



DEAMS  
Dipartimento di Scienze Economiche, Aziendali, Matematiche e Statistiche  
"Bruno de Finetti"  
Università degli studi di Trieste

## AVVISO DI SEMINARIO

**Martedì 7 dicembre 2021, ore 15**  
**Sala riunioni, Edificio D – III piano e Online (Teams)**

**Relatore:** Prof. Francesco Magris, DEAMS

**Titolo:** *"The environmental unsustainability of public debt: non-renewable resources, public finances stabilization and growth"*

### **Abstract:**

This paper introduces a public debt stabilization constraint in an overlapping generation model in which non-renewable resources constitute a necessary input in the production function and belong to agents. It shows that stabilization of public debt at high level (as share of capital) may prevent the existence of a sustainable development path. Public debt thus appears as a threat to sustainable development. It also shows that higher public debt-to-capital ratios (and public expenditures-to-capital ones) are associated with lower growth. Two transmission channels are identified. As usual, public debt crowds out capital accumulation. In addition, public debt tends to increase resource use which reduces the rate of growth. We also analyze the dynamics and we show that the economy is characterized by saddle path stability. Finally, we show that the public debt-to-capital ratio may be calibrated to implement the social planner optimal allocation.

### **DOVE**

In presenza presso la sala riunioni al terzo piano del DEAMS (Edificio D)

Online sulla piattaforma Teams al link: <https://teams.microsoft.com/l/team/19%3aGdSJ-7cFbg4079Z0qvehygZScC7nSSNnIlXF8EfjHt81%40thread.tacv2/conversations?groupId=2dcc2166-20be-4914-8f6b-7c00c0905d06&tenantId=a54b3635-128c-460f-b967-6ded8df82e75>