

## **“Fiscal Policy in EMU – The Way Ahead”**

*Frankfurt (Main), 19-20 March 2018*

### **19 March 2018**

08.30 – 09.00 Registration and Coffee

#### **Fiscal Multipliers, Part 1**

09.00 – 09.45 Fiscal Policies in the Euro Area: Revisiting the Size of Spillovers  
Mario Alloza, Pablo Burriel (Banco de España), Javier Perez  
Discussant: Sebastian Gechert (IMK – Macroeconomic Policy Institute)

09.45 – 10.30 On the Merits of Conventional vs Unconventional Fiscal Policy  
Matthieu Lemoine, Jesper Lindé (Riksbank)  
Discussant: Tobias Cwik (Swiss National Bank)

10.30 – 11.15 The Young, the Old, and the Government: Demographics and Fiscal Multipliers  
Henrique S. Basso, Omar Rachedi (Banco de España)  
Discussant: Alexander Ludwig (Goethe University Frankfurt)

11.15 – 11.45 Coffee Break

#### **Risk Sharing and Distributional Effects**

11.45 – 12.30 The Welfare and Distributional Effects of Fiscal Volatility:  
a Quantitative Evaluation  
Rüdiger Bachmann (Notre Dame Univ.), Jinhui Bai, Minjoon Lee, Fudong Zhang  
Discussant: Jochen Mankart (Bundesbank)

12.30 – 13.30 Lunch

13.30 – 14.15 A Minimal Moral Hazard Central Stabilisation Capacity  
for the EMU Based on Exports  
Roel Beetsma, Simone Cima, Jacopo Cimadomo (ECB)  
Discussant: Michael Evers (Univ. of Hohenheim)

14.15 – 15.00 Federal Unemployment Insurance – Theory and an Application to Europe  
Philip Jung (TU Dortmund), Keith Kuester, Marek Ignaszak  
Discussant: Martin Scheffel (Univ. of Cologne)

15.00 – 15.15 Coffee Break

### Learning from the Past

15.15 – 16.00 Sovereign Risk and Fiscal Information:  
A Look at the U.S. State Default of the 1840s  
Huixin Bi (Kansas City Fed), Nora Traum  
Discussant: Dmitry Kuvshinov (Univ. of Bonn)

16.00 – 16.45 Do the Costs of Job Creation Depend on the State of the Economy?  
Evidence from 10 Years and €65 Billion of Photovoltaic Installations  
Lukas Buchheim (LMU Munich), Martin Watzinger, Matthias Wilhelm  
Discussant: Brigitte Hochmuth (Univ. of Erlangen-Nürnberg)

16.45 – 17.00 Coffee Break

### Keynote Speech

17.00 – 18.30 Macroeconomic Stabilisation in a Currency Union  
Giancarlo Corsetti (Cambridge University)  
Chair: Ramon Marimon (EUI, ADEMU)

### Dinner

19.00 – 21.00 Meyer's Restaurant, Große Bockenheimer Straße 54, 60313 Frankfurt

### 20 March 2018

08.45 – 9.00 Coffee

### Sovereign Default, Fiscal Rules, and Redenomination Risk

09.00 – 09.45 Optimal Domestic (and External) Sovereign Default  
Pablo D'Erasmus (Philadelphia Fed), Enrique G. Mendoza  
Discussant: Matthias Schön (Bundesbank)

09.45 – 10.30 Robust Fiscal Rules  
Juan Carlos Hatchondo, Leonardo Martinez (IMF), Francisco Roch  
Discussant: Stefan Niemann (Univ. of Essex)

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10.30 – 11.15 The Term Structure of Redenomination Risk and its Role in the Eurocrisis  
Christian Bayer (Univ. of Bonn), Chi Hyun Kim, Alexander Kriwoluzky  
Discussant: Roberto De Santis (ECB)

11.15 – 11.45 Coffee Break

### **Fiscal Multipliers, Part 2**

11.45 – 12.30 Fiscal Multipliers and the Home Bias of Public Debt  
Fernando Broner (CREI), Daragh Clancy, Aitor Erce, Alberto Martin  
Discussant: Johannes Pfeifer (Univ. of Cologne)

12.30 – 13.30 Lunch

13.30 – 14.15 The Fiscal Multiplier  
Marcus Hagedorn, Iouri Manovskii, Kurt Mitman (IIES, Stockholm Univ.)  
Discussant: Keith Kuester (Univ. of Bonn)

### **Policy Panel**

14.30 – 16.00 Risk Sharing and Risk Reduction – Considerations for a Balanced Approach

- Roel Beetsma (European Fiscal Board)
- Lars Feld (German Economic Council)
- Christophe Kamps (ECB)

Moderator: Karsten Wendorff (Bundesbank)

#### *Format:*

25 minutes for the presentation, 10 minutes for the discussant's comments, 10 minutes for general discussion.

#### *Organizers:*

Benjamin Born (University of Bonn, CEPR)  
Josef Hollmayr (Bundesbank)

#### *Sponsors:*

Deutsche Bundesbank  
Universität Bonn  
ADEMU

#### *Venue:*

Bundesbank, Hauptverwaltung, Taunusanlage 5, Frankfurt am Main