

# "Fiscal relations across government levels in times of crisis – making compatible fiscal decentralisation and budgetary discipline"

Workshop organised by the European Commission,

Directorate-General for Economic and Financial Affairs (DG ECFIN)

**Brussels, 27th November 2012**

Venue: European Commission, Charlemagne building,  
170 rue de la Loi, 1040 Brussels , room Lord Jenkins

8.30-9.00 Registration

9.00-9.10 Welcome address by **Marco Buti**, Director General DG ECFIN

9.10-10.40 **Session I:** "Fiscal decentralisation and budgetary discipline: evidence and prospects"

Chair: Lucio Pench (DG Ecfín)

- **Matteo Governatori (DG Ecfín):** "Fiscal decentralisation in the EU – main characteristics and implications for fiscal outcomes".
- **Luc Eyraud and Marialuz Moreno Badia (IMF):** "Too small to fail? Subnational Spending Pressures in Europe".
- **Zareh Asatryan (University of Freiburg and Centre for European Economic Research (ZEW)), Lars P. Feld (University of Freiburg and Walter Eucken Institute) and Benny Geys (Norwegian Business School BI and Vrije Universiteit Brussel):** "Partial fiscal decentralization and sub-national government fiscal discipline: Empirical evidence from OECD countries".

Discussants: Gerhard Steger (Director General Budget and Public Finances, Austria) and Martin Larch (DG Ecfín)

10.40-11.00 Coffee break

11.00-12.30 **Session II:** "Fiscal decentralization and domestic fiscal frameworks: How different institutional budgetary setting may help ensure fiscal discipline in a context of growing decentralization"

Chair: Stefan Ciobanu (DG Ecfín)

- **Thushyanthan Baskaran (University of Goettingen) and Zohal Hessami (University of Mannheim):** "Fiscal decentralisation and budgetary stability: transitory effects and long-run equilibria".
- **Salvador Barrios (European Commission-Joint Research Centre) and Diego Martínez (European Commission-Joint Research Centre and Universidad Pablo de Olavide-Sevilla):** "Sub-national government borrowing and regional development differentials under alternative fiscal frameworks".

- **Jurgen von Hagen (University of Bonn) and Dirk Foremny (Universitat de Barcelona and IEB):** "Sub-national budgetary discipline during times of crisis: The impact of fiscal rules and tax autonomy".

Discussants: Ernesto Crivelli (IMF) and Matteo Salto (DG Ecfm)

12.30-14.00 Lunch Buffet

14.00-15.00 **Session III: "Country-specific policy experiences: the cases of Italy and Spain"**

Chair: Istvan Pal Szekely (DG Ecfm)

- **Emma Galli (University of Rome La Sapienza) and Veronica Grembi (Catholic University of Milan):** "Assessing types of fiscal rules".
- **Pablo Hernández de Cos (Bank of Spain) and Javier J. Pérez (Bank of Spain):** "Sub-national public debt in Spain: political economy issues and the role of fiscal rules and decentralization".

Discussants: Guillem López-Casasnovas (Universitat Pompeu Fabra-Barcelona) and Alessandro Turrini (DG Ecfm).

15.00-15.50 **Panel Discussion: "What are the main policy options and reforms to ensure budgetary discipline against the backdrop of fiscal decentralization?"**

Moderator: Lucio Pench (DG Ecfm)

Participants: Gerhard Steger (Director General Budget and Public Finances, Austria), Guntram Wolff (Bruegel), Guillem López-Casasnovas (Universitat Pompeu Fabra) and Martin Larch (DG Ecfm).

15.50-16.00 Concluding remarks: Lucio Pench (DG Ecfm).