



The Seminar is sponsored by:



CONSIGLIO NAZIONALE DELLE RICERCHE



CREDIOP



ASSOCIAZIONE BANCARIA ITALIANA

UNIVERSITÀ
DI ROMA

TOR VERGATA

CEIS

CENTER FOR INTERNATIONAL STUDIES ON ECONOMIC GROWTH

XI VILLA MONDRAGONE INTERNATIONAL ECONOMIC SEMINAR



UNIVERSITA' DEGLI STUDI DI ROMA "TOR VERGATA"

VILLA MONDRAGONE XVI SEC.

“TAXATION AND FISCAL POLICY AFTER EMU”

Rome, 5th-6th July 1999

Faculty of Economics,
“Tor Vergata” University, Rome
(Aula Verde, Via di Tor Vergata, Rome)

Organizing Board: Luigi PAGANETTO
Edmund S. PHELPS
Beniamino QUINTIERI

Secretariat: Carmen TATA
ph. 0672595615, fax 062020687
tatac@uniroma2.it

**Communication and
Press Office:** Daria PIGNEDOLI
ph. 0672595510-5522, fax 0672595504
pignedoli@economia.uniroma2.it

PROGRAMME

The XI Villa Mondragone International Seminar focuses on the issue of taxation and fiscal policy in Europe. The single monetary policy following the introduction of the common currency sharply contrasts with independent national tax systems.

Fiscal discipline on behalf of the eleven participating countries to the Monetary Union is considered a prerequisite for a stable Euro. On the other hand, the persistent high unemployment calls for policies aimed at promoting growth in a scenario where the survival of the welfare state is seriously in doubt due to population ageing and the productivity slowdown.

National governments experience enormous difficulties in financing public projects, having to comply with the binding constraints imposed by both the Stability and Growth Pact and the medium term objective of balanced budget.

Possible solutions to the "fiscal policy impasse" may be an improved coordination of national fiscal policies and a more effective tax harmonization.

Alternatively, a certain degree of tax competition could be maintained in the presence of a stronger ability to coordinate European economic and social policies.

In particular a wide and deep investigation of the feasibility and desirability of taxing of capital income is of high interest both for the academic and government agenda.

The main objective of the seminar is to provide answers to these central questions for fiscal policy theory and policy design.

MONDAY, JULY 5th

- 9.30 Registration
- 10.00 *Welcome Address*
A. FINAZZI AGRÒ, Rector, "Tor Vergata" University, Rome
- Opening Address*
L. PAGANETTO, "Tor Vergata" University, Rome
E.S. PHELPS, Columbia University, New York
- FIRST SESSION**
- 10.30 **Taxation and Growth in Europe**
Distortionary Taxation and Labour Market Performance
R. FIORITO, University of Siena, Siena; F. PADRINI, Ministry of Treasury, Rome
Discussants: H. Lehmann, University of Leuven, Belgium
- 11.15 *EMU and Tax Competition*
M. KEEN, IMF, Washington D.C.
Discussants: D. Da Empoli, "La Sapienza" University, Rome
- 12.00 *Taxation and International Competitiveness in the European Union*
D. SALVATORE, Fordham University, New York
Discussants: F.C. Rosati, "Tor Vergata" University, Rome
- 12.45 General Discussion
- 13.15 Lunch
- SECOND SESSION**
- 14.15 **Fiscal Policy and Growth in Europe**
Is Coordination of Fiscal Policies Really Important?
T. KOLLINTZAS, Athens School of Economics and Business, IMOP, Athens and CEPR, London; V. VASSILATOS, Athens School of Economics and Business and IMOP, Athens; A. PHILIPPOPOULOS, University of Ioannina, Ioannina and IMOP, Athens
Discussants: P.C. Padoan, "La Sapienza" University, Rome
- 15.00 *Devolutionary Fiscal Policies and Local Public Goods*
L. PAGANETTO, P.L. SCANDIZZO, "Tor Vergata" University, Rome
Discussants: P. Roberti, ISTAT and "Tor Vergata" University, Rome
- 15.45 *Policy Instruments for Growth and Employment in Europe*
R. MUNDELL, Columbia University, New York
Discussants: A. Sadun, WEFA-BIG, Milan
- 16.30 *Fiscal Policy in the European Monetary Union, the Stabilization Aspects*
H. WIJKANDER, W. ROEGER, European Commission DG II, Brussels
Discussants: G. Goisis, University of Milan, Milan
- 17.15 General Discussion

TUESDAY, JULY 6th

- 9.15 **Fiscal Policy and Growth in Europe (continue)**
What are Medium Term Budgetary Positions of Close to Balance or in Surplus? Interpretations of the Stability and Growth Pact
M. BUTI, H. ONGENA, European Commission DG II, Brussels, M. ARTIS, European University Institute, Florence
Discussants: S. Micossi, Luiss "G. Carli" University and Assonime, Rome
- 10.00 *Fiscal Policy: Compliance with the Stability and Growth Pact*
J. COPPEL, OECD, Paris
Discussants: C.A. Bollino, University of Perugia, Perugia
- 10.45 *Public Investment, the Stability Pact and the Golden Rule*
D. FRANCO, F. BALASSONE, Banca d'Italia, Rome
Discussants: G. Marini, "Tor Vergata" University, Rome
- 11.30 *Fiscal Policy Profits and Investment*
R. PEROTTI, Columbia University, New York
Discussants: F. Mattesini, University of Molise, Campobasso
- 12.15 *Nominal Debt as a Burden to Monetary Policy*
G. GIOVANNETTI, University of Florence, Florence and European University Institute, Fiesole; R. MARIMON, European University Institute and Universitat Pompeu Fabra, Barcellona; P. TELES, Banco de Portugal and Universidade Católica Portuguesa, Lisbon
Discussants: S. Fenoaltea, University of Cassino, Cassino
- 13.00 General Discussion
- 13.30 Lunch
- 14.30 **Keynote Lectures**
Is it Desirable to Tax the Income from Wealth?
E. PHELPS, Columbia University, New York
- 15.00 *Towards Tax Coordination in the European Union*
M. MONTI, European Commission, Brussels
- 15.30 **Intervento dell'On. Prof. Vincenzo Visco, Ministro delle Finanze**
- 16.00 *Round Table:*
Taxation, Fiscal Policy and Growth in Europe
Chairman: V. TANZI, IMF, Washington D.C.
- Participants:*
M. BALDASSARRI, "La Sapienza" University, Rome; S. BIASCO, Commissione Bicamerale Riforma Fiscale and "La Sapienza" University, Rome; J.P. FITOUSSI, OFCE, Paris; J.M. GONZALEZ-PARAMO, University Complutense, Madrid; A. MARTINO, Luiss "G. Carli" University, Rome; A. MARZANO, Commissione Parlamentare Consultiva Riforme Bilancio Statale and "La Sapienza" University, Rome; A. PEDONE, "La Sapienza" University, and CREDIOP, Rome; M. SARCINELLI, "La Sapienza" University, Rome.
- 18.00 *Concluding Remarks*

Official language: English