

94th Kieler Konjunkturgespräche | Berlin, 19/20 September 2016
Driving Growth or Driving Debt – Fiscal Stimulus back on Stage?

Opening remarks

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Association d' Instituts Européens de la Conjoncture Économique



- » Founded 1957
- » Initiative by French, German and Belgian Institutes
- » Today 39 members from 20 countries

■ Structural Reforms

- » Become even more important as economies are aging ...
- » ... but remain unpopular

■ Monetary policy

- » Did (more than) enough
- » Runs out of (positive) impact, risk of negative side-effects

■ Fiscal policy

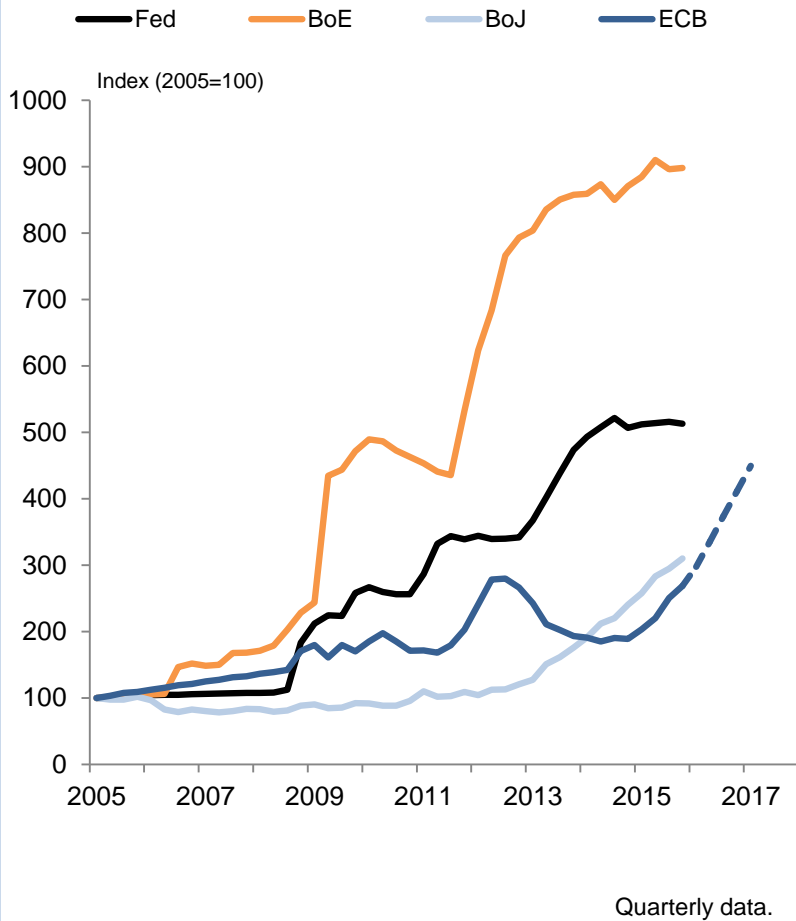
- » Hampered after heavy GFC interventions, sustainability issues
- » Back on stage? „Keynes put“? Implications for European governance?

■ Neo-protectionism/economic disintegration

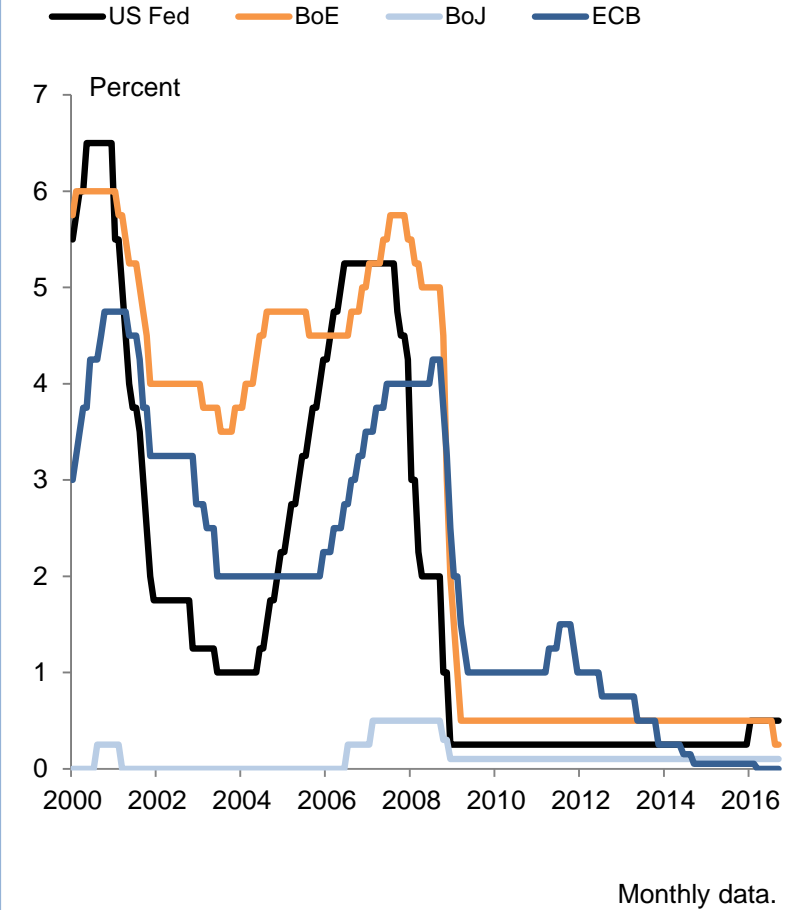
- » Popular (but destructive) temptation: Beggar-thy-neighbor ...
- » ... gains momentum

Monetary policy hits limits

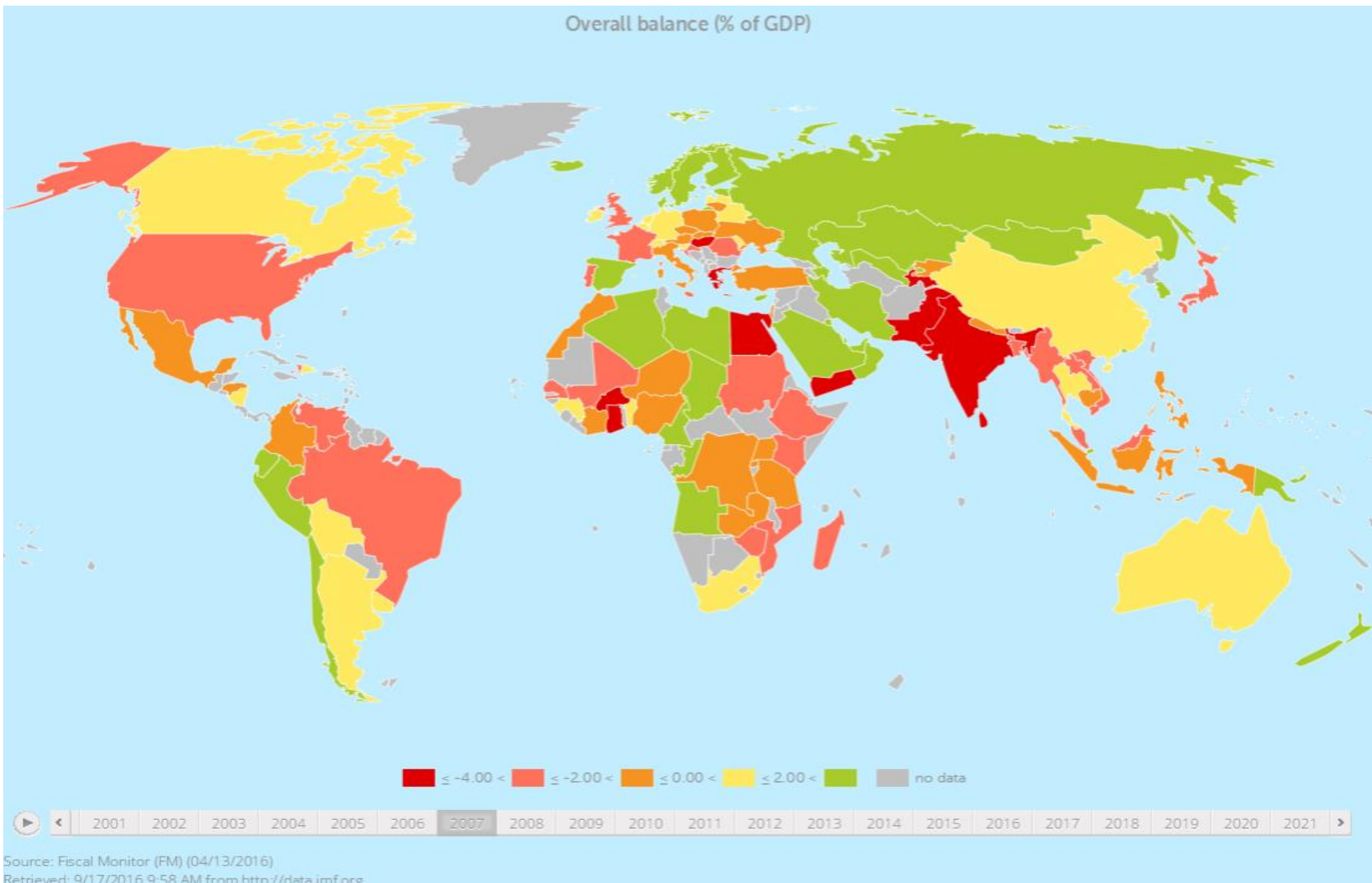
Monetary Base



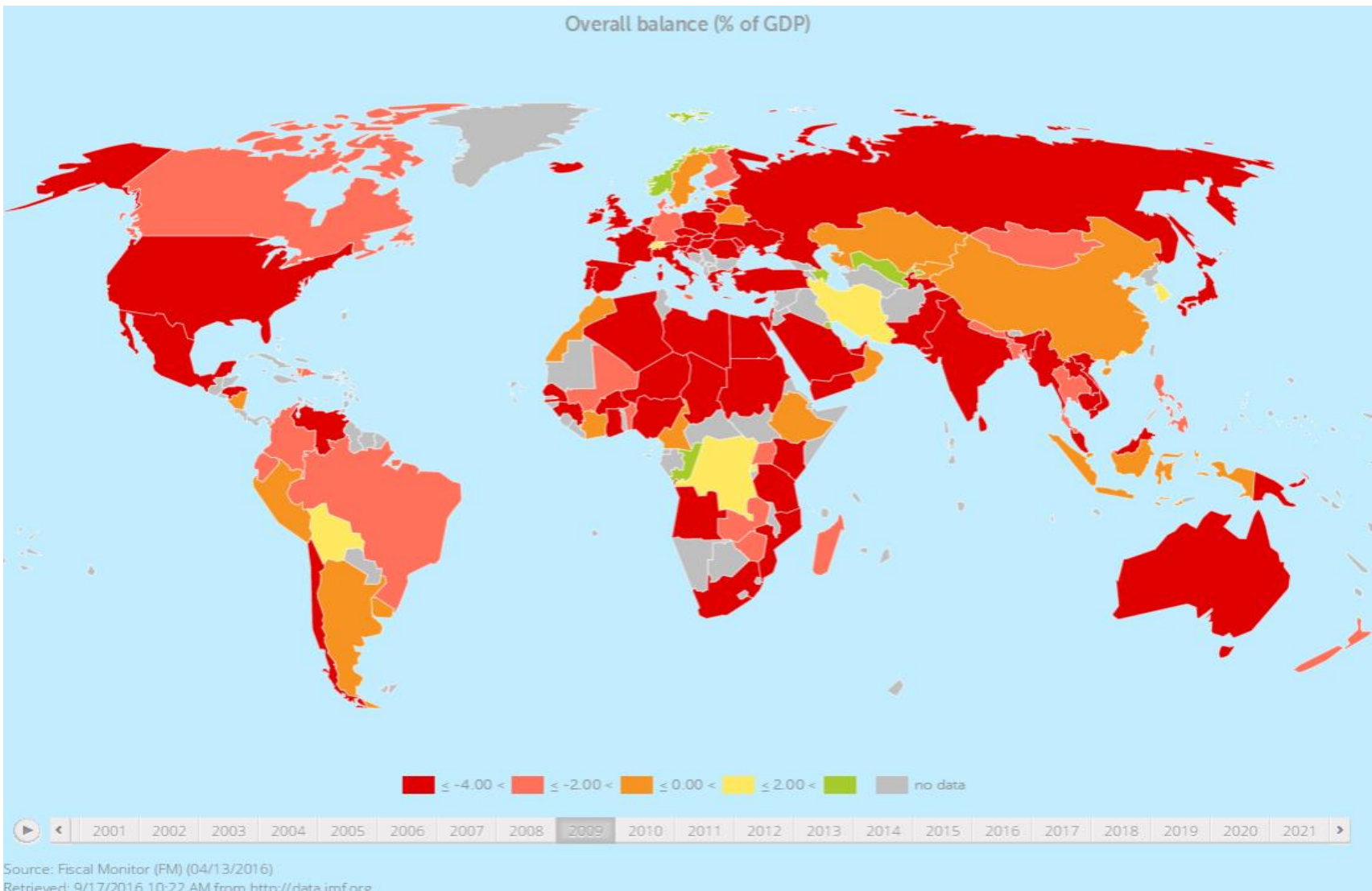
Monetary policy rates



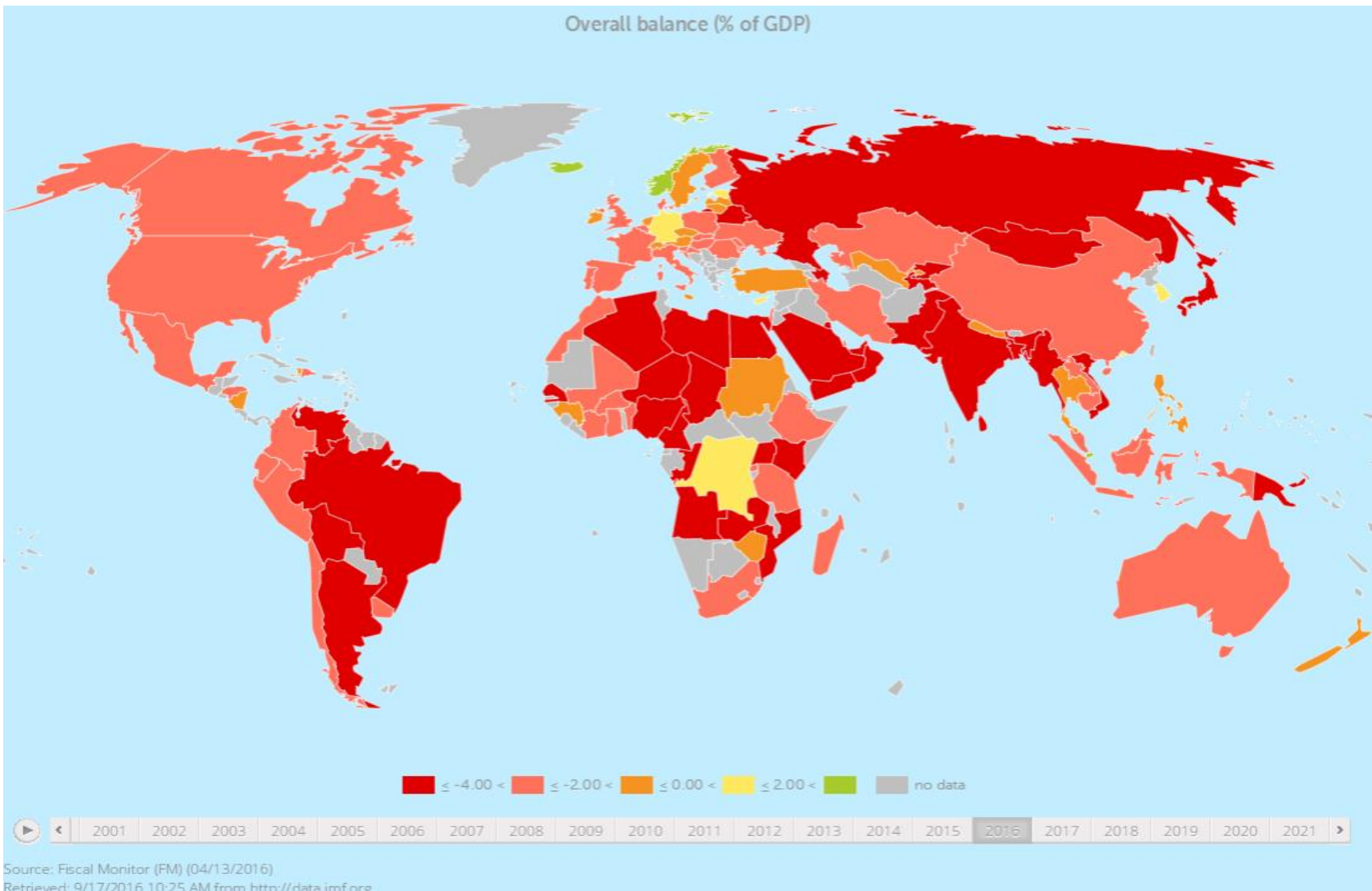
Fiscal stance 2007 (pre-crisis)



Fiscal stance 2009 (in crisis)

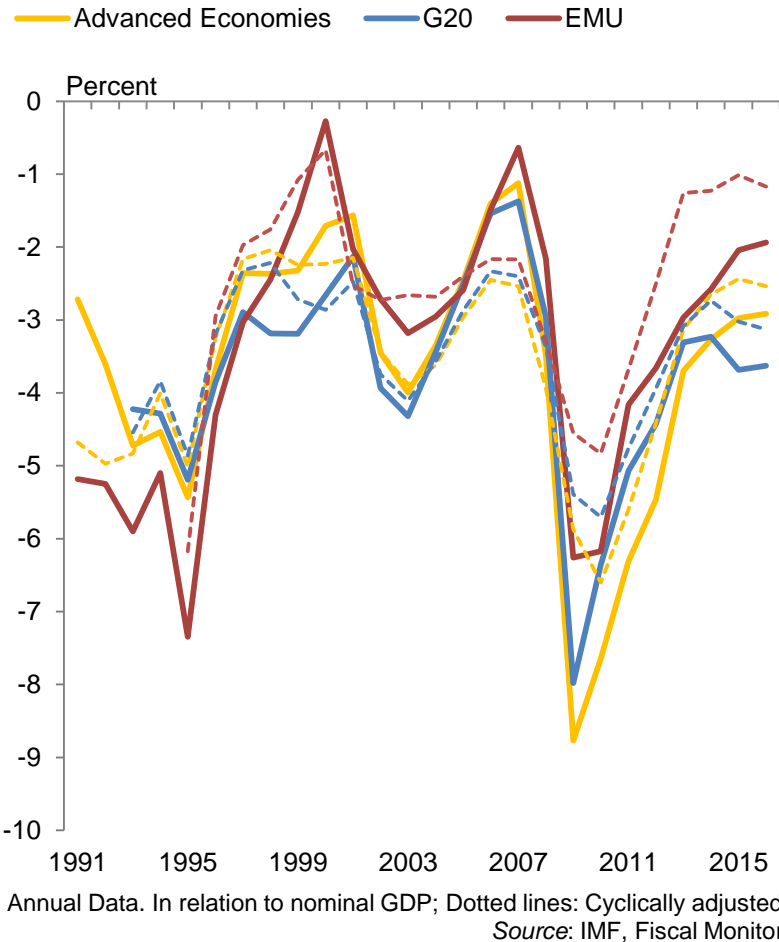


Fiscal stance 2016 (post-crisis?)

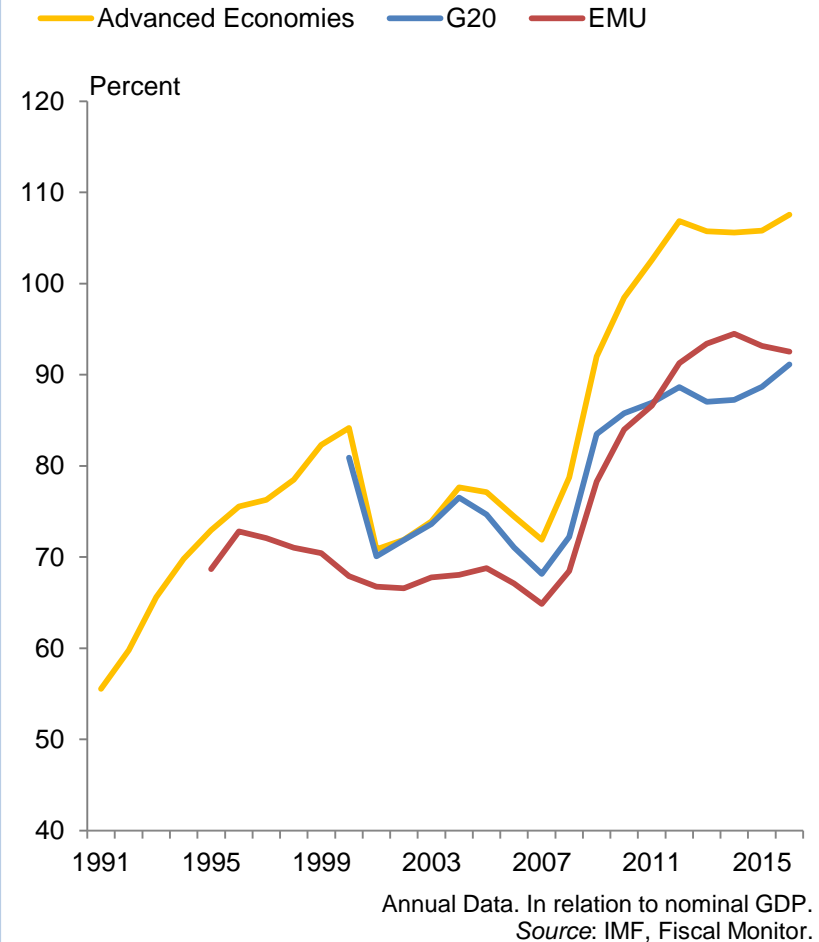


Fiscal stance and public debt

Net Public Lending



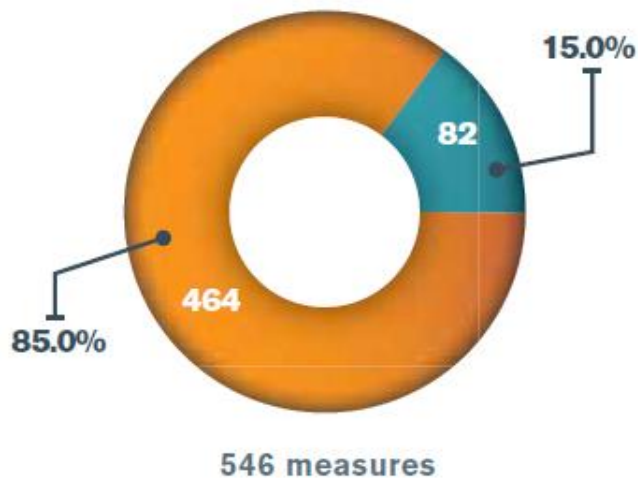
Gross Government Debt



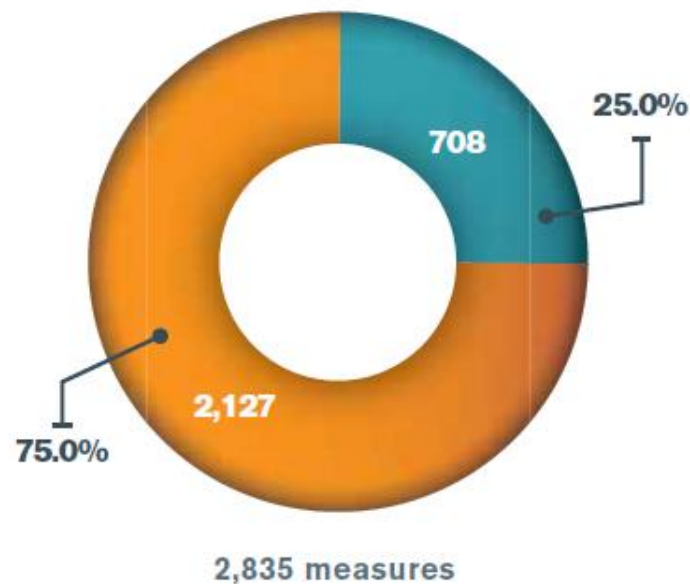
Neo-protectionism via non-tariff barriers to trade

Stockpile of trade-restrictive measures initiated since October 2008

By mid-October 2010



By mid-May 2016



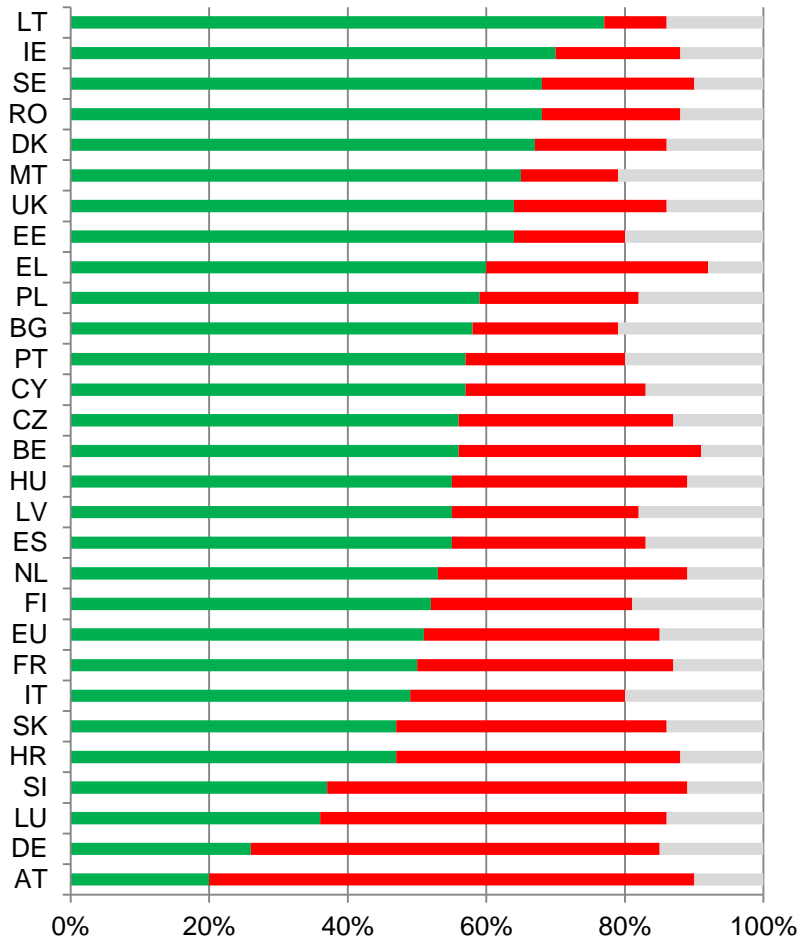
● Effectively eliminated measures

● Stockpile of restrictive measures

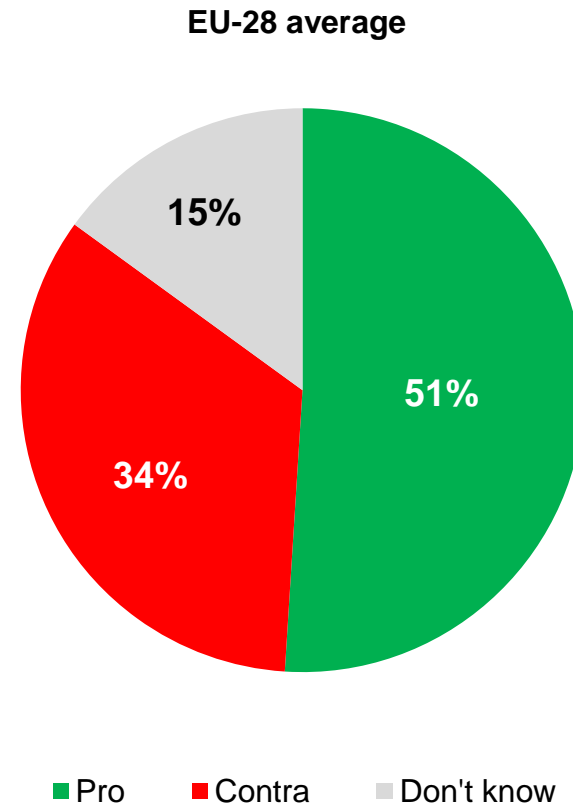
Note: The stockpile of trade-restrictive measures also includes trade remedy actions.

Source: WTO, World Trade Statistical Review 2016.

EU citizens' attitudes towards TTIP



Source: Eurobarometer 85.2 (Spring 2016).



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