

Fiscal Policy Seminar 2022

“Macroeconomic policy in times of overlapping crises and increased stagflation risks”

European economies are facing overlapping crises: The Russian war against Ukraine and the associated surge in energy prices have joined the persistent effects of the coronavirus pandemic. The pandemic-related disruption of global supply chains, amplified by the consequences of the war, weigh heavily on global trade and growth prospects. As a result, inflation has reached levels not seen in decades, uncertainty has increased substantially, and growth forecasts have been revised downwards. We face substantial stagflation risks.

Programme

Monday, November 14

12:30 Registration

13:00 Buffet Lunch

14:00 **Opening**

Wolf Heinrich Reuter (Chief Economist, German Federal Ministry of Finance)
Agnès Bénassy-Quéré (Chief Economist, French Treasury)

14:10 **Welcome address**

Steffen Saebisch (State Secretary, German Federal Ministry of Finance)

14:30 **Session 1 – Fiscal policy and its interactions**

A Temporary VAT Cut as Unconventional Fiscal Policy

Authors: **Rüdiger Bachmann** (University of Notre Dame, CEPR, CESifo, and ifo Institute); Benjamin Born (Frankfurt School of Finance & Management, CEPR, CESifo, and ifo Institute); Olga Goldfayn-Frank (Deutsche Bundesbank); Georgi Kocharkov (Deutsche Bundesbank); Ralph Luetticke (University College London, CEPR, and CFM); Michael Weber (University of Chicago, NBER, and CEPR)
Discussant: **Nils Wehrhöfer** (Deutsche Bundesbank)

The Dark Shadow of Benefit Reforms in a Monetary Union

Authors: Brigitte Hochmuth (Friedrich-Alexander Universität Erlangen-Nürnberg, University of Vienna); **Christian Merkl** (Friedrich-Alexander Universität Erlangen-Nürnberg); Heiko Stüber (Institute for Employment Research, Nuremberg)
Discussants: **Zeno Enders** (Universität Heidelberg); **Philip Jung** (TU Dortmund)

The Central Bank, the Treasury, or the Market: Which One Determines the Price Level?

Authors: Guillaume Plantin (Sciences Po and CEPR); **Eric Mengus** (HEC Paris and CEPR);

Jean Barthelemy (Banque de France)

Discussant: **Keith Kuester** (University of Bonn)

16:30 Coffee break

17:00 **Policy panel:** Macroeconomic policy reaction in times of overlapping crises
Ulrike Malmendier (German Council of Economic Experts, UC Berkeley)
Xavier Ragot (Conseil d'analyse économique, CNRS, SciencesPo)
Jermonin Zettelmeyer (Bruegel)
Moderator: **Agnès Bénassy-Quéré** (Chief Economist, French Treasury)

18:00 Reception

Tuesday, November 15

9:00 **Keynote lecture**

Inequality and Business Cycles

Florin Bilbiie (University of Cambridge)

10:00 Coffee break

10:20 **Session 2 – The global world: productivity and trade**

The impact of air pollution on labour productivity in France

Authors: **Clara Kögel** (OECD Directorate for Science, Technology and Innovation and CES - Université Paris 1 Panthéon-Sorbonne)

Discussant: tbd

Dissecting the Impact of Imports from Low-Wage Countries on Inflation

Authors: **Juan Carluccio** (Banque de France, University of Surrey); Erwan Gautier (Banque de France); Sophie Guilloux-Nefussi (Banque de France)

Discussant: **José Gallegos** (Banco de España)

11:40 Coffee break

12:00 **Session 3 – The global world: trade and taxation**

The Macroeconomic Effects of Global Supply Chain Disruptions

Authors: David Finck (University of Gießen); **Peter Tillmann** (University of Gießen)

Discussant: **Makram Khalil** (Deutsche Bundesbank)

Revenue effects of the global minimum tax under Pillar Two

Authors: Mona Baraké (EU Tax Observatory); Paul-Emmanuel Chouc (EU Tax Observatory); **Theresa Neef** (EU Tax Observatory); Gabriel Zucman (UC Berkeley and EU Tax Observatory)

Discussant: **Stefanie Knoth** (German Federal Ministry of Finance; requested)

13:20 Closing remarks and best paper award

Laudatory speaker: **Andreas Peichl** (ifo Institute and University of Munich)

13:30 Lunch (and end of conference)

Procedure Presentations 20 minutes, discussants 10 minutes, open discussions 10 minutes

Venue Federal Ministry of Finance, Wilhelmstraße 97, 10117 Berlin,
Entrance on Platz des Volksaufstands von 1953 (on Leipziger Straße, at the corner with Wilhelmstraße) through the big wooden door to the right of the mural
Eurosaal (DRH 3137)

Scientific Committee (in alphabetical order):

Klaus Adam (University of Mannheim)

Agnès Bénassy-Quéré (French Treasury and Paris School of Economics)

Lars P. Feld (University of Freiburg)

Gianmarco Ottaviano (Bocconi University)

Andreas Peichl (ifo Institute and University of Munich), Chair

Xavier Ragot (Sciences Po – CNRS and OFCE, Paris)

Hélène Rey (London Business School)

Almuth Scholl (University of Konstanz)