

**BANCO DE ESPAÑA and BARCELONA GSE
CALL FOR PAPERS**

We would like to invite you to submit a paper to the workshop and conference:

FISCAL SUSTAINABILITY, XXI CENTURY

Over the week of 6-10 June 2016, the Banco de España and the Barcelona Graduate School of Economics will organize a Joint Policy Week on the theme of "*Fiscal Sustainability, XXI century*". The Joint Policy Week will consist of two events:

- **Banco de España Conference: Mon. 6 June - Weds. 8 June, Madrid**
- **BGSE Summer Forum Workshop: Thurs. 9 June - Fri. 10 June, Barcelona**

Presenters and discussants in either the Madrid conference or the Barcelona workshop are welcome to attend both events. The Banco de España event will be more oriented towards contributions with strong policy implications, and will include several panel discussions. The BGSE workshop will focus on academic papers. The Barcelona GSE workshop forms part of the fourth **Barcelona GSE Summer Forum**, which will take place from June 6 to 22, 2016. More detailed information on the Barcelona GSE Summer Forum 2016 and the previous editions is available on <http://www.barcelonagse.eu/summer-forum.html>.

The study of fiscal sustainability was traditionally a central issue in macroeconomics. However, it has not been at the core of research for the last few decades, when macroeconomic models have been predicated on the assumption that default never occurs. The issue of sovereign risk or debt default was usually neglected, except in the context of emerging economies. However, the European debt crisis and sovereign risk have been key ingredients of the Great Recession, and excessive debt and deficits are under discussion in the US. Therefore, it is back to the future with fiscal sustainability in academic research.

The issue is particularly relevant in Europe, where various overarching reforms of the EU are being entertained. Some proposals entail more fiscal integration and others the exact opposite. Some propose less radical reforms such as an adequate fiscal backstop that might not take the form of a complete federal fiscal government.

The Policy Week is intended as an opportunity to bring together current academic work with policy discussion. The event at BGSE intends to collect the best academic work on the issue. The event in Madrid will focus on empirical and theoretical contributions with a strong policy content. This should allow comparison of a range of fiscal options that could make monetary and banking union sustainable, reflecting on current Eurozone reform proposals —including those of the “Five Presidents’ Report” — in the light of theoretical and empirical insights from macroeconomics and political economy.

We encourage the submission of research papers on the following topics in the context of supranational or subnational unions that share a single currency:

- Defining and measuring fiscal sustainability; role of implicit, unfunded, or contingent liabilities
- Deficit bias, moral hazard, credibility of rules and institutions
- Fiscal and monetary policy in models with default
- Fiscal and monetary policy in a monetary and banking union
- Monitoring compliance with fiscal rules; delegation of fiscal instruments
- Debt brakes, automatic stabilizers
- Which fiscal instruments should be controlled at which levels of government?
- Coordination of fiscal policies across and within countries
- Fiscal and political economy implications of speculative attacks, defaults, and rescues
- Public debt resolution mechanisms
- Fiscal-financial backstops; fiscal backing for monetary union and/or banking union
- Interactions between monetary, fiscal, and/or financial stability policies

Submissions will be accepted by email at fiscalweek@bde.es until **February 29 2016**. Authors of accepted papers will be notified by the end of March 2016. Submission of papers is preferred, but extended abstracts may also be considered.

Submissions should specify a preferred event (either BGSE or BdE), although the committee may redirect papers to the other event in order to improve the fit (but no papers will be repeated in the two venues).

The "Fiscal Sustainability, XXI Century" Policy Week is supported by the Banco de España, the Severo Ochoa Research Program (SEV2015-0563), ERC (grant APMPAL, PI A. Marcet), and the Banco de España Excellence Program (PI A. Marcet).

Workshop Organizers/Scientific Committee

Roel Beetsma, University of Amsterdam

James Costain, Banco de España

Julio Escolano, International Monetary Fund

Juan Francisco Jimeno, Banco de España

Albert Marcet, Institut d'Anàlisi Econòmica, ICREA, UAB, MOVE and BGSE

Hannes Mueller, Institut d'Anàlisi Econòmica and BGSE.

Juan Pablo Nicolini, Institut d'Anàlisi Econòmica, Minneapolis Fed, U. di Tella

Francesc Obiols-Homs, Universitat Autònoma de Barcelona and BGSE

Javier J. Pérez, Banco de España