

XXIV Villa Mondragone International Economic Seminar on  
**“PUBLIC DEBT, GLOBAL GOVERNANCE  
 AND ECONOMIC DYNAMISM”**

Rome, June 2th– 28th, 2012



**Tuesday, June 26<sup>th</sup>**

8.30 Registration of participants

9.00 *Welcome Address*

**Renato LAURO**, Rector, University of Rome Tor Vergata

**Beniamino QUINTIERI**, Dean, Faculty of Economics, University of Rome Tor Vergata

*Opening Address*

**Luigi PAGANETTO**, President, Tor Vergata Foundation for Economic Research

9.30-11 ***US Growth Policies in This Election Year***

Sala degli Svizzeri

**Chairman** **Dominick SALVATORE**, Fordham, Peking, Pretoria and LUM Universities

**Speakers** **Moreno BERTOLDI**, European Commission, “*Addressing the Great Recession and Setting-up a New Growth Model in the US: An European Perspective*”

**William CLINE**, Peterson Institute of International Economics “*The Multiplier, Sovereign Default Risk, and the US Budget*”

**Jacques MISTRAL**, Harvard University, “*€1 Equals \$1.325 – What Does the Stability of the Supposedly Collapsing Euro Says About the U.S. Economic Situation and Perspectives?*”

**Dominick SALVATORE**, Fordham, Peking, Pretoria and LUM Universities, “*Fiscal and Structural Policies and Anemic Growth for the U.S. Economy*”

**Discussant** **Dominick SALVATORE**, Fordham, Peking, Pretoria and LUM Universities

11-12.30 **BROOKINGS – TOR VERGATA SESSION**

***Global Governance and Growth***

Sala degli Svizzeri

- Chairman** **Domenico LOMBARDI**, Oxford Institute for Economic Policy and Brookings Institution
- Speakers** **Amar BHATTACHARYA**, Secretary General of G-24, “*Recent Evolution of Global Governance: Setting the Context*”
- Homi J. KHARAS**, Brookings Institution, “*The World Bank’s Role in Development Finance*”
- Lorenzo GIORGIANNI**, IMF, “*Mapping Cross-Border Financial Linkages: A Supporting Case for Global Financial Safety Nets*”
- Harold JAMES**, Princeton University, “*Prospects for Global Governance: Lessons from History*”

11-12.30 ***Young Economist Session***

Sala del Teatro

- Chairman** **Luisa CORRADO**, University of Rome Tor Vergata
- Speakers** **Antra BHATT**, University of Rome Tor Vergata, “*Productive Expenditure and Debt Dynamics in EU (14): Evidence from Panel Unit Root and Cointegration Tests*”
- Alexander PLUM**, DIW Berlin, “*Low-Wage Jobs-Springboard to High-Paid Ones?*”
- Elena GIACHIN RICCA**, University of Rome Tor Vergata, “*A Composite Indicator of Sustainable Well-Being: The Relative Importance of Weights in the European Strategy for Sustainable Development*”
- Hatice Gokce KARASOY**, Bilkent University, “*Firm Entry, Credit Shocks and Business Cycles*”

12.30-13.15 **VILLA MONDRAGONE LECTURE**

Sala degli Svizzeri

**William CLINE**, Peterson Institute of International Economics, “*Interest Rate Shock and Sustainability of Italy’s Sovereign Debt*”

13.15-14 **LUNCH & VILLA MONDRAGONE ECONOMIC ASSOCIATION MEETING**

14-15.30 ***Assessing the Impact of Labor Market Reforms***

Sala degli Svizzeri

- Chairman** **Paolo REBOANI**, Italia Lavoro
- Speakers** **Samuel BENTOLILA**, CEMFI and CEPR, **Juan DOLADO**, University of Madrid Carlos III and CEPR and **Juan JIMENO**, Bank of Spain and CEPR, “*Reforming an Insider-Outsider Labor Market: The Spanish Experience*”
- Alfonso ARPAIA**, European Commission, “*Institutions and Labor Market Reforms in European Countries*”
- Esther PEREZ**, IMF and **Yao YAO**, University of Mannheim, “*Can Institutional Reform Reduce Job Destruction and Unemployment Duration? Yes It Can*”
- Discussants** **Alfonso ROSOLIA**, Bank of Italy

14-15.30 ***Imbalances, Tensions and Possible Readjustments: Evidence from Intertemporal Accounting and the Financial Accounts***

Sala del Teatro

- Chairman** **Alberto Franco POZZOLO**, University of Molise and **Riccardo DE BONIS**, Bank of Italy

- Speakers** **Philippe DE ROUGEMONT**, ECB, “*In Need of Sectoral and Regional Rebalancing in the Euro Area: A Euro Area Sectoral Account (Flow-of-Funds) Perspective*” (joint with Celestino GIRON)  
**Daniele FANO**, University of Rome Tor Vergata, “*Industrial Countries Saving Components 1960-2010*”  
**Luigi INFANTE**, Bank of Italy, “*From the Financial Crisis to the Sovereign Debt Crisis: Which Sectors Lost the Most?*” (joint with Roberto TEDESCHI and Alberto POZZOLO)  
**Carlo MAZZAFERRO**, University of Bologna, “*Intertemporal Assets and Liabilities: A First Estimate after the Italian Pension Reform*”
- Discussants** **Riccardo DE BONIS**, Bank of Italy  
**Enrico SALTARI**, University of Rome La Sapienza

15.30-16.15 **CEIS LECTURE**

Sala degli Svizzeri

**Amar BHATTACHARYA**, Secretary General of G-24, “*Rising Powers and Europe*”

16.15-17.45 **G20, Global Governance and Regional Integration**

Sala degli Svizzeri

- Chairman** **Paolo GUERRIERI**, University of Rome La Sapienza and College of Europe, Bruges
- Speakers** **Domenico LOMBARDI**, Oxford Institute for Economic Policy and Brookings Institution, “*Regional Financial Arrangements: A Comparative Assessment*”  
**Juan Carlos Martinez OLIVA**, Peterson Institute for International Economics and Bank of Italy, “*Then and Now: European Trade, Payments, and Financial Regionalism in Historical Perspective?*”  
**Ulrich VOLZ**, German Development Institute, “*Financial Regionalism in East Asia*”

16.15-17.45 **OFCE - TOR VERGATA Session**  
**Multipliers, the Crisis and Beyond**

Sala del Teatro

- Chairman** **Francesco SARACENO**, OFCE
- Speakers** **Xavier TIMBEAU**, OFCE, “*Are We So Sure Multipliers Are Zero in the Long Term?*”  
**Francesco CAPRIOLI** and **Sandro MOMIGLIANO**, Bank of Italy, “*The Macroeconomic Effect of Fiscal Policy Shocks During Good and Bad Times*”  
**Jean-Marc BOUSSARD**, **Francisco DE CASTRO** and **Matteo SALTO**, European Commission, “*Multipliers and Debt Evolution*”  
**Francesco SARACENO**, OFCE, “*Assessing the New Stability Pact in a Small Scale Macroeconomic Model*”  
**Laura CASTELLUCCI** and **Manuela COROMALDI**, University of Rome Tor Vergata, “*Does the Cutting Back of the Public Sector Improve Efficiency? Some Evidence from Italy and Other Countries*”

**Wednesday, June 27<sup>th</sup>**

9.30-11 **The Macroeconomic Implications of Structural Reforms**

Sala degli Svizzeri

- Chairman** **Francesco NUCCI**, University of Rome La Sapienza

**Speakers** **Francesca D'AURIA**, **Marco RATTO**, **Werner ROEGER** and **Janos VARGA**, European Commission, “*R&D Promoting Policies: Evaluating the GDP Effects of the National Reform Programs in the EU*”  
**Barbara ANNICCHIARICO**, University of Rome Tor Vergata, **Fabio DI DIO**, Consip and **Francesco FELICI**, Italian Ministry of Economy and Finance, “*Structural Reforms and the Potential Effects on the Italian Economy*”  
**Matteo CACCIATORE**, HEC Montréal and **Giuseppe FIORI**, University of São Paulo, “*The Macroeconomic Effects of Goods and Labor Markets Deregulation*”

9.30-11 ***Lessons from National Experiences***

Sala del Teatro

**Chairman** **Giancarlo MARINI**, University of Rome Tor Vergata  
**Speakers** **Thorvaldur GYLFASSON**, University of Iceland, “*From Collapse to Constitutions: The Case of Iceland*”  
**Cristina MOCCI**, **Stefania POZZUOLI**, **Francesca ROMAGNOLI** and **Cristina TINTI**, Italian Ministry of Economy and Finance, “*Liberalization of Service Sector and Growth in Italy*”

11-11.45 **TOR VERGATA FOUNDATION LECTURE**

Sala degli Svizzeri

**Carlo COTTARELLI**, Fiscal Affairs Department, IMF, “*The Austerity Debate*”

11.45-13.15 ***German Growth Model and European Imbalances***

Sala degli Svizzeri

**Chairman** **Luigi BONATTI**, University of Trento  
**Speakers** **Andreas WOERGOETTER**, OECD and **Fabrizio CORICELLI**, University of Paris, “*Structural Change and the Current Account: the Case of Germany*”  
**Hans-Ulrich BRAUTZSCH**, Halle Institute for Economic Research, “*The International Fragmentation of Production and the Labour Input Into Germany's Exports*”  
**Andrea FRACASSO** and **Luigi BONATTI**, University of Trento, “*German Growth and European Imbalances: Political Economy Aspects and Possible Evolutions*”

11.45-13.15 ***Fiscal Consolidation, Vulnerability and Growth***

Sala del Teatro

**Chairman** **Fabrizio BALASSONE**, Bank of Italy  
**Speakers** **Laura BARTILORO** and **Silvia MAGRI**, Bank of Italy, “*The Effects of the Crisis on Households' Vulnerability*”  
**Odin KNUDSEN**, JP Morgan  
**Adolfo MORRONE**, ISTAT, “*Measuring Economic Vulnerability*”  
**Luigi PAGANETTO**, Tor Vergata Foundation for Economic Research and **Pasquale Lucio SCANDIZZO**, University of Rome Tor Vergata, “*Europe: Is Austerity Compatible with Endogenous Growth?*”

13.15-14 **LUNCH**

14-14.45 **ASSONIME LECTURE**

Sala degli Svizzeri

**Introductory**

**Remarks** Stefano MICOSSI, Assonime

**Speaker** Robert J. GORDON, Northwestern University, “*Why Was Europe Left Behind America in Productivity Growth?*”

14.45-16.15 **China, Asia and Global Crisis**

Sala degli Svizzeri

**Chairman** Beniamino QUINTIERI, University of Rome Tor Vergata

**Speakers** Benno FERRARINI, Asian Development Bank, “*Debt Sustainability in Developing Asia*”  
Giovanni FERRI, University of Bari, Li-Gang LIU, ANZ Banking Group, Hong Kong, and Camilla MASTROMARCO, University of Salento, “*Industrial Inefficiency in China: Is It Ownership or Sector Specific?*”

Xiaolan FU, University of Oxford, “*Direct Investment from China and Economic Growth in Host Developing Countries?*”

**Discussant** Pasquale SCARAMOZZINO, University of Rome Tor Vergata

Ignazio MUSU, Cà Foscari University of Venice

14.45-16.15 **Fiscal and Monetary Aspects of European Governance**

Sala del Teatro

**Chairman** Michele BAGELLA, University of Rome Tor Vergata

**Speakers** Torbjorn BECKER, Stockholm School of Economics, “*Optimal Public Debt Management with Bailouts?*”

Lorenzo FORNI, IMF, “*Estimating Medium-Term Sovereign Borrowing Costs for Euro Area Countries?*”

Daniela ARRU, Davide IACOVONI, Libero MONTEFORTE, Filippo PERICOLI, Italian Ministry of Economy and Finance and Economic, “*EMU Sovereign Spreads and Macroeconomic News?*”

16.15-17.45 **Public Debt, EU Governance and Economic Growth**

Sala degli Svizzeri

**Chairman** Fabio PANETTA, Bank of Italy

**Speakers** Ad van RIET, ECB and Francesco MONGELLI, ECB and Goethe University of Frankfurt, “*EMU in Crisis: What’s Next?*”

Giancarlo MARINI and Paolo CANOFARI, University of Rome Tor Vergata and Giovanni PIERSANTI, University of Teramo, “*The Sustainability of Currency Unions. Can the Euro Survive?*”

Paul van DEN NOORD, Urban SILA and Pier Carlo PADOAN, OECD, “*Avoiding Debt Traps, Financial Backstops and Structural Reforms?*”

**Discussant** Ester FAIA, Frankfurt University, CFS and Kiel IfW

16.15-17.45 **Young Economist Session**

Sala del Teatro

**Chairman** Gustavo PIGA, University of Rome Tor Vergata

**Speakers** Francesco MOLTENI, Paris School of Economics - University of Paris, “*Discretionary Versus Automatic Public Expenditure?*”

Santo MILASI, University of Rome Tor Vergata, “*Top Income Shares and Budget Deficits?*”

**Tania TREIBICH**, Scuola Superiore Sant'Anna and Université Nice - Sophia Antipolis,  
*“Heterogeneous Banks and Technical Change in a Evolutionary Model of Endogenous Growth and Fluctuations”*

**Fabrizio VALENTI**, University of Rome Tor Vergata, *“Volatility and Growth with Recursive Preferences”*

***Prof. Piga will award the “Certificate of Merit” for the best paper presented at the Young Economist Sessions***

**Thursday, June 28<sup>th</sup>**  
**Sala delle Conferenze Internazionali**  
**Ministero degli Affari Esteri - Roma**

**SESSIONE I - G20 EXPERIENCE**

9.00

*Apertura lavori*

**Marta DASSÙ**, Sottosegretario Ministero degli Affari Esteri

Interviene: **Fabrizio SACCOMANNI**, Direttore Generale Banca d'Italia

Ne discutono: **Dominick SALVATORE**, Professore Fordham, Peking, Pretoria and LUM Universities  
(Chairman)

**Amar BHATTACHARYA**, Segretario Generale G-24

**Ignazio ANGELONI**, Adviser to the Executive Board, ECB and Bruegel Institute,  
Bruxelles

**Domenico LOMBARDI**, Presidente The Oxford Institute for Economic Policy and Brookings  
Institute

**Paolo GUERRIERI**, Professore Università di Roma La Sapienza

Conclude: **Giandomenico MAGLIANO**, Direttore Generale per la Mondializzazione e le Questioni  
Globali - Ministero degli Affari Esteri

**SESSIONE II - Debito pubblico, governance globale e dinamismo economico**

**Conclusioni e Raccomandazioni di Policy del XXIV Seminario di Villa Mondragone**

Rapporteur: **Luigi PAGANETTO**, Presidente Fondazione Economia Tor Vergata

Modera: **Corradino MINEO**, Direttore Rai News24

Intervengono: **Lorenzo CODOGNO**, Direttore Analisi Economica e Finanziaria MEF - Dipartimento del  
Tesoro ed Economic Policy Committee, EC

**Rainer MASERA**, Professore Università degli Studi Guglielmo Marconi

**Francesca MERCUSI**, Banca Europea degli Investimenti

**Giovanni TRIA**, Presidente SSPA

Concludono: **Salvatore ROSSI**, Vice Direttore Banca d'Italia

**Maurizio MELANI**, Direttore Generale - Promozione del Sistema Paese - MAE

## Scientific Committee

Luigi PAGANETTO, Michele BAGELLA, Luigi BONATTI, William CLINE, Lorenzo CODOGNO, Luisa CORRADO, Carlo COTTARELLI, Robert J. GORDON, Paolo GUERRIERI, Domenico LOMBARDI, Giancarlo MARINI, Stefano MICOSSI, Reza MOGHADAM, Francesco NUCCI, Fabio PANETTA, Gustavo PIGA, Alberto Franco POZZOLO, Beniamino QUINTIERI, Paolo REBOANI, Dominick SALVATORE, Francesco SARACENO, Pasquale Lucio SCANDIZZO, Giovanni TRIA.

### ***Coordination***

Susanna DI MARTINO – [mondragone@economia.uniroma2.it](mailto:mondragone@economia.uniroma2.it)

### ***Organizational Staff***

Genny BUONO

Alice CORTIGNANI

Florinda MAGLIULO

Helga PINNA

Michela PORINELLI

[mondragone@economia.uniroma2.it](mailto:mondragone@economia.uniroma2.it) – Ph. +39 06 7259 5533 – Fax. +39 06 7259 5569

### ***PR and Communication***

Federica CELIDONIO – [celidonio@economia.uniroma2.it](mailto:celidonio@economia.uniroma2.it)

Riccardo CIULLA – [ciulla@economia.uniroma2.it](mailto:ciulla@economia.uniroma2.it)

### ***Technical Assistance***

Roberto MILANA

e-mail: [milan@economia.uniroma2.it](mailto:milan@economia.uniroma2.it)

Giuseppe PETRONE

e-mail: [petrone@economia.uniroma2.it](mailto:petrone@economia.uniroma2.it)



*Main Sponsor*



*Sponsor*



**Filas**



Finanziaria laziale  
di sviluppo

**assonime**

Associazione fra le società  
italiane per azioni



**ABI** Associazione  
Bancaria  
Italiana

*Patronage*



*Media Partner*

