

LUISS SCHOOL OF EUROPEAN POLITICAL ECONOMY

Newsletter - 11/2015
(No.15)

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Villa Emiliani



UPCOMING EVENTS

December 1, 2015
- Marco Buti: Italy in Europe

December 10, 2015 -
Diego Valiante: Risk Sharing ed il ruolo dell'integrazione finanziaria europea

December 11, 2015
- Etica, Scienze Comportamentali e Amministrazioni Pubbliche

PAST EVENTS

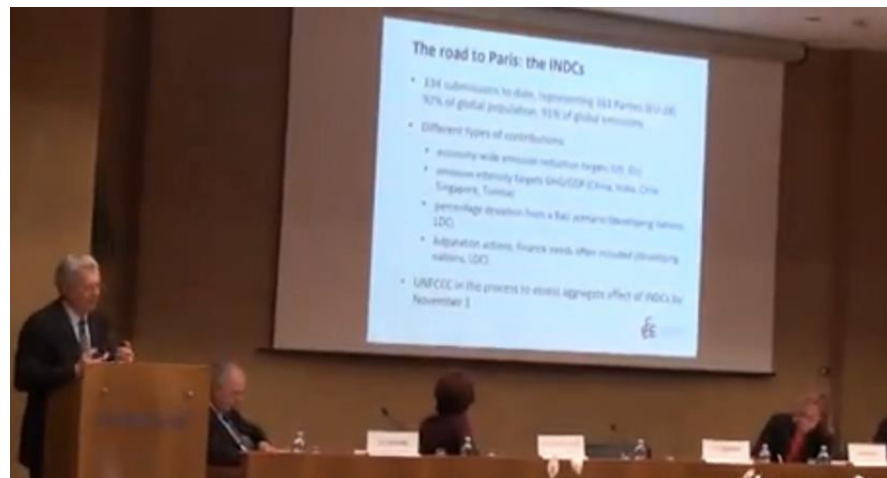
November 30, 2015 -

OPPORTUNITIES

INPS Scholarships

As part of an initiative to support post-graduate studies and professional development, INPS (Istituto Nazionale Previdenza Sociale) is offering 7 full-tuition scholarships to children or orphans of government employees or pensioners who would like to obtain a **Master in European Economic Governance (MEEG)** at the LUISS School of European Political Economy. Details on how to apply are available on [our website](#).

RECENT EVENTS



Marcello Messori at **Verso la Conferenza di Parigi sul clima (COP21 Paris): le posizioni di USA, UE e Cina a confronto** (23 November 2015)

WORKING PAPERS

P. Canofari & M. Messori: **Exit Risks and Contagion in the Euro Area**

This paper aims to assess the possible impact that the depreciation of a common currency can have on the stability of the related monetary union. It shows that, other things being equal, this depreciation

Francesco Papadia: Una nuova epoca per le banche centrali

November 23, 2015 - Verso la Conferenza di Parigi sul clima (COP21 Paris): le posizioni di USA, UE e Cina a confronto

November 19, 2015 - A. Grandori: Processi decisionali e coordinamento organizzativo

October 30, 2015 - Fabrizio Saccomanni: Global Outlook 2015-16 - XIX Edizione

October 28, 2015 - Stefano Micossi: Dalla comunicazione della Commissione Europea di gennaio 2015 all'attuale discussione su un controllo centralizzato dei bilanci pubblici degli stati membri

October 19, 2015 - Alessandro Leibold: Lessons from five years of euro-area crisis fighting

October 15, 2015 - Marco Pagano: Banks Exposures and Sovereign Stress Transmission

September 22, 2015 - Padoa Schioppa: Presentazione Libro

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

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

September 9, 2015 - Pierpaolo Benigno: Non

reduces the probability of the weakest Member States leaving the monetary union when hit by a specific and negative demand shock, and the probability of other Member States, which belong to the same area but are not directly hit by any shock, deciding to leave due to the contagion effect. Obviously, the depreciation of the common currency is not the only variable affecting the stability of a monetary area. In this respect, it is sufficient to recall that competition in the international markets is not just price competition. Hence, the paper also analyzes the role played by trade balance elasticities. In our framework, it emerges that higher (lower) elasticities of the weakest countries hit by the specific shock make their exit more (less) likely. Moreover, given the elasticities of these same countries, there is a threshold value in the elasticities of the other Member States under which contagion can never happen. [Continue Reading](#)

P. Schlosser: 'Tightening the knot' - strengthening fiscal surveillance in EMU during the euro crisis

One of the key regularities which appeared to hold so far in European integration is that the closer a policy issue lies to the core of state sovereignty, the least likely it is for integration to occur in that domain (Boerzel, 2005; Lindberg and Scheingold, 1970). This should thus make the study of integration in fiscal policy, undoubtedly a core state power, particularly interesting. In a seminal contribution on the integration dynamics in the fiscal domain, Heipertz and Verdun (2010) looked at the unintended consequences of the Economic and Monetary Union's (EMU) fiscal framework, the Stability and Growth Pact (SGP). They concluded that it is 'far too early to look for substantial occurrences of political spill-over in the fiscal domain' (2010: 82). However, recent evidence shows that the SGP's reforms and expansion into a broader and more intrusive central fiscal surveillance regime, as part of the Six Pack, Fiscal Compact and Two Pack reforms, has led to further integration in the fiscal realm.

[Continue Reading](#)

POLICY BRIEFS & COMMENTARIES

S. Micossi: Five Bullets on the European Council Meeting with the Turkish Delegation

On Sunday, 29 November 2015, the European Council will meet a Turkish delegation led by prime minister Recep Tayyip Erdogan. Martin Schultz of the European Parliament and Frans Timmermans of the Commission will also attend. The meeting is expected (albeit still with some uncertainty) to announce an agreement between the European Union and Turkey. [Continue Reading](#)

C. Bastasin: The Euro and the End of 20th Century Politics

The European crisis has been a political crisis that questions our understanding of national democracies in the new global environment. Economists and political scientists have produced extensive analyses about the European crisis. However, scholars of both disciplines have refrained from studying the interaction between economics and

politics. This brief analyzes the interaction between the euro and national politics and between the national narratives of the euro crisis and the economics of the crisis itself. [Continue Reading](#)

IN THE PRESS

November 29, 2015 – *Il Sole 24 Ore* published an editorial by SEP Senior Fellow **Lorenzo Codogno**, in which he discusses the safeguard clauses of the budget.

November 28, 2015 – *Il Sole 24 Ore* published an editorial by SEP Scientific Council member **Stefano Manzocchi**, in which he discusses the different types of dealings European countries have with China.

November 27, 2015 - *CNBC Class* aired an interview with SEP Senior Fellow **Lorenzo Codogno**, in which he discusses the Eurozone outlook and ECB policies.

November 25, 2015 - *Il Sole 24 Ore* published a video spot on **Verso la Conferenza di Parigi sul clima (COP21 Paris): le posizioni di USA, UE e Cina a confronto**, an event on 23 November 2015 that was hosted by the **School of European Political Economy** and organized in conjunction with IAI and Fondazione ENI Enrico Mattei. SEP Director **Marcello Messori** chaired the Keynote Speakers, who discussed various implications of the upcoming COP21 conference in Paris.

November 25, 2015 – SEP Director **Marcello Messori** was quoted in a *Financial Times* article on the links between domestic consumption and Italy's recovery.

November 23, 2015 – *Il Sole 24 Ore* published an editorial by SEP Senior Fellow **Carlo Bastasin**, in which he discusses President François Hollande's implied assertion that expenses incurred in the pursuit of national security would justify a deviation from EU budgetary rules.

November 22, 2015 – An essay was posted on VoxEU (CEPR's policy portal), which was signed by a number of leading economists, including SEP Senior Fellows **Paul de Grauwe, Daniel Gros, and Stefano Micossi**.

November 21, 2015 – *Il Sole 24 Ore* published an editorial by SEP Senior Fellow **Gianni Toniolo**, in which he discusses the yuan's future role as a reserve currency.

November 21, 2015 – *Il Sole 24 Ore* published an editorial by SEP Scientific Council member **Stefano Manzocchi**, in which he discusses the global economic balance and the strong ties between the US and Europe.

November 20, 2015 – SEP Senior Fellow **Lorenzo Bini Smaghi** participated in a *European Central Bank* Conference and Policy Workshop in Frankfurt, in which he presented his ideas on what a Capital Market Union could look like.

November 19, 2015 – *Il Mattino* published an interview with SEP Senior Fellow **Jean-Paul Fitoussi**, in which he shares his response to the Paris attacks and argues that Europe has left France holding the bag.

November 17, 2015 – *ADNKronos* published an interview with SEP Senior Fellow **Jean-Paul Fitoussi**, in which he shares his views on the Stability and Growth Pact in light of the Paris attacks

November 16, 2015 – *La Repubblica* published an editorial by **Marcello De Cecco**, in which he discusses the differing visions of Fisher and Yellen when it comes to monetary policy, and the resulting lack of clarity with respect to the Fed rate rise.

November 16, 2015 – *La Repubblica* published an interview with SEP Senior Fellow **Jean-Paul Fitoussi**, in which he discusses the crisis of credibility in Germany and the role Rome and Paris could play in renewing Europe's image.

November 13, 2015 – *Class CNBC* interviewed SEP Director **Marcello Messori** regarding Italy's economy, specifically the statistics released in the past week, and the fact that the country's GDP came in below expectations.

November 12, 2015 – *CNBC Squawk Box* interviewed SEP Senior Fellow **Lorenzo Codogno**, in which he discusses the likelihood that the ECB will introduce further stimulus in December

November 12, 2015 – *Project Syndicate* published an editorial by SEP Senior Fellow **Daniel Gros**, in which he discusses the European Central Bank's decision to increase quantitative easing and its potential to worsen imbalances and create financial instability.

November 10, 2015 – *The Financial Times* blog published an editorial by SEP Senior Fellow **Lorenzo Bini Smaghi**, in which he discusses the latest Federal Open Market Committee minutes that suggest the first rate rise occurring in December 2015 (as opposed to the previously signaled early 2016).

November 6, 2015 – *RaiRadio1* aired an interview with SEP Scientific Council member **Stefano Manzocchi**, in which he discusses the economic repercussions of the "bomb plot" hypothesis for the crashing of Russian MetroJet Airbus A321.

November 4, 2015 - *RaiNews24* aired an interview with SEP Scientific Council Member **Stefano Manzocchi**, in which he discusses the statement made by ECB President Mario Draghi regarding a Banking Union.

November 3, 2015 – *L'Imprenditore* published an editorial by SEP Scientific Council Member **Stefano Manzocchi** in their October edition, in which he discusses the steps necessary for sustaining Italy's current economic recovery.

October 31, 2015 – *Il Sole 24 Ore* published an editorial by SEP Senior Fellow **Lorenzo Codogno**, in which he discusses the

economic and political consequences of the wave of immigration to Europe.

October 30, 2015 – *La Repubblica* published an interview with SEP Senior Fellow **Fabrizio Saccomanni**, in which he discusses Italy's recent entry into the “negative interest rate club.”

October 28, 2015 - *CNBC Class* aired an interview with SEP Senior Fellow **Lorenzo Codogno**, in which he discusses the Eurozone outlook and ECB policies.

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