Wir laden Sie herzlich zur nächsten Veranstaltung des Potsdam Research Seminar in Economics am 11.07.2017 ein. Das Seminar findet von 14.00 bis 16.00 Uhr (c.t.) in Raum 3.01.231 statt.

Referent:
Alexander Wulff
Universität Potsdam

Thema des Vortrages:

Abstract:
We use a heterogeneous-agents, incomplete-markets model to study the influence of different types of fiscal rules on the response of key macroeconomic variables to a government spending shock. In particular, we distinguish between a debt-intensive fiscal rule that leads to a strong increase in public debt and a non-debt-intensive rule that keeps the primary deficit small. We find that the debt-intensive fiscal rule contributes to stabilizing consumption and leisure in the first periods following the change in government spending, whereas the non-debt-intensive fiscal rule leads to a faster recovery of consumption, leisure, capital and output in later periods. The observed differences can be traced back to the different responses of wealth-poor agents who are affected most by the financial market imperfections. Regarding optimal fiscal policy, we find that the debt-intensive fiscal rule leads to the largest aggregate welfare benefit and that the individual welfare gains are particularly high for wealth-poor agents with low productivity. With these findings we contribute to the renewed debate on public debt and financial market imperfections.

Wir freuen uns auf Ihre Teilnahme.