



Fiscal Policy, Stabilization, and Sustainability Conference

June 6-7, 2011

Florence, Italy

Monday, June 6, 2011

10:45am Registration

11:00–11:15am Welcoming Remarks — Giancarlo Corsetti

11:15–12:45pm Session 1: Transmission of Fiscal Policy

Chair: Pierre-Olivier Gourinchas (UC Berkeley; Editor, *IMF Economic Review*)

Country Heterogeneity and the International Evidence on the Effects of Fiscal Policy

Carlo Favero (Università Bocconi), Francesco Giavazzi (Università Bocconi), and Jacopo Peregò (Università Bocconi)

Discussant: Morten Ravn (University College London)

How Big (Small?) are Fiscal Multipliers

Ethan Ilzetzki (London School of Economics), Enrique G. Mendoza (University of Maryland), and **Carlos A. Végh** (University of Maryland)

Discussant: Antonio Fatás (INSEAD)

1:00–2:30pm

Lunch Break

2:30–4:00pm Session 2: Unconventional Monetary and Fiscal Policies

Chair: Francesco Giavazzi (Università Bocconi)

Unconventional Fiscal Policy at the Zero Bound

Isabel Correia (Banco de Portugal and Universidade Catolica Portuguesa), **Emmanuel Farhi** (Harvard University), Juan Parlo Nicolini (Federal Reserve Bank of Minneapolis and Universidad Di Tella), and Pedro Teles (Banco de Portugal and Universidade Catolica Portuguesa)

Discussant: Gauti Eggertsson (Federal Reserve Bank of New York)

Exit Strategies

Ignazio Angeloni (ECB), **Ester Faia** (Goethe University Frankfurt, Kiel IfW and CEPREMAP), and Roland Winkler (Goethe University Frankfurt)

Discussant: Pierpaolo Benigno (LUISS “Guido Carli”)

4:00–4:30pm*****Coffee Break*******4:30–6:00pm Session 3: Local Multipliers and Financial Stability**

Chair: M. Ayhan Kose (IMF; Co-Editor, *IMF Economic Review*)

Mafia and Public Spending: Evidence on the Fiscal Multiplier from a Quasi-experiment

Antonio Acconcia (University of Naples Federico II and CSEF), **Giancarlo Corsetti** (EUI and Cambridge University), and Saverio Simonelli (University of Naples Federico II and CSEF)

Discussant: Luigi Guiso (EUI)

Financial Cycles and Fiscal Cycles

Agustín S. Bénétrix (Trinity College Dublin) and Philip R. Lane (Trinity College Dublin)

Discussant: Ugo Panizza (UNCTAD)

7:30pm*****Conference Dinner*****

(By Invitation Only – Villa Schifanoia)

Speaker: Vittorio Grilli

Tuesday, June 7**8:30am Registration****9:00–10:30am Session 4: Debt and Redistribution**

Chair: Ramon Marimon (EUI)

Redistribution and the MultiplierTommaso Monacelli (Università Bocconi) and **Roberto Perotti** (Università Bocconi)*Discussant: Florin Bilbiie (Paris School of Economics)***Historical Patterns of Public Debt – Evidence From a New Database**S. M. Ali Abbas (IMF), Nazim Belhocine (IMF), **Asmaa ElGanainy** (IMF), and Mark Horton (IMF)*Discussant: Moritz Schularick (Freie Universität Berlin)***10:30–11:00am ***Coffee Break*******11:00–12:30pm Session 5: Fiscal Policy and Crisis**

Chair: Giorgia Giovannetti (EUI)

130 Years of Fiscal Deficits and Currency Crashes in Advanced EconomiesMarcel Fratzscher (ECB), **Arnaud Mehl** (ECB), and Isabel Vansteenkiste (ECB)*Discussant: Albrecht Ritschl (London School of Economics)***Sudden Stops and Sovereign Defaults**Ana Fostel (GWU), Luis Catao (IMF), and **Romain Ranciere** (IMF)*Discussant: Mark Aguiar (University of Rochester)***12:30–2:00pm ***Lunch Break*******2:00–3:30pm Session 6: Twin Deficits**

Chair: Giancarlo Corsetti (EUI and Cambridge University)

Fiscal Policy and the Current Account

S. M. Ali Abbas (IMF), Jacques Bouhga-Hagbe (IMF), Antonio Fatás (INSEAD), Paolo Mauro (IMF), and Ricardo Velloso (IMF)

Discussant: Matthieu Bussiere (Banque de France)

Revisiting the Twin Deficits Hypothesis: The Effect of Fiscal Consolidation on the Current Account

John Bluedorn (IMF) and Daniel Leigh (IMF)

Discussant: Roel Beetsma (University of Amsterdam)

3:30–4:00pm

*****Coffee Break*****

4:00–6:00pm

Fiscal Policy Issues for the Euro-area: Is the Worst Behind Us?

Moderator: Philip Gerson (IMF)

Panelists:

1. **Olivier Blanchard** (IMF)
2. **Luis Garicano** (London School of Economics)
3. **Roberto Perotti** (Università Bocconi)
4. **Jakob von Weizsäcker** (Thuringian Ministry of Economy)

6:00pm

Closing Remarks — Josep Borrell, EUI President

Conference Coordinators: Tracey Lookadoo and Lucia Vigna