CALL FOR PAPERS

WORKSHOP

"Quo Vadis? Monetary and Fiscal Interactions Revisited"

Paris, France, March 8, 2022

The age-old problem of how monetary and fiscal policy should interact has resurfaced around the globe. In an era where fiscal policy was seemingly passive, and monetary policy was given pride of place to achieve business cycle stabilization, coordination problems between fiscal and monetary authorities was largely set aside.

The series of financial crises in the advanced economies in the 2000s, and the ongoing COVID-19 crisis, have combined to raise old questions in a new setting. Governments appear reluctant, at least in the short to medium-term, to follow budget constraint rules and debt sustainability criteria. Central banks continue to argue that ultra-low interest rates, together with purchases of a wide variety of financial assets, deliver the needed monetary policy accommodation necessary for the aggregate economy to heal.

In this context, it is useful to revisit the question of monetary-fiscal interactions. The relevant issues go beyond responding to various economic shocks, how monetary policy ought to be conducted, and the stance of fiscal policy when growth is sluggish and interest rates are likely to remain depressed for some time. There are also governance or institutional questions to be considered since simplistic notions of central bank independence no longer describe the environment of the past several years. Indeed, existing monetary policy strategies are also called into question. Relevant historical evidence can also be useful. Finally, there is the issue of how autonomous institutions within government communicate policies in a credible manner.

Papers that have a bearing on the relationship between monetary and fiscal policy, broadly speaking, will be considered.

The workshop is an event being organized during my tenure as the "Chaire Banque de France" which is part of the Fondation France-Japon at l'EHESS Paris (École des Hautes Études en Sciences Sociales). Please submit a draft of a paper for consideration to psiklos@wlu.ca, using "FFJ/Chaire Banque de France" in the subject line. **The deadline for submissions is Friday, January 14, 2022.** Decisions will be communicated by Monday January 31, 2022.

The plan is for a hybrid workshop with a relatively small number of people physically present in Paris and others participating online. In keeping with the usual practice of central banks, travel for central bank officials is not covered. Academics will have their travel and accommodation expenses covered (1 to 3 nights depending on the city of departure) though arrangements will have to be made in consultation with EHESS. There are no registration fees and meals are provided during the workshop.