BANCA D'ITALIA
EUROSISTEMA

New Research at the Bank of Italy

Number 27 – July 2012

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Seminars at the Bank of Italy

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the real time indicator of the euro-area economy

Highlights

Workshop: "The National Accounts of the Italian economy from 1861 to 2011" (Rome, 16 April 2012)

On the occasion of the 150th anniversary of Italian unification, the Bank of Italy, Istat and Tor Vergata University of Rome, in collaboration with other Italian universities, sponsored a reconstruction of the time series of the national accounts. The aim is to make available to the academic community and all interested scholars the basic statistics necessary for the study of the history of Italian economic development. The project has produced the first continuous time series covering the entire period from 1861 to 2011. The workshop highlighted the principal features of the data in methodological and historiographical terms.

The workshop programme is available here (in Italian only).

Conference: "Economics of Interactions and Culture" (Rome, 27-28 April 2012)

Jointly organized with ERC, La Sapienza University of Rome and CEPR, and hosted by EIEF, the conference discussed recent research on the role of cultural traits, beliefs and social norms in shaping the functioning of institutions and legal systems. Among others, speakers were: Yves Zenou (Stockholm University), Luigi Pistaferri (EIEF and Stanford University), Raquel Fernandez (New York University) and Nancy Qian (Yale University).

The conference programme is available here.

Conference: "Rome Junior Conference on Macroeconomics" (Rome, 18-20 June 2012)

Organized and hosted by EIEF, the conference brought together junior "high-flier" macroeconomists from around the world, to discuss recent research in a friendly and very interactive environment.

The conference programme is available here.

Conference: "Turismo internazionale in Italia: dati e risultati" (Rome, 22 June 2012)

The conference discussed recent research carried out at the Bank of Italy on flows and expenses of international tourists from/to Italy using data from the Bank's survey on international tourism. The conference also considered the role of factors, such as the availability of low-cost flights or hotels, in stimulating tourism.

The conference programme and related material are available here (in Italian only).

Workshop: "Family Economics and Human Capital in the Family " (Rome, 26 June 2012)

The workshop was jointly organized by the Bank of Italy and the Economic Research Center of the University of Chicago led by Prof. James Heckman. Economists from the Bank of Italy and members of the academic community were involved in the initiative. The issues covered during the workshop concerned the economic analysis of the interaction of family members and the formation of human capital in the family. These issues were analysed both from a micro and a macro perspective.

Workshop: "12th Doctoral Workshop in Economic Theory and Econometrics (MOOD 2012)" (Rome, 26-28 June 2012)

Jointly organized with the Bank of Italy and Collegio Carlo Alberto, with the financial support from the Journal of Applied Econometrics and LABOUR, and hosted by EIEF, this annual event is designed to foster interactions between senior economists and doctoral students. The presenters, all PhD students who will be on the 2013 job market, received constructive feedback from the highly qualified attendees, including professors visiting EIEF.

The workshop programme and related material are available here.

EIEF Summer Lectures (Rome, 11 June - 11 July 2012)

EIEF has organized a second series of Summer Lectures meant to provide, in a seminar style, a brief overview of recent frontier research in four broad areas: Political Economy, Macroeconomics, Geography and Trade, and Finance. All the lecturers are academics of sterling reputation internationally who are visiting EIEF and are available for active interaction with the participants.

The Summer Lectures programme and related material are available here.

Forthcoming events

On 10-11 September 2012, EIEF will host the conference "New Developments in Econometrics and Time Series", organized by the Collaborative Research Center 823 "Statistical modelling of nonlinear dynamic processes" and ECARES.

More information is available here.

NBER, CFS and EIEF are organizing a conference on Household Finance which will take place on 21-22 September 2012, at the University of Oxford, United Kingdom.

More information is available here.

On 21 December 2012 the Bank of Italy will host the 11th Workshop on "Macroeconomic Dynamics: Theory and Applications".

The aims of the workshop are to bring together Italian-based researchers and their Italian colleagues working abroad, to offer participants, in particular junior economists, an opportunity to present and discuss research on modern dynamic macroeconomics and to encourage the creation of networks of economists working in closely related fields and topics. The deadline for submissions is 14 October 2012.

The call for papers is available here.

Latest working papers

No. 876: **Banks' reactions to Basel-III** (July 2012)

Paolo Angelini and Andrea Gerali

We use a dynamic general equilibrium model of the euro area to study banks' possible responses to the stricter capital requirements called for by the Basel III reform package. We show that the effects on output depend, inter alia, on the strategy banks adopt in response to the reform, and that banks tend to prefer some strategies over others. Specifically, an increase in loan spreads minimizes banks' costs and induces the sharpest contraction in real activity and investment, in the immediate as well as long term. A recapitalization, or restrictions on dividends, have more modest effects on output, but are less likely to be preferred by banks. We also find that the undesired macroeconomic effects of the reform during the transition phase are significantly mitigated if the reform is announced well ahead of its actual implementation – as was done for the Basel III package.
Full text (pdf)

No. 875: **Family background, self-confidence and economic outcomes** (July 2012)

Antonio Filippin and Marco Paccagnella

In this paper we analyze the role played by self-confidence, modeled as beliefs about one's ability, in shaping task choices. We propose a model in which fully rational agents exploit all the available information to update their beliefs using Bayes' rule, eventually learning their true type. We show that when the learning process does not converge quickly to the true ability level, small differences in initial confidence can result in diverging patterns of human capital accumulation between otherwise identical individuals. If differences in self-confidence are correlated with socio-economic background (as a large body of empirical literature suggests), self-confidence can be a channel through which education and earning inequalities perpetuate across generations. Our theory suggests that cognitive tests should take place as early as possible, in order to avoid systematic differences in self-confidence among equally talented people leading to the emergence of gaps in the accumulation of human capital.
Full text (pdf)

No. 874: **Evidence on the impact of R&D and ICT investment on innovation and productivity in Italian firms** (July 2012)

Bronwyn H. Hall, Francesca Lotti and Jacques Mairesse

The paper investigates R&D and ICT investment at firm level, assessing their relative importance and the extent to which they are complements or substitutes. We use data on a large unbalanced panel sample from four consecutive waves of a survey of Italian manufacturing firms, together with a version of the model developed by Crepon et al., 1998, modified to include ICT investment and R&D as the two main inputs of innovation and productivity. We find that R&D and ICT are both strongly associated with innovation and productivity, with R&D being more important for innovation and ICT for productivity. We explore their possible complementarity in innovation and production but find none, although there is complementarity between R&D and worker skill in innovation. Full text (pdf)

No. 873: **Euro area and global oil shocks: an empirical model-based analysis** (July 2012)

Lorenzo Forni, Andrea Gerali, Alessandro Notarpietro and Massimiliano Pisani

We assess the impact of oil shocks on euro-area macroeconomic variables by estimating a new-Keynesian small open economy model with Bayesian methods. Oil price is determined according to supply and demand conditions in the world oil market. We find that the impact of an increase in the price of oil depends upon the underlying sources of variation: when the driver of higher oil prices is an increase in the rest of the world's aggregate demand, both euro-area GDP and CPI inflation increase, whereas negative oil supply shocks and positive worldwide oil-specific demand shocks have stagflationary effects on the euro-area economy. Moreover, the increase in oil prices during the 2004-2008 period did not induce stagflationary effects on the euro-area economy because it was associated with positive aggregate demand shocks in the rest of the world. Similarly, a drop in world aggregate demand helps to explain the recent (2008) simultaneous drop in oil prices, euro-area GDP and inflation - particularly its fuel component. Full text (pdf)

No. 872: **Selecting predictors by using Bayesian model averaging in bridge models** (July 2012)

Lorenzo Bencivelli, Massimiliano Marcellino and Gianluca Moretti

This paper proposes the use of Bayesian model averaging (BMA) as a tool to select the predictors' set for bridge models. BMA is a computationally feasible method that allows us to explore the model space even in the presence of a large set of candidate predictors. We test the performance of BMA in now-casting by means of a recursive experiment for the euro area and the three largest countries. This method allows flexibility in selecting the information set month by month. We find that BMA based bridge models produce smaller forecast error than fixed composition bridges. In an application to the euro area they perform at least as well as medium-scale factor models. Full text (pdf)

No. 871: **Capital destruction, jobless recoveries, and the discipline device role of unemployment** (July 2012)

Marianna Riggi

I consider an economy growing along the balanced growth path that is hit by an adverse shock to its capital accumulation process. The model integrates efficiency wages due to imperfect monitoring of the quality of labour in a search and matching framework with methods of dynamic general equilibrium analysis. I show that, depending on the firms' abilities to assess workers' performance, the discipline device role of unemployment may account for sharp declines in employment and jobless recoveries driven by exceptional increases in the work effort of employees. The model also explains why rigid real wages may prevail in equilibrium: the large movements in unemployment are indeed associated with real wage rigidity, which is generated endogenously by efficiency wages. Full text (pdf)

No. 870: **To misreport or not to report? The measurement of household financial wealth** (July 2012)

Valter Di Giacinto, Giacinto Micucci and Pasqualino Montanaro

The objective of the paper is to adjust for the bias due to unit non-response and measurement error in survey estimates of total household financial wealth. Sample surveys are a useful source of information on household wealth. Yet, survey estimates are affected by non-sampling errors. In particular, in the case of household wealth, unit non-response and measurement error can severely bias the estimates. Using the Italian Survey on Household Income and Wealth (SHIW), we exploit the available auxiliary information in order to assess the magnitude of this bias. We find evidence that for this kind of survey, non-sampling errors are a major issue, possibly more serious than sampling errors. Moreover, in the case of SHIW the potential bias due to measurement error seems to outweigh that induced by non-response. Full text (pdf)

No. 869: **Network effects of public transport infrastructure: evidence on Italian regions** (July 2012)

Valter Di Giacinto, Giacinto Micucci and Pasqualino Montanaro

This paper contributes to the empirical literature on the magnitude of the network effects of public infrastructures, introducing a novel approach. After estimating the dynamics common to time series for the regional public capital stock, coordinated policy shocks are identified within a properly specified structural VEC model. The findings confirm previous evidence that transport infrastructures exert positive macroeconomic effects in the long run. At the same time, it is shown that this effect is attributable mostly to the impact of coordinated public policy shocks, as the literature on network externalities predicts.
Full text (pdf)

No. 868: **The economic costs of organized crime: evidence from southern Italy** (April 2012)

Paolo Pinotti

I examine the post-war economic development of two regions in southern Italy exposed to mafia activity after the 1970s and apply synthetic control methods to estimate their counterfactual economic performance in the absence of organized crime. The synthetic control is a weighted average of other regions less affected by mafia activity that mimics the economic structure and outcomes of the regions of interest several years before the advent of organized crime. The comparison of actual and counterfactual development shows that the presence of mafia lowers the growth path, at the same time as murders increase sharply relative to the synthetic control. Evidence from electricity consumption and growth accounting suggest that lower GDP reflects a net loss of economic activity, due to the substitution of private capital with less productive public investment, rather than a mere reallocation from the official to the unofficial sector.

Full text (pdf)

No. 867: **Disinflation effects in a medium-scale New Keynesian model: money supply rule versus interest rate rule** (April 2012)

Guido Ascari and Tiziano Ropele

Empirical studies show that successful disinflations entail a period of output contraction. Using a medium-scale New Keynesian model, we compare the effects of disinflations of different speed and timing, implemented through either a money supply or an interest rate rule. In terms of transitional output loss, cold-turkey disinflations under an interest rate rule are less costly than those under a money supply rule and are accomplished more rapidly. Furthermore, gradual or anticipated disinflations deliver lower sacrifice ratios. From a welfare perspective, despite the transitional economic contraction, disinflations are overall welfare-improving. Interestingly, the overall welfare gain is not affected by how the disinflation is actually implemented: what really matters is the achievement of a permanently lower inflation rate.

Full text (pdf)

No. 866: **Don't stand so close to me: the urban impact of immigration** (April 2012)

Antonio Accetturo, Francesco Manaresi, Sauro Mocetti and Elisabetta Olivieri

We examine the impact of immigration on the residential market within urban areas. We develop a spatial equilibrium model that shows how the effect of an immigrant inflow in a district affects local housing prices through changes in how natives perceive the quality of their local amenities and how this influences their mobility. Predictions of the model are tested using a novel dataset on housing prices and population variables at the district level for a sample of 20 large Italian cities. To address endogeneity problems we adopt an instrumental variable strategy which uses historical enclaves of immigrants across districts to predict current settlements. We find that immigration raises average housing prices at the city level; however it reduces price growth in a district affected by an inflow vis-à-vis the rest of the city. This pattern is driven by the natives' flight from immigrant-dense districts towards other areas of the city. These findings are consistent with native preferences to live in predominantly native areas.

Full text (pdf)

No. 865: **Corporate geography in multi-plant firms** (April 2012)

Rita Cappariello, Stefano Federico and Roberta Zizza

This paper focuses on how multi-plant firms allocate their workforce and investments between headquarters or plants located in or close to the headquarters area (HQ plants) and those located in the same country but farther away from the headquarters area (non-HQ plants). Using survey data on Italian industrial multi-plant firms for the last decade, we find that, for the same firm, employment and investments grow significantly less in non-HQ plants compared to HQ plants. We discuss several possible interpretations of these "corporate geography" patterns.

Full text (pdf)

No. 864: **Measuring the underground economy with the currency demand approach: a reinterpretation of the methodology, with an application to Italy** (April 2012)

Guerino Ardizzi, Carmelo Petraglia, Massimiliano Piacenza and Gilberto Turati

We contribute to the debate on how to assess the size of the underground or shadow economy with a reinterpretation of the traditional Currency Demand Approach (CDA) à la Tanzi. We introduce three main innovations. First, we take as dependent variable in the money demand equation a direct measure of the value of cash transactions: the flow of cash withdrawn from current accounts relative to total non-cash payments. This avoids use of the Fisher equation and so overcomes two severe criticisms of the traditional CDA. Second, instead of the tax burden, usually taken as the main motive for non-compliance, we include among the covariates two direct indicators of detected tax evasion. Finally, we also control for the role of illegal economic activity, such as drug dealing and prostitution, which – jointly with the shadow economy – contributes to the larger aggregate of the unobserved economy and represents a significant component of total cash payments. We then propose an application of this "modified CDA" to a panel of 91 Italian provinces for the years 2005-2008.
Full text (pdf)

No. 863: **House price cycles in emerging economies** (April 2012)

Alessio Ciarlone

In this paper, I investigate the characteristics of house price dynamics for a sample of 16 emerging economies from Asia and Central and Eastern Europe, over the period 1995-2011. Linking housing valuations to a set of conventional fundamental determinants – relative to both the supply and the demand side of the market, institutional factors and other asset prices – and modeling short-term price dynamics – which reflect gradual adjustment to underlying fundamentals – I draw conclusions about the existence, and the basic nature, of house price overvaluation (undervaluation). Overall, I find that actual house prices in the sample of emerging economies are not overly disconnected from fundamentals. Rather, they tend to reflect a somewhat slow adjustment to shocks to the latter. Moreover, the evidence that housing valuations may be driven by overly optimistic (or pessimistic) expectations is in general weak, even if this feature may have played a more prominent role up to the end of 2007, before the onset of the recent global real and financial crisis.
Full text (pdf)

No. 862: **Does gender matter for public spending? Empirical evidence from Italian municipalities** (April 2012)

Massimiliano Rigon and Giulia M. Tanzi

This paper studies whether the allocation of municipal expenditure in Italy is influenced by female representation in Municipal Councils. Despite the existence of gender-specific preferences in society, we find no clear evidence that the amount of resources distributed among different spending categories is significantly affected by politicians' gender. The results are robust to a large variety of specifications and estimation techniques, where we also take into account the existence of an endogeneity problem. This is addressed using an instrumental variable approach, based on a temporary change in Italian law that reserved a gender quota in party lists for municipal elections, thus causing an exogenous increase in the number of women elected in Municipal Councils. The substantial absence of a gender bias is consistent with the median voter theorem, suggesting that politicians' preferences and personal characteristics do not matter in public choices. Alternatively, it may be that gender is not one of the determinants of politicians' voting behaviour, implying that the preferences of the women involved in political activities are close to those of their male colleagues.
Full text (pdf)

Other recent working papers

March 2012

No. 861: Monetary policy and the flow of funds in the euro area
Riccardo Bonci

No. 860: The effects of unemployment benefits in Italy: evidence from an institutional change
Alfonso Rosolia and Paolo Sestito

No. 859: Optimal fiscal policy when agents fear government default
Francesco Caprioli, Pietro Rizza and Pietro Tommasino

No. 858: Economic (in)stability under monetary targeting
Luca Sessa

February 2012

No. 857: Modelling loans to non-financial corporations in the euro area
Christoffer Kok Sørensen, David Marqués Ibáñez and Carlotta Rossi

No. 856: Optimal dynamic public communication
Marcello Miccoli

No. 855: Trade openness and international fragmentation of production in the European Union: the new divide?
Paolo Guerrieri and Filippo Vergara Caffarelli

No. 854: Entry dynamics as a solution to the puzzling behaviour of real marginal costs in the Ghironi-Melitz model
Alberto Felettigh

No. 853: Forecasting world output: the rising importance of emerging economies
Alessandro Borin, Riccardo Cristadoro, Roberto Golinelli and Giuseppe Parigi

No. 852: Statistical models for measuring job satisfaction
Romina Gambacorta and Maria Iannario

No. 851: The impact of monetary policy shocks on commodity prices
Alessio Anzuini, Marco J. Lombardi and Patrizio Pagano

Latest occasional papers

No. 127: **Financial fragility and growth prospects: credit rationing during the crisis** (July 2012)

Giorgio Albareto and Paolo Finaldi Russo

This paper analyzes firms' difficulties in accessing credit before and during the crisis, by focusing on two of their characteristics: financial fragility and growth prospects. Our econometric analysis indicates that fragile financial conditions were associated with a much higher than average probability of rationing, both before and during the crisis. High rates of growth in sales and investments, in value added per employee and in the propensity to export – indicators presumably linked to growth prospects – favoured access to credit in the period leading up to the financial crisis; during the crisis, instead, credit rationing was more widespread and less related to firms' potential growth. Lending relationships facilitated access to the credit market, especially for firms with better growth prospects; this result is consistent with the hypothesis that the banks which are more involved in firms' financing have better information and stronger incentives to use it. Full text (pdf), in Italian only

No. 126: **Cultural activities and economic development: a territorial survey** (July 2012)

Enrico Beretta and Andrea Migliardi

This paper studies the characteristics of the cultural sector in Italy and its interactions with the production system as a whole. After stating a clear definition of the cultural sector, we analyze the demand and supply of culture in Italy, at a regional level. We carry out descriptive analysis of household cultural spending, the pricing of the different cultural activities, and the capability of regional cultural heritage to attract tourists. Then we examine, both quantitatively and qualitatively, the public financing of culture in the Italian regions, also on the basis of the opinions of a panel of qualified experts, expressly interviewed for this work. Finally we give an overview of the regulatory framework and of the main administrative features of the cultural sector. Some open questions arise from our work, as well as many options for policy measures: the distribution of competences between the different levels of government; the form and

the extension of private involvement; the governance of cultural initiatives.
Full text (pdf), in Italian only

No. 125: **Crisis and Italian households: a microeconomic analysis of mortgage contracts** (July 2012)

Roberto Felici, Elisabetta Manzoli and Raffaella Pico

Using information on about 2 million house purchase loans to households, this paper analyses the effects of the financial crisis on this portion of the credit market. From 2008 to 2011 the total number and value of new mortgages decreased sharply. The results show that young households and non-EU immigrants have been affected more by the decline of new mortgages. The worsening of the economic cycle and the tightening of the lending standards by banks seem to have had a stronger effect on these types of household. Interest rate increases for different groups of household have been fairly similar, albeit greater for smaller mortgages.
Full text (pdf), in Italian only

No. 124: **Europe 2020 and national reforms: economic governance and structural reforms** (April 2012)

Paolo Sestito and Roberto Torrini

Europe 2020 presses for structural reforms as a means of boosting economic growth and social cohesion. Yet tensions between national specificities and pressures from EU partners and the wider Union characterize European economic governance as a whole. Starting with a concise historical account of the Open Method of Coordination, the paper shows how the structural reforms' success depends on a series of factors such as their number, identifiability and the ease with which the beneficiaries can implement them, as well as on the existence of institutional mechanisms for compensating potential losers and/or distributing benefits more fairly, and other mechanisms capable of combating political shortsightedness and favouring the participation of otherwise silent stakeholders. The most important contribution of EU intervention is institutional capacity-building at national level, including with ironclad institutional rules, aimed at enhancing governments' accountability and improving policy evaluation tools.
Full text (pdf), in Italian only

No. 123: **Competition and regulation in Italy** (April 2012)

Magda Bianco, Silvia Giacomelli and Giacomo Rodano

Insufficient competition remains a major obstacle to growth in Italy. The main culprits include the institutional environment and the regulations governing some economic sectors subject to market failures. As to the former, relative neglect of economic efficiency has produced an unstable and inconsistent regulatory framework, excessive administrative burdens, and an inefficient system of contract enforcement. Past attempts to reform this area have yielded poor results. As to the latter, regulation was satisfactory only in some sectors. The excessive number of activities in which some operators enjoyed exclusive rights to provide services and restrictive regulation hindered competition in professional services. Growing awareness of the importance of competition policies to foster growth has given new impetus to the implementation of a wide programme of liberalization and institutional reform.
Full text (pdf), in Italian only

No. 122: **Human capital for growth: possible steps towards an upgrade of the Italian education system** (April 2012)

Piero Cipollone, Pasqualino Montanaro and Paolo Sestito

The problems of Italy's education system mostly stem from its modus operandi and interactions with the expectations of families and students. The recent signs of improvement in Italian students' proficiency, plausibly reflecting greater emphasis on rigour, could be reinforced by making schools more autonomous and accountable, including in matters of staff management, and with a nationwide programme of support for the schools in greatest difficulty. The cost savings obtained over the years should mostly be reinvested into the system, enhancing teachers' professionalism. In higher education, the increasing supply of degree courses has not affected the typical problems of Italy's public universities, which: still attract few researchers and students from abroad; are too undifferentiated and unspecialized; have a predominantly local teacher and student base. The renewal begun with the recent university reform, which has challenged the historically self-referential governance of the system, must stimulate more internal competition within the Italian university system with well-defined and stable rules to foster quality and reward merit, and it must also allow individual universities more autonomy so that a more differentiated supply structure can emerge. Full text (pdf), in Italian only

No. 121: **The innovation gap of Italy's production system: roots and possible solutions** (April 2012)

Matteo Bugamelli, Luigi Cannari, Francesca Lotti and Silvia Magri

The lag in innovation in Italy vis-à-vis the other main industrial countries is one of the effects of the fragmentation of the production system into many small firms that have trouble bearing the high cost of R&D and taking the related risks. Such other causes as shortages in human capital for management and R&D and excessive labor flexibility, undermining the incentive to invest in training, also play a role. Lack of financial sources is a further hurdle; equity, more suitable than debt for financing innovation, is less common than in other countries. Public incentives for firms have had modest results. To enhance the capacity for innovation some actions should be taken to help firms grow, adopt a more managerial approach, and increase their equity. It is important to support the venture capital market, which is less developed than in other countries. The design and management of public funding for innovation need improvement. Full text (pdf), in Italian only

No. 120: **Italian real estate investment funds: market structure and risk measurement** (April 2012)

Michele Leonardo Bianchi and Agostino Chiabrera

This paper describes the Italian real estate investment funds industry, providing an overview of the distinctive features and risk factors of this sector. By using accounting and supervisory data, we: (1) compute the returns of the real estate assets in the portfolio of these funds; (2) construct a price index and a total return index of the real estate assets held by the Italian funds; (3) define a risk assessment process based on three different aspects - their financial profile, income structure and property price behaviour. This analysis allows us to select funds with a weak financial structure, poor returns, and a high probability that in a three-year interval their property portfolio will fall below their net liabilities (defined as the difference between debt and liquid assets). The proposed risk assessment can be seen as the first step towards a more intensive supervisory analysis and can also be useful for investment purposes. Full text (pdf)

Other recent occasional papers

March 2012

No. 119: The retail trade sector and the food industry in Italy
Eliana Viviano (Coordinator), Luciana Aimone Gigio, Emanuela Ciapanna, Daniele Coin, Fabrizio Colonna, Federica Lagna and Raffaele Santioni

February 2011

No. 118: Inequalities in life expectancy
Alfonso Rosolia

No. 117: The change in job opportunities
Elisabetta Olivieri

No. 116: Social capital and inequality in Italy
Guido de Blasio and Giorgio Nuzzo

No. 115: Wealth and inequality in Italy
Giovanni D'Alessio

No. 114: Costs and benefits of relaunching nuclear energy in Italy
Ivan Faiella and Luciano Lavecchia

No. 113: Changes in the Italian economy: the cooperatives
Chiara Bentivogli and Eliana Viviano

No. 112: Are firms exporting to China and India different from other exporters?
Giorgio Barba Navaretti, Matteo Bugamelli, Riccardo Cristadoro and Daniela Maggioni

Economic history working papers

No. 26: **New time series on the activity of banks and other financial institutions from 1861 to 2011: what do the data tell us?** (June 2012)

Riccardo De Bonis, Fabio Farabullini, Miria Rocchelli and Alessandra Salvio

This paper reconstructs time series for Italy's banks, banks of issue, Cassa Depositi e Prestiti S.p.A. and non-bank financial intermediaries from 1861 to 2011. Statistics refer to the main items of bank balance sheets, currency in circulation, postal saving, bank interest rates, and value added. The paper analyses the main trends of the banking system and other financial corporations since Italian unification.

Full text (pdf), in Italian only

Selection of recent journal articles and books by Bank of Italy staff

Authors' names in boldface: Bank of Italy

Full list since 1990

Forthcoming

Affinito M., "Do interbank customer relationships exist? And how did they function in the crisis? Learning from Italy", *Journal of Banking and Finance.* (WP No. 826)

Bartolucci F. and **V. Nigro**, "Pseudo conditional maximum likelihood estimation of the dynamic logit model binary panel data" *Journal of Econometrics.*

Blanchard O. J. and **M. Riggi**, "Why are the 2000s so different from the 1970s? A structural interpretation of changes in the macroeconomic effects of oil prices", *Journal of the European Economic Association.* (WP No. 835)

Bonci R., "The effects of monetary policy in the euro area: first results from the flow of funds", in R. De Bonis and A.F. Pozzolo (eds.), *The Financial Systems of Industrial Countries. Evidence from the Financial Accounts,* Springer-Verlag Berlin Heidelberg.

Cocozza E. and **P. Piselli**, "Testing for East-West contagion in the European banking sector during the financial crisis", in R. Matoušek; D. Stavárek (eds.), *Financial Integration in the European Union,* Taylor & Francis. (WP No. 790)

De Bonis R. and A. Pozzolo, "The Financial Systems of Industrial Countries. Evidence from the Financial Accounts", Springer-Verlag Berlin Heidelberg.

Dias Daniel A. , M. Dossche, E. Gautier, I. Hernando, **R. Sabbatini**, H. Stahl and P. Vermeulen, "Price setting in the Euro Area: some stylised facts from individual producer price data", *Journal of Money, Credit and Banking.*

Druant M., **S. Fabiani**, G. Kezdi, A. Lamo, F. Martins and **R. Sabbatini**, "Firms' price and wage adjustment in Europe: survey evidence on nominal stickiness", *Labour Economics.*

Finicelli, A., P. Pagano and **M. Sbracia**,

"Ricardian selection", *Journal of International Economics*. (WP No. 728)

Gomel G., D. Marconi, I. Musu and B. Quintieri, "The Chinese economy. Recent trends and open issues", Berlin-Heidelberg, Springer.

Pinotti P., M. Bianchi and P. Buonanno, "Do immigrants cause crime?", *Journal of the European Economic Association*. (WP No. 698)

2012

Ascari G. and **T. Ropele**, "Disinflation in a DSGE perspective: sacrifice ratio or welfare gain ratio?", *Journal of Economic Dynamics and Control*, v. 36, 2, pp. 169-182. (WP No. 736)

Bologna P., J. Viñals, J. Fiechter, N. Aditya, J. Elliott, I. Tower and M. Hsu, "The making of good supervision: learning to say No", *in A. Narain, I. Ötker-Robe, C. Pazarbasioglu (eds.), Building a More Resilient Financial Sector, Washington D.C., International Monetary Fund.*

Buono I. and G. Lalanne, "The effect of the Uruguay Round on the intensive and extensive margins of trade", *Journal of International Economics v. 86, 2, pp. 269-283.* (WP No. 743)

Bruno G., R. De Bonis and **A. Silvestrini**, "Do financial systems converge? New evidence from financial assets in OECD countries", *Journal of Comparative Economics,* v. 40, pp. 141-155.

Cesarano F., G. Cifarelli and G. Toniolo, "Exchange rate regimes and reserve policy: The Italian lira, 1883-1911", *Open Economies Review*, v. 23, 2, pp. 253-275.

Lombardi M. and **G. Nicoletti**, "Bayesian prior elicitation in DSGE models: macro- vs micropriors", *Journal of Economic Dynamics and Control*, v. 36, 2, pp. 394-313.

2011

Angelini P., A. Nobili and **C. Picillo**, "The interbank market after August 2007: What has changed, and why?", *Journal of Money, Credit and Banking, v. 43, 5, pp. 923-958.* (WP No. 731)

Antonelli C. and **F. Barbiellini Amidei**, "The dynamics of knowledge externalities. Localized technological change in Italy", Cheltenham, Elgar.

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