BANCA D'ITALIA
EUROSISTEMA

NUMBER 47
JULY 2017

RESEARCH AT THE BANK OF ITALY
DIRECTORATE GENERAL FOR ECONOMICS, STATISTICS AND RESEARCH
NEWSLETTER

Contents

Highlights	1
Forthcoming events	3
Latest Working Papers	4
Latest Occasional Papers	9
Notes on Financial Stability and Supervision	12
Selection of Journal articles and books	13
Useful links	17

Highlights

First Banque de France-Banca d'Italia Workshop on Empirical Corporate Finance

(Paris, 9 June 2017)

The Structural Economic Analysis Directorate of the Bank of Italy organized, jointly with the Banque de France's Microeconomic and Structural Analysis Directorate, the '**First Banque de France-Banca d'Italia Workshop on Empirical Corporate Finance'**. The workshop, which was by invitation only, was held in Paris on Friday 9 June 2017, and its aim was to enhance the exchange of views and cooperation among economists with a research interest in empirical corporate finance and banking. The papers presented at the workshop covered topics such as the impact of banking market concentration on credit availability, the consequences of relationship lending during the financial crisis, and the role of credit constraints in determining real outcomes in terms of investment, productivity and firm creation. This workshop was intended to be the first of a series of regular research meetings between economists of both institutions on these and other connected issues of primary policy relevance.

The workshop programme, with links to the papers and discussions, can be downloaded here.

Workshop 'The Italian Financial Sector in Numbers: New Time Series for Recurring Questions'

(Rome, 13 June 2017)

The workshop was held at the Bank of Italy's headquarters on 13 June 2017. In recent years the Bank of Italy has stepped up the production of new historical data, both macro and micro, related to banking and finance. For instance, the new Archivio Storico del Credito in Italia (ASCI), a comprehensive database containing information on over 41,000 balance sheets covering nearly 2,600 Italian banks operating between 1890 and 1973, is now available to scholars on the Bank of Italy's website. The number of studies drawing on historical data has also increased. Seven papers authored by Bank of Italy economists, economic historians and statisticians were presented at the workshop, dealing with topics such as monetary aggregates, the evolution of the banking system's structure and competition, credit trends, financial cycles, countercyclical capital buffers, and housing rental prices. The papers were discussed by academics and economists from other organizations.

The programme is available here.

Highlights

2nd Rome Junior Finance Conference

(Rome, 30-31 May 2017)

On 30-31 May 2017, the Einaudi Institute for Economics and Finance (EIEF) organized and hosted the '**2nd Rome Junior Finance Conference**'. The conference brought together junior researchers active in empirical and theoretical finance.

The programme is available here.

EIEF Doctoral Workshop on Applied Microeconomics

(Rome, 21 June 2017)

The workshop was designed to provide doctoral students working in applied microeconomics with the chance to interact with senior economists in this field and receive feedback on a preliminary version of their job market paper.

The programme is available here.

2nd Rome Junior Conference on Applied Microeconomics

(Rome, 22-23 June 2017)

On 22-23 June 2017, EIEF organized and hosted the '**2nd Rome Junior Conference on Applied Microeconomics**'. The conference fostered interaction among researchers active in different areas of applied microeconomics. The invited speakers were selected giving priority to economists at the early stages of their career.

The programme is available here.

6th Rome Conference on Macroeconomics

(Rome, 26-27 June 2017)

On 26-27 June 2017, EIEF organized and hosted the '**6th Rome Conference on Macroeconomics**'. The conference brought together leading economists with a strong interest in macroeconomics and generated a friendly environment with intense interaction, both during the presentations and also informally before and after them. The speakers were selected and invited by the organizing committee.

The programme is available here.

Forthcoming events

Conference on 'Rethinking Competitiveness, Structural Reforms, and Macro Policy'

(Rome, 5-6 October 2017)

The conference, organized by the Bank of Italy, CEPR, and CEBRA's International Trade and Macroeconomics Program, will be held at the Bank of Italy headquarters in Rome and will focus on recent challenges for macroeconomic policies and on the design of structural reforms, with an emphasis on micro-macro linkages. Both theoretical and empirical works will be presented.

Thomas Chaney (Sciences Po) and Giancarlo Corsetti (University of Cambridge) will be the keynote speakers.

The programme of the conference is available here.

CEPR European Conference on Household Finance

(Alghero, 6-7 October 2017)

The CEPR Network on Household Finance, the Einaudi Institute for Economics and Finance (EIEF), Università degli Studi di Napoli 'Federico II', and the Swedish House of Finance, with the support of the Think Forward Initiative (TFI) as well as that of the Copenhagen Business School, HEC Paris, and the Observatoire de l'Epargne Européenne, are organizing the 2017 '**CEPR European Conference on Household Finance**', which will take place on 6-7 October 2017 in Alghero, Sardinia.

Further information will be available here.

SEMINARS AT THE BANK OF ITALY

SEMINARS AT EIEF

Latest Working Papers

No. 1130: **The Bank of Italy econometric model: an update of the main equations and model elasticities** (July 2017)

Guido Bulligan, Fabio Busetti, Michele Caivano, Pietro Cova, Davide Fantino, Alberto Locarno, Lisa Rodano

The Bank of Italy quarterly econometric model (BIQM) is a large-scale 'semi structural' macro -econometric model. It tries to strike the right balance between theoretical rigour and statistical fit to the data. This paper provides an update of the features and the properties of the model, focussing on the empirical estimates of its main equations and on the system responses to various shocks; interactions and feedback mechanisms between the financial and the real side of the economy are also illustrated. The BIQM is primarily used to produce macroeconomic forecasts, but it is also employed – in conjunction with other tools – for evaluating the impact of monetary and fiscal policy options and for counterfactual analyses. Examples of the types of macro-economic analyses carried out with the model are provided.
Full text (pdf)

No. 1129: **The effects of central bank's verbal guidance: evidence from the ECB** (July 2017)

Maddalena Galardo and Cinzia Guerrieri

In this paper we propose a new indicator of central bank's verbal guidance, which measures communications about the future based on the frequency of future verbs in monetary policy statements. We consider the press conferences of the European Central Bank as a test case. First, we analyze the main determinants of our index and estimate the unexpected component. Second, we investigate the effects of the identified change in verbal guidance on daily movements in forward money market rates between September 2007 and December 2015. Our results show that financial markets' expectations on future short-term interest rates react to a communication shock about the future: after controlling for the standard policy rate shock and the announcement of unconventional monetary policies, the effect turns out to be negative and larger for longer horizons. This suggests that verbal guidance has proven to be an effective policy instrument for signalling an accommodative monetary policy stance.
Full text (pdf)

No. 1128: **The double bind of asymmetric information in over-the-counter markets** (July 2017)

Taneli Mäkinen and Francesco Palazzo

In over-the-counter markets with heterogeneous asset qualities and individual valuations, private information about both of these value components amplifies the adverse selection problem attributable only to privately known asset quality. Specifically, when gains from trade are low, asymmetric information creates a double bind: either the market breaks down due to a classic lemons problem or low-quality assets are traded excessively, generating a congestion externality. A market designer may improve efficiency without incurring losses by acquiring all assets, issuing asset-backed securities of publicly known quality and capturing at least a part of the surplus from the future trades of these securities.
Full text (pdf)

No. 1127: **Human capital and urban growth in Italy, 1981-2001** (July 2017)

Francesco Giffoni, Matteo Gomellini and Dario Pellegrino

This paper analyses the contribution of human capital, measured using the share of residents holding a college degree, to urban growth, gauged by the growth in employment, between 1981 and 2001. According to our estimates, starting with a ten per cent higher share of college-educated residents was associated with a higher growth in employment in the 0.5-2.2 per cent range. These results hold when considering both the municipal and the local labour market (LLM) levels, and they are robust to a wide set of urban characteristics. Our findings are confirmed using a measure of education dating back to 1931 as an instrument for human capital. Furthermore, we exploit a spatial localization model with human capital premiums to disentangle the estimated effect into two components related to productivity and life quality respectively. We find that productivity contributed to more than 60 per cent of the effect of human capital on urban growth at municipal level, and to over 90 per cent at the wider LLM level.
Full text (pdf)

Latest Working Papers

No. 1126: **The cyclicality of the income elasticity of trade** (July 2017)

Alessandro Borin, Virginia Di Nino, Michele Mancini and Massimo Sbracia

In the five years 2011-2015 global trade fell short of expectations to a much larger extent than global GDP. We show that two key features of real trade flows - their high volatility and their procyclicality - are the cause behind the cyclicality of the income elasticity of trade. This property implies that when real GDP growth is positive but below its long-run trend, then the income elasticity of trade is also below its own long-run trend. Therefore, when real GDP growth turns out to be weaker than expected, the forecast error on trade volumes is amplified by the fact that the income elasticity of trade also happens to be lower than predicted. We then analyze the implications of our findings for cross-country differences in the elasticity, the role played by long-run and cyclical factors in the weakness of trade in the aftermath of the Great Recession, and the accuracy of existing trade forecasts, which we significantly improve by exploiting real-time data on business conditions.
Full text (pdf)

No. 1125: **The consequences of public employment: evidence from Italian municipalities** (July 2017)

Marta Auricchio, Emanuele Ciani, Alberto Dalmazzo and Guido de Blasio

We investigate the consequences of public employment on local economies. We start by presenting a spatial-equilibrium framework, to highlight that the housing market is an important channel through which a variation in public employment affects private employment. We then provide empirical evidence from Italian municipalities, focusing on the strong contraction in the public sector workforce that occurred between the last two Censuses (2001-2011). We use an IV identification strategy that exploits the fact that variations in local public employment were strongly influenced by central government decisions, with little reference to the economic conditions of the municipalities. Our results suggest that exogenous contractions in public employment lead to an increase of private jobs, and that competition in the housing market seems to be a relevant explanation for this finding.
Full text (pdf)

No. 1124: **Law enforcement and political participation: Italy, 1861-65** (July 2017)

Antonio Accetturo, Matteo Bugamelli and Andrea Lamorgese

Does tougher law enforcement positively affect political participation? This paper addresses this question, which hinges upon the causal impact of formal institutions on informal ones, by using a historical event from 19th century Italy. This event was the Pica Law, which was introduced in 1863 to fight a surge of criminal violence in Southern Italy and to ensure a safer environment for wealthy people, the only ones allowed to vote at that time. Our main finding, obtained using a spatial regression discontinuity technique in a diff-in-diffs framework, is that voter turnout greatly increased in those areas where the Pica Law was applied, compared with bordering and otherwise similar areas. This result is confirmed by a number of robustness checks and placebo exercises and turns out to be persistent over time.
Full text (pdf)

No. 1123: **Multiple lending, credit lines, and financial contagion** (June 2017)

Giuseppe Cappelletti and Paolo Emilio Mistrulli

Multiple lending has been widely investigated from both an empirical and a theoretical perspective. Nevertheless, the implications of multiple lending for the stability of the banking system still need to be understood. By lending to a common set of borrowers, banks are interconnected and then exposed to financial contagion phenomena, even if not directly. In this paper, we investigate a specific type of externality that originates from those borrowers that obtain liquidity from more than one bank. In this case, contagion may occur if a bank hit by a liquidity shock calls in some loans and borrowers then pay them back by drawing money from other banks. We show that, under certain circumstances that make other sources of liquidity unavailable or too costly, multiple lending might be responsible for a large liquidity shortage.
Full text (pdf)

Latest Working Papers

No. 1122: **Large time-varying parameter VARs: a non-parametric approach** (June 2017)

George Kapetanios, Massimiliano Marcellino and Fabrizio Venditti

In this paper we introduce a non-parametric estimation method for a large Vector Autoregression (VAR) with time-varying parameters. The estimators and their asymptotic distributions are available in closed form. This makes the method computationally efficient and capable of handling information sets as large as those typically handled by factor models and Factor Augmented VARs (FAVAR). When applied to the problem of forecasting key macroeconomic variables, the method outperforms constant parameter benchmarks and large (parametric) Bayesian VARs with time-varying parameters. The tool can also be used for structural analysis. As an example, we study the time-varying effects of oil price innovations on sectoral U.S. industrial output. We find that durable consumer goods and durable materials (which together account for slightly more than one fifth of total industrial output) play a key role in explaining the changing interaction between unexpected oil price increases and U.S. business cycle fluctuations.

Full text (pdf)

No. 1121: **The financial stability dark side of monetary policy** (June 2017)

Piergiorgio Alessandri, Antonio Maria Conti and Fabrizio Venditti

Since monetary policy affects risk premiums, and these appear to have a stronger influence on economic activity when they rise than when they fall, temporary monetary expansions may both stimulate the economy and sow the seeds of damaging financial market corrections in the future. We investigate this possibility by using local projection methods to examine the propagation of monetary shocks through US corporate bond markets. We find that, while the transmission of monetary shocks is symmetric, the impact of macroeconomic data releases is asymmetric: spreads are more responsive to bad news. Crucially, these responses precede economic slowdowns rather than directly cause them.

Full text (pdf)

No. 1120: **Medium and long term implications of financial integration without financial development** (June 2017)

Flavia Corneli

We show that, in a two-country model where the two economies differ in their level of financial market development and initial capital endowment, financial integration has sizeable transitory as well as permanent effects. We confirm that, consistent with the Lucas paradox, financial integration in the medium term can reduce capital accumulation and increase savings in the financially less developed country, characterized by domestic capital market distortions, due to a higher risk premium in production activities. In the long run, however, integration produces higher levels of capital than in the autarky steady state. The opposite happens to the financially advanced economy, where integration initially boosts consumption and leads to a lower saving rate, and in the long run causes a reduction in capital compared with the autarky steady state. Two forces drive these results: precautionary saving and the propensity to move resources from risky capital to safe assets until the risk-adjusted return on capital equalizes the risk-free interest rate; assuming a constant relative risk aversion (CRRA) utility function, these forces are both decreasing in wealth.

Full text (pdf)

No. 1119: **The collateral channel of unconventional monetary policy** (June 2017)

Giuseppe Ferrero, Michele Loberto and Marcello Miccoli

We build a general equilibrium model - along the lines of Williamson (2012) - where financial assets can be used as collateral in secured interbank markets to obtain reserves (central bank money). In this framework, frictions in the exchange process give rise to a liquidity premium for assets. An open market operation that provides reserves in exchange for assets decreases the availability of collateral by increasing its liquidity premium (and decreasing its return). The magnitude of the effect depends on assets' pledgeability properties (haircuts). We explore the

Latest Working Papers

positive implications of the model shown in the data. Focusing on the period 2009-2014, we analyse the relationship between yields of euro-area government bonds and the relative amount of bonds and central bank reserves held by the euro-area banking sector. We find evidence consistent with our model: yields decrease when reserves increase relative to bonds, with the effect being stronger at lower levels of haircuts. The results are confirmed after several robustness checks.
Full text (pdf)

No. 1118: **The interbank network across the global financial crisis: evidence from Italy** (June 2017)

Massimiliano Affinito and Alberto Franco Pozzolo

This study examines the effects of the global financial crisis (GFC) on interbank market connectivity using network analysis. More specifically, using data on Italian banks' bilateral interbank positions between 1998 and 2013, we analyze the impact of the following events on each bank's network centrality: the liquidity crisis in August 2007, the collapse of Lehman Brothers in September 2008, Eurosystem's long term refinancing operations (LTROs) between 2009 and 2012, the sovereign debt crisis in July 2011, and the announcement of Outright Monetary Transactions (OMT) in 2012. The results show that the 2007 liquidity crisis and especially the collapse of Lehman Brothers are associated with a marked reduction of the relative interconnectedness of the Italian banking sector (i.e., a shift in the distribution of banks' centrality to the left, away from the most connected bank). In the following years, the system progressively recovered its initial patterns of integration among banks, which coincided wih the main Eurosystem's monetary policy interventions. However, the average outcome conceals different results across banks, depending on their characteristics and initial positions within the system.
Full text (pdf)

No. 1117: **No free lunch, Buddy: past housing transfers and informal care later in life** (June 2017)

Emanuele Ciani and Claudio Deiana

Previous empirical literature on the relationship between intergenerational transfers of assets and services has mostly focused on contemporary exchanges. In contrast, we provide novel evidence that parents who helped their adult children in the past are rewarded by a greater likelihood of receiving informal care later in life. To this end we use Italian data to look at retrospective information about how parents help their children to purchase houses when they get married. Our estimates show a positive association with the current provision of informal care, which is robust to controlling for a large set of individual and family characteristics. We provide evidence that this can be explained by various self-interest motives, relating to theories based either on bilateral exchange or on the presence of a third generation of grandchildren, such as those including a demonstration effect or the concept of a family constitution.
Full text (pdf)

No. 1116: **Measurement errors in consumption surveys and the estimation of poverty and inequality indices** (June 2017)

Giovanni D'Alessio

This paper firstly aims to evaluate the incidence of measurement error affecting the main variables collected in surveys on consumption. The assessment is carried out on two Tanzania surveys which provide both diary and panel data. Diary data can be employed to obtain reliability coefficients for time-invariant variables. When variables vary over time, as in the case of panel data, an estimation of the incidence of measurement error on the total variance can be obtained by applying models which allow the decomposition of observed variability into true dynamics and noise (e.g. the Heise model and the latent Markov model). Some evaluations of the reliability of the data are also conducted on the basis of the internal consistency criterion, an approach that does not require panel data. On the basis of the reliability estimates obtained, examples of possible impacts of measurement errors on poverty analysis are briefly discussed. These experiments clearly show the importance of the topic in poverty and inequality data analysis.
Full text (pdf)

Latest Working Papers

No. 1115: **Social ties and the demand for financial services** (June 2017)

Eleonora Patacchini and Edoardo Rainone

This paper studies the importance of social interactions for the adoption of financial services among young adults. Specifically, we investigate whether, how, and why financial decisions among interacting agents are correlated. We exploit a unique dataset of friendship networks in the United States and a novel estimation strategy that accounts for possibly endogenous network formation. We find that not all social contacts are equally important: only long-lasting relationships influence financial decisions. Moreover, this peer influence exists only in cohesive social structures. This evidence is consistent with an important role of trust in financial decisions. When agents consider whether or not to adopt a financial instrument, they face a risk and may place greater value on information coming from agents they trust. These results can help explain the importance of face-to-face social contacts for financial decisions.

Full text (pdf)

Other recent Working Papers

April 2017

No. 1114: Assessing the risks of asset overvaluation: models and challenges
Sara Cecchetti and Marco Taboga

No. 1113: Liquidity transformation and financial stability: evidence from the cash management of open-end Italian mutual funds
Nicola Branzoli and Giovanni Guazzarotti

No. 1112: Local labour market heterogeneity in Italy: estimates and simulations using responses to labour demand shocks
Emanuele Ciani, Francesco David and Guido de Blasio

No. 1111: Public guarantees on loans to SMEs: an RDD evaluation
Guido de Blasio, Stefania De Mitri, Alessio D'Ignazio, Paolo Finaldi Russo and Lavinia Stoppani

No. 1110: Services trade and credit frictions: evidence from matched bank-firm data
Francesco Bripi, David Loschiavo and Davide Revelli

No. 1109: Bank lending in uncertain times
Piergiorgio Alessandri and Margherita Bottero

No. 1108: Lending organization and credit supply during the 2008-09 crisis
Silvia Del Prete, Marcello Pagnini, Paola Rossi and Valerio Vacca

March 2017

No. 1107: STEM graduates and secondary school curriculum: does early exposure to science matter?
Marta De Philippis

No. 1106: I will survive. Pricing strategies of financially distressed firms
Ioana A. Duca, José M. Montero, Marianna Riggi and Roberta Zizza

No. 1105: Taxation and housing markets with search frictions
Danilo Liberati and Michele Loberto

Latest Occasional Papers

No. 386: **The evolution of Italy's investment income balance** (July 2017)

Giacomo Oddo and Enrico Tosti

This paper analyses the evolution of Italian investment income flows. The period under scrutiny is from 1999 to 2016, covering all developments since the beginning of monetary union. The analysis is based on a decomposition framework which allows us to disentangle investment income changes into three elements: (i) variations due to changes in the international investment position (stock effect); (ii) variations due to changes in the yields accruing to the underlying stocks (yield effect), and (iii) variations due to changes in the financial instrument composition of assets and liabilities (composition effect). The most important driver of Italy's investment income balance variations is the yield effect. The stock and the composition effects are less significant: the former effect contributed to the worsening balance of payments in the first half of the period but waned thereafter; the latter effect strengthened after 2008. Applying this analytical framework to the other three main euro-area countries confirms the key role of the yield effect in shaping the short-term dynamics, and shows the different role of stock and composition effects in shaping the longer-term dynamics.
Full text (pdf)

No. 385: **Well-being, the socio-economic context and price differences: the north-south gap** (July 2017)

Giovanni D'Alessio

The paper compares a subjective well-being indicator provided by households in the Centre and North and in the South in the Survey on Household Income and Wealth (SHIW), and tries to identify the factors that can explain the gap. In particular, the role of the price level in the two areas of the country is examined: all other things being equal, the same nominal income should provide a higher level of well-being to southern families, due to the lower price level which characterizes that area. However, in models that do not take context variables into account , the well-being levels of southerners are lower than those of residents in the Centre and North with the same income. This result, apparently incompatible with a lower price level in the South, is due to other factors (not included in the model) that act in the opposite direction. The results obtained with more extensive models indicate that the gap in perceived levels of well-being between the two areas is influenced by health status and by factors describing the socio-economic context, namely levels of unemployment, crime, quality of health and childcare services and the conditions of access to urban and logistic services. In some experiments, alongside the elements mentioned above, there are also signals that are compatible with a lower price level for southern areas.
Full text (pdf) in Italian only

No. 384: **An Integrated dataset of Italian firms: 2005-2014** (July 2017)

Corrado C. Abbate, Maria G. Ladu and Andrea Linarello

In this paper we describe the steps followed to build a new dataset covering the universe of active private non-financial firms in Italy between 2005 and 2014. The dataset is the outcome of collaboration between the Bank of Italy and the Italian National Statistical Agency and was constructed using statistical, administrative and fiscal sources. It contains information on firms' location, legal form, date of incorporation, industry classification, workforce, turnover and value added and is suitable for studying the evolution of Italian production sectors since the mid-2000s.
Full text (pdf)

No. 383: **From few to many: product differentiation in the Italian mortgage market** (July 2017)

Silvia Del Prete, Cristina Demma and Paola Rossi

Nowadays Italian borrowers can choose among a variety of mortgage contracts. Using a special Bank of Italy survey on 400 Italian banks over the period 2006-2013, we analyse the supply of 'non-conventional' mortgages (loan-to-value ratio greater than 80 per cent, duration longer than 30 years or with a flexible maturity). We build a synthetic indicator measuring the degree of differentiation of mortgages across banks to examine how local market competition and bank-specific characteristics have influenced this process. Our findings – potentially influenced also by customer preferences we cannot control for –

Latest Occasional Papers

suggest that larger, less risky banks and those that have adopted scoring systems are more likely to offer non-conventional mortgages. Moreover, banks operating in more competitive markets and in markets where other banks offer non-conventional loans tend to diversify their supply more. Most of these indications are confirmed by analysing the quantities actually granted. These results suggest that the structure of the local markets does matter and that there could be a non-price competition effect among banks in providing differentiated mortgage contracts.
Full text (pdf)

No. 382: **Real and financial cycles: estimates using unobserved component models for the Italian economy** (July 2017)

Guido Bulligan, Lorenzo Burlon, Davide Delle Monache and Andrea Silvestrini

In this paper we examine the empirical features of both the business and financial cycles in Italy. We employ univariate and multivariate trend-cycle decompositions based on unobserved component models. Univariate estimates highlight the different cyclical properties (persistence, duration and amplitude) of real GDP and real credit to the private sector. Multivariate estimates uncover the presence of feedback effects between the real and financial cycles. At the same time, in the most recent period (2015-2016), the multivariate approach highlights a wider output gap than that estimated by the univariate models considered in this paper.
Full text (pdf)

No. 381: **Brexit: estimating tariff costs for EU countries in a new trade regime with the UK** (June 2017)

Rita Cappariello

This study estimates the average tariffs that the producers of each of the 27 EU countries could face when exporting to the UK in the event that a new Free Trade Agreement is not reached as part of the Brexit negotiation and that trade between the EU and the UK is conducted under WTO most-favoured-nation terms. The analysis is based on information from the WTO-IDB database and on bilateral trade flows at the product level published by UN Comtrade. The results show that average tariff costs would be different across EU countries, depending on the initial level of commercial relationships with the UK and on the sectoral composition of trade flows. Different tariff costs may potentially create a strong heterogeneity in the EU economies with regard to their stakes in the negotiations with the UK, and have an impact on the establishment of the EU position, to which each Member State contributes equally.
Full text (pdf)

No. 380: **New evidence on interregional mobility of students in tertiary education: the case of Italy** (June 2017)

Ilaria De Angelis, Vincenzo Mariani and Roberto Torrini

A relatively low geographical mobility of students in the Centre and North of the country and a large incidence of movers from southern regions to universities located in the Centre and North are well-established features of the Italian academic system. Exploiting a novel administrative dataset on academic enrolments, this paper shows that the interregional mobility of Italian students has increased in recent years. We highlight that the increase in mobility, which has occurred in a period of declining entry rates, is not attributable to a change in the composition of the enrolling students. We investigate some of the main drivers of student mobility by relating regional flows to the attractiveness of universities and show that mobility is positively associated with the quality of research and teaching and with the job prospects offered by the hosting university. Student flows are instead negatively correlated with the distance between the university and the region of origin and with drop-out rates. The empirical evidence also suggests that in recent years the distance from the university of destination has become less relevant in explaining mobility, whereas the role played by university quality has increased.
Full text (pdf)

Latest Occasional Papers

No. 379: **Household spending out of a tax rebate: Italian "€80 tax bonus"** (June 2017)

Andrea Neri, Concetta Rondinelli and Filippo Scoccianti

We estimate the consumption response of Italian households to the "€80 tax bonus" introduced in 2014, using the panel component on the Survey of Household Income and Wealth. We find that households that received the tax rebate increased their monthly consumption of food and means of transportation by about €20 and €30, respectively, about 50-60 per cent of the total bonus. There was a larger increase for households with low liquid wealth or low income. Our estimates are quite robust to different model specifications and are broadly in line with the evidence available from similar tax rebates in other countries but, due to the small sample size, are not always statistically significant. To understand the mechanism behind our results we then simulate an overlapping generations model of household consumption: the marginal propensity to consume generated by the structural model is in line with our empirical estimates.

Full text (pdf)

Other recent Occasional Papers

April 2017

No. 378: The teachers' merry-go-round: job insecurity and staff turnover over the last 2 years
Gianna Barbieri and Paolo Sestito

No. 377: Refugees and asylum seekers in Italy and in the EU
Rosario Maria Ballatore, Adele Grompone, Lucia Lucci, Patrizia Passiglia and Andrea Sechi

March 2017

No. 376: The principle of subsidiarity and centripetal forces: 14 years of application of the 2001 Italian constitutional reform
Cristina Giorgiantonio

No. 375: Lending-based crowdfunding: opportunities and risks
Marcello Bofondi

No. 374: Non-performing loans and the supply of bank credit: evidence from Italy
Matteo Accornero, Piergiorgio Alessandri, Luisa Carpinelli, Alberto Maria Sorrentino

Notes on Financial Stability and Supervision

No. 10: **Recent changes to Law 130/1999 on securitization of loans** (July 2017)

Domenico Albamonte

The decree law n. 50/2017, as amended by Parliament, has introduced important innovations into the regulation on securitization with the aim of facilitating the disposal of nonperforming loans by banks.

The changes to the existing regulatory framework widen the scope for maneuver of Special Purpose Vehicles (SPVs), as these are allowed to grant additional loans to those borrowers whose debts have been sold by banks, to acquire holdings deriving from securitized non-performing loans (NPLs) through debt-to-equity swaps, and to purchase and manage the immovable (real estate) or other property placed as collateral of the securitized NPLs.

These innovations make it easier to securitize some categories of NPLs (as the so called unlikely to be repaid, UtP) and will encourage participation in foreclosure auctions. At the same time, safeguards are introduced to ensure that these innovations do not foster uncontrolled development of shadow banking or make supervision on activities reserved to supervised entities less effective.

Full text (pdf)

No. 9: **Project FINO: defining a framework to understand market prices and analysing the main drivers** (June 2017)

Andrea Rafaniello, Giovan Battista Sala and Marco Scotto di Carlo

On 13 December 2016 the UniCredit Group announced that an agreement had been reached to sell to PIMCO and FORTRESS (the Investors) a bad loan portfolio relating to Italian firms for a gross book value (GBV) of €17.7 billion (Project FINO). In order to prepare the pro forma statements for the capital increase prospectus, an average price of approximately 13% of the gross book value was assumed. This value is much lower than the average recovery rate of Italian banks' bad loans reported in recent papers published by the Bank of Italy. According to Ciocchetta et al. (2016), the average recovery rate for all bad loans written off by all Italian banks in the decade 2006-15 is 43% of GBV. The rate falls to 34.7% in 2014-15, partly due to an increase in the value of positions sold on the market (selling prices are typically much lower than recovery rates on positions worked off internally).

The purpose of this note is to examine the specific features of the FINO operation to see whether they can explain the difference between the selling price and these average recovery rates. The analysis finds that most of the difference can be justified by a number of factors: the bank's decision to sell the portfolio on the market; the fall in market-wide recovery rates in 2014-15; the specific features of the FINO portfolio (it consists entirely of exposures to firms; the positions are less collateralized and have a higher vintage than average). A quantification of these effects is provided. Other specific features of FINO, which cannot be quantified, also played a role. Specifically, UniCredit retains an upside in the operation. Other things being equal, this probably persuaded the bank to accept a lower upfront price.

These results have two main implications. First, the price of the FINO operation broadly confirms the available evidence on bad loan recovery rates in Italy. Second, the operation illustrates the bespoke nature of transactions in this market. Owing to these specific features of FINO, its average price cannot be deemed 'representative' of the bad loan market and be automatically applied to other securitizations of NPLs by other banks.

Full text (pdf)

Selection of Journal articles and books

Authors' names in boldface: Bank of Italy

Full list since 1990

Forthcoming

Adamopolou E. and E. Kaya, "Young Adults Living with their Parents and the Influence of Peers", *Oxford Bulletin of Economics and Statistics*.

Alessandri P., Meeks R. and B. Nelson, "Shadow Banks and Macroeconomic Instability", *International Journal of Central Banking.* (WP No. 939)

Andini C. and **M. Andini**, "Unemployment Persistence and Quantile Parameter Heterogeneity", *Macroeconomic Dynamics*

Bofondi M., **L. Carpinelli** and **E. Sette**, "Information Credit Supply during a Sovereign Debt Crisis", *Journal of the European Economic Association*. (WP No. 909)

Bronzini R. and **A. D'Ignazio**, "Bank Internationalisation and Firm Exports: Evidence from Matched Firm-Bank Data", *Review of International Economics*. (WP No. 1055)

Burlon L., "Public Expenditure Distribution, Voting, and Growth", *Journal of Public Economic Theory* (WP No. 961)

Busetti F. , "Quantile Aggregation of Density Forecasts", *Oxford Bulletin of Economics and Statistics*. (WP No. 979)

Cappelletti G., **G. Guazzarotti** and **P. Tommasino**, "The Stock Market Effects of a Securities Transaction Tax: Quasi-Experimental Evidence from Italy", *Journal of Financial Stability*.

Cesaroni T. and R. De Santis, "Current Account 'Core-Periphery Dualism' in the EMU", *The World Economy.* (WP No. 996)

D'Amuri F., "Monitoring and Disincentives in Containing Paid Sick Leave", *Labour Economics.* (WP No. 787)

D'Amuri F. and **J. Marcucci**, "The Predictive Power of Google Searches in Forecasting Unemployment", *International Journal of Forecasting.* (WP No. 891)

Federico S. and **E. Tosti**, "Exporters and Importers of Services: Firm-Level Evidence on Italy", *The World Economy*. (WP No. 877)

Giacomelli S. and C. Menon, "Does Weak Contract Enforcement Affect Firm Size? Evidence from the Neighbour's Court", *Journal of Economic Geography*. (WP No. 898)

Giacomelli S. and **M. Tonello**, "Assessing Bureaucratic Start-up Costs Through Mystery Calls. Evidence from the One-stop Shops for Doing Business", *European Journal of Political Economy*

Natoli F. and **L. Sigalotti**, "Tail Co-Movement in Inflation Expectations as an Indicator of Anchoring", *International Journal of Central Banking*. (WP No. 1025)

Pereda-Fernández S., "Social Spillovers in the Classroom: Identification, Estimation and Policy Analysis", *Economica.*

Riggi M., "Capital Destruction, Jobless Recoveries, and the Discipline Device Role of Unemployment", *Macroeconomic Dynamics.* (WP No. 871)

Rizzica L., "When the Cat's Away. The Effects of Spousal Migration on Investments on Children", *World Bank Economic Review.*

Segura A., "Why did sponsor banks rescue their SIVs?", *Review of Finance.* (WP No. 1100)

Segura A. and J. Suarez, "How Excessive is Banks' Maturity Transformation?", *Review of Financial Studies.* (WP No. 1065)

2017

Affinito M. and A. Pozzolo,"The Interbank Network Across the Global Financial Crisis: Evidence from Italy", *Journal of Banking & Finance*, v. 80, pp. 90-107.

Albertazzi U., **M. Bottero** and **G. Sene**, "Information Externalities in the Credit Market and the Spell of Credit Rationing", *Journal of Financial Intermediation*, v. 30, pp. 61–70. (WP No. 980)

Alessandri P. and H. Mumtaz,"Financial Indicators and Density Forecasts for US Output and Inflation", *Review of Economic Dynamics*, v. 24, pp. 66-78. (WP No. 977)

Armand A., P. Carneiro, J. Keating, **A. Locatelli** and S. Mihreteab, "Do Public Health Interventions Crowd out Private Health Investments? Malaria Control Policies in Eritrea ", *Labour Economics,* v. 45, pp. 107–115.

Bruche M. and **A. Segura**, "Debt Maturity and the Liquidity of Secondary Debt Markets", *Journal of Financial Economics,* v. 124, 3, pp. 599-613. (WP No. 1049)

Caccavaio M., **L. Carpinelli** and **G. Marinelli**, "International Banking and Cross-border Effects of Regulation: Lessons from Italy", *International Journal of Central Banking*, v. 13, 1, pp 223-248.

Cai Y., K. Judd, T. Lontzek, **V. Michelangeli** and C. Su, "Non-linear Programming Method for Dynamic Programming", *Macroeconomic Dynamics* , v. 21, 2, pp. 336-361.

Selection of Journal articles and books

Cannari L., G. D'Alessio and G. Vecchi**,** "Wealth", *in G. Vecchi (ed.), Measuring Wellbeing, A History of Italian Living Standards,* Oxford, Oxford University Press.

D'Adda G. and **G. de Blasio**, "Historical Legacy and Policy Effectiveness: the Long-Term Influence of Preunification Borders in Italy ", *Journal of Regional Science,* v. 57, 2, pp. 319-341.

de Blasio G. and S. Poy, "The Impact of Local Minimum Wages on Employment: Evidence from Italy in the 1950s ", *Journal of Regional Science*, v. 57, 1, pp. 48-74. (WP No. 953)

Mocetti S. and **E. Viviano**, "Looking Behind Mortgage Delinquencies", *Journal of Banking & Finance*, v. 75, pp. 53-63. (WP No. 999)

Palazzo F. , "Search Costs and the Severity of Adverse Selection ", *Research in Economics*, v. 71, 1, pp. 171-197 . (WP No. 1073)

Patacchini E., **E. Rainone** and Y. Zenou, "Heterogeneous Peer Effects in Education ", *Journal of Economic Behavior & Organization*, v. 134, pp. 190–227. (WP No. 1048)

Santoro S., "Heterogeneity and Learning with Complete Markets", *Economic Theory*, v.64, 1, pp 183–211*.*

2016

Albanese G., G. de Blasio and **P. Sestito**, "My Parents Taught Me. Evidence on The Family Transmission of Values", *Journal of Population Economics*, v. 29, 2, pp. 571-592. (WP No. 955)

Amici M., S. Giacomelli, **F. Manaresi** and **M. Tonello**, "Red Tape Reduction and Firm Entry: New Evidence from an Italian Reform", *Economics Letters*, v. 146, pp. 24-27. (OP No. 285)

Andini M. and **G. de Blasio**, "Local Development that Money cannot Buy: Italy's Contratti di Programma", *Journal of Economic Geography*, v. 16, 2, pp. 365-393. (WP No. 915)

Arrondel L., **L. Bartiloro**, P. Fessler, P. Lindner, T. Mathae, **C. Rampazzi**, F. Savignac, T. Schmidt, M. Schuerz, and P. Vermeulen, "How do Households Allocate their Assets? Stylised Facts from the Eurosystem Household Finance and Consumption Survey", *International Journal of Central Banking*, v. 12, 2, pp. 129-220.

Barone G., **G. de Blasio, A. D'Ignazio** and P. Naticchioni, "Mr. Rossi, Mr. Hu and Politics: The Role of Immigration in Shaping Natives' Political Preferences", *Journal of Public Economics*, v. 136, pp. 1-13.

Barone G., **F. David** and **G. de Blasio,** "Boulevard of Broken Dreams: The End of EU Funding (1997: Abruzzi, Italy)", *Regional Science and Urban Economics*, v. 60, pp. 31-38.

Barone G. and **S. Mocetti**, "Inequality and Trust: New Evidence from Panel Data", *Economic Inquiry*, v. 54, pp. 794-809. (WP No. 973)

Beltratti A., B. Bortolotti. and **M. Caccavaio**, "Stock Market Efficiency in China: Evidence from the Split-Share Reform", *Quarterly Review of Economics and Finance*, v. 60, pp. 125-137. (WP No. 969)

Bertamino F., **R. Bronzini,** M. De Maggio and **D. Revelli**, "Regional Policies for Innovation: the Case of Technology Districts in Italy", *Regional Studies*, v. 50, pp: 1-14. (OP No. 313)

Bolatto S. and **M. Sbracia**, "Deconstructing the Gains from Trade: Selection of Industries vs Reallocation of Workers", *Review of International Economics*, v. 24, 2, pp. 344-363. (WP No. 1037)

Bolton P., X. Freixas, L. Gambacorta and **P. E. Mistrulli**, "Relationship and Transaction Lending in a Crisis", *Review of Financial Studies*, v. 29, 10, pp. 2643-2676. (WP No. 917)

Bonaccorsi di Patti E. and **E. Sette**, "Did the Securitization Market Freeze Affect Bank Lending During the Financial Crisis? Evidence from a Credit Register", *Journal of Financial Intermediation,* v. 25, 1, pp. 54-76. (WP No. 848)

Borin A. and **M. Mancini**, "Foreign Direct Investment and Firm Performance: An Empirical Analysis of Italian Firms", *Review of World Economics*, v. 152, 4, pp. 705-732. (WP No. 1011)

Bragoli D., **M. Rigon** and F. Zanetti, "Optimal Inflation Weights in the Euro Area", *International Journal of Central Banking*, v. 12, 2, pp. 357-383*.* (WP No. 1045)

Brandolini A., F. Carta and **F. D'Amuri**, "A Feasible Unemployment-Based Shock Absorber for the Euro Area", *Journal of Common Market Studies*, v. 54, 5, pp. 1123–1141. (OP No. 254)

Brandolini A. and **E. Viviano**, "Behind and Beyond the (Headcount) Employment Rate", *Journal of the Royal Statistical Society: Series A*, v. 179, 3, pp. 657-681. (WP No. 965)

Bripi F., "The Role of Regulation on Entry: Evidence From the Italian Provinces", *World Bank Economic Review*, v. 30, 2, pp. 383-411.(WP No. 932)

Bronzini R. and **P. Piselli**, "The Impact of R&D Subsidies on Firm Innovation", *Research Policy*, v. 45, 2, pp. 442-457. (WP No. 960)

Busetti F. and **M. Caivano**, "The Trend–Cycle Decomposition of Output and the Phillips Curve: Bayesian Estimates for Italy and the Euro Area", *Empirical Economics*, v. 50, 4, pp. 1565-1587. (WP No. 941)

Calza A. and **A. Zaghini**, "Shoe-Leather Costs in the Euro Area and the Foreign Demand for Euro Banknotes", *International Journal of Central Banking,* v. 12, 1, pp. 231-246*.* (WP No. 1039)

Casiraghi M., E. Gaiotti, L. Rodano and **A. Secchi**, "ECB Unconventional Monetary Policy and the Italian Economy During the Sovereign Debt Crisis", *International Journal of Central Banking*, v. 12, 2, pp. 269-315*.* (OP No. 203)

Selection of Journal articles and books

Ciani E., "Retirement, Pension Eligibility and Home Production", *Labour Economics*, v. 38, pp. 106-120. (WP No. 1056)

Cingano F., M. Leonardi, J. Messina and G. Pica, "Employment Protection Legislation, Capital Investment and Access to Credit: Evidence from Italy", *Economic Journal*, v. 126, 595, pp. 1798-1822.

Cingano F., **F. Manaresi** and **E. Sette**, "Does Credit Crunch Investment Down? New Evidence on the Real Effects of the Bank-Lending Channel ", *Review of Financial Studies*, v. 29, 10, pp. 2737-2773.

Cingano F. and P. Pinotti, "Trust, Firm Organization, and the Pattern of Comparative Advantage", *Journal of International Economics*, v. 100, pp. 1-13.

Coin D. and **V. Vacca**, "Non-Bank Finance for Firms: the Role of Private Equity Funds in Italy", *Empirical Economics*, v. 51, 1, pp. 221-243.

Corneli F. and E. Tarantino, "Sovereign Debt and Reserves with Liquidity and Productivity Crises", *Journal of International Money and Finance*, v. 65, pp. 166-194. (WP No. 1012)

Cova P., P. Pagano and **M. Pisani**, "Foreign Exchange Reserve Diversification and the 'Exorbitant Privilege': Global Macroecomic Effects", *Journal of International Money and Finance*, v. 67, pp. 82–101.

Cuciniello V. and E. Lambertini, "Optimal Exchange Rate Flexibility with Large Labor Unions", *Journal of International Money and Finance*, v. 63, pp. 112-136.

de Blasio G., G. Maggio and C. Menon, "Down and Out in Italian Towns: Measuring the Impact of Economic Downturns on Crime ", *Economics Letters*, 146, pp. 99-102. (WP No. 925)

Di Nino V. and **I. Faiella**, "Shale Fuels: The Solution to the Energy Conundrum?", *in Rossella Bardazzi, Maria Grazia Pazienza, Alberto Tonini (eds.): European Energy and Climate Security, Springer*. (OP No. 205)

Dragone D., **F. Manaresi** and **L. Savorelli**, "Obesity and Smoking: can we Kill Two Birds with one Tax?", *Health Economics*, v. 25, 11, pp. 1464-1482.

Esposito L., **A. Nobili** and **T. Ropele**, "The Management of Interest Rate Risk During the Crisis: Evidence from Italian Banks", *Journal of Banking & Finance*, v. 59, pp. 486-504. (WP No. 933)

Fève P., T. Kass-Hanna and **M. Pietrunti**, "Short Noisy Fiscal Policy", *European Economic Review*, v. 85, pp. 144-164.

Fève P., and **M. Pietrunti**, "An Analytical Characterization of Noisy Fiscal Policy", *Economics Letters* 148, pp. 76-79.

Fort M., **F. Manaresi** and S. Trucchi, "Adult Financial Literacy and Households' Financial Assets: the Role of Bank Information Policies ", *Economic Policy,* v. 31, 88, pp. 743-782.

Giordano C. and **F. Zollino**, "Shedding Light on Price and Non-Price Competitiveness Determinants of Foreign Trade in the Four Largest Euro-Area Countries", *Review of International Economics*, v. 24, 3, pp.604-636. (OP No. 233)

Liberati D., **M. Marinucci** and **G. M. Tanzi**, "Science and Technology Parks in Italy: Main Features and Analysis of their Effects on Hosted Firms", *Journal of Technology Transfer*, v. 41, 4, pp. 694-729.

Marcellino M., **M. Porqueddu** and **F. Venditti**, "Short-Term GDP Forecasting with a Mixed Frequency Dynamic Factor Model with Stochastic Volatility", *Journal of Business & Economic Statistics*, v. 34, 1, pp. 118-127. (WP No. 896)

Mocetti S., "Dynasties in Professions and the Role of Rents and Regulation: Evidence from Italian Pharmacies", *Journal of Public Economics*, v. 133, 1, pp. 1-10.

Piazza R., "Self-Fulfilling Deflations", *Journal of Economic Dynamics and Control*, v. 73, pp. 18-40.

Rodano G., N. Serrano-Valverde and E. Tarantino, "Bankruptcy Law and Bank Financing", *Journal of Financial Economics*, v. 120, 2, pp. 363-382. (WP No. 1013)

Ippolito F., J. Peydro, A. Polo and **E. Sette**, "Double Bank Runs and Liquidity Risk Management", *Journal of Financial Economics*, v. 122, 1, pp. 135-154.

Tonello M., "Peer Effects of Non-Native Students on Natives' Educational Outcomes: Mechanisms and Evidence", *Empirical Economics*, v. 51, 1, pp. 383–414.

Zaghini A., "Fragmentation and Heterogeneity in the Euro-Area Corporate Bond Market: Back to Normal?", *Journal of Financial Stability*, v. 23, pp. 51-61.

Zinna G., "Price Pressures on UK Real Rates: an Empirical Investigation", *Review of Finance,* v. 20, 4, pp. 1587-1630. (WP No. 968)

2015

Aaberge R. and **A. Brandolini**, "Multidimensional Poverty and Inequality", in B. Atkinson B. and F. Bourguignon (eds.), *Handbook of Income Distribution*, Volume 2A, Amsterdam, Elsevier. (WP No. 976)

Albertazzi U., **G. Eramo,** L. Gambacorta, and C. Salleo, "Asymmetric Information in Securitization: An Empirical Assessment", *Journal of Monetary Economics,* v. 71, pp. 33-49. (WP No. 796)

Alessandri P. and B. Nelson, "Simple banking: profitability and the yield curve", *Journal of Money, Credit and Banking*, v. 47, 1, pp. 143-175. (WP No. 945)

Atkinson A. and **A. Brandolini**, "Unveiling the Ethics behind Inequality Measurement: Dalton's Contribution to Economics", *Economic Journal,* v. 125, 583, pp. 209-234.

Barone G., F. D'Acunto and G. Narciso, "Telecracy: Testing for Channels of Persuasion", *American Economic Journal: Economic Policy*, v. 7, 2, pp. 30-60.

Selection of Journal articles and books

Barone G. and G. Narciso, "Organized Crime and Business Subsidies: Where does the Money Go?", *Journal of Urban Economics,* v. 86, pp. 98-110. (WP No. 916)

Boeri T., **M. De Philippis** , E. Patacchini and M. Pellizzari, "Immigration, Housing Discrimination and Employment", *The Economic Journal*, v. 125, 586 , pp. F82–F114.

Brandolini A., "The Big Chill. Italian Family Budgets after the Great Recession", in C. Fusaro and A. Kreppel (eds.), *Italian Politics 2013*, New York, Berghahn.

Breda E., **R. Cappariello** and **R. Zizza**, "The Vertical Specialization in Europe: Evidence from the Import Content of Exports", in L. Lambertini (eds.) *Firms' Objectives and Internal Organisation in a Global Economy: Positive and Normative Analysis*, Palgrave MacMillan. (WP No. 682)

Bugamelli M., **S. Fabiani** and **E. Sette**, "The Age of the Dragon: The Effect of Imports from China on Firm-level Prices", *Journal of Money, Credit and Banking*, v. 47, 6, pp. 1091-1118. (WP No. 737)

Bugamelli M., **E. Gaiotti** and **E. Viviano**, "Domestic and Foreign Sales: Complements or Substitutes?", *Economics Letters*, v. 135, pp. 46-51. (OP No. 248)

Bulligan G., M. Marcellino and **F. Venditti**, "Forecasting Economic Activity with Targeted Predictors", *International Journal of Forecasting,* v. 31, 1, pp. 188-206. (WP No. 847)

Caccavaio M., **L. Carpinelli, G. Marinelli** and **E. Sette**, "Shock Transmission through International Banks: the Italian Case ", *IMF Economic Review*, v. 63, 3, pp. 568-584. (OP No. 232)

Caprioli F., "Optimal Fiscal Policy Under Learning", *Journal of Economic Dynamics and Control*, v. 58, pp. 101-124.

Cuciniello V. and **F. Signoretti**, "Banks, Loan Rate Markup and Monetary Policy", *International Journal of Central Banking,* v. 11, 3, pp. 141-177. (WP No. 987)

de Blasio G., **D. Fantino** and **G. Pellegrini**, "Evaluating the Impact of Innovation Incentives: Evidence from an Unexpected Shortage of Funds", *Industrial and Corporate Change*, v. 24, 6, pp. 1285-1314. (WP No. 792)

Decarolis F. and **G. Palumbo**, "Renegotiation of Public Contracts: An Empirical Analysis", *Economics Letters,* v. 132, pp. 77-81.

Degasperi P. and **M. Stacchini**, "Trust, Family Businesses and Financial Intermediation", *Journal of Corporate Finance*, v. 33, pp. 293-316.

Depalo D., **R. Giordano** and E. Papapetrou, "Public-Private Wage Differentials in Euro Area Countries: Evidence from Quantile Decomposition Analysis", *Empirical Economics*, v. 49, 3, pp. 985-1115. (WP No. 907)

Di Iasio G., M. Gallegati, F. Lillo and R. Mantegna, "The Interlinkages and Systemic Risk: Foreword", *Quantitative Finance*, v. 15, 4, pp. 587-588.

Di Iasio G., **L. Infante**, F. Pierobon, L. Bargigli and F. Lillo, "The Multiplex Structure of Interbank Networks", *Quantitative Finance*, v. 15, 4, pp. 673-691.

D'Ignazio A. and E. Giovannetti, "Predicting Internet Commercial Connectivity Wars: The Impact of Trust and Operators' Asymmetry"", *International Journal of Forecasting*, v. 31, 4 pp. 1127-1137.

Fratzscher M., D. Rimec, L. Sarnob and G. **G. Zinna.**, "The Scapegoat Theory of Exchange Rates: The First Tests", *Journal of Monetary Economics*, v. 70, 1, pp. 1-21. (WP No. 991)

Gobbi, G. and **E. Sette**, "Relationship Lending During a Financial Crisis", *Journal of the European Economic Association*, v. 13, 3, pp. 453-481.

Guiso L. and **E. Viviano**, "How Much Can Financial Literacy Help?", *Review of Finance*, v. 19, 4, pp. 1347-1382.

Lucifora C. and **M. Tonello**, "Cheating and Social Interactions. Evidence from a Randomized Experiment in a National Evaluation Program", *Journal of Economic Behavior & Organization*, v. 115, pp. 45-66.

Mäkinen T. and B. Ohl, "Information Acquisition and Learning from Prices Over the Business Cycle", *Journal of Economic Theory*, 158 B, pp. 585–633. (WP No. 946)

Mercatanti A., "Bayesian Inference for Randomized Experiments with Noncompliance and Nonignorable Missing Data", in A. Paganoni, P. Secchi (eds.), *Advances in complex data modelling and computational methods in statistics*, Springer.

Michelangeli V. and **M. Pietrunti**, "Assessing the Financial Vulnerability of Italian Households: a Microsimulation Approach", in Bank for International Settlements (ed.), *Indicators to support monetary and financial stability analysis: data sources and statistical methodologies,* volume 39, Bank for International Settlements.

Notarpietro A. and **S. Siviero**, "Optimal Monetary Policy Rules and House Prices: The Role of Financial Frictions", *Journal of Money, Credit and Banking*, v. 47, S1, pp. 383-410. (WP No. 993)

Pertile P., V. Polin, **P. Rizza** and **M. Romanelli**, "The Fiscal Disadvantage of Young Italians: a New View on Consolidation and Fairness", *Journal of Economic Inequality,* v. 13, 1, pp. 27-51.

Riggi M. and **S. Santoro**, "On The Slope and the Persistence of the Italian Phillips Curve", *International Journal of Central Banking*, v. 11, 2, pp. 157-197.

Riggi M. and **F. Venditti**, "The Time Varying Effect of Oil Price Shocks on Euro-Area Exports", *Journal of Economic Dynamics and Control*, v. 59, pp. 75-94. (WP No. 1035)

Useful links

WORKING PAPERS OF THE OTHER EURO-AREA CENTRAL BANKS:

European Central Bank
Banco de España
Banco de Portugal
Bank of Estonia
Bank of Finland
Bank of Greece
Bank of Slovenia
Banque Centrale du Luxembourg
Banque de France
Banque Nationale de Belgique
Central Bank of Cyprus
Central Bank of Ireland
Central Bank of Malta
Central Bank of the Republic of Lithuania
Croatian National Bank
De Nederlandsche Bank
Deutsche Bundesbank
Národná banka Slovenska
Latvijas Banka
Oesterreichische Nationalbank

OTHER

BIS Central Bank Research Hub
Einaudi Institute for Economics and Finance
OECD working papers series
Research at the IMF
Research at the World Bank

Directorate General for Economics, Statistics and Research
Via Nazionale, 91
00184 Roma - Italia
Tel. +390647921
E-mail: temidiscussione@bancaditalia.it

www.bancaditalia.it

Youtube.com/bancaditalia *Google.com/+BancaditaliaEurosistema* *@UfficioStampaBI*