



## Rethinking fiscal policy after the crisis

Bratislava  
10-11 September 2015

The Great Recession has undoubtedly brought a lot of challenges into economic policymaking. Unconventional monetary policy, sovereign debt restructuring, macro-prudential policy or for example secular stagnation are all concepts which were regarded as "exotic" before the crisis. Majority of the profession thought of these as pure theoretical possibilities, without high relevance for developed countries. As a consequence, many policymakers were forced to adopt quick and untested measures. These trial-and-error or learning-by-doing methods were sometimes successful, but not always reached the desired outcomes. The main objective of the conference organized by the Council for Budget Responsibility is to look back and draw the most important lessons from the crisis for fiscal policy making. We are interested in analysing the impact of the Great Recession in three broad areas: theory, institutional set up and policy.

## PROGRAMME

**Thursday, 10 September 2015**

8.45-9.00      **Welcome address**  
Ivan Šramko (Council for Budget Responsibility)

### **Part I - Re-writing textbooks on fiscal policy**

**Chair:**            Ľudovít Ódor (Council for Budget Responsibility)

9.00-10.00      **Keynote 1: Macro Policies and Inflation**  
Eric Leeper (Indiana University)

10.00-10.30      **Balance Sheet Recession and the Need for Fiscal Policy**  
Richard C. Koo (Nomura Research Institute)

10.30-10.50      *Coffee break*

10.50-11.20      **Fiscal Rules and the Sovereign Default Premium**  
Juan Carlos Hatchondo, Leonardo Martinez and Francisco Roch  
(Indiana University)

- 11.20-11.40 **Discussant:** Michael R. Wickens (University of York)
- 11.40-12.00 **General discussion**
- 12.00-13.00 *Lunch*
- 13.00-13.30 **Fiscal Sustainability and the Financial Cycle**  
Claudio Borio, Marco Lombardi and Fabrizio Zampolli (BIS)
- 13.30-14.00 **Financial Cycles and Fiscal Cycles**  
Augustine Bénétrix and Philip Lane (Trinity College)
- 14.00-14.20 **Discussant:** Balázs Égert (OECD)
- 14.20-14.40 **General discussion**
- 14.40-15.00 *Coffee break*

## Part II - Better institutions for better policy

- Chair:** George Kopits (Woodrow Wilson Center)
- 15.00-16.00 **Keynote 2: Fiscal Discipline in a Monetary Union without Fiscal Union**  
Charles Wyplosz (The Graduate Institute, Geneva)
- 16.00-16.30 **Some Critical Building Blocks for a Successful European Fiscal Union**  
Michael Bordo (Rutgers University) and Harold James (Princeton University)
- 16.30-16.50 *Coffee break*
- 16.50-17.20 **Reforming the European Fiscal Framework**  
Ludovít Ódor (Council for Budget Responsibility) and Gábor P. Kiss (Magyar Nemzeti Bank)
- 17.20-17.40 **Discussant:** Lucio Pench (European Commission)
- 17.40-18.00 **General discussion**

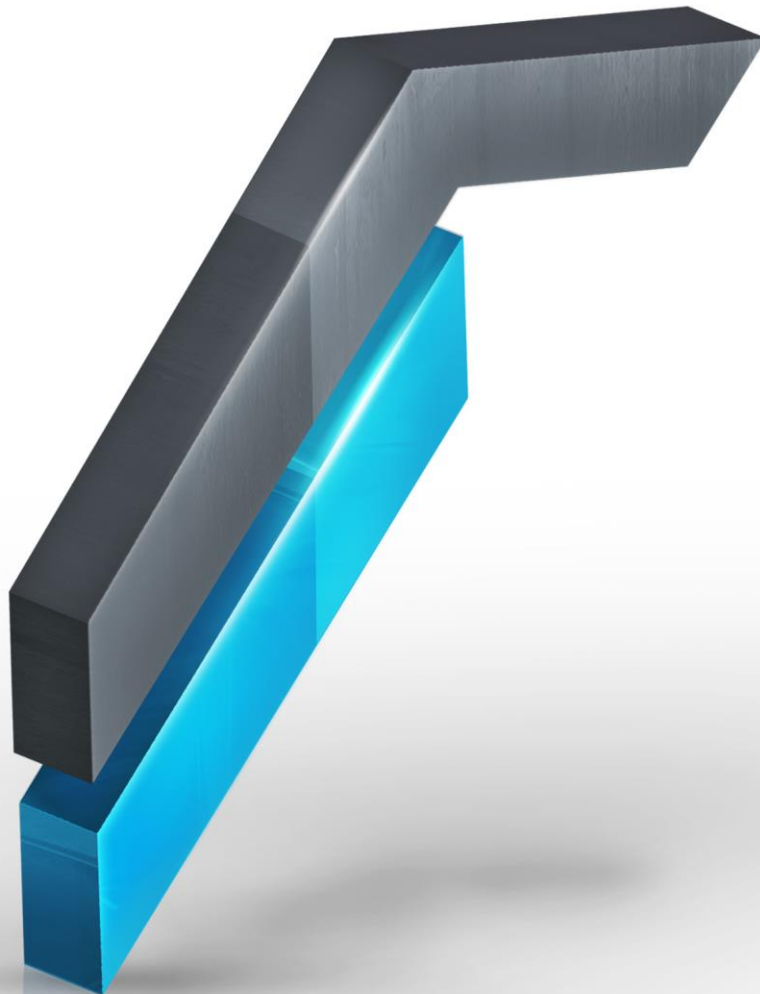
## Friday, 11 September 2015

- Chair:** Michal Horváth (University of York)
- 9.00-9.30 **Fiscal Rules**  
Klaus Schmidt-Hebbel and Raimundo Soto (Catholic University of Chile)
- 9.30-10.00 **Are Fiscal Councils Effective?**  
Roel Beetsma (University of Amsterdam) and Xavier Debrun (International Monetary Fund)
- 10.00-10.20 **Discussant:** Daniele Franco (Italian Treasury)
- 10.20-10.40 **General discussion**
- 10.40-11.00 *Coffee break*

## **Part III - Lessons for policymaking**

- Chair:** Július Horváth (Central European University)
- 11.00-11.30 **Crisis Management by International Financial Institutions**  
George Kopits (Woodrow Wilson International Center for Scholars)
- 11.30-12.00 **Fiscal Dimensions of Quantitative Easing**  
Athanasios Orphanides (MIT Sloan School of Management)
- 12.00-12.20 **Discussant:** Andreas Schabert (University of Cologne)
- 12.20-12.40 **General discussion**
- 12.40-13.40 *Lunch*

- Chair:** Július Horváth (Central European University)
- 13.40-14.10 **What Do We Know About Fiscal Multipliers?**  
Carlo Favero and Madina Karamysheva (Bocconi University)
- 14.10-14.40 **Managing the Stock of Public Debt**  
John Fitzgerald and Philip Lane (Trinity College)
- 14.40-15.00 **Discussant:** Michal Horváth (University of York)
- 15.00-15.20 **General discussion**
- 15.20-15.40 *Coffee break*
- 15.40-16.10 **Fiscal Consolidation Strategies**  
Christian Kastrop (OECD)
- 16.10-16.40 **Identifying Discretionary Expenditures**  
Fabrizio Coricelli (Paris School of Economics), Riccardo Fiorito (University of Siena) and Francesco Molteni (OECD)
- 16.40-17.00 **Discussant:** Ludovít Ódor (Council for Budget Responsibility)
- 17.00-17.20 **General discussion**
- 17.20-17.30 *Closing remarks*



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