

AN ACT FOR THE UNBORN

The coalition and opposition will sit at the same table to reconsider the long-term fiscal strategy of Slovakia. The expected result should be establishment of an independent fiscal council, which should watch the fiscal policy of the coming governments. Just as the so-called debt brake, also the council should be established by a constitutional amendment, which can only be approved with the votes of the opposition MPs.

The independent watchdog, just as the central bank authority, would be a benefit for the Slovak fiscal policy. The past experience has shown, for example, the lack of transparency in publishing fiscal figures in the times of PM Vladimír Mečiar, or pre-election lack of tax prognoses of Ján Počiatek's Ministry of Finance.

According the Swedish Fiscal Council Chairman Lars Calmfors, apart from stricter public finance rules, an independent watchdog institution may help to prevent politicians from creating higher deficits than necessary. The council could be con-

sidered as a lobbyist for the yet-unborn children, as it will also watch how the current debts burden the coming generations. During the last five years, Sweden, Canada, Hungary, Slovenia and the UK have created their fiscal councils, while the Netherlands, Denmark, Germany, Austria, USA and Belgium had similar institutions even before.

The Fiscal Council in Slovakia should be similar to those in other countries. About 15 to 20 analysts should be working for the council. They should not judge policy directly - rather, they should mostly only assess their fiscal impact. The irresponsible fiscal policy could then at least spoil the governing politicians' reputation.

The long term fiscal sustainability should be assessed by the council by specifying the gap between the current fiscal situation and its sustainable level. Each government would then declare what part of the in-built deficit it wants to erase.