

Designing a Macroeconomic Policy Framework for Europe

Second Macroeconomic Policy Design for Monetary Unions Research Training Network Conference

CREI, Universitat Pompeu Fabra, Barcelona, 24/25 May 2004

Monday, 24 May

9:30 - 9:45 Welcome of participants, Registration, and Breakfast

9:45 -10:00 Opening Remarks (TBA)

Chair: Jordi Galí (CREI, Universitat Pompeu Fabra and CEPR)

10:00 -11:15 **What are the Spillovers from Fiscal Shocks in Europe? An Empirical Analysis**

*Roel Beetsma (Universiteit van Amsterdam and CEPR)

*Massimo Giuliodori (Universiteit van Amsterdam)

Discussant: Roberto Perotti (IGIER, Università Bocconi and CEPR)

11:15 -11:30 Coffee break

11:30 -12:45 **An Alternative to the Stability and Growth Pact**

Assar Lindbeck (IIES, Stockholm University)

* Dirk Niepelt (IIES, Stockholm University)

Discussant: Andrew Scott (London Business School and CEPR)

12:45 -14:00 **Monetary Magic? How the Fed Improved the Flexibility of the US Economy**

Tamim Bayoumi (International Monetary Fund and CEPR)

*Silvia Sgherri (International Monetary Fund)

Discussant: Morten Ravn (London Business School and CEPR)

14:00 - 15:00 Lunch

Chair: Roberto Perotti (IGIER, Università Bocconi and CEPR)

15:00-16:15 **Fiscal-Monetary Policy Interactions and Macroeconomic Stability**

Ludger Linnemann (University of Cologne)

*Andreas Schabert (University of Cologne)

Discussant: Alex Cukierman (Tel-Aviv University, CentER, Tilburg University and CEPR)

16:15 -16:30 Coffee break

16:30 -17:45 **Endogeneity of Currency Areas and Trade Blocks: Evidence from the Interwar Period**

*Albrecht Ritschl (Humboldt Universität and CEPR)
Nikolaus Wolf (London School of Economics)

Discussant: Lucrezia Reichlin (ECARES, Université Libre de Bruxelles and CEPR)

17:45 -19:00 **Optimal Stabilization Policy in a Currency Area**

*Tommaso Monacelli (IGIER, Università Bocconi and CEPR)
*Jordi Galí (CREI, Universitat Pompeu Fabra and CEPR)

Discussant: Giancarlo Corsetti (European University Institute, Firenze, Università di Roma III, Yale University and CEPR)

21:00 Dinner

Tuesday, 25 May

Chair: Jaume Ventura (CREI, Universitat Pompeu Fabra and CEPR)

10:00 -11:15 **Optimal Simple and Implementable Monetary and Fiscal Rules**

Stephanie Schmitt-Grohe (Duke University and CEPR)

Discussant: Robert Kollman (University of Bonn and CEPR)

11:15 -11:30 Coffee break

11:30 -12:45 **The Macroeconomic Effects of Fiscal Rules in the U.S. States**

*Antonio Fatás (INSEAD, Fontainebleau and CEPR)
Ilian Mihov (INSEAD, Fontainebleau and CEPR)

Discussant: David Vines (University of Oxford and CEPR)

12:45 -14:00 **Optimal Response to Inflation Differentials in a Currency Area**

*Pierpaolo Benigno (New York University and CEPR)
Filippo Altissimo (European Central Bank and CEPR)
*Diego Rodriguez-Palenzuela (European Central Bank)

Discussant: Roger E A Farmer (University of California, Los Angeles and CEPR)



14:00 -15:00 Lunch

Chair: Jordi Galí (CREI, Universitat Pompeu Fabra and CEPR)

15:00 -17:30 Special Session

Presentation of the CEPR Report
“The Growth and Stability Pact: Towards a Better Pact”

Presenter: Andrew Hughes-Hallett (Cardiff Business School and CEPR)

Discussants: Ignazio Angeloni (European Central Bank)
Marco Buti (European Commission)
Roberto Perotti (IGIER, Università Bocconi and CEPR)

* Denotes speaker

Organizers:

Jordi Galí (CREI, Universitat Pompeu Fabra and CEPR)
Roberto Perotti (IGIER, Università Bocconi and CEPR)
Charles Wyplosz (Graduate Institute of International Studies, Geneva, SITE,
Stockholm School of Economics and CEPR)