

Feedback on the workshop on the Policy Mix

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Dates

on the February 12, 2020

“It Takes Two to Tango. The Policy Mix a Decade After the Crisis” January 30-31, 2020





This workshop was initiated by Xavier Debrun (National Bank of Belgium), Jean-Louis Combes and Alexandru Minea (UCA-CERDI). Academic researchers and experts from financial institutions gathered to **discuss the most recent research on economic policies and the policy-mix**. The policy-mix is the combination of fiscal policy and the monetary policy.

We need to plan more solid economic policies when the world has entered an era of low real interest rates and soundly weak growth rates. The global crisis must be regarded as the most spectacular symptoms of this trend. The crisis could be interpreted as a manifestation of the phenomenon known as "secular stagnation".

After the global financial crisis, macroeconomic policies must be handled differently. The fiscal and monetary policies must be adjusted to this context. The main topics were: Which policies were conducted after 2008? Which ones should be conducted? Are fiscal rules outdated?

The participants debated through [4 thematic sessions](https://cerdi.uca.fr/medias/fichier/workshop-program-final-imp_1581588172214-pdf?ID_FICHE=39120&INLINE=FALSE)(https://cerdi.uca.fr/medias/fichier/workshop-program-final-imp_1581588172214-pdf?ID_FICHE=39120&INLINE=FALSE). They discussed the issues of debt sustainability in a period of low-interest rates, economic stabilization, and fiscal rules. One of the main issues was the synchronization of the policies in the EU.

According to the keynote speaker, Eric Leeper (University of Virginia), central banks need to act while the inflation rate is still, low, adjusting the stabilization policy. In this context, governments should use debt to boost economic growth.

A policy panel concluded the discussion with a talk on how policymakers could take into account the academic research's results more efficiently.

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