

Banco de España Conference
“Interactions between monetary and fiscal policies”
Madrid, 25-26 February 2010

Conference venue: Bank of Spain. Alcalá, 48. Sala Europa

Thursday, 25 February 2010

8:00-8:30 Registration

8:30-8:45 Opening remarks: José Luis Malo de Molina (Director General Economics, Banco de España)

8:45-10:45 Session 1. Chair: José Luis Malo de Molina (Banco de España)

- Troy Davig (Fed Kansas City), **Eric Leeper (Indiana University)**, Todd B. Walker (Indiana University)
‘Unfunded Liabilities’ and Uncertain Fiscal Financing
Discussant: Oscar J. Arce (Spanish Financial Markets’ Supervising Agency, CNMV)
- **Campbell Leith (University of Glasgow)**, Simon Wren-Lewis (University of Oxford)
Fiscal Sustainability in a New Keynesian Model
Discussant: Javier Andrés (Universidad de Valencia)

10:45-11:15 Coffee break

11:15-13:15 Session 2. Chair: Christiane Nickel (European Central Bank)

- Tobias Cwik (Goethe University, Frankfurt), **Volker Wieland (Goethe University, Frankfurt)**
Keynesian government spending multiplier and spillovers in the euro area
Discussant: Massimiliano Pisani (Banca d’Italia)
- **Ester Faia (Goethe University, Kiel IFW and CEPREMAP)**, Wolfgang Lechthaler (Kiel IFW), Christian Merkl (Kiel IFW, Christian Albrechts University and IZA)
Fiscal Multipliers and Open Economy Spillovers in a Model with Labour Turnover Costs.
Discussant: Raffaella Giordano (Banca d’Italia)

13:15-14:30 Lunch break

14:30-16:00 Session 3. Chair: Juan Varela (Spanish Ministry of Economics)

- Miguel Cardoso (BBVA), **Rafael Domenech (BBVA and Universidad de Valencia)**
On Ricardian Equivalence and Twin Divergence: The Spanish Experience in the 2009 Crisis
Discussant: Guido Ascari (Università di Pavia)
- **Ángel Gavilán**, Juan Francisco Jimeno, Pablo Hernández de Cos, Juan Rojas (Banco de España)
Fiscal Policy and External Imbalances: A Quantitative Evaluation for Spain
Gernot Müller (University of Bonn and CEPR)

16:00-16:30 Coffee break

16:30-19:30 Session 4. Chair: Eduardo Ley (World Bank)

- **Philipp Lane (Trinity College Dublín)**
Fiscal Shocks and the Real Exchange Rate
Discussant: **Davide Furceri (OECD)**
- **Gianluca Benigno (London School of Economics, CEP and CEPR)**, Bianca de Paoli (Bank of England and London School of Economics)
On the International Dimension of Fiscal Policy
Discussant: **Hubert Kempf (Banque de France)**
- S. Mahdi Barakchian (Cambridge University), **Christopher Crowe (IMF)**
Monetary policy matters: New evidence based on a new shock measure
Discussant: **Luca Gambetti (Universitat Autònoma de Barcelona)**

Friday, 26 February 2010

8:30-10:30 Session 5. Chair: Karsten Wendorff (Deutsche Bundesbank)

- **Giancarlo Corsetti (EUI, Florence)**, Gernot Müller (University of Bonn and CEPR), André Meier (IMF)
When, Where and How Does Fiscal Stimulus Work?
Discussant: **Bianca di Paoli (London School of Economics)**
- Russell Cooper (University of Texas), **Hubert Kempf (Banque de France)**, Dan Peled (University of Haifa)
Insulation Impossible: Fiscal Spillovers in a Monetary Union
Discussant: **Evi Pappa (Universitat Autònoma de Barcelona)**

10:30-11:00 Coffee break

11:00-13:00 Session 6. Chair: José María Labeaga (Institute for Fiscal Studies, Madrid)

- Elisa Faraglia (Institut d'Anàlisi Econòmica, CSIC), **Albert Marcet (London School of Economics)**, Andrew Scott (London Business School)
Optimal Fiscal Policies. Long bonds and interest rate policy under incomplete Markets
Discussant: **Isabel Correia (Banco de Portugal)**
- Harris Dellas (University of Bern), Behzad Diba (Georgetown University), **Olivier Loisel (Banque de France)**
Optimal Fiscal and Monetary Response to Financial Shocks
Discussant: **Luisa Lambertini (Ecole Polytechnique Federale de Lausanne)**

13:00-13:15 Coffee break

13:15-14:00 Closing speech. Chair: José Luis Malo de Molina (Banco de España)

- **José Manuel González-Páramo (ECB's Executive Board)**

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Additional information:

Conference venue: Banco de España. Edificio Cibeles. Entrada Calamarte.

