

# **LUISS** SCHOOL OF EUROPEAN POLITICAL ECONOMY

Newsletter - 10/2016  
(No.26)

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Villa Emiliani



## RECENT EVENTS



**Marco Buti: Le sfide della politica economica italiana in chiave europea**



**Alessandro Leibold: L'equilibrio tra bail in e bail out**

## UPCOMING EVENTS

November 7, 2016  
- Riccardo De Bonis & Marco Marinucci: A first look at the links between aggregate household wealth and some macroeconomic variables

November 14, 2016 -  
George Papakonstantinou: [Book Presentation] Game Over - The Inside Story of the Greek Crisis

November 16, 2016  
- Angel Ubide: European Macroeconomic Policy

December 1, 2016  
- Guntram Wolff:  
L'economia d'Europa

## WORKING PAPERS

**F. Landini: Distortions in the process of firm selection during the Great Recession - a comparison across European countries**

Recent evidence documents the weakness of market selection based on productivity differentials and the absence of cleansing during recessions. This paper argues that a possible explanation lies in the role of competitive rents, i.e., market advantages due to idiosyncrasies of the firm's demand. Competitive rents allow firms to sustain profit independently of their internal efficiency, creating a selection advantage. During an economic recession, this advantage increases because competitive rents operate as a resilience factor. **Continue Reading**

## POLICY BRIEFS

**S. Micossi & R. Perissich: An Italian Perspective on the Forthcoming Brexit Negotiations**

December 2, 2016 -  
 Debora Revoltella:  
 Investment in Europe

## PAST EVENTS

October 28, 2016  
 - Launch of the Global  
 Sustainability Forum

October 19, 2016  
 - Alessandro Leipold:  
 L'equilibrio tra bail in e  
 bail out

October 12, 2016 - Marco  
 Buti: Più o meno Europa?  
 Euro, nuovi beni pubblici  
 europei e priorità della  
 politica economica

October 12, 2016 - Marco  
 Buti: Le sfide della  
 politica economica  
 italiana in chiave europea

July 20, 2016 - Fabio  
 Landini: Distortions in the  
 process of firm selection  
 during the Great  
 Recession - a  
 comparison across  
 European countries

July 12, 2016 - Matteo  
 Bugamelli: La produttività  
 in Italia - Andamenti e  
 (possibili) determinanti

June 22, 2016 - Giancarlo  
 Corsetti: The Economic  
 Consequences of an  
 Incomplete Monetary  
 Union

June 13, 2016 -  
 Alessandra Marcelletti:  
 Capital Requirements -  
 Leverage Ratio or Risk  
 Weighted Assets

May 27, 2016 - Autorità e  
 consenso nelle decisioni  
 amministrative: il ruolo  
 delle scienze  
 comportamentali

May 26, 2016 - Lorenzo  
 Codogno: Beyond Pride  
 and Prejudice - The  
 impact of Brexit on the  
 rest of the EU

At the moment, the only certainty in the forthcoming Brexit negotiations is ... uncertainty. The British prime minister has announced her intention to formally notify the intention to leave the Union at the latest in March 2017, but the likely content of the British opening position will remain unknown for several months to come. We also don't know when the negotiations will start, since after receiving notification the European Council will have to agree on a mandate to its negotiators. Therefore, all we can do at this stage is set out our hypotheses on the likely shape of the British negotiating position and discuss, in this context, what the Italian interests and reactions might be. [Continue Reading](#)

## C. Bastasin: The Year of Non-Reckoning

The political setup within member states is becoming a priority for the survival of the European Union and the euro-area. European integration, through economic interdependence, has advanced through the interaction of grand coalition governments of various countries. The migrant crisis, instead, is polarizing national politics. 2017 will be the year when some of the largest countries in both the core and the periphery will see whether mainstream parties can take back control of the agenda. A cooperative game between member states could thus take place, favoring this outcome. Tackling the migrant crisis would thus go hand-in-hand with an accommodative fiscal and monetary policy. [Continue Reading](#)

## IN THE PRESS

**October 29, 2016** - *Lettera 43* published an interview with SEP Senior Fellow **Jean-Paul Fitoussi**, who met with reporters during the launch of the Global Sustainability Forum at LUISS.

**October 28, 2016** - *Oggi Treviso* published an interview with SEP Senior Fellow **Pietro Reichlin**, in which he discusses Italy's 2017 Draft Budgetary Plan.

**October 28, 2016** - *Italia Oggi* published an interview with SEP Senior Fellow **Jean-Paul Fitoussi**, in which points out the links between the European Union's economic policies and inequality.

**October 27, 2016** - *ADNKronos* published an interview with SEP Senior Fellow **Pietro Reichlin**, in which he discusses Italy's 2017 Draft Budgetary Plan.

**October 26, 2016** - *Corriere della Sera* published an editorial by SEP Senior Fellow **Lorenzo Bini Smaghi**, in which he discusses Italy's 2017 Draft Budgetary Plan.

**October 26, 2016** - *Il Sole 24 Ore* published an editorial by SEP Senior Fellow **Carlo Bastasin**, in which he discusses the kerfuffle between the European Commission and Italy over the 2017 Draft Budgetary Plan (DBP).

May 26, 2016 - Tito Boeri:  
Il futuro del lavoro

May 18, 2016 - Marcello  
Messori - L'Europa ha un  
futuro?

May 13, 2016 - Pier Carlo  
Padoan: A quanta  
sovranità si può  
rinunciare? L'ora del  
governo europeo

May 4, 2016 - Alessandro  
Profumo: Perché le  
banche italiane sono  
diverse da quelle  
europee?

April 20, 2016 - Lorenzo  
Bini Smaghi: Riforme o  
declino? La sfida della  
secular stagnation  
all'Europa

April 13, 2016 - Luigi  
Abete: Perché le imprese  
italiane hanno perso  
produttività?

April 4, 2016 - Peter  
Praet: Una nuova  
governance per l'euro un  
passo indietro o uno in  
avanti per la Bce?

March 22, 2016 - William  
Drozdiak: Fractured  
Continent - Europe's  
Crises and the Fate of the  
West

March 18, 2016 - Fabio  
Panetta: Banking Union

March 1, 2016 - Gian  
Luigi Tosato: Implicazioni  
giuridiche del negoziato  
su Brexit

February 16, 2016 -  
Carmine Guerriero:  
Endogenous (In)Formal  
Institutions

February 2, 2016 - Franco  
Bruni: The Euro, optimal  
currency area theory

January 28, 2016 -  
Roberto Tamborini: How  
can it work? On the  
impact of quantitative  
easing in the Eurozone

**October 25, 2016** – *Corriere della Sera* published an interview with SEP Senior Fellow **Daniel Gros**, in which he comments on Prime Minister Matteo Renzi's strategy vis-à-vis the European Commission.

**October 25, 2016** – *Xinhua* news agency published an interview with SEP Director **Marcello Messori**, in which he discusses Italy's banking problems and the government's plans to handle non-performing loans.

**October 25, 2016** – *CEPS* published a paper by SEP Chairman **Stefano Micossi**, in which he discusses the progress achieved over the past 30 years in the Single European Market

**October 23, 2016** – *Il Sole 24 Ore* published a book review by SEP Scientific Council member **Gianni Toniolo**, in which he discusses *L'economia nella mente* by Paolo Legrenzi and Armando Massarenti.

**October 21, 2016** – *La Stampa* published an interview with SEP Senior Fellow **Daniel Gros**, in which he discusses Prime Minister Renzi's comment that Europe is the world's biggest concern.

**October 20, 2016** – *Il Sole 24 Ore* published an editorial by SEP Senior Fellow **Carlo Bastasin**, in which he discusses the US presidential election.

October 20, 2016 – *SkyTG24* aired an interview with SEP Senior Fellow **Lorenzo Codogno**, in which he discusses Italy's constitutional referendum.

**October 19, 2016** – *Rai Radio 1* aired an interview with SEP Senior Fellow **Pietro Reichlin**, in which he discusses Italy's 2017 Draft Budget Proposal.

**October 19, 2016** – *Il Mattino* published an interview with SEP Senior Fellow **Jean-Paul Fitoussi**, in which he discusses Italy's 2017 Draft Budget Proposal.

**October 18, 2016** – *CNBC Asia* aired an interview with SEP Senior Fellow **Lorenzo Codogno**, in which he discusses Italy's constitutional referendum.

**October 18, 2016** – *L'Unità* published an editorial by SEP Senior Fellow **Pietro Reichlin**, in which he discusses the budget proposed by the Italian government.

**October 17, 2016** – *La Stampa* published an editorial by SEP Senior Fellow **Franco Bruni**, in which he discusses the Italian constitutional referendum.

**October 15, 2016** – *Milano Finanza* published an interview with SEP Senior Fellow **Jean-Paul Fitoussi**, in which he discusses austerity policies.

**October 14, 2016** – *Project Syndicate* published an editorial co-authored by SEP Senior Fellow **Lucrezia Reichlin**, in which she discusses the Italian banking crisis.

January 20, 2016 -  
Marcello Messori & Piero  
Esposito: Improved  
structural  
competitiveness or deep  
recession?

**October 13, 2016** – *Il Sole 24 Ore* published an editorial by SEP Senior Fellow **Carlo Bastasin**, in which he discusses Italy's strategy following the disaccord after the Bratislava Summit.

**October 12, 2016** – *Il Messaggero* published an article quoting SEP Senior Fellow **Jean-Paul Fitoussi**, in which he discusses the disconnect between economic growth and improvements in standards of living.

**October 10, 2016** – *Repubblica TV* aired an interview with SEP Scientific Council member **Francesco Saraceno**, in which he discusses the two 2016 Nobel prize winners in Economics—Oliver Hart and Bengt Holmström.

**October 9, 2016** – *Radio Vaticana* aired an interview with SEP Senior Fellow **Pietro Reichlin**, in which he discusses the pound sterling's devaluation in response to news of a “hard Brexit.”

**October 7, 2016** – *TG3* aired an interview with SEP Director **Marcello Messori**, in which he discusses the case of Deutsche Bank.

**October 7, 2016** – *Il Manifesto* published an editorial co-authored by SEP Scientific Council member **Francesco Saraceno**, in which he responds to Barry Eichengreen's predictions regarding the eventual breakup of the euro area.

**October 6, 2016** – In the latest issue of *Intereconomics*, SEP Senior Fellow **Paul De Grauwe** contributed a policy analysis on the post-Brexit European Union.

**October 6, 2016** – *Il Sole 24 Ore* published an editorial by SEP Senior Fellow **Carlo Bastasin**, in which he discusses the potential implications of a Trump win on monetary policy.

**October 6, 2016** – *L'Unità* published an editorial by SEP Senior Fellow **Pietro Reichlin**, in which he discusses the Italian constitutional referendum.

**October 6, 2016** – *Il Messaggero* published an article quoting SEP Senior Fellow **Jean-Paul Fitoussi**, who was a panelist at a conference organized by ABI, “Obbligati a crescere.”

**October 5, 2016** – *Rai News 24* aired an interview with SEP Scientific Council member **Stefano Manzocchi**, in which he discusses the IMF's assertion that the Italian government's current efforts may not be enough to rescue its banking sector.

**October 4, 2016** – *Rai 3* aired an interview with SEP Senior Fellow **Lorenzo Codogno**, in which he discusses Italy's new economic projections and budget plans.

**October 3, 2016** – *First Online* published an editorial by SEP Chairman **Stefano Micossi**, in which he discusses the case of Deutsche Bank and the possibility of state aid.

**October 2, 2016** – *Corriere della Sera* published an editorial by SEP Senior Fellow **Lucrezia Reichlin**, in which she discusses the Deutsche Bank case and its implications on the future of the European banking system.

October 1, 2016 – *Lettera Assiom Forex* published an interview with SEP Senior Fellow Lorenzo Codogno, in which he discusses the effects of Brexit on Europe.

September 30, 2016 – SkyTG24 aired an interview with SEP Senior Fellow Lorenzo Codogno, in which he discusses the European banking crisis.

**September 27, 2016** – *Bloomberg* aired an interview with SEP Senior Fellow **Lorenzo Codogno**, in which he discusses the Italian constitutional referendum on December 4.

**September 27, 2016** – *Class CNBC* aired an interview with SEP Senior Fellow **Lorenzo Codogno**, in which he comments on US elections, global growth, and the Italian referendum.

September 26, 2016 – *VoxEU* published an interview with SEP Senior Fellow **Lorenzo Codogno**, in which he discusses European and Italian banks.

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