

# LUISS SCHOOL OF EUROPEAN POLITICAL ECONOMY

Newsletter - 08/2015  
(No.12)

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Villa Emiliani



## UPCOMING EVENTS

September 9, 2015 -  
Pierpaolo Benigno: Non  
neutralità di politiche  
monetarie non  
convenzionali

September 16, 2015  
- Marco Felisati:  
Negoziati TTIP, stato  
dell'arte e prospettive

September 17, 2015  
- Capire la crisi. Le  
conseguenze:  
Frammentazione sociale,  
rappresentanza e  
sviluppo

September 22, 2015 -  
Padoa

## OPPORTUNITIES AT SEP

### **[Approaching Deadline]** Visiting Fellowships at the LUISS School of European Political Economy

The LUISS School of European Political Economy invites applications for Senior and Junior Fellowships tenable in the academic year 2015-16 (September 2015 – June 2016). Details of the fellowship can be found on our [website](#). The deadline for application is **September 30, 2015**. Requests for further information and applications should be sent to Ms. Mariagiulia Porcelli ([mporcelli@luiss.it](mailto:mporcelli@luiss.it)). We would be grateful if you could forward this information to any potential candidates.

## MASTER'S PROGRAM

### **[Approaching Deadline]** Master in European Economic Governance (MEEG)

Our program aims to provide economists or other social scientists with in-depth knowledge of European institutions. Its unique focus qualifies graduates for a range of jobs in public administration, related vocations at Brussels-based European institutions, and private firms operating in Europe. The final application deadline for this academic year is **September 10, 2015**. Further details are available on our [website](#), and can be requested from [sep@luiss.it](mailto:sep@luiss.it). We would be grateful if you could forward this information to any potential candidates.

### **Master in Scienze Comportamentali e Amministrazioni (SCA)**

This second level master's program, taught in Italian, provides leadership and management training in the area of public administration. It is conducted through a partnership with *la Scuola Nazionale dell'Amministrazione (SNA)*, from where successful candidates will also receive a "Diploma di Specializzazione." The final application deadline for this academic year is **October 15, 2015**. Further details are available on our [website](#), and can be requested from [sca@luiss.it](mailto:sca@luiss.it).

## PUBLICATIONS

### Policy Briefs

**C. Bastasin: A 60% Debt Target for the Eurozone as a Whole**

## PAST EVENTS

June 25, 2015 - *Capire la crisi. Le conseguenze: "Che fine hanno fatto i partiti," "Dimenticare la periferia," e "Un'Unione più forte."*

June 22, 2015  
- *Reflections on the Euro*

June 18, 2015 - *Capire la crisi. Le conseguenze: "La disuguaglianza," "Un welfare così è ancora welfare," "Quale capitale sociale."*

June 18, 2015 -  
"*Trasparenza, digitalizzazione e anticorruzione*"

June 3, 2015 - *Trade (dis)integration and imbalances in the EMU*"

The level of public debt in the euro-area, generally considered excessive, represents the main hurdle on the way to wider risk-sharing among member states and deeper political integration in Europe. Understandably, fiscally sounder countries such as Germany would hesitate before assuming mutual responsibility with countries that have a heavy debt legacy or tradition of less fiscal discipline. However, for some weaker countries and, above all, for Greece, public debt is a fundamental issue because its debt level is so high as to be considered unsustainable. The peculiar architecture of a monetary union often makes risk-sharing happen through the backdoor, in an inefficient and non-transparent way, while at the same time jeopardizing the sustainability of national debts. In this short piece, we suggest a possible way to manage the problem without resorting to either full mutualization of fiscal policies or painful restructuring of national debts. The proposal has far-reaching consequences for the whole euro-area. [Continue Reading](#)

## S. Micossi: What future for the eurozone?

The euro is a currency without a state nor economic policy institutions to ensure budgetary discipline and economic convergence amongst its members and protect them from large idiosyncratic shocks.

As it were, convergence was badly wanting amongst the 12 countries that adopted the euro in 1999 (ECB 2015b), not only in prices, wages and productivity, but also the quality of institutions (Boltho and Carlin 2012; cf. Chart 1). In the early years of the euro the single monetary policy generously accommodated divergent national policies (Micossi 2015), thus contributing to the build-up of unsustainable imbalances in peripheral countries.

When the financial crisis struck, the absence of risk sharing arrangements to cushion the shock brought the common currency close to breaking point. The poisonous cocktail of mistrust between the member states and lack of effective common instruments to meet the shock led not only to excessively tight monetary and fiscal policies, but to a **meltdown of confidence** that swell massively the real economic costs of the crisis. In the process, it has become apparent that the construction does not have an exit door – as once again confirmed by the unfolding Greek drama. Thus, the eurozone has evolved into a **highly dysfunctional marriage** entailing much suffering and discontent among its participants (Wolf 2014), not easy to fix but neither to abandon. [Continue Reading](#)

## IN THE PRESS

**August 31, 2015** – *Il Sole 24 Ore* published an editorial by SEP Scientific Council member **Stefano Manzocchi**, in which he discusses the need for coherence and consistency in economic policy

**August 30, 2015** – *Il Sole 24 Ore* published an editorial by SEP Scientific Council member **Gianni Toniolo**, in which he discusses the concept of “monetary wars” in the 19th and 20th centuries.

**August 28, 2015** – *La Nazione* published an interview with SEP Senior Fellow **Carlo Bastasin**, in which he was asked about the economic recovery in Spain, and why the same trend is absent in Italy.

**August 27, 2015** – *Il Sole 24 Ore* published an editorial by SEP Senior Fellow **Carlo Bastasin**, in which he discusses the implications of the effect the Chinese financial crisis has had on Europe.

**August 25, 2015** – *Il Sole 24 Ore* published an editorial by SEP Scientific Council member **Stefano Manzocchi**, in which he discusses the effects of the recent economic turndown in Asia on the Italian economy.

**August 24, 2015** – *The Huffington Post* published an interview with SEP Director **Marcello Messori**, in which he discusses the financial crisis in China.

**August 21, 2015** – SEP Scientific Council member **Francesco Saraceno** was interviewed by *RaiNews24* regarding the agreement struck between Athens and the European Commission.

**August 13, 2015** – SEP Director **Marcello Messori** was interviewed by *Radio 24* about the Greek crisis.

**July 31, 2015** – *Corriere della Sera* published an interview with SEP senior fellow **Daniel Gros**, in which he discusses the impartiality (or lack thereof) of the European Commission as an arbitrator of the area's conflicts.

**July 31, 2015** – *Il Sole 24 Ore* published an editorial by SEP Scientific Council member **Stefano Manzocchi**, in which he discusses the recent economic bulletin by the European Central Bank (ECB) that reported economic “divergence” between Italy and other medium-to-high income countries in the eurozone.

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