

Correction

Correction: Della Posta et al. COVID-19, Economic Policies and Public Debt Sustainability in Italy. *Sustainability* 2022, 14, 4691

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The authors would like to make the following corrections about the published paper [1]. The changes are as follows:

(1) Replacing Figure 1:

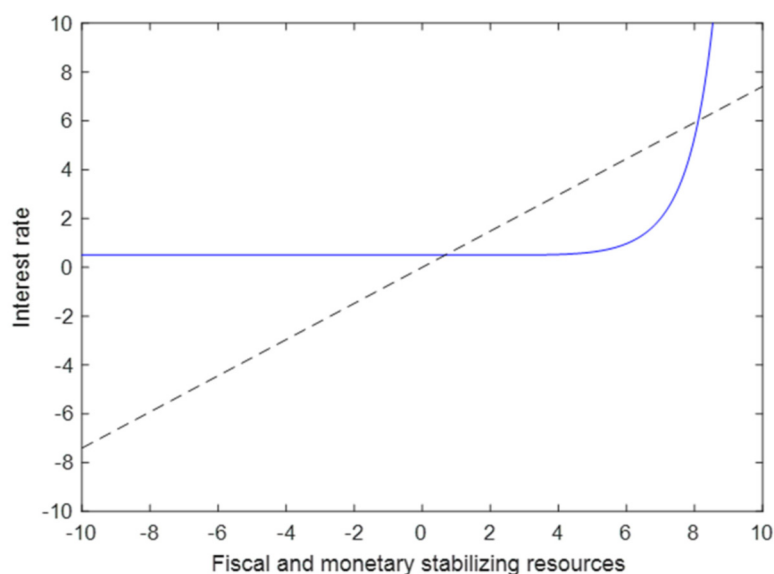


Figure 1. Government and market reaction function before the pandemic. Legend: in Figure 1, the black dotted line represents the government reaction function and the blue continuous line represents the market reaction function. Public debt stability is granted up to an interest rate value of 6%.

With



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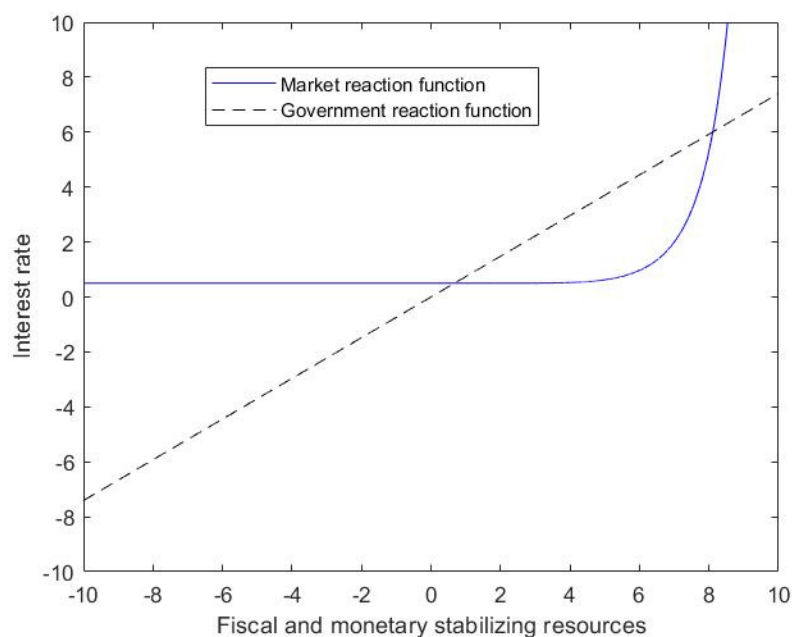


Figure 1. Government and market reaction function before the pandemic. Legend: in Figure 1, the black dotted line represents the government reaction function and the blue continuous line represents the market reaction function. Public debt stability is granted up to an interest rate value of 6%.

(2) Replacing Figure 2:

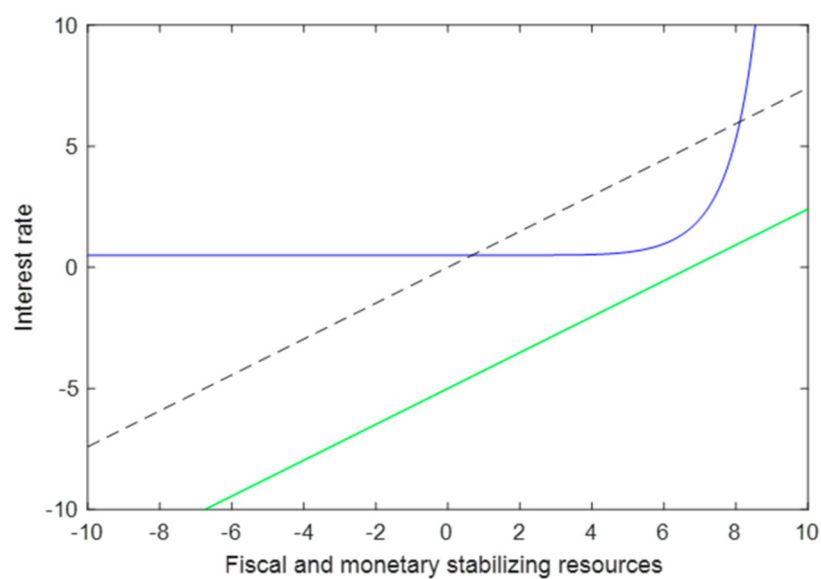


Figure 2. The effect of the pandemic shock, v , on the stability of public debt/GDP. Legend: in Figure 2 the green continuous line represents the government reaction function when a 5% pandemic shock hits the economy, thereby making public debt unsustainable. As for blue and black lines see Legend in Figure 1.

With

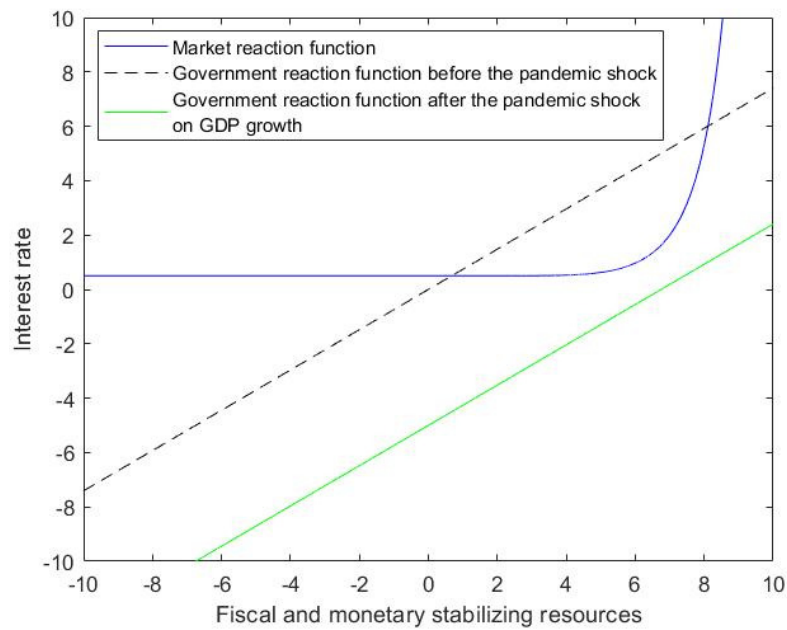


Figure 2. The effect of the pandemic shock, v , on the stability of public debt/GDP. Legend: in Figure 2 the green continuous line represents the government reaction function when a 5% pandemic shock hits the economy, thereby making public debt unsustainable. As for blue and black lines see Legend in Figure 1.

(3) Replacing Figure 3:

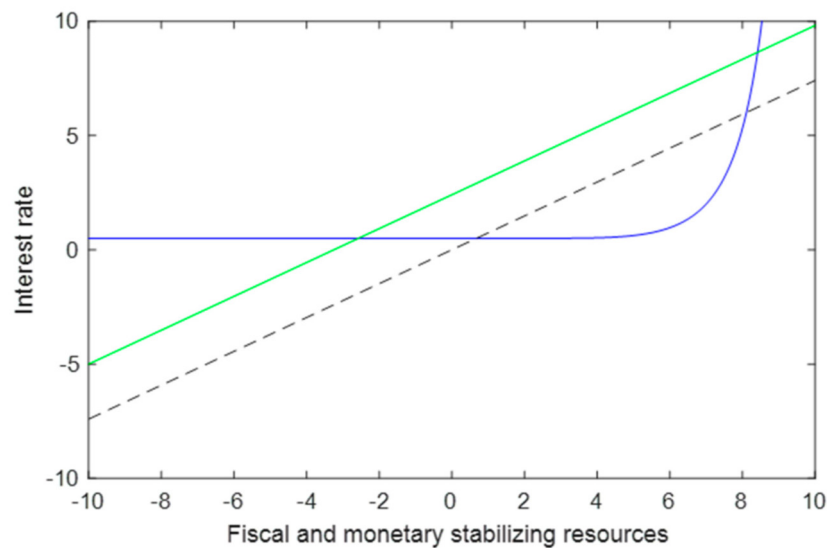


Figure 3. Government and market reaction function before and after the pandemic – a negative shock, v , on GDP growth, with public debt allowed to grow. Legend: in Figure 3 the green continuous line represents the government reaction function when a 5% pandemic shock hits the economy, and the public debt is allowed to grow at a higher level. As for blue and black lines see Legend in Figure 1.

With

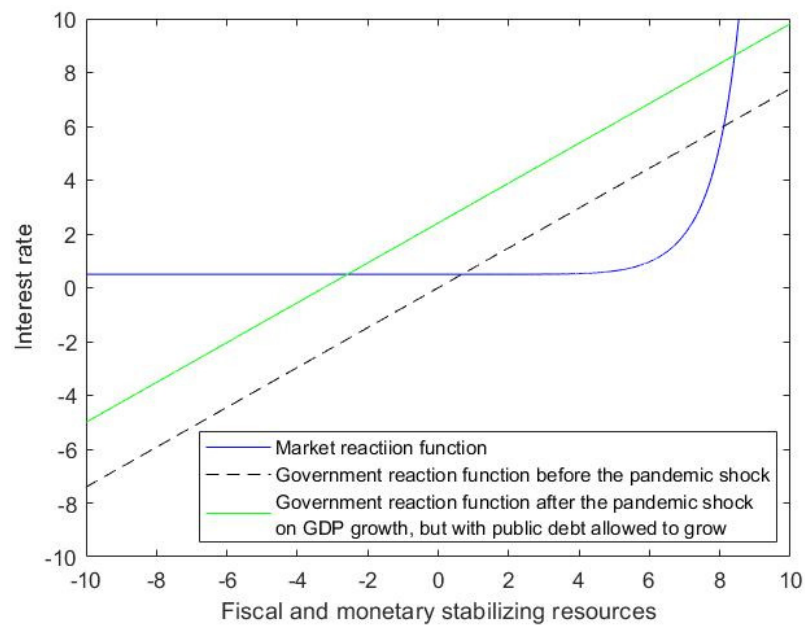


Figure 3. Government and market reaction function before and after the pandemic – a negative shock, v , on GDP growth, with public debt allowed to grow. Legend: in Figure 3 the green continuous line represents the government reaction function when a 5% pandemic shock hits the economy, and the public debt is allowed to grow at a higher level. As for blue and black lines see Legend in Figure 1.

(4) Replacing Figure 4:

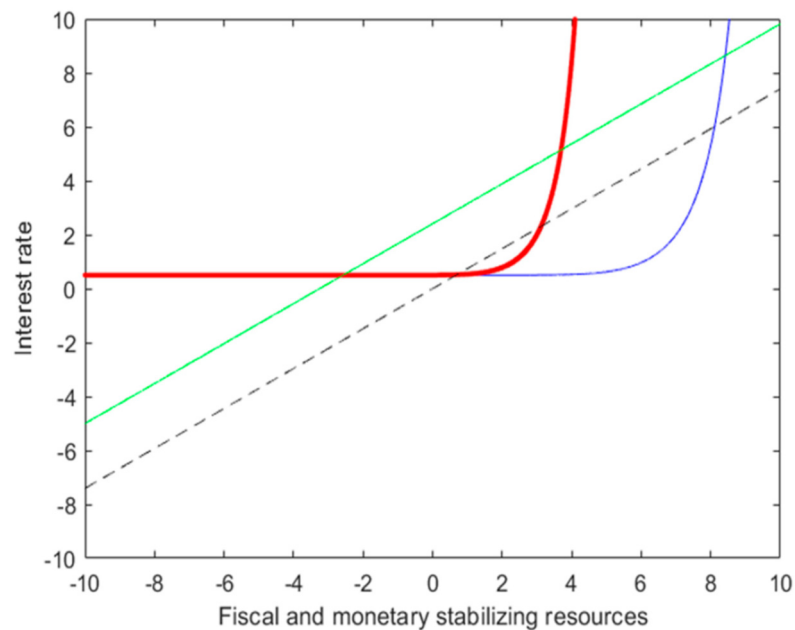


Figure 4. The Lagarde shock. Legend: in Figure 4 the red continuous line represents the market reaction function resulting from the 'Lagarde shock', making the interest rate more reactive to given fiscal and monetary resources. As for blue and black lines see Legend in Figure 1. As for green line see Legend in Figure 3.

With

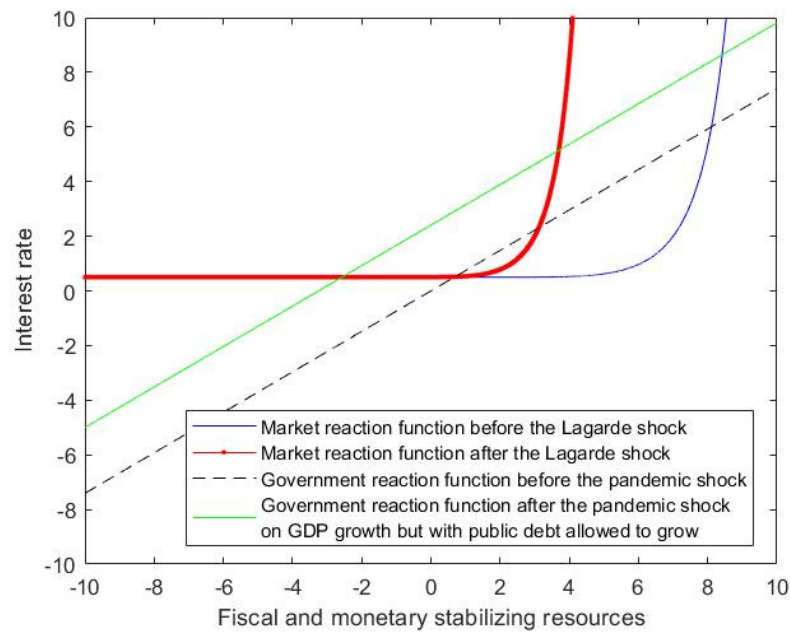


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(5) Replacing Figure 5:

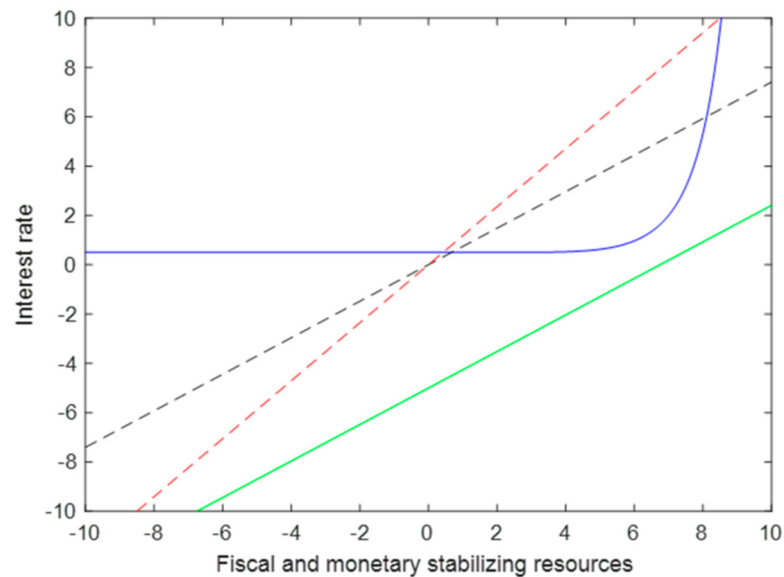


Figure 5. Government and market reaction function with the PEPP. Legend: in Figure 5 the red dotted line represents the government reaction function when the 5% pandemic shock has hit the economy and a PEPP is introduced thereby reducing the share of debt which is subject to the higher risk premium charged by the market. As a result, an even larger area of public debt stability is gained, for levels of the interest rate lower than 10%. As for blue and black lines see Legend in Figure 1. As for green line see Legend in Figure 3.

With

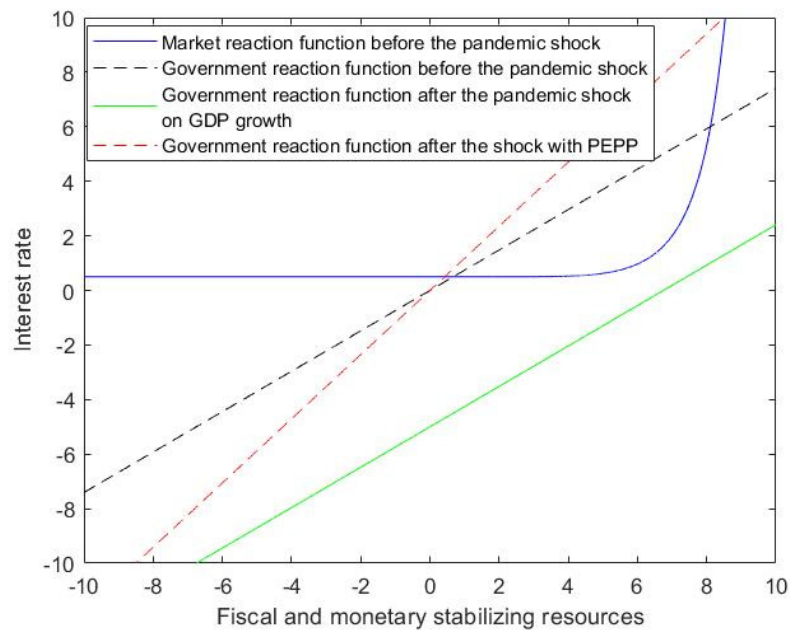


Figure 5. Government and market reaction function with the PEPP. Legend: in Figure 5 the red dotted line represents the government reaction function when the 5% pandemic shock has hit the economy and a PEPP is introduced thereby reducing the share of debt which is subject to the higher risk premium charged by the market. As a result, an even larger area of public debt stability is gained, for levels of the interest rate lower than 10%. As for blue and black lines see Legend in Figure 1. As for green line see Legend in Figure 3.

(6) Replacing Figure 6:

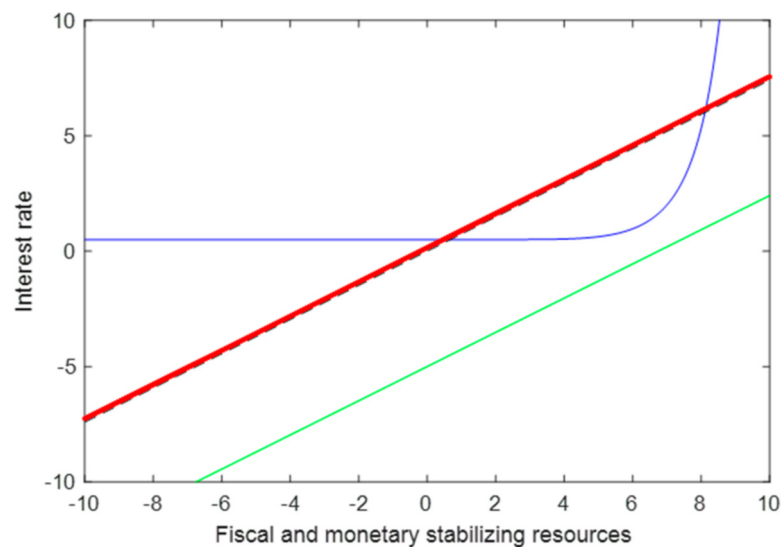


Figure 6. Government and market reaction function with debt monetization. Legend: Figure 6 shows that the situation preceding the pandemic shock can be regained by adopting a full monetization of the public debt (the continuous red line representing the monetization brings the government’s reaction function back to its original position). As for blue and black lines see Legend in Figure 1. As for green line see Legend in Figure 3.

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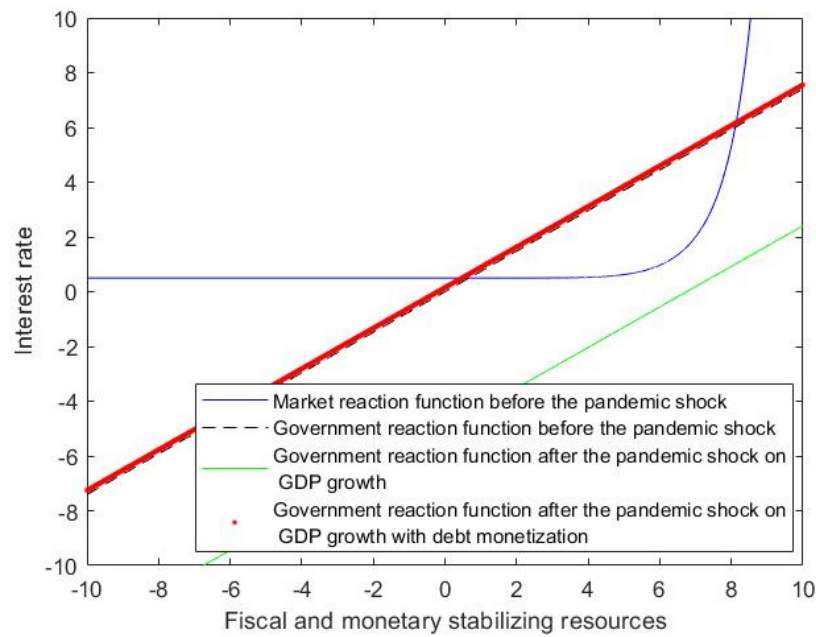


Figure 6. Government and market reaction function with debt monetization. Legend: Figure 6 shows that the situation preceding the pandemic shock can be regained by adopting a full monetization of the public debt (the continuous red line representing the monetization brings the government’s reaction function back to its original position). As for blue and black lines see Legend in Figure 1. As for green line see Legend in Figure 3.

(7) Replacing Figure 7:

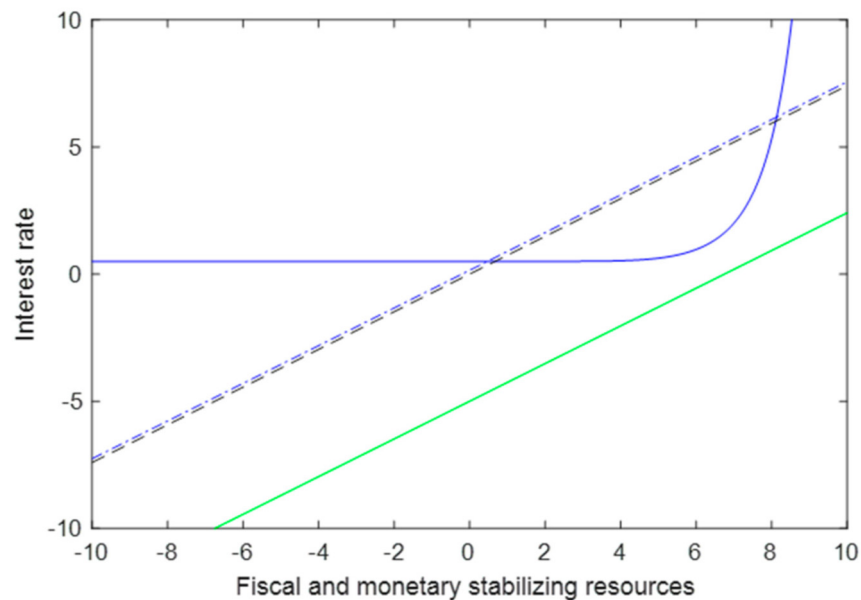


Figure 7. Government and market reaction function with Next Generation EU. Legend: Figure 7 shows that the situation preceding the pandemic shock can be also regained by thanks to a NGEU program that removes from the country the burden of the public debt caused by the pandemic shock (dotted blue line representing the size of the NGEU brings the government’s reaction function back to its original position). As for blue and black lines see Legend in Figure 1. As for green line see Legend in Figure 3.

With

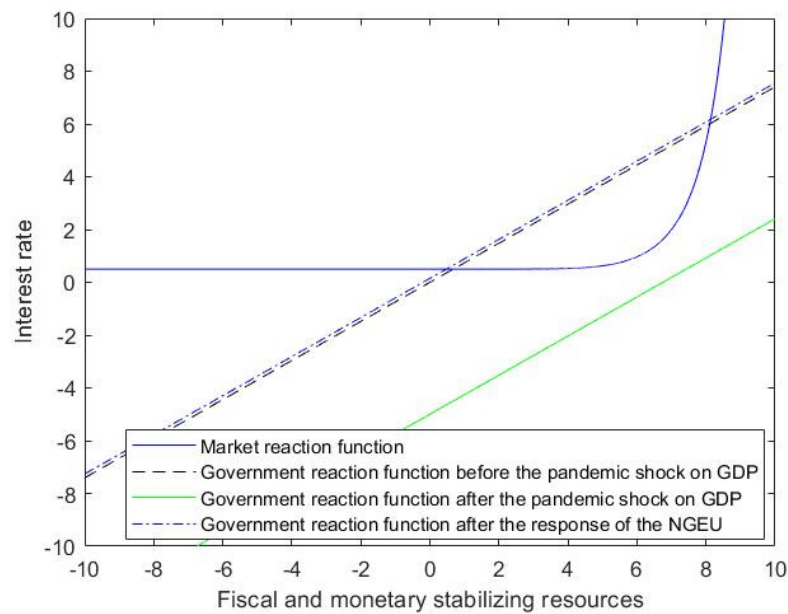


Figure 7. Government and market reaction function with Next Generation EU. Legend: Figure 7 shows that the situation preceding the pandemic shock can be also regained by thanks to a NGEU program that removes from the country the burden of the public debt caused by the pandemic shock (dotted blue line representing the size of the NGEU brings the government’s reaction function back to its original position). As for blue and black lines see Legend in Figure 1. As for green line see Legend in Figure 3.

(8) Replacing Figure 8:

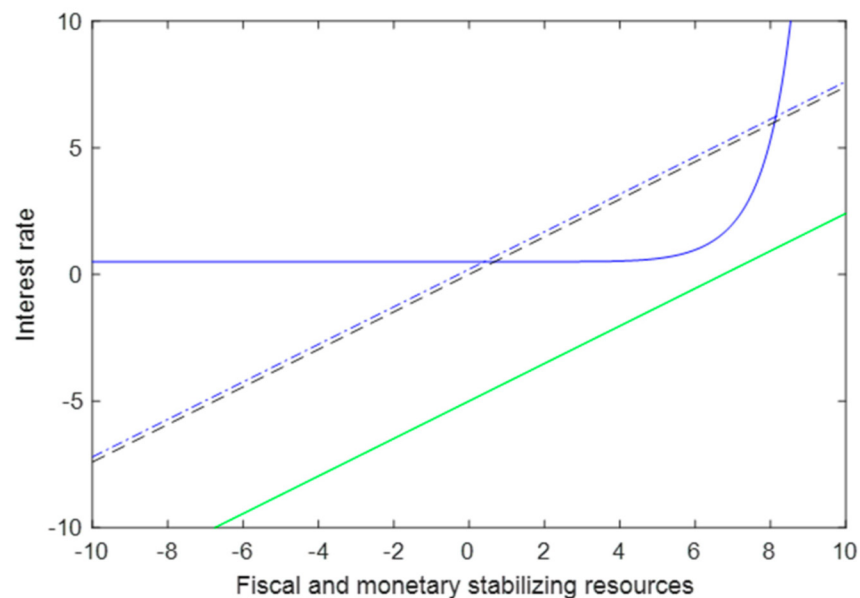


Figure 8. Government and market reaction function with GDP growth. Legend: Figure 8 shows that the situation preceding the pandemic shock can be regained not only by adopting a full monetization of the public debt (Figure 6) or by adopting a NGEU (Figure 7), but also thanks to a GDP growth (as represented by the dotted black line). As for blue and black lines see Legend in Figure 1. As for green line see Legend in Figure 3.

With

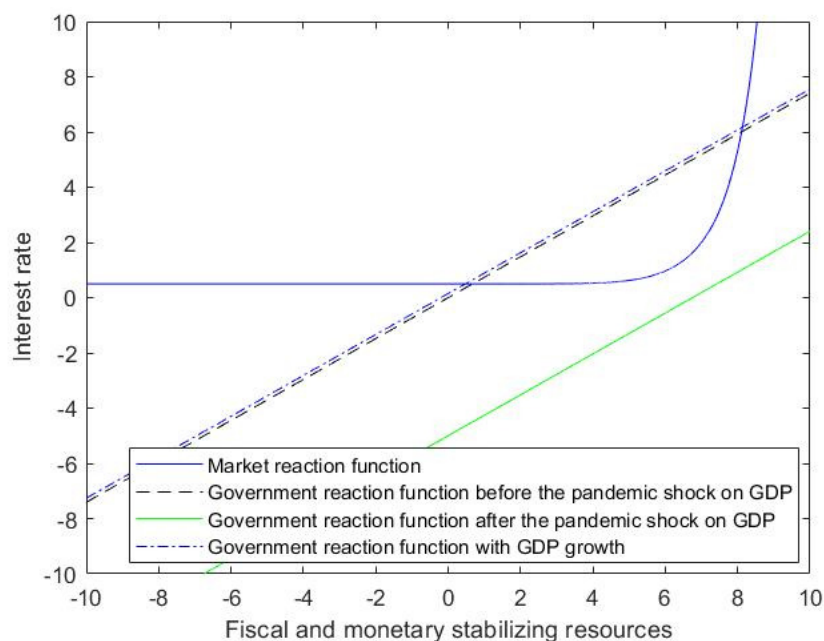


Figure 8. Government and market reaction function with GDP growth. Legend: Figure 8 shows that the situation preceding the pandemic shock can be regained not only by adopting a full monetization of the public debt (Figure 6) or by adopting a NGEU (Figure 7), but also thanks to a GDP growth (as represented by the dotted black line). As for blue and black lines see Legend in Figure 1. As for green line see Legend in Figure 3.

(9) Reorder the references in the reference list from:

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To

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