

Exchange Week for foreign visiting professors  
12<sup>th</sup> – 16<sup>st</sup> of March of 2018  
ISCTE-IUL, Lisbon

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**Professor: Linas Cekanavicius**

**University: Vilnius University, Faculty of Economics**

**Country: Lithuania**

### **Brief CV**

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Linas Čekanavičius, PhD, is a professor of the Department of Quantitative Methods and Modelling, Vilnius University (Lithuania), former member of the Research Council of Lithuania. He received his doctoral degree from the Institute of Economic Research and Planning, Vilnius, in 1986. His main research interests are related to the field of environmental economics and migration economics. He directed preparation of the strategy for application of economic instruments for environmental management in Lithuania, worked as a consultant in several environmental impact valuation projects, and took an active part in preparation of the long-term strategy for the development of social sciences and humanities in Lithuania. In the capacity of visiting researcher he worked at the universities of Stockholm, Utrecht, Aarhus, Harvard University (Fulbright grant), Queen Mary and Westfield College. He has teaching experience in a number European countries, including Germany, Italy, Spain, Greece and Malta.

### **On-going research topic**

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Spending or austerity? On the Best Cure for Recession Debate Brain drain: calamity, waste or opportunity?

### **Topic of lecture for the students**

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**Spending or austerity? On the Best Cure for Recession Debate**

### **Outline of lecture for the students**

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Recent global economic crisis has revived a longstanding debate among economists whether government spending or austerity should be employed in order to overcome financial downside and to set economy straight. Two notably opposite schools of economic thought have emerged: one, championing fiscal stimulus via increased government borrowing and spending, and another, advocating reduction in the burden of government. The issue is yet more confused by the variety of historical examples when either strategy worked or failed. The lecture aims to discuss the ideology and the working mechanisms behind spending and austerity measures, to identify specific conditions, under which each of the policy type brings the desired impact, as well as to draw attention to essential drawbacks and limitations of both financial stimulus and saving policies.