This folder contains the Matlab codes to solve for the equilibrium in "Fiscal Rules as Bargaining Chips," (2020) by Facundo Piguillem and Alessandro Riboni. The included codes are:

The codes where written with Matlab 2019b and tested with Matlab 2020a. The codes are available in Zenodo with DOI code as referenced in the manuscript.

Code **“main\_code\_q05.m”** assumes that and solves for the baseline setup studying the effect of polarization . Two of its output are Figure 4 and 5 in the paper.

Uses:

func\_rev\_theta.m = solves equilibrium with bargaining. Equations 18-19

func\_saetDic = solves alternating dictator's equilibrium

Code **“main\_q05\_sigmas.m”** assumes that and analyses the dependency of the solution respect to and other modification like the occasional bargaining problem. It generates Figures 6 and 9 in paper and 13 and 14 in Appendix C.3.

Uses:

func\_rev\_sig.m = solves equilibrium with bargaining. Equations (18)-(19)

func\_saetDic\_sig.m = solves alternating dictator's equilibrium

func\_rev\_sig\_occasionalN = solves for the occasional bargaining

problem

Code **“main\_code\_allq.m”** allows for any . It computes again the optimal for each . It generates Figure 8 in the paper.

Uses:

W.m = solves equilibrium with bargaining using equations (41)-(43)

W2.m = solves alternating dictator's equilibrium

Code **“Sutainable\_multiplicity.m”** returns to and analyzes the sustainability of fiscal rules. To this end it generates Figure 7 in the paper and Figure 11 in Appendix C.2. The second part of the code searches for multiplicity of equilibria using equations (60) and (61). It then generates Figure 16.

Uses:

func\_rev\_beta.m = solves equilibrium with bargaining.

func\_saetDic\_beta.m = solves alternating dictator's equilibrium.

The file **“Cap\_spending.xlsx”** contains the data and the figure used in Section 6.3. It generates Figure 10 in the paper.

**Data Availability**: No new data were generated or analyzed in support of this research.