You are kindly invited to attend a Joint Seminar of the National Bank of Belgium, CES-KUL, Ecares-ULB and UCL

by

Jesper Lindé
(Federal Reserve Board and CEPR)

on

Asymmetric Shocks in a Currency Union with Monetary and Fiscal Handcuffs
with Christopher J. Erceg

Abstract

This paper uses an open economy DSGE model to analyze how asymmetric shocks that are concentrated in a subset of member countries of a currency union affect the union both at an aggregate level, and differentially across member states. While this question has a long history in the optimal currency area literature, our framework takes explicit account of possible constraints on both monetary and fiscal policy. In particular, we assume that monetary policy is constrained by the zero lower bound (ZLB) on policy rates, and also consider the possibility that fiscal policy in at least some members may be constrained to react aggressively to debt or deficits.

The seminar will take place on Monday, 21 June 2010 from 16.30 until 18.00. The seminar will be held in the Auditorium of the National Bank of Belgium (Room A), Entrance: Warmoesberg 61, Brussels.

Please reply by email to Yvette.Vandenbosch@nbb.be if you wish to participate to this seminar. With name and car plate number to access the NBB Parking Warmoesberg 41.

Kind regards,

H. De Wachter (KUL), R. Kolmiman (ULB), C. Poily (UCL) and R. Wouters (NBB)