



EUROPEAN CENTRAL BANK

EUROSYSTEM

# Monetary and fiscal policy challenges in times of financial stress

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Thursday, 2 and Friday, 3 December 2010  
Frankfurt am Main

# programme

## Thursday, 2 December

- 8.40 a.m. - 9.10 a.m. Registration  
Eurotower lobby
- 9.10 a.m. – 9.15 a.m. **Welcome address**  
Philippe Moutot, Deputy Director General Economics, European Central Bank
- Morning session**  
Chair: Philippe Moutot, European Central Bank
- 9.15 a.m. - 10.15 a.m. **Paper 1: Fiscal and monetary policy interactions**  
Chris Sims\*, Princeton University  
Discussant: Seppo Honkapohja, Suomen Pankki – Finlands Bank
- 10.15 a.m. - 11.15 a.m. **Paper 2: Fiscal policy in an expectations-driven liquidity trap**  
Karel Mertens\*, Cornell University, with Morten Ravn, University College London  
Discussant: Gauti Eggertsson, Federal Reserve Bank of New York
- 11.15 a.m. - 11.45 a.m. Coffee break
- 11.45 a.m. - 12.45 p.m. **Paper 3: Non-standard monetary policy measures, monetary financing and the price level: exploring the nexus**  
Huw Pill\*, European Central Bank, with Alain Durré, European Central Bank  
Discussant: Andrew Levin, Board of Governors of the Federal Reserve System
- 12.45 p.m. - 2 p.m. Lunch (foyer CVII)
- Afternoon session**  
Chair: Pablo Hernandez de Cos, Banco de España, Chairman of the Working Group on Public Finance of the European System of Central Banks
- 2 p.m. - 3 p.m. **Paper 4: Stabilization versus Sustainability: Macroeconomic Policy Tradeoffs**  
Eric Leeper\*, Indiana University, with Huixin Bi, Bank of Canada and Campbell Leith, University of Glasgow  
Discussant: Russell Cooper, European University Institute, Florence
- 3 p.m. - 4 p.m. **Paper 5: The Great Escape? A quantitative evaluation of the Fed's non-standard policies**  
Marco Del Negro\*, Federal Reserve Bank of New York, with Gauti Eggertsson, Federal Reserve Bank of New York; Andrea Ferrero, Federal Reserve Bank of New York and Nobuhiro Kiyotaki, Princeton University  
Discussant: Thomas Laubach, Goethe University, Frankfurt am Main
- 4 p.m. - 4.30 p.m. Coffee break
- 4.30 p.m. - 5.30 p.m. **Paper 6: Financial frictions, financial integration and the international propagation of shocks**  
Giovanni Lombardo\*, European Central Bank, with Luca Dedola, European Central Bank  
Discussant: Gianluca Benigno, London School of Economics

\*Presenter

7.30 p.m. Dinner at the Emma Metzler restaurant, Frankfurt am Main  
Dinner speech: Jürgen Stark, Member of the Executive Board,  
European Central Bank

## Friday, 3 December

- 8.30 a.m. - 9 a.m. Registration  
Eurotower lobby
- 9 a.m. - 9.15 a.m. Opening remarks  
José Manuel González-Páramo, Member of the Executive Board,  
European Central Bank
- Morning session**  
Chair: Karsten Wendorff, Head of Public Finance Division,  
Deutsche Bundesbank
- 9.15 a.m. - 10.15 a.m. **Paper 7: Fiscal stimulus and distortionary taxation**  
Harald Uhlig\*, University of Chicago, with Thorsten Drautzburg,  
University of Chicago  
Discussant: Roberto Perotti, Bocconi University
- 10.15 a.m. - 10.45 a.m. Coffee break
- 10.45 a.m. - 11.45 a.m. **Paper 8: Government debt and optimal monetary and fiscal policy**  
Klaus Adam\*, Mannheim University  
Discussant: Andrew Scott, London Business School
- 11.45 a.m. - 1 p.m. Lunch (foyer CIV)
- Afternoon Session**  
Chair: Frank Smets, Director General Research, European Central Bank
- 1 p.m. - 2.30 p.m. **Policy models used by the European Commission and the ECB**
- Presentation 1**  
**Fiscal stimulus and exit strategies in the EU: a model-based analysis**  
Jan in 't Veld\*, European Commission, with Werner Roeger, European Commission
- Presentation 2**  
**Fiscal policy in the ECB's New Area-Wide Model**  
Mathias Trabandt\*, European Central Bank, with Günter Coenen,  
European Central Bank; Markus Kirchner, University of Amsterdam  
and Roland Straub, European Central Bank
- 2.30 p.m. - 4 p.m. **Concluding panel: Lessons of recent events for macroeconomic research and for monetary and fiscal policy-making in the euro area**  
Chair: Frank Smets, European Central Bank  
Panellists: Eric Leeper, Indiana University, Roberto Perotti, Bocconi University, Chris Sims, Princeton University and Harald Uhlig, University of Chicago

\*Presenter

Conference dates	Thursday, 2 December and Friday, 3 December 2010
Conference venue	European Central Bank Eurotower, 2nd floor, Conference room CVII Kaiserstrasse 29 60311 Frankfurt am Main Germany Tel.: +49 69 1344 0 Fax: +49 69 1344 6000 E-mail: <a href="mailto:info@ecb.europa.eu">info@ecb.europa.eu</a> Website: <a href="http://www.ecb.europa.eu">www.ecb.europa.eu</a>
Conference language	English
Dinner	Thursday, 2 December 2010, 7.30 p.m. Restaurant "Emma Metzler" Schaumainkai 17 (Park of museum for applied art) 60329 Frankfurt am Main Tel.: +49 69 6199 5906
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Programme	The conference is by invitation only and is closed to the press.
Organising committee	Jacopo Cimadomo, Bartosz Maćkowiak, Ad van Riet, Leopold von Thadden, Oreste Tristani, and Jean-Pierre Vidal.