



BANCA D'ITALIA  
EUROSISTEMA

## XXII Banca d'Italia Public Finance Workshop

5-6 September 2024

*Bank of Italy's Conference Center "Carlo Azeglio Ciampi"*

*Via Nazionale 190 – Rome*

**Organizing committee:**

Marzia Romanelli, Martino Tasso, Pietro Tommasino, and Marco Romani

## Thursday, September 5<sup>th</sup>

Registration	9:00 - 9:30
<b>Opening remarks - Chiara Scotti</b> (Deputy Governor, Bank of Italy)	9:30 - 9:45
<b>Session 1 - Public debt and fiscal rules (1)</b>	9:45 - 10:55
• <i>Fiscal rules and discretion with risk of default</i> Chiara Felli (U. Sapienza), <u>Facundo Piguillem</u> (EIEF), Liyan Shi (Carnegie Mellon U.)	
• <i>Moral hazard with risk-sharing and safe debt</i> Ramon Marimon (U. Pompeu Fabra), Adrien Wicht (EUI, U. Basel), <u>Luca Zavalloni</u> (ESM)	
• Discussion: <u>Jacopo Cimadomo</u> (ECB)	
Coffee break	10:55 - 11:15
<b>Session 2 - Public debt and fiscal rules (2)</b>	11:15 - 12:55
• <i>Designing conditionality in the supply of European public goods</i> <u>Roel Beetsma</u> (European Fiscal Board), Marco Buti (EUI)	
• <i>Public debt, interest rates, and wealth inequality</i> <u>William B. Peterman</u> , Erick Sager (Federal Reserve Board)	
• <i>The enforcement dilemma of EU fiscal rules</i> Georg Kirchsteiger (ECARES), <u>Martin Larch</u> (European Fiscal Board)	
• Discussion: <u>Maximilian Freier</u> (ECB)	
Lunch	12:55 - 14:10
<b>Keynote speech: <i>Fiscal policies for broadening the gains from AI</i></b> <b>Era Dabla-Norris</b> (Deputy director, Fiscal affairs department, IMF)	14:10 - 14:55
<b>Session 3 - Fiscal stance and policy mix</b>	15:00 - 16:10
• <i>Seemingly irresponsible but welfare improving fiscal policy at the lower bound: the role of expectations</i> <u>Roberto M. Billi</u> (Sveriges Riksbank), Carl E. Walsh (UC, Santa Cruz)	
• <i>Full compliance with the SGP: a macroeconomic evaluation</i> <u>Krzysztof Bańkowski</u> , Stephan Haroutunian, Nadine Leiner-Killinger (ECB)	
• Discussion: <u>Giovanni Callegari</u> (ESM)	
Coffee break	16:10 - 16:30
<b>Session 4 - Climate-related issues</b>	16:30 - 18:10
• <i>The macroeconomic impact of the energy and climate provisions of the US inflation reduction act: evidence for the EU</i> <u>Salvador Barrios</u> , Jonathan Pycroft, Andrzej Leszek Stasio, Daniel Stoehlker (EC JRC)	
• <i>Are people willing to pay to prevent natural disasters?</i> <u>Luigi Guiso</u> (EIEF), Tullio Jappelli (U. Naples Federico II)	
• <i>The distributional effects of carbon taxation in Italy</i> Francesco Caprioli, <u>Giacomo Caracciolo</u> (Banca d'Italia)	
• Discussion: <u>Javier J. Pérez</u> (Banco de España)	
Dinner (upon invitation only)	from 20:00

## Friday, September 6<sup>th</sup>

### Session 5 - Getting granular: taxes and expenditure programs (1) 9:30 - 10:40

- *Growth effects of public investment and public consumption: the role of the business cycle, fiscal space, and efficiency*  
Amat Adarov (World Bank), Benedict Clements (Universidad de Las Américas), João Tovar Jalles (U. Lisboa)
- *Public debt and public investment: an adverse relationship and ways to mitigate it*  
Flavien Gervois (ENSAE), Gilles Mourre (European Commission)
- Discussion: Marta Rodríguez-Vives (ECB)

Coffee break 10:40 - 11:00

### Session 6 - Getting granular: taxes and expenditure programs (2) 11:00 - 12:40

- *Early withdrawals and optimal liquidity*  
Henrik Yde Andersen (Danmarks Nationalbank), Alina Bartscher (Frankfurt School of Finance and Management), Søren Leth-Petersen (U. Copenhagen), Patrick Moran (Federal Reserve Board)
- *Optimal unemployment insurance with program interactions*  
Zachary Parolin, Clemente Pignatti (U. Bocconi)
- *Tax and transfer progressivity at the U.S. state level*  
Johannes Fleck (Federal Reserve Board), Jonathan Heathcote (Minneapolis Fed), Kjetil Storesletten (U. Minnesota), Gianluca Violante (Princeton U.)
- Discussion: Antonio Coran (Banca d'Italia)

Lunch 12:40 - 13:55

### Keynote speech: *The economic consequences of fiscal rules* 13:55 - 14:40

**Niklas Potrafke** (Director ifo Center for Public Finance and Political Economy, Professor U. of Munich)

### Session 7 - The impact of local taxes 14:45 - 15:55

- *Do local tax differentials affect internal migration?*  
Giuseppe Ippedito (U. Nottingham)
- *The stimulative effect of state tax cuts across the income distribution*  
John Juneau (UC, San Diego), Byron Lutz (Federal Reserve Board)
- Discussion: Francesca Gastaldi (Italian Parliamentary Budget Office)

Coffee break 15:55 - 16:15

### Session 8 - Political economy issues 16:15 - 17:25

- *Jeux sans frontières: effects of cross border workers on local economies*  
Emanuele Dicarolo (Banca d'Italia), Sergio Galletta (ETH Zurich), Enrico Rubolino (CREST)
- *Fiscal discourse and fiscal policy*  
Yongquan Cao, Era Dabla-Norris, Enrico Di Gregorio (IMF)
- Discussion: Sebastian Barnes (OECD)

**20 minutes for each presentation, 5 minutes for the discussion of each paper**

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