

Department of Economics
European University Institute
Via della Piazzuola 43
50133 Florence, Italy

Tel: +39 3296883146
E-mail: ida.hjortso@eui.eu
sites.google.com/site/idahjortso

EDUCATION

- PhD in Economics** **2008 - Present**
European University Institute, Florence, Italy
Degree expected: August 2012
Dissertation topic: International imbalances and Fiscal Policy in a Monetary Union
Supervisors: Prof. Giancarlo Corsetti and Prof. Russell Cooper
- PhD exchange student, European Doctoral Programme** **2010 - 2011**
London School of Economics, London, UK
Advisor: Prof. Gianluca Benigno
- Master of Research in Economics** **2008 - 2009**
European University Institute, Florence, Italy
- Master of Science in Economics** **2005 - 2008**
University of Copenhagen, Denmark
Master Thesis: The Welfare Gains from International Monetary Policy Cooperation
Supervisor: Prof. Henrik Jensen. Awarded 12/12
- Undergraduate Studies in Economics (with distinction)** **2002 - 2005**
Universite Louis Pasteur, Strasbourg, France
Specialisation: Economic Analysis and Policies

RESEARCH

Research and teaching interests

Macroeconomics, international macroeconomics, monetary policy, macro-finance, international finance

Research papers

- 'Imbalances and Fiscal Policy in a Monetary Union' (job market paper)
- 'Risk sharing in the European Monetary Union' (work in progress)

Conference and seminar presentations

- Augustin Cournot Doctoral Days, University of Strasbourg, April 2011
- EUI Research Forum, May 2011
- LSE macro-monetary work-in-progress seminar, May 2011
- Discussant at the workshop on "Financial Fragility: Sources and Consequences", EUI, November 2011

AWARDS AND SCHOLARSHIPS

PhD Scholarship from the Danish Ministry of Education, Science and Technologies	2008 - 2012
European University Institute grant for fourth academic year	2011 - 2012
Award for best paper at the Augustin Cournot Doctoral Days, University of Strasbourg	April 2011
Zeuthen Price for best M.Sc. thesis at the Dep. of Economics, University of Copenhagen	2008

PROFESSIONAL EXPERIENCE

Research assistant for Prof. Giancarlo Corsetti, European University Institute	2009
Research assistant, Danish Ministry of Finance, Macroeconomic Policy Centre	Feb 2006 - Nov 2007
Internship, European Investment Bank, Luxembourg	Aug-Sep 2004, Jun-Jul 2005
Internship, Court of Justice of the European Communities, Luxembourg	Aug-Sep 2003
Internship, Banque et Caisse d'Epargne de l'Etat du Luxembourg, Luxembourg	Jun-Jul 2003

SKILLS

Languages

Danish (native), English (fluent), French (fluent), German (intermediate), Italian (basic)

Computer skills

Matlab, Stata, Mathematica, LaTeX, JmulTi, Microsoft Office

PERSONAL INFORMATION

Date of birth: July 22, 1982

Nationality: Danish

REFERENCES

Prof. Giancarlo Corsetti
Department of Economics
University of Cambridge
+44 1223 335235
gc422@cam.ac.uk

Prof. Russell Cooper
Department of Economics
European University Institute
+39 055 4685 925/954
russell.cooper@eui.eu

Prof. Evi Pappa
Department of Economics
European University Institute
+39 055 4685 908
evi.pappa@eui.eu

JOB MARKET PAPER ABSTRACT

Imbalances and Fiscal Policy in a Monetary Union

The Eurozone crisis has initiated a debate on the importance of international imbalances for policy making. In this paper, I study how international financial frictions lead to international imbalances and affect the optimal conduct of fiscal policy in a two-country, two-good DSGE model of a monetary union. I show that the presence of international imbalances affects the optimal conduct of cooperative fiscal policies when the internationally traded goods are complements: Government expenditures optimally play a cross-country risk sharing role. The cross-country insurance role of fiscal policy is in conflict with the domestic stabilization role. That is, domestic macroeconomic stabilization is not sufficient for achieving international macroeconomic stabilization. Optimal fiscal policy consist in setting government expenditures such as to reduce international imbalances at the expense of higher domestic inefficiencies.