



KATEDRA HOSPODÁRSKEJ POLITIKY



CENTRUM PRE EKONÓMIU A FINANČIE



NÁRODNÁ BANKA SLOVENSKA
EUROSYSTEM



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Fiscal Spillovers in the Euro Area

Abstract

This paper analyses the dynamic effects of fiscal imbalances in a given EMU member state on the borrowing costs of other countries in the euro area. The estimation of a multivariate, multi-country time series model (specifically a Global VAR, or GVAR) using quarterly data for the EMU period suggests that euro-denominated government yields are strongly linked with each other. However, financial markets seem to be able to discriminate among different issuers. Consequently, fiscal imbalances in Italy and in other peripheral countries should be closely monitored by their EMU partners and the European institutions.

Venue: University of Economics in Bratislava, room C1_09
Dolnozemska cesta 1, Bratislava

Date: January 29, 2014

Program: 14:50 registration
15:00 Guglielmo M. Caporale: Fiscal Spillovers in the Euro Area
16:30 coffee