Tenth Budapest Macroeconomic Policy Research Workshop on

FISCAL REBALANCING, PUBLIC DEBT, AND ITS NATIONAL AND GLOBAL IMPLICATIONS

September 15-16, 2011

Organized by the Magyar Nemzeti Bank, in Collaboration with the Centre for Economic Policy Research

PROGRAM

SEPTEMBER 15, THURSDAY

08:30 – 08:45 REGISTRATION
(Magyar Nemzeti Bank, Address: Szabadság tér 8-9.)
08:45 – 09:00 WELCOME ADDRESS
Ferenc Karvalits (Deputy Governor, Magyar Nemzeti Bank)

Session 1
Chair: **Ádám Török** (University of Pannonia, Veszprém and Budapest University of Technology and Economics)
09:00 – 09:50
Szabolcs Deák (Bocconi University): The Macroeconomic Effects of Fiscal Policy Shocks in Good Times and Bad, (joint with Andreja Lenarčič, Bocconi University)
Discussant: Róbert Lieli (Magyar Nemzeti Bank and Central European University)
09:50 – 10:40
Zoltán Reppa (Magyar Nemzeti Bank): Fiscal deficit and the current account (joint with Rita Lénárt-Odorán, Magyar Nemzeti Bank)
Discussant: Markus Eller (Österreichische Nationalbank)
10:40 – 11:00 COFFEE BREAK

Session 2
Chair: **László Halpern** (Institute of Economics, Hungarian Academy of Sciences)
11:00 – 11:50
Falko Juessen (University of Dortmund): Understanding default risk premia on public debt (joint with Ludger Linnemann, University of Dortmund and Andreas Schabert, University of Dortmund)
Discussant: Juha Kilponen (European Financial Stability Facility)
11:50 – 12:40
Philip R. Lane (Trinity College Dublin and CEPR): Financial Cycles and Fiscal Cycles (joint with Agustín S. Bénétrix, Trinity College Dublin)
Discussant: Gernot Müller (University of Bonn and CEPR)

12:40 – 14:00 LUNCH

Session 3

Chair: **Ágnes Csermely** (Magyar Nemzeti Bank)

14:00 – 15:30

KEYNOTE SPEECH

Carlos A. Végh (University of Maryland): Fiscal Policy and the Business Cycle

15:30 – 15:50 COFFEE BREAK

Session 4

Chair: **Péter Pete** (Eötvös Loránd University)

15:50 – 16:40

Romain Rancière (Paris School of Economics, IMF and CEPR): Sudden Stops and Sovereign Defaults (joint with Luis Catao, IMF and Ana Fostel, George Washington University)

Discussant: Ákos Valentinyi (Cardiff Business School and CEPR)

16:40 – 17:30

Dirk Niepelt (Study Center Gerzensee and CEPR): Debt Enforcement for Sale

Discussant: Andreas Schabert (University of Dortmund)

20:00 DANUBE CRUISE WITH DINNER

SEPTEMBER 16, FRIDAY

Session 5

9:00 – 10:40

Panel discussion on "Debt problems in Europe: Management and Prevention"

Philip R. Lane (Trinity College Dublin and CEPR):

Eric M. Leeper (Indiana University)

Ludovit Odor (advisor to the Prime Minister of Slovakia**)**

Roberto Perotti (Bocconi University and CEPR)

moderator: **Júlia Király** (Deputy Governor, Magyar Nemzeti Bank)

10:40 – 11:00 COFFEE BREAK

Session 6

Chair: **Gábor Oblath** (Institute of Economics, Hungarian Academy of Sciences)

11:00 – 11:50

Roberto Perotti (Bocconi University and CEPR): The "Austerity Myth": Gain Without Pain?

Discussant: Roland Straub (European Central Bank)

11:50 – 13:20 LUNCH

Session 7
Chair: **Áron Gereben** (Magyar Nemzeti Bank)
13:20 – 14:50

KEYNOTE SPEECH

Eric M. Leeper (Indiana University): Perceptions and Misperceptions of Fiscal Inflation

14:50 – 15:10 COFFEE BREAK

Session 8
Chair: **Gernot Müller** (University of Bonn and CEPR)
15:10 – 16:00

Keith Kuester (FRB Philadelphia): Fiscal Volatility Shocks and Economic Activity (joint with Jesús Fernández-Villaverde, University of Pennsylvania, Pablo Guerrón-Quintan, FRB Philadelphia and Juan Rubio-Ramírez, Duke University)
Discussant: Johannes Pfeifer (University of Bonn)

16:00 – 16:50

Alessia Campolmi (Magyar Nemzeti Bank and Central European University): Fiscal Calculus in a New Keynesian Model with Labor Market Frictions (joint with Ester Faia, Goethe University and Roland C. Winkler, Goethe University)
Discussant: Keith Kuester (FRB Philadelphia)

17:00 WINE TASTING