

Conference Title

**Sovereign Debt, Sustainability, and Lending Institutions**

Short description:

The conference aims to bring together leading scholars to discuss theoretical and empirical issues in sovereign debt sustainability. In particular, we are interested in papers that deal with debt maturity structure, official lending, crisis resolution frameworks, and multiple equilibria, among others. The goal is to identify priorities for both future research and policy-making as it relates to recent developments in the Euro Area and multilateral lending frameworks. The conference will be structured to facilitate interaction and discussion among leading academics and policymakers.

Organizers/Scientific Committee:

**Giancarlo Corsetti (University of Cambridge),**

**Aitor Erce (European Stability Mechanism),**

**Timothy Kehoe (University of Minnesota),**

**Juan Rojas (European Stability Mechanism),**

**Timothy Uy (University of Cambridge)**

Dates: September 2-3, 2016

Venue: Gonville and Caius College, University of Cambridge

## PRELIMINARY PROGRAMME

### Friday 2 September

08:15 - 08:30 **Registration**

08:30 - 09:00 **Welcome Remarks**

**Giancarlo Corsetti (Cambridge), Timothy Kehoe (Minnesota), and Timothy Uy (Cambridge)**

### Session 1. Official Lending

09:00 – 10:00 [Debt Sustainability and Terms of Official Support](#)

**Giancarlo Corsetti (Cambridge)** with Aitor Erce (ESM) and Timothy Uy (Cambridge)

**Discussant: Timothy Kehoe (Minnesota)**

10:00 – 11:00 [Non-Defaultable Debt and Sovereign Risk](#)

**Leonardo Martinez (IMF)** with Juan Carlos Hatchondo (Indiana) and Yasin Onder (Central Bank of Turkey)

**Discussant: Pietro Reichlin (LUISS G. Carli)**

11:00 – 12:00 [Lending of Last Resort in an Open Economy](#)

**Luigi Bocola (Northwestern)** and Guido Lorenzoni (Northwestern)

**Discussant: Charles Brendon (Cambridge)**

12:00 – 13:00 **Lunch**

### Session 2. Multiple Equilibria 1

13:00 – 14:00 [Self-Fulfilling Debt Crises, Revisited: The Art of the Desperate Deal](#)

**Mark Aguiar (Princeton)** with Hal Cole (Penn), Satyajit Chatterjee (Philadelphia Fed), Zachary Stangebye (Notre Dame)

**Discussant: Ramon Marimon (EUI)**

14:00 – 15:00 [Self-Fulfilling Debt Restructuring](#)

**Timothy Uy (Cambridge)**

**Discussant: Juan Carlos Hatchondo (Indiana)**

15:00 – 15:30 **Coffee Break**

### **Session 3. Debt, Growth, and the Macroeconomy**

15:30 – 16:30 [Fiscal Multipliers and the Home Bias of Government Debt](#)

**Fernando Broner (CREI)** with Daragh Clancy (ESM), Aitor Erce (ESM) and Alberto Martin (CREI)

**Discussant: Martin Weale (Queen Mary/Bank of England)**

16:30 – 17:30 [Debt into Growth: How Sovereign Debt Accelerated the First Industrial Revolution](#)

**Jaume Ventura (CREI)** with Hans Joachim Voth (Zurich)

**Discussant: Juan Flores (Geneva University)**

19:00 **Dinner at Clare College (by invitation only)**

### **SATURDAY 3 September**

08:30 - 08:30 **Registration**

### **Session 4. Austerity**

08:30 – 09:30 [Optimal Austerity](#)

**Timothy Kehoe (Minnesota)** with Juan Carlos Conesa (Stony Brook) and Kim Ruhl (Penn State)

**Discussant: Morten Ravn (UCL)**

09:30 – 10:30 [Sovereign Debt and Structural Reforms](#)

**Kjetil Storesletten (Oslo)** with Andreas Mueller (Oslo) and Fabrizio Zilibotti (Zurich)

**Discussant: Pedro Teles (Bank of Portugal)**

10:30 – 11:30 [Saving Europe: The Unpleasant Arithmetic of Fiscal Austerity in Integrated Economies](#)

**Jing Zhang (Chicago Fed)** with Enrique Mendoza (Penn) and Linda Tesar (Michigan)

**Discussant: Juan Carlos Conesa (Stony Brook)**

11:30 – 11:45 **Coffee Break**

## **ESM-Sponsored Panel**

11:45 – 12:45 [Managing Debt Overhang](#)

**Rolf Strauch (ESM), Jeromin Zettelmeyer (German Ministry of Economics and Transport), Martin Weale (Queen Mary/Bank of England)**

**Open discussion**

12:45 – 13:45 **Lunch**

## **Session 6. Topics on Sovereign Debt**

13:45 – 14:45 [Growth Regimes, Endogenous Elections and Fluctuations in Sovereign Default Risk](#)

**Satyajit Chatterjee (Philadelphia Fed)** with Burcu Eyigungor (Philadelphia Fed)

**Discussant: Igor Livshits (Western)**

14:45 – 15:45 [The Seniority Structure of Sovereign Debt](#)

**Christoph Trebesch (Munich)** with Matthias Schlegl (Munich) and Mark Wright (Chicago Fed)

**Discussant: Aitor Erce (ESM)**

15:45 – 16:00 **Coffee Break**

## **Session 7. Multiple Equilibria II**

16:00 – 17:00 [Sovereign Default: The Role of Expectations](#)

**Juan Pablo Nicolini (Minneapolis Fed)** with Joao Ayres (Minnesota), Gaston Navarro (Fed Board) and **Pedro Teles (Bank of Portugal)**

**Discussant: Wouter den Haan (LSE)**

17:00 – 18:00 [Debt Crises: For Whom the Bell Tolls](#)

**Hal Cole (Penn)** with Guillermo Ordonez (Penn) and Daniel Neuhann (Penn)

**Discussant: Jonathan Eaton (Penn State)**