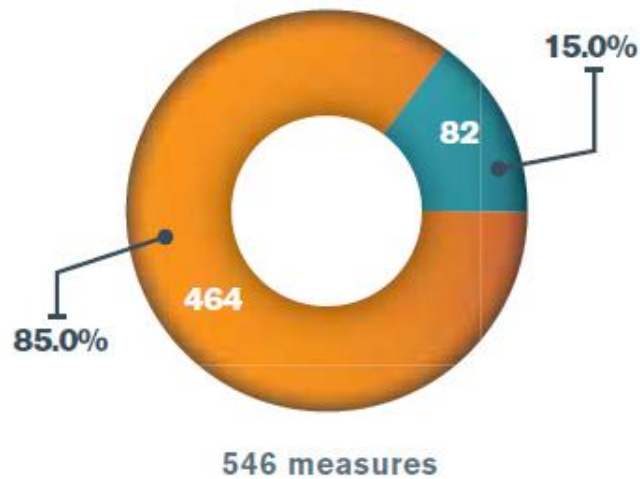
## Gross Government Debt



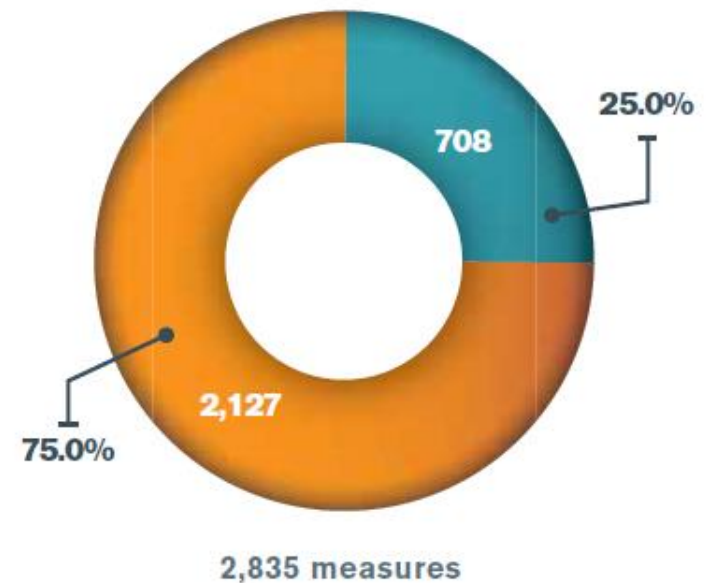
# Neo-protectionism via non-tariff barriers to trade

Stockpile of trade-restrictive measures initiated since October 2008

By mid-October 2010



By mid-May 2016

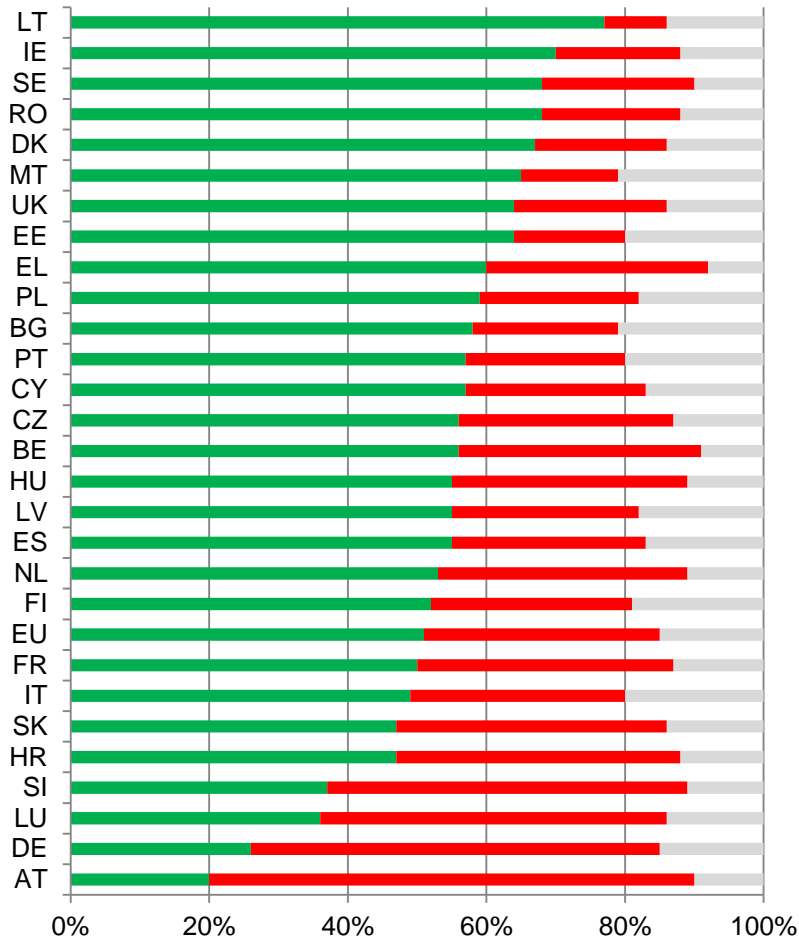


● Effectively eliminated measures      ● Stockpile of restrictive measures

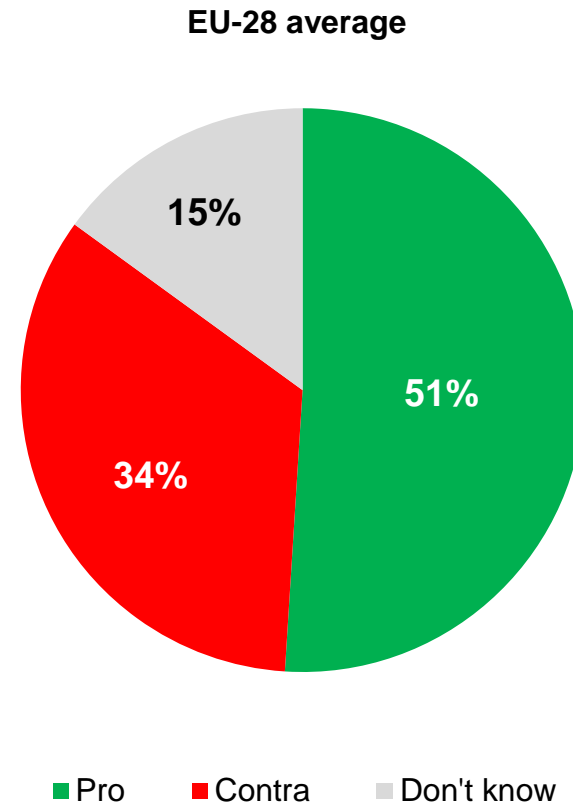
Note: The stockpile of trade-restrictive measures also includes trade remedy actions.

Source: WTO, World Trade Statistical Review 2016.

# EU citizens' attitudes towards TTIP



Source: Eurobarometer 85.2 (Spring 2016).



- Harmful uncertainty calls for clarity in fundamentals
- **Spirit of maximum cooperation** vs. exemplary warning
- EU as a club
  - » Stability by valuable club goods (voting rights!)
  - » Sanctions for leaving belittle benefits from membership
  - ⇒ **Focus on union-wide collective goods (principle of subsidiarity)**
- Hidden mercantilism in EU politics
  - » Free trade (cherries?) vs. free movement of labor (bitter pill?)
  - » Free trade as a bargaining chip (belligerent great-power policy)
  - » Trade surplus not relevant for benefits from integration
- Protectionism backfires (social poison)
- Integration must rest on understanding, not on coercion
  - » Constructive agreement on everything enjoying consensus support
  - » No “all-or-nothing” ultimatums, but time for adjustment
  - ⇒ **Multiple speeds to keep overall integration processes alive**

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