

LUISS SCHOOL OF EUROPEAN POLITICAL ECONOMY

Newsletter - 09/2017
(No.37)

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Villa Emiliani



Upcoming Events

October 18, 2017 - S.
Fabbrini: Quali Istituzioni
per l'Europa dopo il voto
tedesco

October 20, 2017 - J.
Ulbrich: Director General
Economics at Deutsche
Bundesbank

November 14, 2017 - F.
Heinemann: Head of the
department of Corporate
Taxation and Public
Finance at the Centre for
European Economic
Research (ZEW)

PAST EVENTS

RECENT EVENTS



G. Tosato: BCE - Indipendenza a rischio?

An analysis on the European
Central Bank by LUISS
Professor Gian Luigi Tosato.

OPPORTUNITIES

Opportunità di una borsa di studio - Sono aperte le iscrizioni al Master in Economia, Finanza e Governance degli Investitori Istituzionali (EFGII) organizzato dalla SEP in cooperazione con il MEFOP

Questa è la prima edizione del programma del Master. Le conseguenti competenze tecniche e analitiche sono calibrate per una figura professionale che lavori nelle istituzioni nazionali, europee o che curi i rapporti fra realtà nazionali e istituzioni europee. Il Master EFGII intende formare figure che possano contribuire a migliorare la qualità degli investitori istituzionali, previdenziali e non, nel panorama

September 27, 2017 - G. Tosato: BCE - Indipendenza a rischio?

July 13, 2017 - M. Lanza: La vicenda Veneto Banca: una visione dall'interno

July 13, 2017 - Debito pubblico e lira nel contesto europeo

June 26, 2017 - E. Barucci: An Assessment on the Italian Banking System

June 22, 2017 - M. Buti: Global Economic Governance: G7 e G20 nell'era di Trump

June 19, 2017 - E. Giovannini: Politiche per rafforzare la resilienza in Europa: un approccio sistemico

June 6, 2017 - Presentazione Libro - Europa: sfida per l'Italia

May 22, 2017 - G. Brunello: Does Delayed Retirement Affect Youth Employment? Evidence from Italian Local Labour Markets

May 16, 2017 - The Challenges for Europe - J. Fitoussi & R. Skildesky: The Future of Work

May 12, 2017 - The Challenges for Europe - J. Fitoussi & G. Brunello: I libri sono per sempre

May 10, 2017 - J. Fitoussi & P. Aghion: Alternative strategies for reducing the Public Debt

May 8, 2017 - Le radici dell'Europa - Alberto

nazionale, comunitario e internazionale. *[Clicca qui](#) per informazioni

PUBLICATIONS

[G. Brunello, E. Lodigiani & L. Rocco: Does Low Skilled Immigration Cause Human Capital Polarization?](#)

This working paper investigates how immigration affects the educational choices of young natives. Although there is currently a vast amount of literature considering the labor market effects of immigration, less has been done to investigate the educational aspect of immigration. Using Italian provincial data and an instrumental variables strategy, this study shows how the recent increase in the immigration of low-skilled labor has produced human capital polarization.

[P. Canofari, G. Di Bartolomeo and M. Messori: EMU Stability - Direct and Indirect Risk Sharing*](#)

This working paper aims to analyze the effectiveness of different risk-sharing mechanisms in providing stability to a monetary union using two stylized tools with extreme and opposite features. Using a stylized periphery-core model of a monetary union, they compare the strengths and weaknesses of these two tools in order to reach some welfare implications in terms of union stability.

[L. Codogno: Germany's Election - Behind Consensus Politics Lie Conflicting Ideas of Europe](#)

This policy brief discusses how despite the fact that many commentators have seen the German elections as mostly uneventful, its outcome could potentially result in important changes for the EU and the Eurozone. As of now, Chancellor Angela Merkel and the CDU/CSU parties are leading in opinion polls by a wide margin, making her fourth mandate as German Chancellor seemingly a foregone conclusion. However, this paper argues that there are two primary variables to watch: (1) what coalition will emerge from the polls and (2) how the junior party (or parties) in the coalition will weigh on the role of the Finance Minister, a position that is key for future policies towards a more unified Europe.

IN THE PRESS

September 27, 2017 - *Il Sole 24 Ore* published an editorial by SEP senior fellow **Carlo Bastasin**, in which he goes against the prevalent pessimistic opinion and highlights some counter-intuitive points

Melloni: Le fedi

May 5, 2017 - Lorenzo Bini Smaghi: La tentazione di andarsene - quale futuro per l'Italia fuori dall'Europa?

May 3, 2017 - GS Forum - Rome 2017: Sustaining the economy, creating stable societies

April 28, 2017 - The Challenges for Europe - J. Fitoussi & J. Stiglitz: US – Europe, a Divorce?

April 27, 2017 - Le radici dell'Europa - Giuliano Amato: Il diritto

April 19, 2017 - Le radici dell'Europa - Massimo Cacciari: La democrazia

April 11, 2017 - The Challenges for Europe - J. Fitoussi & M. Messori - Euro Area–Italian Economy: a Contractual Agreement

April 10, 2017 - Catherine Mann: Will Soft Foundation and Financial Vulnerabilities Derail the Modest Recovery

April 5, 2017 - Mervyn King: La fine dell'Alchimia

April 3, 2017 - Architects of the Euro and SEP Graduation Day

March 23, 2017 - T. Cesaroni, R. De Bonis, L. Infante: Firms' financial surpluses in advanced economies - the role of net foreign direct investments

February 2, 2017 - Roberto Tamborini: Why is there an

regarding the recent German election results.

September 26, 2017 - *Il Sole 24 Ore* published an editorial by SEP senior fellow **Lorenzo Codogno** and his colleague Giampaolo Galli, in which they discuss why Target2 and the inter-banking payment system is back on the front pages of German newspapers.

September 26, 2017 – *Corriere della Sera* published an editorial by SEP senior fellow **Lucrezia Reichlin**, in which she discusses the recent German elections. She believes that the German election is bad news for Italy and Europe as it showed a large amount of Germans are rejecting both openness towards migrants and risk sharing between countries of the euro area.

September 26, 2017 - *Rai Radio 1* aired an interview with SEP scientific council member **Stefano Manzocchi**, in which he analyzes recent economic and political events in Italy and Europe.

September 24, 2017 - *Il Sole 24 Ore* published an editorial by SEP scientific council scholar **Gianni Toniolo**, in which he discusses how Italy has lost the spirit of research, innovation, and technical progress, or, as he describes it, the greatest gifts of Athena, the wisdom goddess. Only by recapturing the spirit of "Athena" can Italy grow faster.

September 23, 2017 - *Il Sole 24 Ore* published an editorial by SEP senior fellow **Carlo Bastasin**, in which he discusses the possible outcomes of the German elections. He believes that Chancellor Merkel is in danger of being trapped since she will have to either rely on a Great Coalition, leaving Afd a monopoly on the opposition; or she will have to choose a less secure coalition, allowing right-wing extremists to decide on voting balances at the Bundestag.

September 23, 2017 - *Il Sole 24 Ore* published an editorial by SEP president **Stefano Micossi**, in which he argues that after the German elections the road will be open to starting negotiations on the completion of the euro area economic and monetary union. However, to do so in a stabilizing way, Italy must deal with its high levels of debt and banking risks.

September 19, 2017 - *Il Sole 24 Ore* published an editorial by SEP senior fellow **Lorenzo Codogno**, in which he argues that it is important to be realistic with expectations as the Italian elections approach. He goes on to argue that real advancements, even if they are small, beat living in a realm of dreams.

September 19, 2017 - *Il Sole 24 Ore* published an editorial by SEP senior fellow **Carlo Bastasin**, in which he argues that Italian politicians should be highly engaged in the debate on the future of the euro area given that Italy is home to some of the most major risk.

September 17, 2017 - *Il Sole 24 Ore* published an editorial by SEP

interdependence war in Europe and how can it be stopped?

January 24, 2017 - Europe 2017: Make It or Break It?

scientific council scholar **Gianni Toniolo**, in which he goes through the history of how Germany developed into the economic powerhouse that it is today and reflects on past, current and future concerns regarding their overwhelming influence on Europe.

September 15, 2017 - *AffarInternazionali* published an editorial by SEP senior fellow **Ferdinando Nelli Feroci**, in which he discusses how President Juncker can thank, among other things, the encouraging economic situation for his ability to give an ambitious State of the Union speech.

September 15, 2017 - *Financial Times* published an editorial by SEP senior fellow **Lorenzo Smaghi**, in which he discusses how the recent appreciation of the Euro against the dollar could cause problems to the European recovery.

September 14, 2017 - *Commentary* published an editorial by SEP senior fellow **Daniel Gros**, in which he discusses President Juncker's vision for a political euro area where the euro is the currency of the Union, not just the currency of some Member States. However, upon closer inspection, he finds that the concrete proposals of the Commission are short on substance and therefore lacking in coherence.

September 14, 2017 - *Class CNBC* interviewed SEP director **Marcello Messori** for his thoughts and analysis on President Jean-Claude Juncker's State of the Union.

September 11, 2017 - *Rai Radio 1* aired an interview with SEP scientific council member **Stefano Manzocchi**, in which he discusses the effects of the strong euro on the competitiveness of Italian companies.

September 9, 2017 - *The Economist* interviewed SEP director **Marcello Messori** for a story they published on the outlook for the Italian economy. In this interview Director Messori points out that the large public debt is cramping the government's ability to stimulate the economy and is one of Italy's two most important challenges.

September 9, 2017 - *La Stampa* published an editorial by SEP senior fellow **Franco Bruni**, in which he discusses how a signal was recently given by Mr. Draghi, even if ever so softly, to return from an ultra-expansive monetary policy. Taking into consideration this signal and that growth and inflation seem to be in good recovery, Mr. Bruni gives his insight into the outlook for the European economy.

September 7, 2017 - *CNBC* interviewed SEP senior fellow **Lorenzo Codogno** for his thoughts and analysis on a variety of economic issues, including Mario Draghi's attempt to slow the appreciation of the common currency.

September 6, 2017 - *La Repubblica* published an editorial by SEP director **Marcello Messori**, in which he analyses the need for more investment despite the recent growth in the EU and Italian economies, particularly if there is a desire to resolve our biggest medium and long-term problems.

September 1, 2017 - *CNBC Class* interviewed SEP senior fellow **Lorenzo Codogno** for his thoughts and analysis on a variety of political and economic issues that included the global economic outlook, ECB monetary policies, and the German elections.

August 29, 2017 - *Il Sole 24 Ore* published an editorial by SEP senior fellow **Lorenzo Codogno** and his colleague Giampaolo Galli, in which they discuss how the issue of public debt seems to have been removed from the public debate compared to previous electoral campaigns.

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