

Geopolitical Disruptions and Debt Sustainability

Motivation and content

Geopolitical volatility and risks are on the rise. These risks can materialize with shocks to key economic variables, such as terms of trade, external or domestic demand, or market confidence, affecting economic growth, borrowing conditions, public revenue and spending, and ultimately public debt.

In an increasingly power-driven global landscape, Europe must assume greater responsibility for its own security and strategic interests. Building resilience to shocks, reducing external dependencies, modernising production and investing in defence come on top of existing long-term challenges such as climate change and population aging.

To address these challenges Europe needs more agile institutions, better coordination in research and innovation, and stronger government support. At the same time, debt levels are already high and borrowing costs well above those seen until before the 2021-22 inflation surges.

Questions we will address at the conference:

- What are the main economic channels of geopolitical disruptions?
- What are the main risks to economic growth and debt sustainability?
- What are the policy options?
- Do we need new policy instruments to face ongoing crises and volatile environment?

The conference also aims at discussing the policy architecture Europe needs to enhance its resilience and improve its readiness to face geopolitical disruptions, drawing on European and international experiences.

The objective is to learn, collaborate, and act together, specifically to:

1. Define and identify the main sources of political disruptions
2. Explore methods for gauging their repercussions for economic growth and public debt
3. Assess the effectiveness of current policy frameworks
4. Develop policy recommendations to enhance Europe's resilience and response capabilities

Topics of particular interest for submission include, but are not limited to:

- Identifying and measuring the risk of disruptive events, with a specific focus on triggers and non-linearities
- Analysing the impact of external policy uncertainty on macro-financial variables in Europe
- Empirical analyses of the macroeconomic and financial stability impact of extreme events
- Lessons from recent crises (Covid, conflicts, geoeconomic fragmentation): implications for financial stability
- Strengths and weaknesses of the EU's and euro area's resilience enhancement strategy, crisis prevention and management tools, and institutions' legal and organisational avenues for improvement.

Confirmed speakers include Daniel Gros (Bocconi University), Era Dabla-Norris (International Monetary Fund), Ricardo Reis, Ethan Ilzetzki (both London School of Economics), and Jakob Funk Kirkegaard (Bruegel)

Paper submission and important dates

We invite the submission of theoretical, empirical and analytical policy-oriented drafts or completed papers.

Submissions, in PDF format, should be made through the online form available on the SUERF website by **3 October 2025 cob**. Selected papers will be invited to be presented at the workshop in Luxembourg and will be shared among all event participants, including policymakers, top academics and financial practitioners from around the world. Papers will also be posted on the conference website. Only authors of accepted papers will be notified.

Limited reimbursements for travel and accommodation are available for academic speakers without travel funding.

Timeline

Paper submission deadline: Friday, 3 October 2025

Notification of acceptance (only authors of accepted papers will be notified): Tuesday, 30 October 2025

Invited papers session: 3 December 2025, Luxembourg

Organising committee: Ernest Gnan (SUFERF), Giovanni Callegari, Ermal Hitaj, Silvia Calò (ESM)