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New Research at the Bank of Italy

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Bank of Italy – Economics, Research and International Relations

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Seminars at the Bank of Italy

Seminars at EIEF

Highlights

On 15 March 2011, the Bank of Italy hosted a workshop on the economic integration between the Mezzogiorno and the Centre North.

The workshop aimed to assess the degree of economic integration of the two areas from several viewpoints. Two papers examined the mechanism of propagation of shocks between the Mezzogiorno and the Centre North from a macroeconomic perspective, using spatial VAR and regional input-output tables. Three papers assessed the role of firms and banks in the Centre North for the economy in the South of the country. The last paper estimated the expenditure of domestic tourists in the two areas.

The conference programme and presentations are available here.

On 2 March 2011, EIEF hosted the workshop "Wage bargaining and short-time working programs in Germany: which lessons for Italy?"

organized by Fondazione Rodolfo Debenedetti. The workshop discussed the lessons that can be drawn from the German experience with short-time working schemes (Kurzarbeit; with similarities with the Italian Cassa Integrazione) and controlled decentralization of collective bargaining. Michael Burda (Humboldt University, Berlin), Claus Schnabel (Friedrich-Alexander University Erlangen-Nürnberg) and Herbert Bruecker (IAB, Nürnberg) illustrated the macroeconomic aspects of the German crisis, the features of the German bargaining system and the "recipes" which have resulted in a limited increase of unemployment during the crisis (individual working time accounts, temporary agency workers, short-time working programs like Kurzarbeit). After the presentations there was a debate with the participation of the leaders of the Italian trade unions and of Confindustria, the main organisation representing Italian manufacturing and services companies.

The conference programme and presentations are available here.

Forthcoming events

On 4-6 July 2011 EIEF will host the 11th Doctoral Workshop in Economic Theory and Econometrics (MOD 2011) co-organized with Bank of Italy, Collegio Carlo Alberto and LUISS.

On 30 September-1 October 2011, the 9th Hydra Workshop on Dynamic Macroeconomics, sponsored by the ECB, EIEF and the University of Sassari, will bring together top-qualified researchers in this field.

At the end of September 2011 EIEF will host a major conference on "Household Finance", organized with Frankfurt University.

Italy and the World Economy, 1861-2011 — 13, 14 and 15 October 2011 Palazzo Koch, Banca d'Italia, Rome.

The forthcoming conference will present the results of a vast research project, sponsored by the Bank of Italy as part of the celebrations for Italy's

cont.

The first issue of EIEF's newsletter has been just published.
It provides both retrospective and prospective information on research carried out at the Institute, on conferences, seminars and special lectures and on the visiting program.

The newsletter will be published biannually.

cont.

150th anniversary. It will focus on the responses of the Italian economy, since its political unification in 1861, to the major changes in the international scenario (expansions, crises, globalization). As well as furthering our knowledge of Italian economic history, the studies will contribute to a better understanding of the current position of Italy in the world economy.

The project consists of nineteen studies, assigned to Bank of Italy economists and Italian and foreign scholars. Together with the evolution of productivity and welfare, the following topics are analysed: the use of technology, changes in the economy's specialization, significant cases of business internationalization, human capital accumulation, social capital, migration flows, the interactions between the economy and the legal system, regional differences, the relations between finance and growth, exchange rate regimes, and the role of public finance in some critical phases of the Italian economy. Lastly, three papers focus on economic policy before and after World War II and one on foreign observers' views of the Italian economy over 150 years.

The research is supported and accompanied by the reconstruction of Italy's historical national accounts spanning the whole period 1861-2010, in collaboration with ISTAT and the University of Rome "Tor Vergata".

The Steering Committee coordinating the research is chaired by the Director General of the Bank of Italy, Fabrizio Saccomanni. The members are: Nicholas Crafts, Francesco Giavazzi, Alfredo Gigliobianco, Fabrizio Onida, Kevin O'Rourke, Marco Pagano, Salvatore Rossi and Gianni Toniolo.

Fifth bank of Italy - CEPR conference on money, banking and finance (Rome, 14-15 December 2011)

The 2011 Conference will focus on "Macroprudential Policies, Regulatory Reform and Macroeconomic Modeling". The reform process triggered by the recent financial crisis is gradually making progress. Advances are underway in the area of banking regulation, accounting standards, and market infrastructures. A new framework for macroprudential policy is also emerging. A parallel development sparked by the crisis is the drive to include the financial sector in modern macroeconomic models. Models in this class will be required for the design and management of the new macroprudential policies. They will also be crucial for central banks, to understand new aspects of monetary policy transmission, and to analyze the interrelations between countercyclical macroprudential policies and traditional macro policies.

The conference represents a venue for theoretical and empirical papers advancing our knowledge in these areas.

Researchers wishing to submit papers for consideration should send them by June 15th 2011.

The link to the call for paper is available here.

On 4 April 2011, the inauguration of the exhibition was held at Palazzo delle Esposizioni in Rome. The President of Italy, Giorgio Napolitano, and the Governor of the Bank of Italy, Mario Draghi, were present.

From 5 April 2011, the exhibition is open to the public. Admission is free of charge.

Latest working papers

No. 790: **Testing for East-West contagion in the European banking sector during the financial crisis** (February 2011)

Emidio Cocozza and Paolo Piselli

Large and growing international financial linkages between East and West have altered the nature of the stability risks faced by European banking systems, increasing susceptibility to contagion. This paper aims to identify potential risks of cross-border contagion using a sample of large Western and Eastern European banks. We assume that contagion risk is associated with extreme co-movements in a market-based measure of bank soundness, controlling for common underlying factors. We also find evidence that contagion risk across European banks heightened significantly during the recent crisis. Contagion among Western European banks with the highest market share in Eastern Europe and from this group to Eastern European banks shows the largest increase in our sample. We find also evidence of contagion spreading from Eastern European banks, but this effect seems to reflect a broader phenomenon of contagion from emerging markets to banks in advanced countries exposed to these markets. Finally, our findings offer only mixed evidence of the existence of a direct ownership channel in the transmission of contagion.
(full pdf text)

No. 791: **Are incentives for R&D effective? Evidence from a regression discontinuity approach** (February 2011)

Raffaello Bronzini and Eleonora Iachini

This paper contributes to the literature on the effectiveness of R&D incentives by evaluating a unique investment subsidy program implemented in northern Italy. Firms were invited to submit proposals for new projects and only those that scored above a certain threshold received the subsidy. We use a sharp regression discontinuity design to compare investment spending of subsidized firms just above the cut-off score with spending by firms just below the cut-off. For the sample as a whole we find no significant increase in investment as a result of the program. This overall effect, however, masks substantial heterogeneity in the program's impact. On average, we estimate that small enterprises increased their investments by about the amount of the subsidy they received from the program, whereas for larger firms the subsidies appear to have had no additional effect.
(full pdf text)

No. 792: **Evaluating the impact of innovation incentives: evidence from an unexpected shortage of funds** (February 2011)

Guido de Blasio, Davide Fantino and Guido Pellegrini

To evaluate the effect of an R&D subsidy one needs to know what the subsidized firms would have done without the incentive. This paper studies an Italian programme of subsidies for the applied development of innovations, exploiting a discontinuity in programme financing due to an unexpected shortage of public money. To identify the effect of the programme, the study implements a regression discontinuity design and compares firms that applied for funding before and after the shortage occurred. The results indicate that the programme was not effective in stimulating innovative investment.
(full pdf text)

No. 793: **Credit availability and investment in Italy: lessons from the "Great Recession"** (February 2011)

Eugenio Gaiotti

The paper argues that the traditional difficulty encountered in finding evidence on the effects of credit availability on economic activity depends on the fact that these effects are powerful but rare and vary with the cycle. The global financial crisis offers an opportunity to test this assumption. The paper exploits a unique dataset, including direct information on credit rationing for 1,200 Italian firms over the last twenty years. We find that the elasticity of a firm's investment to the availability of bank credit has been significant in periods of

economic contraction, but not in other periods; that the ability to tap alternative sources of finance is crucial to this result; that during the global crisis the impact of credit constraints on Italian investment in manufacturing was significant.
(full pdf text)

No. 794: **Bridging the gap between migrants and the banking system** (February 2011)

Giorgio Albareto and Paolo Emilio Mistrulli

In this paper, we test whether micro firms run by migrants pay more for credit than firms run by natives and whether the differences in the cost of credit for these two groups of entrepreneurs decrease as the informational and cultural gaps narrow. We employ a large and unique data set providing us with detailed information on each overdraft loan granted by banks to sole proprietorships based in Italy. We find that migrants pay, on average, almost 70 basis points more for credit than natives. The interest rate differential is lower for entrepreneurs born in Italy whose parents were natives of other countries ("second generation" migrants) and for migrants whose parents were natives of Italy ("Italian migrants"). These results suggest that cultural differences may matter for the functioning of the credit market. A lengthening of credit history reduces the interest rate differential between the two types of entrepreneurs. Finally, we find that both increases in the size of the migrant community and improvements in banks' ability to deal with cultural diversity help narrow the interest rate differential between migrant and Italian entrepreneurs.
(full pdf text)

No. 795: **Italian open-end funds: performance of asset management companies** (February 2011)

Michele Leonardo Bianchi and Maria Grazia Miele

We empirically analyse the returns of both Italian and round-trip open-end funds managed by Italian asset management companies (SGRs) in the period 2003-2008. Taking into account a modified version of the capital asset pricing model (CAPM), we estimated a performance measure for each asset management company and for each fund, as is usually done in the relevant literature. The analysis shows that the performance of any asset management company, with reference to its managed funds, is on average no greater than that of the benchmark chosen by the managers. In addition, as expected, the funds' systematic risk is close to that of the benchmarks. Finally, robust estimation techniques let us control for the heteroskedasticity due to the presence of outliers and also to the different excess returns of individual funds.
(full pdf text - only in Italian)

No. 796: **Securitization is not that evil after all** (February 2011)

Ugo Albertazzi, Ginette Eramo, Leonardo Gambacorta and Carmelo Salleo

A growing number of studies on the US subprime market highlight that, due to asymmetric information, credit risk transfer activities have perverse effects on banks' lending standards. We investigate the larger part of the market for securitized assets ("prime mortgages") in Italy, a country with a regulatory framework analogous to the one prevalent in Europe. Information on over a million of mortgages comprises loan-level variables, characteristics of the originating bank and, most importantly, contractual features of the securitization deal including the seniority structure of the ABS issued by the Special Purpose Vehicle and the amount retained by the originator. We borrow from the empirical contract theory literature (Chiappori and Salanié, 2000) a robust way to test for the effects of asymmetric information. Overall, our evidence suggests that banks can effectively contrast the negative effects of asymmetric information in the securitization market by selling less opaque loans, by using signaling devices (i.e. by retaining a share of the equity tranche ABS issued by the SPV) or by building up a reputation for not undermining their own lending standards.
(full pdf text)

No. 797: **Reserve management and sovereign debt cost in a world with liquidity crises** (March 2011)

Flavia Corneli and Emanuele Tarantino

The accumulation of large amount of sovereign reserves has fuelled an intense debate on the associated costs. In a world with liquidity crises and strategic default, we model a contracting game between international lenders and a country, which delivers the country's optimal portfolio choice and the cost of sovereign debt: at equilibrium, the sovereign allocates the borrowed resources to either liquid reserves or an illiquid and risky production project. We study how the opportunity cost of hoarding reserves is affected by the financial and technological characteristics of the economy. In line with recent empirical evidence, we find two important results: the cost of debt decreases in the level of reserves if the probability of liquidity shocks is high enough; however the cost of debt increases in reserves when the lenders anticipate that the country has an incentive to default after a liquidity shock. Indeed, we show that the country may choose to retain reserves instead of employing them to inject the liquidity needed to bring the production project to maturity.
(full pdf text)

No. 798 **Managerial incentives, financial constraints and ownership concentration** (March 2011)

Marco Protopapa

This work investigates the role of equity ownership for the purpose of committing the management to the pursuit of shareholder value in the presence of separation between ownership and control. By rooting the conflicts of interests between managers and shareholders upon the control of internal funds, a simple model allows to analyse the link between profit uncertainty, growth options and decisional powers. Implications are derived for the optimal degree of equity concentration, the effect of firm fundamentals on the allocation of income and control rights, and the pay for luck phenomenon. First, optimal equity ownership is positively related to the short-term performance of the firm and negatively related to both its growth options and riskiness of cash flows. Second, optimal equity ownership is negatively related to the probability of the firm being financially constrained, in the sense that the level of desired investment exceeds internally available resources. It is also shown that straight debt alone does not implement the second best, in absence of a large shareholder. Finally, an interesting result shows that, in presence of financial constraints, pay for luck is associated in equilibrium to a lower optimal degree of ownership concentration: pay for luck and looser governance, as implemented by the internal discipliner of equity concentration, emerge as the equilibrium result of a constrained incentive problem.
(full pdf text)

No. 799 **Bootstrap LR tests of stationarity, common trends and cointegration** (March 2011)

Fabio Busetti and Silvestro di Sanzo

The paper considers likelihood ratio (LR) tests of stationarity, common trends and cointegration for multivariate time series. As the distribution of these tests is not known, a bootstrap version is proposed via a state space representation. The bootstrap samples are obtained from the Kalman filter innovations under the null hypothesis. Monte Carlo simulations for the Gaussian univariate random walk plus noise model show that the bootstrap LR test achieves higher power for medium-sized deviations from the null hypothesis than a locally optimal and one-sided LM test, that has a known asymptotic distribution. The power gains of the bootstrap LR test are significantly larger for testing the hypothesis of common trends and cointegration in multivariate time series, as the alternative asymptotic procedure -obtained as an extension of the LM test of stationarity- does not possess properties of optimality. Finally, it is showed that the (pseudo) LR tests maintain good size and power properties also for non-Gaussian series. As an empirical illustration, we find evidence of two common stochastic trends in the volatility of the US dollar exchange rate against european and asian/pacific currencies.
(full pdf text)

No. 800 **Performance pay and shifts in macroeconomic correlations** (March 2011)

Francesco Nucci and Marianna Riggi

A coincidence in time between the volatility break associated with the "Great Moderation" and large changes in the pattern of conditional and unconditional correlations among output, hours and labor productivity has been detected by Galí and Gambetti (2009). We provide a novel explanation for these findings, based on major changes occurred in the U.S. design of labor compensation around the mid- 1980s. These include a substantial increase in the incidence of performance pay coupled with a higher responsiveness of real wages to the business cycle. We capture this shift in the structure of labor compensation in a Dynamic New Keynesian (DNK) model and show that, on its own, it generates the disappearance of the procyclical response of labor productivity to non-technology shocks and a reduction of the contractionary effects on hours worked of technology shocks. More- over, it accounts for a large fraction of the observed drop in output volatility after 1984 and for most of the observed changes in unconditional correlations.
(full pdf text)

No. 801 **Monetary and macroprudential policies** (March 2011)

Paolo Angelini, Stefano Neri and Fabio Panetta

We use a dynamic general equilibrium model featuring a banking sector to assess the interaction between macroprudential policy and monetary policy. We find that in "normal" times (when the economic cycle is driven by supply shocks) macroprudential policy generates only modest benefits for macroeconomic stability over a "monetary-policy-only" world. And lack of cooperation between the macroprudential authority and the central bank may even result in conflicting policies, hence suboptimal results. The benefits of introducing macroprudential policy tend to be sizeable when financial or housing market shocks, which affect the supply of loans, are important drivers of economic dynamics. In these cases a cooperative central bank will "lend a hand" to the macroprudential authority, working for broader objectives than just price stability in order to improve overall economic stability.
(full pdf text)

No. 802 **Imperfect information, real-time data and monetary policy in the euro area** (March 2011)

Stefano Neri and Tiziano Ropele

An important concern for the European Central Bank (ECB), and all central banks alike, is the necessity of making decisions in real time under conditions of great uncertainty about the underlying state of the economy. We address this concern by estimating on real-time data a New Keynesian model for the euro area under the assumption of imperfect information. In comparison to models that maintain the assumption of perfect information and are estimated on ex-post revised, we find that: (i) the estimated policy rule becomes more inertial and less aggressive towards inflation; (ii) the ECB is confronted with a more severe trade-off in the stabilization of inflation and the output gap.
(full pdf text)

Forthcoming working papers

Cappelletti G., G. Guazzarotti and P. Tommasino
What determines annuity demand at retirement

Carmignani A. and A. D'Ignazio
Financial subsidies and bank lending: substitutes or complements? Micro level evidence from Italy

Cecioni M. and S. Neri
The monetary transmission mechanism in the euro area: has it changed and why?

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

Di Giacinto V. and G. Micucci
Quality upgrading of Italian manufactured products: evidence from firms' prices and strategies

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

Neri S

Housing, consumption and monetary policy: how different are the US and the euro area?

Ropele T.

Implementing disinflations in a medium-scale dynamic general equilibrium model: money supply vis-à-vis interest rate rules

Santoro S.

Heterogeneity and learning with complete markets

Sessa L.

Economic (in)stability under monetary targeting

Marqués Ibáñez D., C. Rossi and C. K Sørensen

Modelling loans to non-financial corporations in the euro area

Recently published working papers

No. 780: Marco Taboga, *Under/over-valuation of the stock market and cyclically adjusted earnings* (December 2010)

No. 781: Antonio Bassanetti, Roberto Torrini and Francesco Zollino, *Changing institutions in the European market: the impact on mark-ups and rents allocation* (December 2010)

No. 782: Giuseppe Ferrero and Alessandro Secchi, *Central banks' macroeconomic projections and learning* (December 2010)

No. 783: Concetta Rondinelli and Roberta Zizza, *(Non)persistent effects of fertility on female labour supply* (December 2010)

No. 784: Carlo Menon, *Stars and comets: an exploration of the patent universe* (January 2011)

No. 785: Alessandro Calza and Andrea Zaghini, *Sectoral money demand and the great disinflation in the US* (January 2011)

No. 786: Raffaela Giordano and Pietro Tommasino, *Public sector efficiency and political culture* (January 2011)

No. 787: Francesco D'Amuri, *Monetary incentives vs. monitoring in addressing absenteeism: experimental evidence* (January 2011)

No. 788: Cecilia Frale and Libero Monteforte, *FaMIDAS: a mixed frequency factor model with MIDAS structure* (January 2011)

No. 789: Antonio Accetturo and Guido de Blasio, *Policies for local development: an evaluation of Italy's "Patti Territoriali"* (January 2011)

Latest occasional papers

No. 87: **BASEL III: long-term impact on economic performance and fluctuations** (February 2011)

Paolo Angelini, Laurent Clerc, Vasco Cúrdia, Leonardo Gambacorta, Andrea Gerali, Alberto Locarno, Roberto Motto, Werner Roeger, Skander Van den Heuvel and Jan Vlček

We assess the long-term economic impact of the new regulatory standards (the Basel III reform), answering the following questions. (1) What is the impact of the reform on long-term economic performance? (2) What is the impact of the reform on economic fluctuations? (3) What is the impact of the adoption of countercyclical capital buffers on economic fluctuations? The main results are the following. (1) Each percentage point increase in the capital ratio causes a median 0.09 percent decline in the level of steady state output, relative to the baseline. The impact of the new liquidity regulation is of a similar order of magnitude, at 0.08 percent. This paper does not estimate the benefits of the new regulation in terms of reduced frequency and severity of financial crisis, analysed in BCBS (2010b). (2) The reform should dampen output volatility; the magnitude of the effect is heterogeneous across models; the median effect is modest. (3) The adoption of countercyclical capital buffers could have a more sizeable dampening effect on output volatility. These conclusions are fully consistent with those of reports by the Long-term Economic Impact group (BCBS, 2010b) and Macro Assessment Group (MAG, 2010b). (full pdf text)

No. 88: **The macroeconomic impact of Basel III on the Italian economy** (February 2011)

Alberto Locarno

This paper provides an assessment of the costs of complying with Basel III for the Italian economy. The main findings are the following. For each

percentage point increase in the capital ratio implemented over an eight-year horizon, the level of GDP would decline by 0.00-0.33% (0.03-0.39% if credit rationing is also accounted for), corresponding to a reduction of annual output growth in the transition period of 0.00-0.04 percentage points (0.00-0.05 percentage points if credit rationing is considered as well). Compliance with the new liquidity standards causes an additional slowdown of annual GDP growth of at most 0.02 percentage points. If banks felt forced to speed up the transition to the new capital rules by the beginning of 2013, the fall in output would be larger and would take place beforehand. Long-run costs of achieving the new capital standards are even lower, slightly less than 0.2%; those needed to comply with the target liquidity ratio are of a similar size. The above estimates suggest that the economic costs of Basel III are not huge and become negligible if compared with the potential benefits that can be reaped from reducing the frequency of systemic crises and the amplitude of boom-bust cycles.
(full pdf text)

No. 89: **Macroeconomic determinants of bad loans: evidence from Italian banks** (March 2011)

Marcello Bofondi and Tiziano Ropele

In this paper we use a single-equation time series approach to examine the macroeconomic determinants of banks' loan quality as measured by the ratio of new bad loans to the outstanding amount of loans in the previous period (NBL ratio) in Italy in the past twenty years. We analyse the quality of loans to households and firms separately on the grounds that macroeconomic variables may affect these two classes of borrowers differently. According to our estimated models: i) the NBL ratios for lending to households and firms can be explained by a small number of macroeconomic variables mainly relating to the general state of the economy, the cost of borrowing and the burden of debt; ii) changes in macroeconomic conditions generally affect the NBL ratios with a lag; and iii) the out-of-sample prediction accuracy of the models is quite satisfactory and proved to be robust to the recent financial crisis.
(full pdf text)

Recently published occasional papers

No.76: Alessio De Vincenzo, Maria Alessandra Freni, Andrea Generale, Sergio Nicoletti Altimari, Mario Quagliariello, *Lessons learned from the financial crisis for financial stability and banking supervision* (December 2010)

No.77: Giuseppe Cappelletti and Giovanni Guazzarotti, *Retirement savings in the Survey on Household Income and Wealth* (December 2010)

No.78: Francesco Cannata, Massimo Libertucci, Francesco Piersante and Mario Quagliariello, *Regulatory impact assessment at the Bank of Italy* (December 2010)

No.79: Emanuele Breda and Rita Cappariello, *A tale of two bazaar economies: an input-output analysis for Germany and Italy* (December 2010)

No.80: Giacomo Ricotti, Vittorio Pinelli, Giovanni Santini, Laura Santuz, Ernesto Zangari and Stefania Zotteri, *The tax burden on the banking sector: some methodological issues and assessments* (December 2010)

No.81: Stefano Manestra, *A short history of tax compliance in Italy* (December 2010)

No.82: Rosalba Cori, Cristina Giorgiantonio and Ilaria Paradisi, *Risk allocation and incentives for private contractors: an analysis of Italian project financing contracts* (December 2010)

No.83: Francesco Decarolis, Cristina Giorgiantonio, Valentina Giovanniello, *The awarding of public works in Italy: an analysis of the mechanisms for the selection of private contractors* (December 2010)

No.84: Francesco Bripi , Amanda Carmignani and Raffaela Giordano, *The quality of public services in Italy* (January 2011)

No.85: Vieri Ceriani, Stefano Manestra, Giacomo Ricotti, Alessandra Sanelli, and Ernesto Zangari, *The tax system and the financial crisis* (January 2011)

No.86: Antonio Accetturo, Anna Giunta and Salvatore Rossi, *The Italian firms between crisis and the new globalization* (January 2011)

Historical series of the Bank of Italy: latest volume

Luigi Einaudi, Economic Freedom and Social Cohesion

A. Gigliobianco with contributions of A. Baffigi, P. Bini, P. Ciocca, D. da Empoli, V. Della Valle, R. Faucci, F. Forte, P.L. Porta, A. Roncaglia

This book focuses on Luigi Einaudi's contribution to the theme of the never-ending strain between economic freedom and social cohesion. Up to what point can competition govern society without tearing it asunder? Up to what point can the welfare state protect society without levelling it? These questions were raised by Luigi Einaudi and have become acutely relevant again today. He himself wrote in 1942 "Not all men have a soldier's or a captain's soul, willing to obey and to fight every day for as long as they live. Many, very many, perhaps everybody at a certain point in their life feels the need for repose, protection, refuge. They want a haven in which to rest. They want to feel momentarily defended by a trench against the endless torment of competition, of emulation, of rivalry." Adopting various perspectives – historic, economic, epistemological, linguistic – the authors of this book examine the issues of social justice, the equality of starting points and the ability to innovate, not only in relation to the economy but also to society as a whole. (full pdf text)

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)

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

Barone G. and **F. Cingano**, *Service Regulation and Growth: Evidence from OECD Countries,* Economic Journal (WP No. 675)

Ciapanna E., *Directed matching with endogenous Markov probability: clients or competitors?,* The RAND Journal of Economics

Giordano R. and **P. Tommasino**, *What determines debt intolerance? The role of political and monetary institutions,* Journal of Political Economy (WP No. 700)

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

Schivardi F. and **E. Viviano**, *Entry barriers in retail trade,* Economic Journal (WP No. 616)

2011

C. Antonelli and **F. Barbiellini Amidei**, *The Dynamics of Knowledge Externalities. Localized Technological Change in Italy*, Cheltenham, Elgar

Busetti F. and A. Harvey, *When is a copula constant? A test for changing relationships,* Journal of Financial Econometrics, v. 9, 1, pp. 106-131

2010

Altissimo F., **R. Cristadoro**, M. Forni, M. Lippi and **G. Veronese**, *New Eurocoin: tracking economic growth in real time,* Review of Economics and Statistics, v. 92, 4, pp. 1024-1034 WP No. 631)

Cingano F., M. Leonardi, J. Messina and G. Pica, *The effects of employment protection legislation and financial market imperfections on investment: evidence from a firm-level panel of EU countries,* Economic Policy, v. 25, 61, pp. 117-149

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, v. 54, 4, pp. 550-570 (WP No. 687)

Fabiani S., C. Kwapil, T. Rõõm, K. Galuscak and A. Lamo, *Wage rigidities and labor market adjustment in Europe,* Journal of the European Economic Association, v. 8, 2-3, pp. 497-505

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, v. 42, 6, pp. 107-141 (WP No. 740)

Iacoviello M. and **S. Neri**, *Housing market spillovers: evidence from an estimated DSGE model,* American Economic Journal: Macroeconomics, v. 2, 2, pp. 125-164 (WP No. 659)

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)

Nicoletti C. and **C. Rondinelli**, *The (mis)specification of discrete duration models with unobserved heterogeneity: a Monte Carlo study,* Journal of Econometrics, v. 159, 1, pp. 1-13 (WP No. 705)

Prati A. and **M. Sbracia**, *Uncertainty and currency crises: evidence from survey data,* Journal of Monetary Economics, v, 57, 6, pp. 668-681 (WP No. 446)

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 (WP No. 708)

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

Ferrero G. and **A. Nobili**, *Futures contract rates as monetary policy forecasts,* International Journal of Central Banking, v. 5, 2, pp. 109-145, (WP No. 681)

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

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