



European Center for the  
Study of Public Choice



# Inside Public Debt: Ethical Arguments Against Default

May 30<sup>th</sup> – June 1<sup>st</sup>, 2016

Sapienza University of Rome

Faculty of Economics, 3rd Floor

Department of Law and Economics of Productive Activities, Onida Hall

Via del Castro Laurenziano, 9

00161 Rome, Italy

## MONDAY, MAY 30<sup>th</sup>, 2016

Session 4 – 2:00 – 3:40 p.m.

Chairman: Richard E. Wagner (George Mason University)

3:00 – 4:00 p.m. Registration and Collection of Conference Materials  
(directions will be posted at the Faculty of Economics entrance)

2:00 – 2:50 p.m. **Friedrich Schneider** (University of Linz), **Raphael N. Markellos** (University of East Anglia, UK.), **Dimitris Psychoyios** (University of Piraeus), “Public Debt and the Shadow Economy: What Relationship Do We Observe?”

Discussant: **Lars P. Feld** (Walter Eucken Institut/Albert-Ludwigs-Universität)

4:00 – 4:30 p.m. Remarks of Welcome  
**Giuseppe Eusepi** (ECSPC and Sapienza University of Rome)  
**Fabio Massoli** (Cassa Depositi e Prestiti)  
**Pietro Boria** (Faculty of Law, Sapienza University of Rome)  
**Daniele Vattermoli** (Head of the Department of Law and Economics of Productive Activities, Sapienza University of Rome)

2:50 – 3:40 p.m. **Laura Castellucci**, **Stefano Gorini** (Tor Vergata University of Rome), “The High Equity and Efficiency Costs of Debt. Balancing Austerity and Monetization for Debt Stabilization and Recovery”

Discussant: **Andrea Rieck** (Federal Ministry of Finance, Germany)

4:30 – 5:00 p.m. Opening Reception

3:40 – 4:00 p.m. Coffee Break

Session 1 – 5:00 – 6:40 p.m.

Chairman: Giuseppe Eusepi (Sapienza University of Rome)

Session 5 – 4:00 – 5:40 p.m.

Chairman: Bruno Frey (University of Basel & CREMA)

5:00 – 5:50 p.m. **Geoffrey Brennan** (Australian National University, Duke University, UNC) “Political Obligations: Is Debt Special?”  
Discussant: **Richard E. Wagner** (George Mason University)

4:00 – 4:50 p.m. **Ludger Schuknecht** (Chief Economist and Director-General, Federal Ministry of Finance, Germany), **Andrea Rieck** (Federal Ministry of Finance, Germany) “Preserving Government Solvency: a Global Policy Perspective”

Discussant: **Jan Schnellenbach** (Brandenburg University of Technology Cottbus – Senftenberg)

5:50 – 6:40 p.m. **Richard E. Wagner**, (George Mason University), “Debt Default and the Limits of the Contractual Imagination: Pareto and Mosca Meet Buchanan”  
Discussant: **Bruno Frey** (University of Basel & CREMA)

4:50 – 5:40 p.m. **Karsten Mause** (University of Münster), “Governing the Market for Sovereign Bailouts”

Discussant: **Ludger Schuknecht** (Chief Economist and Director-General, Federal Ministry of Finance, Germany)

6:40-7:30 p.m. ECSPC Business Meeting

7:30 p.m. onwards Conference Gala Dinner

## TUESDAY, MAY 31<sup>st</sup>, 2016

## WEDNESDAY, JUNE 1<sup>st</sup>, 2016

Session 2 – 9:00 – 10:40 a.m.

Chairman: Lars P. Feld (Walter Eucken Institut/Albert-Ludwigs-Universität)

Session 6 – 9:00 – 10:40 a.m.

Chairman: Friedrich Schneider (University of Linz)

9:00-9:50 a.m. **Giuseppe Eusepi** (Sapienza University of Rome), **Richard E. Wagner** (George Mason University), “De Viti de Marco vs. Ricardo on Public Debt: Self Extinction or Default?”  
Discussant: **Karsten Mause** (University of Münster)

9:00 – 9:50 a.m. **Fabrizio Balassone**, **Sara Cecchetti**, **Martina Cecioni**, **Marika Cioffi**, **Wanda Cornacchia**, **Flavia Corneli** and **Gabriele Semeraro** (Bank of Italy), “Economic Governance in the Euro Area: Balancing Risk Reduction and Risk Sharing”

Discussant: **Florin Dragu** (Financial Stability Department, National Bank of Romania)

9:50 – 10:40 a.m. **Bruno Frey** (University of Basel & CREMA), “Debt Default and the Relationship of Citizens to the State”  
Discussant: **Stefano Gorini** (Tor Vergata University of Rome)

9:50 – 10:40 a.m. **Liviu Voinea**, **Florin Dragu**, **Alexie Alupoai**, **Florian Neagu** (Financial Stability Department, National Bank of Romania), “Adjustments in the Balance Sheets – Is it Normal This ‘New Normal’?”

Discussant: **Ernesto Longobardi** (Aldo Moro University of Bari)

10:40 – 11:00 a.m. Coffee Break

10:40 – 11:00 a.m. Coffee Break

Session 3 – 11:00 a.m. – 12:40 p.m.

Chairman: Geoffrey Brennan (ANU, Duke University, UNC)

Session 7 – 11:00 a.m. – 12:30 p.m.

Chairman: Giuseppe Eusepi (Sapienza University of Rome)

11:00 – 11:50 a.m. **Giuseppe Vitaletti** (Tuscia University), “Raising Public Debt, Structural Reduction of Interest, End of the Economic Crisis”  
Discussant: **Jan Schnellenbach** (Brandenburg University of Technology Cottbus –Senftenberg)

11:00 – 11:50 a.m. **Ernesto Longobardi** (Aldo Moro University of Bari), **Antonio Pedone** (Sapienza University of Rome), “On Some Recent Proposals of Public Debt Restructuring in the Eurozone”

Discussant: **Friedrich Schneider** (University of Linz)

11:50 a.m.–12:40 p.m. **Lars P. Feld**, **Christian Pfeil**, (Walter Eucken Institut/Albert-Ludwigs-Universität), “Does the Swiss Debt Brake Induce Sound Federal Finances? A Synthetic Control Analysis”

11:50 a.m.–12:20 p.m. General Discussion

Discussant: **Geoffrey Brennan** (ANU, Duke University, UNC)

12:20 – 12:30 p.m. Thanks and Closing Remarks

12:40-2:00 p.m. Lunch

12:30 p.m. onwards Lunch

The organizers gratefully acknowledge the support of

