



Syllabus

The Government Budget Process in Israel - 59415

Last update 31-12-2018

HU Credits: 2

Responsible Department: Public Policy - Civil Service Cadets

Academic year: 0

Semester: 2nd Semester

Teaching Languages: Hebrew

Campus: Mt. Scopus

Course/Module Coordinator: Prof. Michel Strawczynski

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Coordinator Office Hours: Mondays from 16:30 to 17:30

Teaching Staff:

Prof Momi Dahan

Course/Module description:

This course will enhance an independent view on the different stages of

government budget and the extent to which it achieves government goals in three aspects: is the government budget process an efficient tool for fulfilling government and society priorities; is the budget process an efficient tool for achieving government outputs in the different areas; does the budget process assure macroeconomic stability.

Course/Module aims:

The purpose of this course is to facilitate tools and a conceptual framework for understanding and analyzing the budget process in Israel.

Learning outcomes - On successful completion of this module, students should be able to:

The course will prepare students to acquire an independent view on government budget stages and the extent they fulfill government targets.

Attendance requirements(%):

100

Teaching arrangement and method of instruction: Frontal classes, Group discussions and presentation of key works in the field by students.

Course/Module Content:

Government Budget, actual situation in Israel, alternative budgeting models, dealing with the spending bias: international and Israeli experience, fiscal rules, multi-year budget, does the budgeting process contribute for achieving government goals, defense budgeting process in Israel, the Arrangements law.

Required Reading:

Ben Bassat A. and M. Dahan (2006), *The balance of power at the government budget process*, Israel Institute for Democracy (in Hebrew).

Additional Reading Material:

Alesina, A. and R. Perotti (1995), "Fiscal Expansions and Adjustments in OECD Countries", *Economic Policy Panel, 1994-95 Discussion Paper Series No. 754*.

Alesina A., R. Perotti and J. Tabares (1998), "The political economy of fiscal adjustments", *Brookings Papers on Economic Activity*, 197-266.

Roubini, Nouriel and Jeffret Sachs (1989), "Political and economic determinants of budget deficits in the industrial democracies", *European Economic Review* 33

(1989) 903-938.

Alesina, A. and R. Perotti (1999), "Budget Deficits and Budget Institutions", in *Fiscal Institutions and Fiscal Performance*, Editor: James M. Poterba, University of Chicago Press, p. 13 – 36.

Alesina, Alberto, Ricardo Hausmann, Rudolf Hommes (1999), and Ernesto Stein *Budget Institutions and Fiscal Performance in Latin America*, Inter-American Development Bank, Office of the Chief Economist, Working Paper Series 394.

Brender, Adi (2007), "If you want to cut, cut, don't talk: the role of formal targets in Israel's fiscal consolidation efforts, 1985-2007", in *Fiscal policy: current issues and challenges*, Banca d'Italia, 349-374.

Dahan, Momi and Michel Strawczynski (2013), "Fiscal rules and government expenditure composition in OECD countries", *Journal of Policy Analysis and Management*, Vol. 32, No. 3, 484–504 (2013).

Dahan, M. and M. Strawczynski (2016), *Budget Institutions and Government Effectiveness*, presented at the 2016th IIPF Conference.

Debrun, Xavier, Laurent Moulin, Alessandro Turrini, Joaquim Ayuso-i-Casals and Manmohan S. Kumar (2008), "Tied to the mast? National fiscal rules in the European Union", *Economic Policy*, April, 297-362.

Frankel, Jeffrey (2001), "A solution to fiscal procyclicality: the structural budget institutions pioneered by Chile", NBER Working Paper 16945.

Gleight, Holger (2003), "Budget institutions and fiscal performance in Central and Eastern European countries", ECB Working Paper No.215.

Hallerberg, Mark, Rolf Strauch and Jürgen von Hagen (2007), "The design of fiscal rules and forms of governance in European Union countries", *European Journal of Political Economy* 23 (2007) 338–359.

Lane Philip R. (2003), "The cyclical behaviour of fiscal policy: evidence from the OECD", *Journal of Public Economics* 87, 2661–2675.

Strawczynski, Michel (2013), *Cyclicality of Statutory Tax Rates*, Discussion Paper No. 13.03, Falk Institute, Hebrew University of Jerusalem.

Vegh, Carlos and Guillermo Vuletin (2012), "How is fiscal policy conducted over the business cycle", NBER Working Paper 17753.

Von Hagen, Jürgen (2002), "Fiscal rules, fiscal institutions and fiscal performance", *The Economic and Social Review*, Vol. 33, No. 3, pp. 263-284.

Von Hagen, Jürgen and Ian Harden (1996), "Budget processes and commitment to fiscal discipline", *European Economic Review* 39 (3-4), 771-779.

Grading Scheme:

Additional information:

Some students will present papers at class and the rest will answer questions on papers (by couples, using random assignation). In addition to the book, the reading will include a required list of papers that will be published at the Moodle.