

Fiscal Policy in the Aftermath of the Financial Crisis

(Conference jointly organised by DG-ECFIN, ECARES, Indiana University, University of Missouri & the Journal of Economic Dynamics and Control-JEDC)

March 2-3, 2012

Location: Brussels, Belgium

Venue : EU Commission – Salle Jean Rey, Berlaymont Building (BERL), Rue de la Loi 200, 1049 Brussels

Key Objectives : The idea of the conference is to bring together economists who have recently contributed to new developments in fiscal policy, especially in areas such as fiscal stimuli in financial crises, sustainable fiscal policy in currency unions, the modelling of sovereign risk premia and their effects on the real economy, the link between government debt and interest rates for the private sector, moral hazard and bailouts in monetary unions, fiscal limits and empirical DSGE models of fiscal policy.

Pre-Conference dinner for speakers & discussants : Thursday 1 March 2012 (Silken Berlaymont Hotel from 19h30 onwards – please contact the reception desk at the hotel for further details)

Organisers : Robert Kollmann (ECARES), Eric Leeper (Indiana University), Chris Otrok (University of Missouri & JEDC editor) & Werner Roeger (DG ECFIN)

Practical arrangements : See attached document for details regarding transport links; accommodation issues; directions from the hotel to the conference venue; specific security requirements; as well as details regarding the conference dinner.

- Practical arrangements

Downloads

- Programme
- Metro map
- Map of Commission buildings

Conference Programme (Preliminary Version)

Day 1 : Friday 2 March

08:30 – 09:00 Registration, welcome & opening remarks

Morning Session – Chairperson : Robert Kollmann

09:00 – 10:00 Paper 1 : "Securities Transactions Taxes"
Julia Lendvai (ECFIN), Rafal Raciborski (ECFIN) & Lukas Vogel (ECFIN)

Presenter : Lukas Vogel

Discussant : Gregory de Walque (National Bank of Belgium)

Floor Discussion

10:00 – 11:00 Paper 2 : "Estimating Sovereign Default Risk"
Huixin Bi (Bank of Canada) & Nora Traum (North Carolina State University)

Presenter : Nora Traum

Discussant : Chris Otrok (University of Missouri)

Floor Discussion

11:00 – 11:20 Coffee Break

11:20 – 12:20 Paper 3 : "Unconventional Fiscal Policy at the Zero Bound"
Isabel Correia (Bank of Portugal), Emmanuel Farhi (Harvard),
Juan Pablo Nicolini (Minneapolis Fed) & Pedro Teles (Bank of Portugal)

Presenter : Pedro Teles

Discussant : Samuel Reynard (National Bank of Switzerland)

Floor Discussion

12:20 – 13:20 Paper 4 : "The Maturity Structure of Debt, Monetary Policy and Expectations Stabilization"
Bruce Preston (Columbia University) & Stefano Eusepi (NY Fed)

Presenter : Bruce Preston

Discussant : Leopold von Thadden (University of Mainz)

Floor Discussion

13:20 - 14:20 Lunch Break

Afternoon Session – Chairperson : Werner Roeger

- 14:20 – 15:20** **Policy Panel : "The Fiscal Dimension of the Global Financial Crisis"**
- Chair : Servaas Deroose, Deputy Director General, DG ECFIN**
- Panel Speakers : Panel Speakers : Chris Sims (Princeton University, Nobel Laureate Economics 2011, President of the American Economic Association); Benoit Mojon (Bank of France); Harald Uhlig (University of Chicago), Volker Wieland (University of Frankfurt), Lucio Pench (DG ECFIN)**
- 15:20 – 16:20** **Paper 5 : "Modeling Fiscal Impacts on Inflation in a DSGE"**
Chris Sims (Princeton University)
- Presenter : Chris Sims**
- Discussant : Harald Uhlig (University of Chicago)**
- Floor Discussion**
- 16:20 – 16:40** **Coffee Break**
- 16:40 – 17:40** **Paper 6 : "Analyzing Fiscal Sustainability"**
Huixin Bi (Bank of Canada) & Eric Leeper (Indiana University)
- Presenter : Huixin Bi**
- Discussant : Andreas Schabert (University of Dortmund)**
- Floor Discussion**
- 17:40 – 18:20** **Paper 7 : "Fiscal Consolidations in Currency Unions: Spending Cuts vs Tax Hikes"**
Chris Erceg (Federal Reserve Board) & Jesper Lindé (Federal Reserve Board)
- Presenter : Jesper Lindé**
- Discussant : Julia Lendvai (DG ECFIN)**
- Floor Discussion**
- 19:30 – 22:00** **Conference Dinner**

Day 2 : Saturday 3 March

Morning Session – Chairperson : Chris Otrok

- 09:00 – 10:00** **Paper 1 : "The Dynamics of Sovereign Debt Crises and Bailouts"**
Francisco Roch (University of Chicago) & Harald Uhlig
(University of Chicago)
- Presenter : Harald Uhlig**
- Discussant : Peter Benczur (National Bank of Hungary)**
- Floor Discussion**
- 10:00 – 11:00** **Paper 2 : "Fiscal policy, welfare, and the zero lower bound"**
Florin Bilbiie (Paris School of Economics), Tommaso Monacelli
(Bocconi University) & Roberto Perotti (Bocconi)
- Presenter : Tommaso Monacelli**
- Discussant : Rafal Raciborski (DG-ECFIN)**
- Floor Discussion**
- 11:00 – 11:20** **Coffee Break**
- 11:20 – 12:20** **Paper 3 : "Banks, Fiscal Policy & the Financial Crisis"**
Robert Kollmann (ECARES), Marco Ratto (EU-JRC), Werner
Roeger (ECFIN) & Jan In't Veld (ECFIN),
- Presenter : Werner Roeger**
- Discussant : Federico Signoretti (Bank of Italy)**
- Floor Discussion**
- 12:20 – 13:20** **Paper 4 : "Fiscal Policy & the Great Recession in the Euro Area"**
Günter Coenen (ECB), Roland Straub (ECB) & Mathias Trabandt
(FRB)
- Presenter : Roland Straub**
- Discussant : Raf Wouters (National Bank of Belgium)**
- Floor Discussion**
- 13:20 - 14:20** **Lunch Break**

Afternoon Session – Chairperson : Robert Kollmann

14:20 – 15:20

Paper 5 : "Fiscal Consolidation Strategies"

John Taylor (Stanford University), Volker Wieland (University of Frankfurt) & Maik Wolters (IMFS)

Presenter : Volker Wieland

Discussant : Günter Coenen (ECB)

Floor Discussion

15:20 – 16:20

Paper 6 : "Exchange Rate Regimes and Fiscal Multipliers"

Benjamin Born (University of Bonn), Falko Juessen (University of Dortmund) & Gernot Mueller (University of Bonn),

Presenter : Gernot Mueller

Discussant : Domenico Giannone (ECARES)

Floor Discussion