



FIRSTRUN Final Conference



The future EMU Fiscal Governance: Stabilization, rules and spillover effects

29 January 2018

Venue: CEPS - Conference room – 1, Place du Congrès, Brussels

Over the course of the past three years, a consortium of prestigious universities and economic policy institutes, formed to carry out research under the FIRSTRUN project, has produced a large body of scientific papers and policy analysis aimed at actively contributing to the EU policy debate.

This conference offers an opportunity to present selected outputs of the FIRSTRUN project and to frame their conclusions in terms that are relevant to the current debate over the reform of the EU economic governance.

The discussion will address the issue of the stabilisation role of national fiscal policy relative to cross-country risk-sharing and how to improve our understanding of crosscountry spillover effects. These effects remain a key concept for appreciating the importance and the need for policy coordination, especially in the context of the euro area. In addition, researchers from the consortium will formulate a first assessment of the EU coordination framework, considering the economic and the political economy dimension of it. The latter aspect in particular will be at the core of the discussions in the concluding policy panel about the future of EU fiscal rules, how to improve them or how to think about potential alternatives.

The conference comes at a very timely moment when the European Commission will be putting forward a more detailed view about the future of EU economic governance. This view will be presented during the event by Marco Buti, Director-General for Economic and Financial Affairs at the European Commission.

***About FIRSTRUN:** This conference is part of the Firstrun project, funded by the European Commission under the Horizon2020 Framework Programme. The project aims to investigate the need for fiscal policy coordination in the EU, assess the coherence of the recent reforms in the economic governance framework and identify reforms to fill possible gaps in that framework.*





- 9:30 – 9:45 *Welcome* – Niku Määttänen, ETLA
- 9:45 – 11:00 ***Session 1: Fiscal policy stabilization and risk-sharing in the euro area***
Chair: Niku Määttänen, ETLA
- *Estimating the output gap in real time: Top-down vs. bottom-up*, Tero Kuusi, ETLA ([paper 1](#), [paper 2](#))
 - *Shock absorption in the euro area*, Cinzia Alcidi, CEPS ([paper 1](#), [paper 2](#))
 - *Private and public risk-sharing in the euro area*, Jacopo Cimadomo, ECB
- 11:00 – 11:30 *Coffee break*
- 11:30 – 12:45 ***Session 2: Spillover effects in a monetary union: What economic models say***
Chair: Iain Begg, LSE
- *Fiscal policy spillovers in the NiGEM model*, Rebecca Pigott, NIESR
 - *Spillover effects from ageing and structural reforms*, Thomas Davoine, IHS ([paper 1](#))
 - *Fiscal policy coordination and deleveraging*, Alexandre Lucas Cole, Parliamentary Budget Office, Italy, and LUISS ([paper 1](#), [paper 2](#))
- 12:45 – 13:30 *Lunch*
- 13:30 – 14:00 ***Keynote speech: The future of the EU fiscal governance*** (Twitter Livestreaming #ProjectFirstRun)
- Marco Buti, European Commission
- 14:00 – 15:00 ***Session 3: The EU policy coordination framework: An assessment***
Chair: Cinzia Alcidi, CEPS
- *The predictive power of the MIP Scoreboard's indicators*, Mária Širaňová, IER SAS
 - *Are fiscal rules past their 'sell-by' date?*, Iain Begg, LSE
- 15:00 – 15:30 *Coffee break*
- 15:30 – 16:45 ***Panel discussion*** (Twitter Livestreaming #ProjectFirstRun)
Fiscal rules and market discipline: Both, neither or something else?
- Chair:* Daniel Gros, CEPS
- Paul de Grauwe, Professor, LSE & Associate Senior Research Fellow, CEPS
 - Suvi-Anne Siimes, Managing Director of the Finnish Pension Alliance and former Minister of Finance of Finland
 - Jeromin Zettelmeyer, Senior Fellow, PIIE
 - Lucio Pench, Director, Fiscal policy and policy mix, European Commission
- 16:45 – 17:00 *Closing remarks* – Niku Määttänen, ETLA