The purpose of this paper is to consider whether an SDR allocation can be justified in current circumstances on the basis of the Articles of Agreement of the Fund as they stand at present. The issue has assumed special importance because of the impasse on SDR allocations that surfaced at the Interim Committee meeting in Madrid in 1994 and that continues unresolved to this day. The Fund management, backed by the technical expertise of the Fund staff, has come to the conclusion that a modest SDR allocation of SDR 36 billion over a five-year period is needed. A majority of fund members, including all developing countries have supported this conclusion. However, some of the major industrial countries remain unconvinced.

The persistence of this impasse raises suspicions that it reflects not just technical differences on interpretation of the relevant Articles but more fundamental differences about the future role of the SDR in the international monetary system as it has evolved. The first section of this paper discusses the Articles of Agreement as they presently stand, identifying the key ambiguities that leave room for disagreement. The following section examines past practice with SDR allocation to see if it provides a guide for the future. The final section examines the case for an allocation in present circumstances.

The Relevant Articles and Their Ambiguities

The Articles relevant for deciding on an SDR allocation are Articles XVIII, Section 1(a), and Articles XXII. These are reproduced below, with key phrases italicized for emphasis.

**Article XVIII, Section 1 (a)**

In all its decisions with respect to the allocation and cancellation special drawing rights the Fund shall seek to meet the long-term global need, as and when it arises, to supplement existing reserve assets in such manner as will promote the attainment of its purposes and will avoid economic stagnation and deflation as well as excess demand and inflation in the world.

**Article XXII**

In addition to the obligations assumed with respect to special drawing rights under other articles of this Agreement, each participant undertakes to collaborate with the fund and with other participants in order to facilitate the effective functioning of the Special Drawing Rights Department and the proper use of special drawing rights in accordance with this Agreement and with the objective of making the special drawing right the principal reserve asset in the international monetary system.

Articles XVIII, Section 1(a), indicates, in general terms, the conditions under which an SDR allocation should be made. Broadly, it is necessary to demonstrate a long term global need to supplement reserves, and this must be done in a manner that avoids both stagnation and inflation. Some aspects of these criteria have been further clarified in the Fund Board discussions, but others remain imprecise.

1. The references to "long-term" needs implies that SDR creation is not meant to respond to cyclical shortages but rather to shortages over as longer period of, say, five years. An implication of this interpretation is that SDR creation need, but in anticipation of a need expected to arise in future.

2. No specific method has been prescribed to qualify the extent to which reserve assets need to be supplemented by allocations of SDRs. Implicitly, quantification of the supplement required depends upon the ability to (a) quantify the demand for reserves, or optimal level of reserves and (b) quantify the available supply of reserves from various source. In this

---

1 The views in this paper are those of the author and do not necessarily reflect the views of the Government of India.
context it becomes relevant to consider whether the SDR is an instrument of last resort, to fill the residual gap, if any, after all other sources of supply of reserves are exhausted, or whether it is designed to fill the gap between the demand for reserves and the optimal supply from various sources. References to optimality in relation to the supply from various sources is important because it may be possible to achieve any given level of reserves by relying heavily on borrowed reserves, but this may not always be optimal. Even when a reserve buildup through borrowed reserves is feasible, achieving the same objective through an SDR allocation may improve the composition or quality of reserves. Recognizing this aspect, it has been clarified in past discussions that there may be a case for an SDR allocation even in situations where the required level of reserves could be obtained from other sources.

(3) The interpretation of the term "global need" also require some clarification. SDR allocations are clearly not to triggered in response to the needs of individual countries, or even a small group of countries. But does global need have to be defined in terms of universal shortages affecting a sufficiently large number of members? This is obviously a crucial issue in assessing the case for an SDR allocation in current circumstances.

(4) Whatever the case for SDR allocation on grounds of reserve shortages, the decision to allocate SDRs must keep in mind both the need to avoid economic stagnation and deflation as well as the need to avoid inflation. In practice, the concern with avoiding inflation has been repeatedly emphasized by industrial countries.

Articles XXII is a general exhortation to members to cooperate with the Fund on matters relating to SDRs with the objective of making the SDR "the principal reserve asset" in the system. Developing countries have consistently argued that this objective provides an umbrella justification for periodic allocations of SDRs. The principal reserve asset objective need not be defined crudely in terms of some target share for SDRs as a proportion of world reserves, but equally, it surely implies that cumulative SDR allocations must at least bear some reasonable to aggregate reserves if it is to be taken seriously at all. In practice, this creates a presumption in favour of a steady process of SDR allocation, in line with growing levels of world reserves, though perhaps varying contracyclically with inflationary pressures.

Implication of Past Practice

Ambiguities in the letter of the law (in this case the Articles) are normally resolved by reference to case law, which establishes how the law has been interpreted in the past. Unfortunately, the case law available to us in the matter of SDR allocation is very limited as there have been only two occasions in the past when there was agreement on SDR allocations.

The first allocation of SDRs took place shortly after they were created in 1969, when a total of SDR 9.5 billion was allocated over the three-year period 1970-72. However, the circumstances prevailing then were wholly different from those prevailing today. The par value system was in existence and the dominant concern about managing the international monetary system was the fear of global reserve shortages arising out of the twin problems of a limited supply of gold and the inherent instability of the only alternative, which was to rely upon growth in dollar reserves ass a source of liquidity. The SDR, with a constant gold value, glamorously described as "paper gold," was expected to provide a viable source of reserve expansion, free of the instability associated with expanding dollar reserves based on perpetual U.S. deficits.

This original role of the SDR was overtaken by events almost immediately after the first allocation. The per value system collapsed, and the world shifted to floating exchange rates and multiple currency reserves. The emergence of international capital markets created the possibility of building reserves by borrowing in private capital markets, thus eliminating the link between dollar reserve accumulation and U.S. deficits. These structural changes in the international monetary system necessarily implied that the rationale for future SDR allocations would have to be very different. There was in fact an explosion in world reserves in the 1970s and a significant acceleration in world inflation. These developments were bound to discourage fresh allocations, and there was no agreement on SDR allocations until 1979.
The second allocation of SDRs took place shortly after the Second Amendment to the Fund Articles in 1978, and this allocation has much more relevance to the current situation. Floating exchange rates had become a reality and international capital markets provided many countries with access to reserves if needed. Although the original role envisaged for the SDR had evaporated, the process of reforming the international monetary system, which had been under way since 1973, clearly envisaged a continuing need for the SDR. One of the elements in there form proposal, later incorporated in the Second Amendment to the Articles in the form of Articles XXII and Articles VIII, Section 7, was to make the SDR the principal reserve asset in the international monetary system. The precise meaning of this objective was never made clear, and the perceptions of industrial countries and developing countries were very different. Industrial countries were probably concerned primarily with the need to avoid the exchange rate instability that might result from any large scale movement out of dollar reserves and felt that a substitution of dollar reserves by SDRs may have a stabilizing effect. Developing countries had long argued that what they needed was not so much reserves as a steady flow of resources to finance development, and in this context various proposals were advanced for a link between SDR creation and development financing. The idea of a link in all its many variants was firmly rejected by the industrial countries, but they did concede that one of the objects of reform of the monetary system should be to increase the flow of resources to the developing countries. There was no commitment that this increased flowing should be through SDR allocations, and it could be argued that the reference was to other flows, including the flow of conditional resources.

Despite these developments, agreement on an SDR allocation was not easily achieved. The major industrial countries opposed an allocation on the grounds that there was no demonstrable global need for reserves. The following extract from de Vries (1985, Vol.II, p. 879), describing the views of Executive Directors on SDR allocation in 1978, bears an uncanny resemblance to the current debate.

The main question relevant to SDR allocations in this situation was whether the global need for reserves should continue to be met mainly through increase in holdings of reserves currencies or whether part of the need for additional reserves could and should be met by allocations of SDRs.

The Executive Directors could not agree on the answer. Some argued that no problem arose with respect to world liquidity if increases in reserves continued to take the form of national currencies. No allocations of SDRs were necessary. Others took the position that any further increases in world liquidity through the Fund should be conditional, that is, in the form of larger Fund quotas rather than of SDR receive more SDRs, some might postpone needed balance of payments adjustment. Recourse to conditional liquidity, that is, to use of the Fund's resources, would require them to take measures to reduce their balance of payments deficits.

In the end the Managing Director was able to achieve a consensus on SDR allocations as part of a "package" involving not just SDRs but also a 50 percent increase in Fund quotas, which would provide the basis for expanded conditional liquidity from the Fund, an increase in the SDR interest rate, and the used of SDRs to pay for part of the increase in subscriptions resulting from the quota increase. An important feature of the 1978 decision was that it recognized that a decision to allocate SDRs can be justified even though most countries are in a position to achieve the desired levels of reserves from international financial markets. The Managing Director's proposal also included specific reference to the objective of making the "SDR the principal reserve asset as a relevant consideration supporting an allocation. A total allocation of SDR 12 billion was made in three installments in the last three years of the third basic period, 1978-81.

On the face of it, the 1978 decision was taken in circumstances not too dissimilar from the current situation and could be a relevant precedent for the future. However, it appears to have been an isolated event. No further SDR allocations were made in the 1980s despite considerable evidence of reserve stringency in many developing countries. These were the debt crisis years, and most developing countries experienced severe balance of payments difficulties, with serious import compression in many cases. Demands for fresh allocations of SDRs were regularly repeated in successive communiqués of the Group of Twenty Four but
no agreement could be reached. Fund staff papers in this period appeared to endorse the need for an allocation. The ratio of cumulative allocation was made. Like the "dog that didn't bark," the failure to reach agreement on SDR allocations in the 1980s has become part of the case law that indicates how member countries interpreted the Articles in this period.

There are two possible explanations for the prolonged SDR drought in the 1980s. First this was the period of structural adjustment following the debt crisis in Latin America and sub-Saharan Africa, and the dominant perception of the international community was that the solution to the problems facing these countries lay in the implementation of strong structural adjustment policies, supported by provision of conditional rather than unconditional resources. Second, it was also a period when industrial country policies, supported by provision of conditional rather than unconditional resources. Second, it was also a period when industrial country policies focused heavily on controlling inflation was much lower in the 1980s than in the 1970s, but perhaps not low enough for enough for fears of inflation to abate.

In retrospect, we know that although adjustment and economic reforms were undoubtedly needed, many structural adjustment programs, implemented under strict conditionality in the 1980s, were much less successful than expected. This is not to deny the importance of conditional resources provided from the various facilities of the Fund. Such resources undoubtedly have a major role to play in facilitating adjustment in developing countries, but this does not warrant a conclusion that all resources must necessarily be conditional. If limited expansion in unconditional resources is justified on merit, it should not be jeopardized by an insistence upon conditional resources.

The resistance to an SDR allocation because of the concern with control of inflation is more understandable. Most industrial countries had experienced a sharp increase in inflation in the 1970s, which continued into the 1980s. The rate of inflation declined steadily in the first half of the 1980s from 12.4 percent in 1980 to 4.4 percent in 1885. It fell to 2.6 percent in 1986, but then edged up again to 5 percent by 1990. The experience thereafter was, however, quite different, and the rate of inflation has been below 3 percent since 1992. In retrospect, it is difficult to believe that a modest allocation any time after the mid-1980s would have had any significant effect on inflation.

Part of the reason for lack of agreement on an SDR allocation after 1981 probably lies in the change that took place over this period in the attitude of industrial countries toward the Fund. In 1978, there was a much more universal recognition among industrial countries of the role of the Fund. In 1978, there was a much more universal recognition among industrial countries of the role of the Fund in ensuring international monetary stability. The collapse of the Bretton Woods system was still relatively recent, and confidence in the new system had yet to evolve. In 1978, the financing role of the Fund was not viewed, as it is today, as relevant only for developing countries. Both the United Kingdom and Italy had entered into stand-by arrangements with the Fund in 1977, and in 1978 the United States drew on its reserve tranche as part of the Fund changed considerably. Although problems of coordination of macroeconomic policy among major countries remained serious, the Fund was not always seen as having an active role to play in this process. Increasingly, the Fund was seen as relevant primarily to handle problems of developing countries and more recently, those of the countries in transition. This inevitably led to a reduction in the bargaining power of developing countries and to a greater focus on conditionality attached to Fund resources.

**The Case for an SDR Allocation Today**

We now turn to an assessment of the case for an SDR allocation in present circumstances. The arguments for an allocation are well known and have been recently summarized in Buira and Marino (1995). They are reviewed below with an attempt to identify those elements of the argument on which there is disagreement and consider how they stand up against established practice in interpreting the Articles of Agreement.

One element of the argument that is generally agreed is that there will be a substantial growth in demand for reserves, in proportion to world trade or only slightly more slowly. Buira and Marino (1995) estimate an increased demand for reserves of about SDR 400 billion over
the next five years, whereas Mussa in his paper for this seminar puts the figure a little lower, at SDR 350 billion. These estimates are broadly accepted, allowing for the usual margins of error. The contentious issue is whether it is necessary to allocate SDRs to meet any portion of this increase. Opponents of SDR allocations argue that there will be no difficulty in obtaining the necessary increase in reserves from the financial markets. Experience suggests that this may well be so for total reserves. Between the end of 1981 and 1994-a period in which no fresh SDRs were allocated, the ratio of nongold reserves to merchandise imports for all countries increased from 19 percent to 27 percent.

**Special Needs of Some Countries**

The case for a fresh SDR allocation therefore rests not on the expected shortfalls in the potential supply of aggregate reserves but rather on the distribution of global reserves at present hides considerable variation across countries, with many countries suffering from inadequate reserves. About a third of the developing countries and more than half of the transition countries had reserves below 8 weeks of imports in 1992. If the more conventional criterion of 12 weeks of imports is used to identify reserve shortages, almost two thirds of developing countries and three fourths of transition countries have inadequate reserves. These countries do not have adequate access to world capital markets and cannot rely on that source to build up reserves at a reasonable cost. They would either have to borrow at high cost to build reserves or more likely could only rebuild reserves to adequate levels means following contractionary policies aimed at import compression, which have often led to a prolonged slowdown in growth. This imposes a high cost not only on these economies but to some extent also on the rest of the world, if we take into account the collective impact of such policies in many developing countries. These costs have to be compared with the cost of a fresh SDR allocation, which is demonstrably quite low.

Industrial countries have consistently opposed allocation of SDRs to meet the reserves needs of a group of countries on the grounds that the Articles refer to allocations to remedy global reserve shortages and not shortages affecting groups of countries. Opponents of an allocation recognize that some countries do not have access to financial markets, but they argue that is so because of deficiencies in those countries’ policies.

The denial of credit by financial markets to such countries is therefore a desirable market signal emanating from well-functioning markets, which serves to encourage these countries to adopt necessary adjustment measures. Provision of low-cost liquidity on an automatic basis through SDR creation in these circumstances is seen as a distortion of the market mechanism, weakening market signals and encouraging postponement of adjustment. An extension facilities of the Fund and not through the allocation of SDRs.

Some of these arguments are clearly based on misperceptions. One relates to the issue of whether SDR allocations imply an unjustifiable subsidy. As pointed out in Coats and others (1990), an SDR allocation implies a net grant element in favor of net users of SDRs only if the interest rate paid to SDR holders is not competitive with other reserve assets, or if the rate of charge on allocations does not include an adequate risk premium. As it is generally conceded that SDR interest rates are competitive with the return available on other comparable reserve assets, there is no subsidy on this account. For the rate of charge, it is certainly true that most net users of SDRs would pay significantly higher rates when borrowing in private markets, reflecting the market perception of risk premium. However, this does not necessarily imply that the rate of charge on the SDR is subsidized. It can be argued that net users of SDRs are highly likely to default on net interest payments on their SDR use, because they value their status as members cooperating with the Fund. If members do indeed display a greater commitment to meet their obligations arising out of SDR use, there is no case for charging a risk premium. The lower cost of reserves obtained form an SDR allocation is therefore not at the expense of other participants in the system. It reflects a genuine efficiency gain to the world economy arising out of the status of the Fund as an international institution and the greater compliance that it can evoke from members.

The concern that SDR allocations will weaken market signals also does not stand up to detailed scrutiny. As Polak (1988) pointed out, there is no reason to begrudge countries an SDR allocation that is otherwise justified simply because it might loosen the tight grip of
conditionality. There are other favorable outcomes that might have the same effect, and we do not react to them in the same way. In any case, the impact on the incentive to adjust depends upon the size of the allocation. An allocation of SDR 36 billion over a five-year period amounts to only 25 percent of Fund quotas, or an average increase of 5 percent of quota a year. Additional availability of unconditional resources of this size is unlikely to have any impact on the willingness of countries to undertake adjustment, as adjustment-based programs can make available much larger amounts of Fund resources, up to 110 percent of quota.

To some extent the recent proposal of the Group of Seven countries for a special allocation on grounds of equity in favor of the countries in transition itself implies that additional allocation of SDRs justifiable on merits need not be seen as a weakening of the adjustment programs. The same argument can be extended also to a general allocation.

**The Quality of Reserves**

Even if we accept that many developing countries may be able to build up adequate reserves by accessing international financial markets, a case can be made for SDR allocations on the ground of the quality of reserves. Any given stock of reserves acquired through a greater reliance on borrowing in international financial markets implies a greater vulnerability to changes in market conditions. Borrowed reserves have to be refinanced periodically, and unexpected changes in international capital market conditions may lead to a sudden with drawal of such finance. SDR holdings are also borrowed reserves in one sense, but since the allocations are permanent (expected in the event of cancellation—which is theoretically possible), they are always available to the holder as an assured line of credit, irrespective of changes in financial market conditions. A reserve composition with a greater SDR component therefore represents a superior quality of reserves, providing a greater assurance of stability in the system.

It is important to emphasize that this concern with the quality of reserves is not merely theoretical. It is of immediate practical importance in a world in which international financial markets, though enormously important and capable of great flexibility, are also far from perfect. The experience with commercial bank lending to developing countries in the 1970s and 1980s amply demonstrated the extent of that imperfection as the markets first lent imprudently and then withdrew excessively, necessitating extensive official action to avoid destabilizing shocks and to restore reasonable flows of funds to these countries. The same problem surfaced again in the aftermath of the Mexican crisis, when there were widespread fears of "contagion effects" on other developing countries. The fact that these effects were quickly contained only testifies to the effectiveness with which the Mexican crisis was handled, but it does not detract from the assessment of underlying vulnerability of the system. This vulnerability would be reduced if a larger portion of the world's reserves were to come from SDR creation.

The concern with quality of reserves can only be heightened by the changes that have taken place in the relative size of resources available from official and bilateral credit arrangements that constitute a safety net for the system. The relatively lower level of reserves held by industrial countries compared with developing countries is partly a reflection of the availability of a more extensive safety net available to these countries. These arrangements include resources potentially available through the Fund, including the General Arrangements to Borrow and SDRs, the U.S. Federal Reserve's reciprocal currency arrangements, and the European aggregated SDR 110.7 billion in 1979, or about 40.5 percent of world nongold reserves. By 1990 the absolute size had increased to SDR 186.2 billion, but as a proportion of total reserves they had declined to 29.1 percent.

**The Impact on Inflation**

Avoidance of inflation is explicitly mentioned in the Articles of Agreement as a relevant consideration in deciding on SDR allocations. Any argument in favor of SDR allocations must therefore address this issue. The nature of the linkage between SDR allocations and inflation is well known. An allocation by itself cannot lead to any inflationary pressure unless it leads to additional spending by some of the recipients. It is possible to argue in principal that an SDR allocation leads to no additional spending, and the entire amount of the
allocation is simply added to reserves. But this is unlikely to happen. In practice, one should expect that an SDR allocation will lead to some increase in total reserves, some switching from other borrowed reserves to SDRs, and some increase in spending. If SDRs are used to finance additional expenditure by some recipient countries, this lead to an accumulation of reserves in the country in which they are spent, and this reserve buildup could be associated with an increase in money supply and therefore in prices in that country. This, however, depends upon whether the monetary authorities sterilize the reserve accumulation by open market operations.

As the monetary authorities in the major industrial countries normally sterilize the impact of any reserve accumulation, it is reasonable to conclude that a modest SDR allocation would not lead to any inflationary pressure, especially when we consider the quantitative magnitudes involved. For example, a general allocation of SDR 36 billion over five years involves an average annual allocation of a little over SDR 7 billion a year. Of this amount, only about SDR 2.7 billion would accrue to developing countries and countries in transition. If we assume that half of this is spent, the additional expenditure would be only about SDR 1.4 billion a year, which would be reflected in an increase of this magnitude in reserves of different industrial countries. The monetary authorities of industrial countries should have no difficulty in sterilizing accretions of their reserves of this size.

The fear of inflation following a modest allocation of SDRs therefore appears grossly exaggerated. This conclusion is only reinforced by the fact that inflation in the industrial countries has been at a historic low of about 2.5 percent a year for the past three years, and there are no signs that it is about to accelerate. Even if we concede that the fear of inflation, which held back allocations of SDRs in the 1980s, had some justification in terms of inflation expectations not having been reduced, no such problem exists today.

The SDR as Principal Reserve Asset

Finally, we need to consider the case for an SDR allocation from the point of view of the objective of making the SDR the principal reserve asset of the system. Developing countries fully recognize that this objective should not be interpreted to mean continuing large allocations irrespective of the availability of liquidity from other sources. However, it must also be recognized that in the absence of an SDR allocation, with the expected growth in total reserves, the ratio of SDRs to nongold reserves will fall to less than 2 percent at the end of five years. This proportion was 3.8 percent when the second allocation was made, which raised the percentage to 6.5 percent in 1981. An allocation of SDR 36 billion would raise the proportion only to about 5 percent.

Industrial countries clearly believe, even if they do not always assert, that the objective of making the SDR the principal reserve asset of the system has lost its relevance. The earlier fears of exchange rate instability consequent upon a flight from dollar reserves have abated as the system of multiple currency reserve appears to have functioned reasonably well. However, industrial countries would not go so far as to say that the SDR has outlived its usefulness and should be abolished. There is probably a consensus that the SDR is an extremely useful instrument that can provide a multilaterally controlled safety net that could be quickly deployed in the event of an unforeseen strain on the financial system. Even this minimal concession is relevant in considering the case for an SDR allocation. The effectiveness of the SDR in being able to deal with unforeseen emergency situations depends upon the instrument not atrophying through lack of use. A fresh allocation at this stage, 15 years after the last allocation, is surely warranted for this reason alone.

Conclusion

We can now pull together the main strands of the argument developed in this paper. The Articles of Agreement can at best provide only broad directions about the considerations that must guide the allocation of SDRs. Interpretation of the Articles has to evolve over time, taking into account precedents and the current consensus about the world economic situation.

It is clear that the world economy has changed substantially from when the SDR was first invented, and even from the time of the Second Amendment. The rapid growth of international financial markets has created a situation in which industrial countries, and even
many developing countries, can meet their growing demand for reserves from the market—at least in normal times. However, this is not true for a very large number of countries for whom the market perceptions of the creditworthiness of developing countries, which are reflected in the risk premiums that they have to pay, are especially accurate. For all their sophistication, international financial markets remain vulnerable to herd instincts and contagion effects, which can introduce a high degree of volatility into the access of individual developing countries.

In this situation a case can be made for periodic general allocations of SDRs as envisaged in the Articles, especially when inflationary pressure in the world economy is low. The definition of global need should be interpreted, as it was in 1978, with sufficient flexibility to allow a modest to moderate allocation of SDRs from time to time. Although such an allocation may seem to be needed primarily by a group of countries, a general allocation also improves the quality of aggregate reserves for the world as a whole. It also helps to maintain the SDR, if not as a principal monetary system, with the potential to provide a much larger safety net if needed in an emergency.

References


No Future for the SDR

Horst Siebert¹

Michael Mussa has presented an inspiring paper making a case for moderate SDR allocations and providing an informative historical background. However, I come to a different conclusion.

SDRs were introduced (as Mussa points out) to solve the credibility problem that arose in the 1960s with central bank reserves in U.S. dollars increasing and with U.S. gold reserves declining: the so-called Trifin dilemma. Thus, SDRs were a solution to a specific problem. But the initial raison d'etre of SDR allocations no longer exists. Do we still need them?

SDRs can be interpreted as a form of "paper gold" or "monetary gold," that is, an artificial international reserve. In a broad interpretation, they provide, free of charge a credit option, or more precisely, an option to obtain foreign currency. When the option is used, a (privileged) interest rate is applied. The allocation of SDRs can thus be understood as a credit (or currency option) is guaranteed by an international agreement that also specifies the conditions under which a credit (or currency) can be obtained. Starting from this interpretation, I want to make the following points.

It is true that we observe an increase in international reserves of central banks (in absolute terms) with an expansion in world trade. But such an increase in international reserves (documented by an import elasticity of reserves of, say, 0.85) is not a sufficient reason for SDR allocations, as Mussa himself points out. The ratio of reserves holdings to merchandise imports has remained surprisingly stable for the world as

¹ The author appreciates comments from Jorg Kramer and Joachim Scheide.