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New Research at the Bank of Italy

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Seminars at the Bank of Italy

Seminars at EIEF

Highlights

On 16 March 2010, the Bank of Italy hosted a workshop on the economic effects of immigration in Italy ("Aspetti economici dell'immigrazione in Italia") to discuss several papers by Bank of Italy economists on the topic of immigration based on the research carried out for the chapter on "Immigration" in the Bank of Italy's 2008 Annual Report (Chapter 11) .

The opening address by Ignazio Visco, Deputy Director General of the Bank of Italy, underlined the importance of an in-depth assessment of the consequences of immigration, especially in the case of Italy, where it represents a rather novel phenomenon. (see the article on page 2 of this newsletter).

On 9 April 2010, the Bank of Italy hosted a workshop on the evaluation of firms' incentives. The workshop - which follows two others on the same topic held on 28 June 2007 and 22 February 2008 - aimed to encourage the debate on the effects of public aid to firms and on how to stimulate the adoption of program evaluation techniques in industrial policy.

The workshop opened with the presentation of a paper by Chiara Criscuolo, Ralph Martin, Henry Overman and John Van Reenen of the London School of Economics assessing the impact of a program of investment incentives (Regional Selective Assistance) implemented in the United Kingdom. The paper showed that the program had a positive effect on employment and investment of SMEs located in underdeveloped areas, but was mostly ineffective as regards larger firms. (see the article on page 3 of this newsletter).

On 16-17 September 2010, the Einaudi Institute for Economics and Finance (EIEF) will host the Conference on "Transparency, Disclosure and Market Disciplines in Banking Regulation", co-organized by CEPR and the EIEF. The deadline for applications is June 1st, 2010. For details, please see the Call for Papers.

On 8-9 October 2010, the Einaudi Institute for Economics and Finance (EIEF) will host the Seventh Annual Wien Macroeconomics Workshop, organized by Gabriel Lee (IHS and Regensburg), David Andolfatto (SFU and FRB St. Louis), Martin Gervais (Southampton, IFS) and Francesco Lippi (EIEF and Sassari). Research papers should be sent electronically to vienna.macro@gmail.com by June 1st, 2010. More details are available here.

(*continued from page one*) The keynote lecture "The Economic Effects of Immigration: Lessons from the US applied to Europe", given by Prof. Giovanni Peri (University of California, Davis), gave a broad theoretical and empirical overview of the economic effects of immigration, focusing on the distinction between expansionary and recessionary phases. Professor Peri showed that while immigration waves are generally found to generate long-run gains, the required short-run adjustments in the labour market are likely to be more painful in a recession. Hence, immigration policies that automatically adjust yearly inflows according to cyclical conditions might minimize short-run costs while preserving the long-run gains associated with immigration.

The discussion of the technical papers was preceded by a background presentation (Alfonso Rosolia and Federico Cingano) of the main stylized facts on immigration in Italy as compared with countries with longer immigration histories. The foreign population in Italy has risen rapidly; however, this reflects a strong growth of worldwide migration rather than a preference for Italy. Furthermore, immigrants in Italy are generally less skilled in comparison with those migrating to neighbouring European countries, but the difference is similar to that detectable between Italian natives and citizens of the other European countries. On average, foreign workers earn substantially less than Italian workers and this wedge only partly reflects the different sectoral and occupational distribution, as well as different individual characteristics.

The morning session focused on several aspects of the economic performance of immigrants in Italy. In "Immigrant earnings in the Italian labour market" Antonio Accetturo and Luigi Infante, looking at a sample of foreigners living in Lombardy, showed that migrants' returns on schooling are positive but much lower than those estimated for native Italians; this wedge is unlikely to be driven by self-selection in the labour supply or by problems of signaling to local employers. The authors then gave a talk on "Skills or culture? An analysis of the decision to work by immigrant women in Italy", in which they look at the determinants of activity and employment rates for immigrant women from different countries of origin. They showed that despite significant heterogeneity in the reservation wages across origins, the low activity and employment rates for certain groups do not seem to depend on voluntary decisions. Finally, in "Immigrant Financial Inclusion and the Cost of Credit" Giorgio Albareto and Paolo Emilio Mistrulli showed that in Italy foreign-born entrepreneurs are charged more for credit than comparable Italian-born entrepreneurs. On average, however, this wedge declines with the length of the credit history, and firms owned and managed by immigrants benefit relatively more from repeated interactions with the banking system (financial inclusion). The floor discussion on the three papers was opened by comments from Laura Pagani (Università di Milano Bicocca) and Alberto Zazzaro (Università Politecnica delle Marche).

The afternoon session presented evidence on the consequences of immigration for the Italian economy. Francesco D'Amuri and Paolo Pinotti ("Immigration and natives' labor market outcomes: evidence from Italy") showed that on average an increased number of foreign workers does not reduce the employment and participation rates of natives; in the case of women and better educated workers, both outcomes actually improve. Moreover, in areas with larger immigrant populations, Italian workers tend to move away from routine activities and toward abstract and service tasks, suggesting the existence of significant complementarities in production between foreign and native workers. Guglielmo Barone and Sauro Mocetti ("With a little help from an immigrant: the effects of low-skilled immigration on female labour supply") focus on a specific channel through which immigration may affect the female labor supply, namely the provision of household services, and show that a larger stock of immigrants specialized in such services leads native women, especially educated ones, to spend more time at work (intensive margin) without affecting their labour force participation (extensive margin). Barone and Mocetti's analysis suggests that immigration acts as a substitute to publicly provided welfare services. In "How does immigration affect native internal mobility? New evidence from Italy", by Sauro Mocetti and Carmine Porello, it is shown that larger immigration inflows to Italian local labour markets is associated with increased inflows of highly-educated Italians, suggesting that there are potential complementarities; less well-educated natives suffer from displacement, in particular because foreign immigrants partially substituted the traditional South-North mobility of low-skilled Italians. "Welcome to the machine: firms' reaction to low-skilled immigration", by Antonio Accetturo, Matteo Bugamelli and Andrea R. Lamorgese, showed that increased immigration of low-skilled workers from developing countries tends to raise firms' investment rates and capital intensity. Such effects appear to be stronger for larger firms and in less technologically advanced industries. Finally, Pietro Rizza and Marzia Romanelli presented a series of interesting results on the impact of immigrants on Italian public finances ("Gli stranieri e la finanza pubblica in Italia"). In particular they calculated that in 2006 foreign residents (accounting for 5% of the population) contributed to 4% of the revenues and absorbed 2.5% of the expenditure considered in the analysis. Both figures are forecast to reach 20% by 2050. The floor discussion on the five papers was preceded by discussions by Michele Pellizzari (Università Bocconi), Luca Zamparelli (Università di Roma "La Sapienza"), and Carlo Devillanova (Università Bocconi, Econpubblica and Ismu).

The workshop was closed by a presentation by Jonathan Chaloff (OECD International Migration Division) on "The relationship between migration policy and labour market integration of immigrants". He emphasized that prior to the current economic downturn, most OECD countries were expanding their labour migration programmes to comprise a greater share of inflow. Most countries make an effort to match skills to demand, either through selection based on a worker's characteristics or through employer sponsorship. Since the recovery phase will correspond to shrinking working-age populations in most OECD countries, outcomes for immigrants should improve.

(*continued from page one*) Next, two papers were presented analysing the effects of public incentives for firms' Research and Development (R&D) investment in Italy. The first, by Guido de Blasio and Davide Fantino of the Bank of Italy and Guido Pellegrini of the University of Rome "La Sapienza", focused on a program of subsidies to stimulate the development of innovations (Fund for Technological Innovation). The paper showed that the program was not effective in stimulating innovative investments, not even for firms who suffered the most from credit constraints. The second paper, by Raffaello Bronzini and Eleonora Iachini of the Bank of Italy, studied the effects of a program implemented at the local level (Program for Industrial Research, Innovation and Technological Transfer of the Region Emilia-Romagna), and highlighted that the program was effective in raising R&D expenditure only for smaller firms.

The workshop was closed by a presentation of a paper by Amanda Carmignani and Alessio D'Ignazio of the Bank of Italy, analysing the relationship between financial subsidies and bank lending by using information from the Central Credit Register. The study showed that while public subsidized loans tend to be used as a substitute for bank loans by large firms, in the case of smaller enterprises private and public funds tend to be complementary.

The Proceedings of the workshop will be available shortly at:

http://www.bancaditalia.it/studiricerche/convegni/atti

Latest working papers

No. 747: The macroeconomics of fiscal consolidations in a monetary union: the case of Italy

Lorenzo Forni, Andrea Gerali and Massimiliano Pisani

We simulate the macroeconomic and welfare implications of different fiscal consolidation scenarios in Italy using a medium scale two-areas dynamic general equilibrium currency-union model. Differently from similar models, ours is rich in the terms of fiscal features. We assume distortionary taxes (on labor income, capital income and consumption) and welfare-enhancing public expenditure. We distinguish between public spending on final goods and services, public employment and transfers to households. The scenarios that we consider envisage a decreases in the public debt to GDP ratio of 10 percentage points in 5 years. Based on our simulations we find that: first, fiscal distortions are quantitatively significant; second, a consolidation strategy that reduces expenditure and simultaneously lowers tax rates has a positive effect on long-run GDP of 5% to 7% and on welfare of 4% to 7% of the initial levels, depending on the composition of the adjustment; third, consumption and investment are stable or grow on impact and along the path to the new steady state; finally, spillovers to the rest of the Euro area are expansionary and sizeable both in the long run and along the transition. (full pdf text)

No. 748: How does immigration affect native internal mobility? New evidence from Italy

Sauro Mocetti and Carmine Porello

This paper investigates the relationship between native internal mobility and immigration in Italy, in order to gain a better understanding of the impact of immigration on local labour markets and to gauge the consequences for the socio-demographic composition of the local population. Native mobility is examined both with respect to residential displacements across regions and the demographic evolution of local labour markets. Endogeneity issues related to immigrant geographical distribution are addressed using proximity to "gateways" as the instrumental variable. We find that immigration is positively associated with inflows of highly-educated natives, suggesting the existence of potential complementarities. The impact is concentrated among young adults and is higher in more urbanized areas. We also find a displacement of low-educated natives; in particular, immigrant concentration in the northern regions has partially substituted the traditional South-North mobility of less-skilled natives. (full pdf text)

No. 749: An analysis of the determinants of credit default swap spread changes before and during the subprime financial turmoil

Antonio Di Cesare and Giovanni Guazzarotti

This paper analyzes the determinants of credit default swap spread changes for a large sample of US non-financial companies over the period between January 2002 and March 2009. In our analysis we use variables that the literature has found have an impact on CDS spreads and, in order to account for possible non-linear effects, the theoretical CDS spreads predicted by the Merton model. We show that our set of variables is able to explain more than 50% of CDS spread variations both before and after July 2007, when the current financial turmoil began. We also document that since the onset of the crisis CDS spreads have become much more sensitive to the level of leverage while volatility has lost its importance. Using a principal component analysis we also show that since the beginning of the crisis CDS spread changes have been increasingly driven by a common factor, which cannot be explained by indicators of economic activity, uncertainty, and risk aversion. (full pdf text)

No. 750: Estimating DSGE models with unknown data persistence

Gianluca Moretti and Giulio Nicoletti

Recent empirical literature shows that key macro variables such as GDP and productivity display long memory dynamics. For DSGE models, we propose a 'Generalized' Kalman Filter to deal effectively with this problem: our method connects to and innovates upon data-filtering techniques already used in the DSGE literature. We show our method produces more plausible estimates of the deep parameters as well as more accurate out-of-sample forecasts of macroeconomic data. (full pdf text)

No. 751: Down the non-linear road from oil to consumer energy prices: no much asymmetry along the way

Fabrizio Venditti

In the past decade changes in oil prices have played a significant role in shaping inflation dynamics in the US and in the euro area, largely through their direct effect on fuels prices, reviving the controversy over whether the prices of petroleum products respond more promptly to positive than to negative oil price shocks. This paper provides fresh evidence on this issue for the US, the euro area and the four largest euro area countries (Germany, France, Italy and Spain), both for petrol and diesel prices. Inference is based on the dynamic response of downstream prices to upstream shocks, rather than on tests on the regression slopes as in the majority of existing studies, taking into account the non-linearity of the impulse response function in models with asymmetric adjustment, so far ignored in this literature. The empirical analysis shows that fuels prices respond very promptly to oil price shocks, with some heterogeneity across countries, and that no systematic evidence of asymmetries emerges. This result is robust across periods of high and low oil price volatility and holds both for standard and large shocks. (full pdf text)

No. 752: Information technology and banking organization

Sauro Mocetti, Marcello Pagnini and Enrico Sette

We investigate the impact of information and communication technologies (ICT) on local loan officers' autonomy in small business lending. We derive a simple agency model of the interaction between a local branch manager and the headquarters, which yields an estimable equation for the optimal delegation of authority. Using a unique and specifically tailored dataset including about 300 Italian banks, we show that banks equipped with more ICT capital and resorting to credit scoring delegate more decision-making power to their local branch managers. These results are robust to many additional controls, including instrumental variable estimation. The effects on decentralization are strengthened for those banks that jointly hold higher ICT capital endowments and adopt credit scoring. (full pdf text)

No. 753: The pricing of government-guaranteed bank bonds

Aviram Levy and Andrea Zaghini

We examine the effects of the government guarantee schemes for bank bonds adopted in the aftermath of the Lehman Brothers demise to help banks retain access to wholesale funding. We describe the evolution and the pattern of bond issuance across countries to assess the effect of the schemes. Then we propose an econometric analysis of one striking feature of this new market, namely the significant "tiering" of the spreads paid by banks at issuance, finding that they mainly reflect the characteristics of the guarantor (credit risk, size of rescue measures, timeliness of repayments) and not those of the issuing bank or of the bond itself. (full pdf text)

No. 754: Value-added measures in Italian high schools: problems and findings

Piero Cipollone, Pasqualino Motnanaro and Paolo Sestito

Students' competencies are influenced by a host of factors, including the individual school's effectiveness. Measuring this contribution is extremely difficult. One way of circumventing the problem is by focusing on changes in competencies over time, i.e. value-added measures. Using the results of an INVALSI survey of high schools, this paper implements these measures for Italy, in an attempt to identify a general pattern of value-added among schools. Purging the sample of measurement errors – which require the exclusion of schools with too few students tested – and taking into account the selection bias implied by the non-compulsory nature of schools' participation in the survey, we find that the positive gap in favour of general programs (licei) when looking at the level of competencies tends to vanish (in maths and science) when focusing on value-added measures. By contrast, in the maths and science field schools located in the Southern regions are characterized not only by a lower starting level of competencies but also by a lower value-added. For maths at least, there is also a general tendency for teachers' turnover to have a negative effect on student improvements. (full pdf text - only in Italian)

No. 755: **Asset-based measurement of poverty**

Andrea Brandolini, Silvia Magri and Timothy M. Smeeding

Poverty is generally defined as income or expenditure insufficiency, but the economic condition of a household also depends on its real and financial asset holdings. This paper investigates measures of poverty that rely on indicators of household net worth. We review and assess two main approaches followed in the literature: income-net worth measures and asset-poverty. We provide fresh cross-national evidence based on data from the Luxembourg Wealth Study. (full pdf text)

No. 756: **Credit supply, flight to quality and evergreening: an analysis of bank-firm relationships after Lehman**

Ugo Albertazzi and Domenico J. Marchetti

This paper analyzes the effects of the financial crisis on credit supply by using highly detailed data on bank-firm relationships in Italy after Lehman's collapse. We control for firms' unobservable characteristics, such as credit demand and borrowers' risk, by exploiting multiple lending. We find evidence of a contraction of credit supply, associated to low bank capitalization and scarce liquidity. The ability of borrowers to compensate through substitution across banks appears to have been limited. We also document that larger less-capitalized banks reallocated loans away from riskier firms, contributing to credit pro-cyclicality. Such 'flight to quality' has not occurred for smaller less-capitalized banks. We argue that this may have reflected, among other things, evergreening practices. We provide corroborating evidence based on data on borrowers' productivity and interest rates at bank-firm level. (full pdf text)

No. 757: **A note on rationalizability and restrictions on belief**

Giuseppe Cappelletti

Rationalizability is a widely accepted solution concept in the study of strategic form game with complete information and is fully characterized in terms of assumptions on the rationality of the players and common certainty of rationality. Battigalli and Siniscalchi extend rationalizability and derive the solution concept called Δ-rationalizability. Their analysis is based on the following assumptions: (a) players are rational; (b) their first-order beliefs satisfy some restrictions; and (c) there is common belief of (a) and (b). In this note I focus on games with complete information and I characterize Δ-rationalizability with a new notion of iterative dominance which is able to capture the additional hypothesis on players' beliefs. (full pdf text)

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No. 758: **A non-parametric model-based approach to uncertainty and risk analysis of macroeconomic forecasts**

Claudia Miani and Stefano Siviero

It has increasingly become standard practice to supplement point macroeconomic forecasts with an appraisal of the degree of uncertainty and the prevailing direction of risks. Several alternative approaches have been proposed in the literature to compute the probability distribution of macroeconomic forecasts; all of them rely on combining the predictive density of model-based forecasts with subjective judgment about the direction and intensity of prevailing risks. We propose a non-parametric, model-based simulation approach, which does not require specific assumptions to be made regarding the probability distribution of the sources of risk. The probability distribution of macroeconomic forecasts is computed as the result of model-based stochastic simulations which rely on re-sampling from the historical distribution of risk factors and are designed to deliver the desired degree of skewness. By contrast, other approaches typically make a specific, parametric assumption about the distribution of risk factors. The approach is illustrated using the Bank of Italy's Quarterly Macroeconometric Model. The results suggest that the distribution of macroeconomic forecasts quickly tends to become symmetric, even if all risk factors are assumed to be asymmetrically distributed. (full pdf text)

Forthcoming working papers

Barbieri G., C. Rossetti and P. Sestito
The determinants of teachers' mobility. Evidence from a panel of Italian teachers

Barone G., R. Felici and M. Pagnini
Switching costs in local credit markets

D'Amuri F. and J. Marcucci
"Google it!" Forecasting the US unemployment rate with a Google job search index

Del Giovane P., G. Eramo and A. Nobili
Disentangling demand and supply in credit developments: a survey-based analysis for Italy

Ferrero G. and A. Secchi
Central bank's macroeconomic projections and learning

Grande G. and I. Visco
A public guarantee of a minimum return to defined contribution pension scheme members

Mastrobuoni G. and P. Pinotti
Migration restrictions and criminal behavior: evidence from a natural experiment

Micucci G. and P. Rossi
Debt restructuring and the role of lending technologies

Monteforte L. and G. Moretti
Real time forecasts of inflation: the role of financial variables

Piazza R.
Financial innovation and risk: the role of information

Pinotti P.
Financial development and the demand for Pay-As-You-Go social security

Sette E.
Competition and opportunistic advice of financial analysts: theory and evidence

Sørensen C. K., D. Marqués Ibáñez and C. Rossi
Modelling loans to non-financial corporations in the euro area

Recently published working papers

No.736: Guido Ascari and Tiziano Ropele,
Sacrifice ratio or welfare gain ratio? Disinflation in a DSGE monetary model (January 2010)

No.737: Matteo Bugamelli, Silvia Fabiani and Enrico Sette,
The pro-competitive effect of imports from China: an analysis of firm-level price data (January 2010)

No.738: Martina Cecioni,
External trade and monetary policy in a currency area (January 2010)

No.739: Ivan Faiella,
The use of survey weights in regression analysis (January 2010)

No.740: Andrea Gerali, Stefano Neri, Luca Sessa and Federico Maria Signoretti,
Credit and banking in a DSGE model of the euro area (January 2010)

No.741: Massimiliano Affinito and Edoardo Tagliaferri,
Why do (or did?) banks securitize their loans? Evidence from Italy (January 2010)

No.742: Stefano Federico,
Outsourcing versus Integration at Home or Abroad (February 2010)

No.743: Ines Buono and Guy Lalanne,
The effect of the Uruguay round on the intensive and extensive margins of trade (February 2010)

No.744: Daniela Marconi,
Trade, technical progress and the environment: the role of a unilateral green tax on consumption (February 2010)

No.745: Amanda Carmignani and Silvia Giacomelli,
Too many lawyers? Litigation in Italian civil courts (February 2010)

No.746: Valter Di Giacinto,
On vector autoregressive modeling in space and time (February 2010)

Latest occasional papers

No. 63: **Credit demand and supply in Italy during the financial crisis**

Fabio Panetta and Federico M. Signoretti

The paper analyzes developments in bank lending in Italy during the financial crisis, assessing the relative contribution of demand and supply factors to lending deceleration. We find that the slowdown in lending was mainly due to a reduction in demand. For households, this can be attributed to the weakness of the real estate market and to the fall in consumption; for firms, a diminution in financing needs, due in turn to the sharp contraction of investment. Credit market indicators and empirical studies suggest that lending growth may also have been curbed by tensions in credit supply. These tensions mainly reflected the increase in borrower risk, as well as the impact of the crisis – especially in its first phase – on banks' capital, liquidity, and ability to access external funding. Econometric analyses corroborate these indications, suggesting that the overall impact of banks' conditions on the lending slowdown was modest. Over the next few months, supply tensions could persist, but the risk of a limitation of credit will be moderated by the economic recovery and the consequent reduction in borrower default risk. There will also be support from public interventions, which have provided financial support to firms, improving their creditworthiness, and strengthened banks' capital and liquidity position. (full pdf text - only in Italian)

No. 64: **The transmission of the global financial crisis to the Italian economy. A counterfactual analysis, 2008-2010.**

Michele Caivano, Lisa Rodano and Stefano Siviero

The world recession triggered by the financial crisis has impacted with extraordinary violence on economic activity in Italy.What has been the contribution of the various channels through which the crisis was transmitted to the Italian economy? What have been the effects stemming from the reaction of economic policies? To address these questions, our paper makes a counterfactual analysis of the Italian economy over the period 2008-2010, exploring a set of "no-crisis" scenarios. We estimate that the events prompted by the financial turmoil subtracted 6.5 percentage points from economic activity over the period 2008-2010. Specifically, crisis factors curtailed GDP growth by about 10 percentage points, while economic policies and automatic stabilizers mitigated the impact by about 3.5 percentage points. According to our results, the effects of the crisis were mostly "imported from abroad"; the worsening of domestic financing conditions and of the business and household climates played lesser - though not negligible - roles. (full pdf text - only in Italian)

No. 65: **Governance of Italian pension funds: problems and solutions**

Cristina Giorgiantonio and Francesco Bripi

In this paper we investigate the governance structure of Italian pensions funds. First, we conduct a brief but critical review of the theoretical and empirical literature, in order to identify the areas where major improvements are necessary: a) the skills and competence of the trustees; b) the definition of tasks and responsibilities; c) the handling of conflicts of interest. Secondly, we assess the governance of closed and open pension funds in Italy by analyzing their bylaws and other fund documents. Our main findings are: a) the average skill level of the trustees is still inadequate, despite the remarkable improvements made following recent reforms; b) there is no clear definition of the responsibilities of the various governing bodies; c) there is no clear policy for handling conflicts of interest. Finally, we observe that in these areas the potential role of self-regulation has not yet been fully exploited.
(full pdf text)

No. 66: **The economic and financial situation of Italian non-financial corporations: an international comparison**

Antonio De Socio

The paper analyses the main differences in the financial structure of Italian and European non-financial corporations in the 2004-2007 period, that is during the years before the financial crisis. The research is based on individual balance sheets of Amadeus (Analyse Major Databases from European Sources) database, which allow to isolate the effects of the different sectional and dimensional composition on the differences of the balance sheets ratios and to identify the more fragile firms. Italian non-financial corporations present many factors of weakness compared to European ones. Firstly they are characterised by a lower operating income, even if in the period under analysis they obtained a slightly higher increase in turnover. Secondly a high indebtedness, with respect both to turnover and to risk capital, gives rise to a bigger impact of interest payments. Moreover the weight of short-term debt for Italian firms is higher and the availability of liquid assets is lower. Finally the percentage of commercial debt on assets is quite high. Taking all into account, the financial fragility is confirmed by the higher share of Italian firms which are vulnerable compared to European average. (full pdf text - only in Italian)

Forthcoming occasional papers

Breda E. and R. Cappariello
A tale of two bazaar economies: an input-output analysis for Germany and Italy

Marconi D.
Environmental regulation and revealed comparative advantages in Europe: is China a pollution haven?

Recently published occasional papers

No.58: Matteo Bugamelli, Riccardo Cristadoro and Giordano Zevi,
The international crisis and the Italian productive system: a firm-level study (December 2009)

No.59: Fabio Panetta (coordinator), Roberto Sabbatini, Francesco Zollino, Michele Leonardo Bianchi, Marcello Bofondi, Fabrizio Borselli, Guido Bulligan, Alessandro Buoncompagni, Mario Cappabianca, Luisa Carpinelli, Agostino Chiabrera, Francesco Columba, Guido de Blasio, Alessio D'Ignazio, Cristina Fabrizi, Carlo Gola and Federico Maria Signoretti,
The performance of the Italian housing market and its effects on the financial system (December 2009)

No.60: Diego Caprara, Amanda Carmignani and Alessio D'Ignazio,
Public incentives for firms: micro-level evidence (January 2010)

No.61: Sauro Mocetti and Carmine Porello,
Labour mobility in Italy: new evidence on migration trends (January 2010)

No.62: Concetta Rondinelli and Giovanni F. Veronese,
Housing rent dynamics in Italy (February 2010)

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

(full list since 1990)

Forthcoming

Altunbas Y., **L. Gambacorta** and D. Marqués, *Securitisation and the bank lending channel,* European Economic Review (WP No. 653)

D'Amuri F., G. I. P. Ottaviano and G. Peri, *The labor market impact of immigration in Western Germany in the 1990's,* European Economic Review (WP No. 687)

Gerali A., **S. Neri, L. Sessa** and **F. M. Signoretti**, *Credit and banking in a DSGE model of the euro area,* Journal of Money, Credit and Banking (WP No. 740)

Iacoviello M. and **S. Neri**, *Housing market spillovers: evidence from an estimated DSGE model,* American Economic Journal: Macroeconomics (WP No. 659)

2010

Magri S., *Debt Maturity Choice of Nonpublic Italian Firms*, Journal of Money, Credit and Banking , v.42, 2-3, pp. 443-463 (WP No. 574)

2009

Affinito M. and **F. Farabullini**, *Does the law of one price hold in euro-area retail banking?,* International Journal of Central Banking, v. 5, 1, pp. 5-37

Ascari G. and **T. Ropele**, *Trend inflation, Taylor principle, and indeterminacy,* Journal of Money, Credit and Banking, v. 41, 8, pp. 1557-1584

Behrens K., **A. Lamorgese**, G. I. P. Ottaviano and T. Tabuchi,
Beyond the home market effect: market size and specialization in a multi-country world, Journal of International Economics, v. 79, 2, pp. 259-265

Foglia A.,
Stress testing credit risk: a survey of authorities' approaches, International Journal of Central Banking , v. 5, 3, pp. 9-45 (QEF No. 37)

Forni L., L. Monteforte and **L. Sessa**, *The general equilibrium effects of fiscal policy: estimates for the euro area,* Journal of Public Economics, v. 93, 3-4, pp. 559-585 (WP No. 652)

Gola C. and A. Roselli, *The UK Banking System and its Regulatory and Supervisory Framework*, Palgrave Macmillan

Lippi F. and **A. Secchi**, *Technological change and the households' demand for currency* , Journal of Monetary Economics 56, 2, 222-230, (WP No. 697)

Pagano P. and **M. Pisani**, *Risk-adjusted forecasts of oil prices,* The B.E. Journal of Macroeconomics, v. 9, 1, Article 24 (WP No. 585)

Panetta F., F. Schivardi and M. Shum, *Do mergers improve information? Evidence from the loan market,* Journal of Money, Credit, and Banking, v. 41, 4, pp. 673-709 (WP No. 521)

Quagliariello M. (ed.), *Stress-testing the Banking system*, Cambridge University Press

Rossi S., *Controtempo, l'Italia nella crisi mondiale*, Laterza, Bari-Roma

2008

Angelini P., P. Del Giovane, S. Siviero and **D. Terlizzese**, *Monetary policy in a monetary union: What role for regional information?,* International Journal of Central Banking, 4, 3, 1-28 (WP No. 457)

Angelini P. and **A. Generale**, *On the evolution of firm size distributions,* American Economic Review 98, 1, 426-438, (WP No. 549)

Busetti F. and A. Harvey, *Testing for trend,* Econometric Theory, 24, 1, 72-87 (WP No. 614)

Cesarano F., *Money and monetary systems: selected essays of Filippo Cesarano*, Cheltenham, Elgar

Casolaro L., D. Focarelli and A. Pozzolo, *The pricing effect of certification on syndicated loans*, Journal of Monetary Economics, 55, 2, 335-349

De Bonis R., *La Banca,* Carocci, Roma

Del Giovane P. and **R. Sabbatini** (eds.), *The euro, inflation and consumers' perceptions. Lessons from Italy*, Springer, Berlin-Heidelberg

Gambacorta L., *How do banks set interest rates?*, European Economic Review, 52, 5, 792-819 (WP No. 542)

Pericoli M. and **M. Taboga**, *Canonical term-structure models with observable factors and the dynamics of bond risk premia*, Journal of Money, Credit and Banking, 40, 7, 1471-1488 (WP No. 580)

2007

Angelini P. and F. Lippi, *Did prices really soar after the euro cash changeover? Evidence from ATM withdrawals,* International Journal of Central Banking, 3, 4, 1-22 (WP No. 581)

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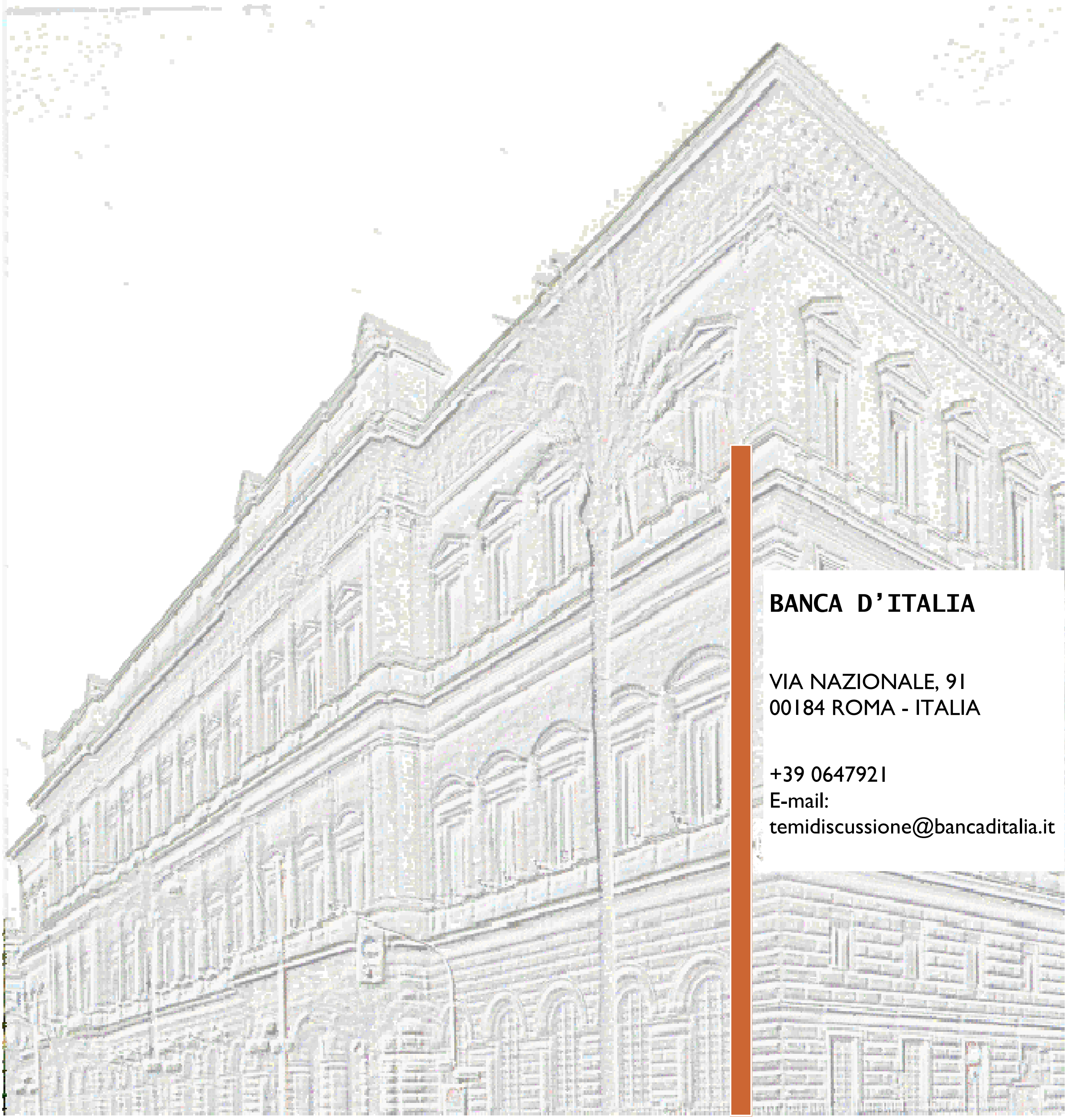

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