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RESEARCH AT THE BANK OF ITALY

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NEWSLETTER

Contents

Highlights

21th Workshop on Public Finance

(Rome, 20-22 March 2019)

On 20-22 March 2019 Banca d'Italia hosted its **XXI Workshop on Public Finance** in Rome. This year the workshop focused on the economics of personal and corporate taxation.

The design of personal income tax was explored along many dimensions, taking into account the interaction with welfare transfers and the role of the family. Concerning corporate income taxes, several contributions highlighted the challenges posed by globalization and digitalization, as tax bases become more mobile across jurisdictions and more difficult to define. As a result, the importance of international cooperation among tax administrations – most notably at the EU level – has increased. Overall, the set of papers encompassed both equity and efficiency issues from a micro as well as from a macro perspective. Professor Laurence J. Kotlikoff (Boston University) delivered a keynote speech which managed to tie together many of the themes discussed in the Conference, including the possible role of tax policies in addressing the causes of climate change.

The program will be available on the Bank of Italy's website.

Forthcoming events

Workshop on Labour mobility and migration: determinants and consequences

(Rome, 4 October 2019)

The Bank of Italy organizes a one-day workshop on "**Labour mobility and migration: determinants and consequences**", to be held on October 4, 2019. The workshop aims to provide leading researchers in the field of urban economics and economics of migration an opportunity to present their theoretical and empirical research. Of particular relevance is the study of:

• the determinants of geographic mobility across cities, local labor markets, regions and countries, as well as within these areas;

• the implications in terms of economic efficiency, absorption of demand shocks and wage dynamics.

The keynote lecture will be given by Esteban Rossi-Hansberg (Princeton University).

For further information see the call for papers.

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RESEARCH HIGHLIGHTS

Latest Working Papers

No. 1220: **Credit risk-taking and maturity mismatch: the role of the yield curve** (April 2019)

Giuseppe Ferrero, Andrea Nobili and Gabriele Sene

We study the credit-risk-taking behaviour of Italian banks in response to changes in the term structure of interest rates using a confidential dataset on new loans to non-financial firms. We find that ex-ante risk-taking is negatively related to the short end of the yield curve but positively to the long end. Banks' balance sheet conditions, as captured not only by capitalization but also by the maturity mismatch between assets and liabilities, are key to relating these findings to the theoretical literature.
Full text (pdf)

No. 1219: **Inflation expectations and firms' decisions: new causal evidence** (April 2019)

Olivier Coibion, Yuriy Gorodnichenko and Tiziano Ropele

We use a unique design feature of a survey of Italian firms to study the causal effect of inflation expectations on firms' economic decisions. In the survey, a randomly chosen subset of firms is repeatedly treated with information about recent inflation whereas other firms are not. This information treatment generates exogenous variation in inflation expectations. We find that higher inflation expectations on the part of firms leads them to raise their prices, increase their utilization of credit, and reduce their employment. However, when policy rates are constrained by the effective lower bound, demand effects are stronger, leading firms to raise their prices more and no longer reduce their employment.
Full text (pdf)

No. 1218: **Monetary policy, firms' inflation expectations and prices: causal evidence from firm-level data** (April 2019)

Marco Bottone and Alfonso Rosolia

We empirically explore the direct and immediate response of firms' inflation expectations to monetary policy shocks. We use the Bank of Italy's quarterly Survey of Inflation and Growth Expectations, in operations since 2000, and compare average point inflation expectations of firms interviewed in the days following scheduled ECB Governing Council meetings with those of firms interviewed just before them; we then relate the difference we find to the change in the nominal market interest rates recorded on Governing Council meeting days, a gauge of the unanticipated component of monetary policy communications. We find that unanticipated changes in market rates are negatively correlated in a statistically significant way with the differences in inflation expectations between the two groups of firms and that this effect has become stronger since 2009. We do not find evidence that firms' pricing plans are affected by these monetary policy shocks nor that firms perceive significant changes in the main determinants of their pricing choices.
Full text (pdf)

No. 1217: **Does trust among banks matter for bilateral trade? Evidence from shocks in the interbank market** (April 2019)

Silvia Del Prete and Stefano Federico

Do financial crises have an impact on trade flows via a shock to corporate risk or to bank risk? Focusing on Italy's exports during a period characterized by both the global financial crisis and by the sovereign debt crisis, we exploit the prediction of standard trade models according to which financial shocks should be magnified by the time needed to ship a good to the importer's country and by sector-level financial vulnerability. We also use bank-pair data on Italian banks' assets and liabilities vis-à-vis their foreign bank counterparts in a specific country to construct proxies for the availability of trade finance in a given market. We find evidence of a negative impact of financial shocks on exports, especially to more distant countries and in more financially vulnerable sectors. The main channels seem to be mainly related to an increase in corporate risk (reflecting shocks to bank finance and to buyer-supplier trade credit), while the 'contagion effect' of shocks stemming from bank risk seems to be much less significant.
Full text (pdf)

Latest Working Papers

No. 1216: **Safety traps, liquidity and information-sensitive assets** (April 2019)

Michele Loberto

We investigate the implications of a scarcity of safe assets in a framework in which the safety of an asset is an equilibrium outcome. The intrinsic characteristics and supply of the assets determine their liquidity properties and degree of safeness. The equilibrium can be inefficient even if assets are plentiful and information insensitive. Only a sufficiently broad expansion of a particular class of safe information-insensitive assets can achieve the first-best allocation, while a marginal increase in their supply can be ineffective. We conclude that microfounding assets safety is fundamental to understand the effects and policy implications of safe assets scarcity.
Full text (pdf)

No. 1215: **Risk premium in the era of shale oil** (April 2019)

Fabrizio Ferriani, Filippo Natoli, Giovanni Veronese and Federica Zeni

The boom in the production of shale oil in the United States has triggered a structural transformation of the oil market. We show, both theoretically and empirically, that this process has significant consequences for oil risk premium. We construct a model based on shale producers interacting with financial speculators in the futures market. Compared to conventional oil, shale oil technology is more flexible, but producers have higher risk aversion and face additional costs due to their reliance on external finance. Our model helps to explain the observed pattern of aggregate hedging by US oil companies in the last decade. The empirical analysis shows that the hedging pressure of shale producers has become more important than that of conventional producers in explaining the oil futures risk premium.
Full text (pdf)

No. 1214: **Anything new in town? The local effects of urban regeneration policies in Italy** (April 2019)

Giuseppe Albanese, Emanuele Ciani and Guido de Blasio

The paper estimates the local effects of urban regeneration policies by using evidence from interventions that took place in small and medium -sized cities in the Centre and North of Italy over the period 2008-12. By using an Oaxaca-Blinder reweighting estimator, we find little support for the idea that urban regeneration projects could stimulate local economic growth in the short to medium term. Only the largest scale interventions that focused on improving the public realm seem to have led to an increase in house prices, but they have had no impact on other economic outcomes.
Full text (pdf)

No. 1213: **A regression discontinuity design for categorical ordered running variables applied to central bank purchases of corporate bonds** (March 2019)

Fan Li, Andrea Mercatanti, Taneli Mäkinen and Andrea Silvestrini

The paper quantifies the effects of the Eurosystem's purchases of corporate bonds issued by non-bank corporations established in the euro area on their spreads at issuance over the risk-free interest rate. To this end, a new econometric methodology has been developed, which allows us to evaluate the potential reduction in funding costs for the companies benefiting from the programme, following its announcement in March 2016.
A descriptive analysis reveals a significant reduction in the spreads at issuance of the bonds issued after the announcement of the programme. Our estimates suggest that the programme led to a decrease in the spreads at issuance of approximately 50 basis points for the bonds around the eligibility threshold (investment grade).
Full text (pdf)

No. 1212: **Bank resolution and public backstop in an asymmetric banking union** (March 2019)

Anatoli Segura and Sergio Vicente

The paper develops a theoretical model to analyse optimal bank resolution and the funding of bail-outs in a banking union. The model focuses on a banking union among countries whose public finances exhibit heterogeneous strength. Moreover, the domestic resolution authorities have better information than the

Latest Working Papers

central authority regarding the contagion costs of bail-in.
Owing to the existence of asymmetric information between domestic and central authorities, the decision whether to use the bail-in or the bail-out tool to resolve a bank is best left to the domestic authorities, while the central authority fixes each country's contribution to funding bail-outs. In order to ensure that countries with initially sounder public finances participate in the union, the central authority requires bail-outs of banks in those countries to be shared among all the members of the union. For countries with initially weaker public finances, the funding of their banks' bail-outs is shared among all the members of the union only where a domestic bank failure occurs in conjunction with severe public finance problems.
Full text (pdf)

No. 1211: **U.S. shale producers: a case of dynamic risk management** (March 2019)

Fabrizio Ferriani and Giovanni Veronese

The study analyses the role of collateral as a guarantee not only of bank loans but also of derivative contracts to hedge against oil price risk. For this purpose, we collect data on the derivatives portfolio (extent of hedging coverage, type of contract) of U.S. companies active in the non-conventional oil extraction sector ("shale"). The collateral is proxied by measurements of the financial conditions of the companies.
The research shows how credit constraints and limited availability of collateral negatively affect the underwriting of derivative contracts by companies, reducing the degree to which they can hedge the risks of fluctuations in oil prices. The effect is greater when the financial constraints of companies are exacerbated by episodes of marked drops in oil prices, such as those that occurred in 2008 and in 2014/15.
Full text (pdf)

No. 1210: **Identification and estimation of triangular models with a binary treatment** (March 2019)

Santiago Pereda Fernández

This paper studies the identification of econometric models that assess the effects of a binary treatment, comparing the outcome of interest between treated and untreated individuals. It proposes an estimator that makes it possible to estimate the marginal treatment effect and a methodology for decomposing the differences in outcome between treated and untreated individuals.
The model proposed makes it possible to identify a greater amount of heterogeneous effects compared with existing models, enabling a better characterization of the effects of the treatment. As an application, it studies the effects of a program that helps unemployed workers to find a job. The results indicate that finding a job quickly has a positive effect on workers' future earnings, although this effect is heterogeneous.
Full text (pdf)

Other recent Working Papers

December 2018 — January 2019

No. 1209: The added value of more accurate predictions for school rankings
Fritz Schiltz, Paolo Sestito, Tommaso Agasisti and Kristof De Witte

No. 1208: The economic effects of big events: evidence from the great jubilee 2000 in Rome
Raffaello Bronzini, Sauro Mocetti and Matteo Mongardini

No. 1207: Do the ECB's monetary policies benefit emerging market economies? A GVAR analysis on the crisis and post-crisis period
Andrea Colabella

No. 1206: Machine learning in the service of policy targeting: the case of public credit guarantees
Monica Andini, Michela Boldrini, Emanuele Ciani, Guido de Blasio, Alessio D'Ignazio and Andrea Paladini

No. 1205: Benefits of gradualism or costs of inaction? Monetary policy in times of uncertainty
Giuseppe Ferrero, Mario Pietrunti and Andrea Tiseno

No. 1204: Recent trends in economic activity and TFP in Italy with a focus on embodied technical progress
Alessandro Mistretta and Francesco Zollino

No. 1203: Firms' inflation expectations and investment plans
Adriana Grasso and Tiziano Ropele

No. 1202: Is ECB monetary policy more powerful in expansions?
Martina Cecioni

Latest Occasional Papers

No. 497: **An indicator of macro-financial stress for Italy** (April 2019)

Arianna Miglietta and Fabrizio Venditti

We develop a measure of systemic stress for the Italian financial markets (FCI-IT) that aggregates information from five major segments of the whole financial system, i.e. the money market, the bond market, the equity market, the foreign exchange market and the market for stocks of financial intermediaries. The index builds on the methodology of the Composite Indicator of Systemic Stress (CISS) developed by Hollò, Kremer and Lo Duca (2012) for the euro area. We set up a simple TVAR model to verify whether the proposed measure is able to provide significant and consistent information about the evolution of macroeconomic variables when financial conditions change. The indicator's performance is evaluated against two alternative metrics publicly available (e.g. the euro-area CISS and the Italian CLIFS). Our results show that FCI-IT behaves quite similarly to the other indexes considered in signalling high-stress periods, but it also identifies episodes of financial distress for the Italian economy which are disregarded by the other two. During periods of high stress, the effects of financial shocks on gross domestic product are significant.

Full text (pdf)

No. 496: **The distribution of well-being among Europeans** (April 2019)

Andrea Brandolini and Alfonso Rosolia

We analyse the evolution of EU citizens' living standards, considering the EU as a single country. Average living standards have improved considerably as the European integration process has unfolded. EU28 income inequality has steadily declined, mostly as a result of the macroeconomic convergence of new EU-accession countries. EU15 income inequality fell steadily until the mid-1980s, but picked up again during the economic turmoil following the Great Recession, largely reflecting the divergence between periphery and core countries in the euro area. Using a common EU standard reveals more progress in terms of poverty reduction. It also shows that the patterns of income convergence across member states differ across categories of residents, thus calling for a more careful consideration of the personal and national dimensions of EU policies.

Full text (pdf)

No. 495: **Regulated occupations in Italy: extent and labor market effects** (April 2019)

Sauro Mocetti, Lucia Rizzica and Giacomo Roma

This work provides a descriptive assessment of regulated occupations in Italy and examines the impact of regulation on the labor market. First, we construct, on the basis of law provisions, a set of novel indicators measuring both the extensive and the intensive margin of regulation. We then show that regulated occupations represent a significant and increasing fraction of total employment (24%), their incidence being significantly larger among workers with a college degree (52%). Moreover, these occupations are characterized by lower mobility and entry rates and by a wage premium of about 9%, which raises to 18% for the professioni ordinistiche. Finally, we provide causal evidence that the reduction of entry requirements and the repeal of tariff restrictions lead to an increase in entry into regulated occupations and to a reduction of the wages of the incumbents.

Full text (pdf)

No. 494: **The evolution of the Pillar 2 framework for banks: some thoughts after the financial crisis** (April 2019)

Marco Bevilacqua, Francesco Cannata, Silvia Cardarelli, Raffaele Arturo Cristiano, Simona Gallina and Michele Petronzi

This paper examines the evolution of the Pillar 2 framework for banks, introduced by the Basel 2 Accord, and discusses the main issues at stake in the current policy debate. The main objective of Pillar 2 was to complement the minimum requirements established by regulators (Pillar 1) with tailored supervisory measures based on a thorough assessment of banks' risk profiles. However, its implementation coincided in most jurisdictions with the outbreak of the global financial crisis: the main policy objective became

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to restore the stability of the global financial system. In this context, Pillar 2 contributed significantly to enhance supervisory action, in particular by raising capital requirements. Nevertheless, a number of issues still remain. Today, in the run-up to the completion of the post-crisis regulatory reform, the debate has regained momentum and a sound supervisory framework can be finalized under more favorable conditions, to avoid that Pillar 2 loses its key properties.
Full text (pdf)

No. 493: **Assessing financial stability risks from the real estate market in Italy: an update** (April 2019)

Federica Ciocchetta and Wanda Cornacchia

We provide an update of the analytical framework to assess financial stability risks arising from the real estate sector in Italy. The enhancement concerns the definition of a new vulnerability indicator, measured in terms of the flow of total non-performing loans (NPLs) and not, as done previously, in terms of bad loans only. We focus separately on households (as an approximation for residential real estate, RRE) and on firms engaged in construction, management and investment services in the real estate sector (as an approximation for commercial real estate, CRE). Two early warning models are estimated using the new vulnerability indicator for RRE and CRE, respectively, as dependent variable. Both models exhibit good forecasting performances: the median predictions fit well the new vulnerability indicators in out-of-sample forecasts. Overall, models' projections indicate that potential risks for banks stemming from the real estate sector will remain contained in the next few quarters.
Full text (pdf)

No. 492: **The geography of Italian income inequality: recent trends and the role of employment** (April 2019)

Emanuele Ciani and Roberto Torrini

We reassess the role of regional imbalances in explaining the high household income inequality in Italy. In the first part of the work we use the Survey of Household Income and Wealth (SHIW) to describe the trends in income inequality between and within areas since the early 2000s. We illustrate that the between-area inequality has been relatively stable, while the within-area component increased significantly after the recession and during the recovery. In 2016, the large geographical divide and the higher inequality within the South contributed to almost one fifth of national inequality. In the second part we show that the distribution of employment is key in explaining the regional differences in both average income and its dispersion. By means of simulations based on matching and reweighting, we estimate that national inequality would be reduced by 15 per cent if the distribution of work hours across southern households was similar to the one in the more developed Centre-North. Regional employment differentials are so important in determining overall inequality that income dispersion would decline substantially even if this increase in employment was associated with a drop in southern regions' average wages.
Full text (pdf)

No. 491: **The impact of anti-money laundering oversight on banks' suspicious transaction reporting: Evidence from Italy** (April 2019)

Mario Gara, Francesco Manaresi, Domenico J. Marchetti and Marco Marinucci

We provide the first thorough investigation of the effect of anti-money laundering inspections on banks' reporting of suspicious transactions. We do so by using highly detailed data from Bank of Italy and UIF (Italian authority for anti-money laundering), which include information on i) on-site inspections by authorities and follow-up actions, and ii) quantity and quality of suspicious transactions reports being filed by banks before and after inspections. Through a difference-in-differences econometric analysis we find that inspections (notably when followed by some type of intervention by the authority) induce, ceteris paribus, an increase in suspicious transaction reports being filed by banks. Crucially, the effect is not limited to low-quality reports, as feared in the literature ('crying

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wolf' effect) but is spread to high-quality reports. Authorities' oversight is thus shown to increase the quantity of information shared by banks without deteriorating its quality.
Full text (pdf)

No. 490: **Local development, urban economies and aggregate growth** (April 2019)

Antonio Accetturo, Andrea Lamorgese, Sauro Mocetti and Paolo Sestito

The paper provides an overview of the results of a recent research project by the Bank of Italy on "Local development, urban economies and aggregate growth". The paper documents the interplay between historical origins, congestion costs, and agglomeration benefits in shaping the Italian urban system. It shows that urban agglomeration externalities (on wages, productivity, or innovation) tend to be smaller in Italy than in other developed countries; it also shows that the costs of congestion are relatively high and that housing costs discourage mobility. These features might have negative consequences on the country's ability to grow.
Full text (pdf) in Italian only

No. 489: **ITER A quarterly indicator of regional economic activity in Italy** (April 2019)

Valter Di Giacinto, Libero Monteforte, Andrea Filippone, Francesco Montaruli and Tiziano Ropele

This work documents the construction of the new quarterly indicator of regional economic activity (Indicatore Trimestrale dell'Economia Regionale – ITER), which uses a parsimonious set of regional variables and combines them by means of temporal disaggregation techniques to obtain a quarterly index that is consistent with the official data on national and regional GDP and marked by a small lag compared with the reference period. The methodology was implemented to produce quarterly indicators for the economies of Italy's four macro-areas in the period 1995-2017. With a view to assessing the performance of the quarterly indicator, a forecasting exercise was conducted regarding annual GDP growth in the four macro-areas for the period 2014-17. The forecasting performance of ITER is in line with that of the indicators developed by other national research institutions.
Full text (pdf)

No. 488: **Higher multilateral development bank lending, unchanged capital resources and triple-A rating. A possible trinity after all?** (April 2019)

Riccardo Settimo

This paper contributes to the literature on Multilateral Development Banks' (MDBs) balance sheet optimization in two ways. First, it looks at solutions to alleviate the 'trilemma' faced by MDBs – stemming from G20 shareholders' calls for increasing development lending while, simultaneously, keeping capital resources and triple-A credit ratings unchanged. The employment of rating methodologies that take into account MDBs' peculiarities more appropriately represents one viable solution, as it would allow them to significantly increase available lending capacity for given rating levels and equity resources. Second, the econometric evidence suggests the existence of a rather narrow difference in the cost of funding between triple-A and AA+ rated institutions. Combining the two results, the paper concludes that applying an alternative rating methodology and opting for an AA+ credit rating (instead of triple-A), the four MDBs considered (IBRD, ADB, IADB and AfDB) could more than triple their spare lending capacity, from USD 415 bn to 1.370 bn, with a relatively limited impact on funding costs, estimated at between 40 and 50 bps.
Full text (pdf)

No. 487: **Allocative efficiency and finance** (April 2019)

Andrea Linarello, Andrea Petrella and Enrico Sette

This paper studies the effect of bank lending shocks on aggregate labor productivity. Exploiting a unique administrative dataset covering the universe of Italian manufacturing firms between 2000 and 2015, we apply the Melitz

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and Polanec (2015) decomposition at the 4-digit industry level to distinguish the contribution to aggregate productivity growth of: changes in surviving firms' average productivity, market share reallocation among surviving firms, and firm entry and exit. We estimate the impact of credit shocks on each of these components, using data from the Italian Credit Register to construct industry-specific exogenous credit supply shocks. Only for the 2008-2015 period, we find that a tightening in the supply of credit lowers average productivity but increases the covariance between market share and productivity among incumbents, thus boosting the reallocation of labor. We find no significant effects of credit supply shocks on the contribution made by firm entry and exit. We find that the effects of negative credit shocks on average productivity and reallocation are concentrated in industries with a lower share of tangible capital and collateralized debt.
Full text (pdf)

No. 486: **The non-standard monetary policy measures of the ECB: motivations, effectiveness and risks** (March 2019)

Stefano Neri and Stefano Siviero

The paper analyses the challenges faced by the European Central Bank since the outbreak of the global financial crisis and surveys the many studies by economists at Banca d'Italia on the causes of the low inflation environment in 2014 and on the effects of the ECB's asset purchase programme on financial markets and the real economy. These studies have provided an important contribution in supporting Banca d'Italia's participation in the monetary policy making of the European Central Bank.
Between 2008 and 2014, monetary policy measures preserved the correct functioning of the transmission mechanism and helped support the supply of credit to the private sector. The asset purchase programme launched in early 2015 has been effective in combating the risk of deflation by exerting a positive impact on economic activity and inflation in the euro area.
Full text (pdf)

No. 485: **Sources and implications of resource misallocation: new evidence from firm-level marginal products and user costs** (March 2019)

Simone Lenzu and Francesco Manaresi

The research studies how distortions in input allocation can be measured by the firm-level gaps in the marginal revenue products of inputs and their user costs (MRP-cost gap). These gaps are measured for the universe of the Italian corporate sector, and are related to observable frictions in the labor and credit markets. The MRP-cost gaps are used to estimate the aggregate TFP gains from reallocation. An optimal reallocation of resources may increase aggregate output by 6-8 percent. Larger gains may be obtained (i) during periods of financial instability, (ii) among non-manufacturing industries, (iii) in areas characterized by less developed institutions and (iv) among riskier firms. These results highlight a possible trade-off between output maximization and aggregate risk.
Full text (pdf)

No. 484: **Economic and regulatory aspects of crypto-assets** (March 2019)

Andrea Caponera and Carlo Gola

In this study, we investigate the economic characteristics of bitcoin and similar crypto-assets. Following an introduction to the blockchain protocol, the role of exchanges and of digital wallet providers, we consider the regulatory measures adopted in various jurisdictions. Lastly, we examine the accounting and prudential aspects related to crypto-assets, of which significant uncertainties still remain. The paper provides a taxonomy of crypto-assets, and describes the basic features of the initial coin offerings (ICOs) and related aspects. The literature shows that bitcoin and similar crypto-assets do not fully fall within the category of money and financial instruments. This class of digital tokens, based on a permissionless distributed ledger technology (DLT), is highly volatile and absent of intrinsic value. The instability of their price must be considered when evaluating these instruments from an accounting and prudential standpoint.
Full text (pdf) in Italian only

Other recent Occasional Papers

December 2018 — January 2019

No. 483: Zombie firms in Italy: a critical assessment
Giacomo Rodano and Enrico Sette

No. 482: The determinants of foreign tourism demand: separating elasticities for the extensive and the intensive margin
Emanuele Breda and Giacomo Oddo

No. 481: The use of cash in Italy: evidence from the ECB Study on the Use of Cash by Households
Giorgia Rocco

No. 480: An early warning system for less significant Italian banks
Fabrizio Ferriani (coordinator), Wanda Cornacchia, Paolo Farroni, Eliana Ferrara, Francesco Guarino and Francesco Pisanti

No. 479: Outline of a redistribution-free debt redemption fund for the euro area
Marika Cioffi, Pietro Rizza, Marzia Romanelli and Pietro Tommasino

No. 478: The evolution of the occupational structure in Italy in the last decade
Gaetano Basso

No. 477: The euro-area output gap through the lens of a DSGE model
Lorenzo Burlon and Paolo D'Imperio

No. 476: Education, income and wealth: persistence across generations in Italy
Luigi Cannari and Giovanni D'Alessio

No. 475: International tourism in Italy: recent trends, potential demand and a comparison with the main European competitors
Emanuele Breda, Rita Cappariello and Valentina Romano

No. 474: Local waste taxes in Italy: benefit or (hidden) wealth taxation?
Rita Cappariello, Milan Damjanović, Michele Mancini and Filippo Vergara Caffarelli

No. 473: Invoicing currency and exchange rate pass-through: evidence from firm level analysis of Italian firms
Alessandro Borin, Andrea Linarello, Elena Mattevi and Giordano Zevi

No. 472: Working in the gig economy. Evidence from the Italian food delivery industry
Cristina Giorgiantonio and Lucia Rizzica

No. 471: The Irish GDP in 2016. After the disaster comes a dilemma
Roberto Tedeschi

Selection of Journal articles and books

Authors' names in boldface: Bank of Italy

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Forthcoming

Accetturo A., **V. Di Giacinto, G. Micucci** and **M. Pagnini**, "Geography, Productivity and Trade: does Selection Explain Why Some Locations are More Productive Than Others?", *Journal of Regional Science*. (WP No. 910)

Andini C. and **M. Andini**, "Social Capital and Growth: Causal Evidence from Italian Municipalities", *Journal of Economic Geography*.

Aprigliano V., **G. Ardizzi** and **L. Monteforte**, "Using the Payment System Data to Forecast the Economic Activity", *International Journal of Central Banking*. (WP No. 1098)

Attinasi M.G., D. Prammer, N. Stalher, **M. Tasso** and S. van Parys, "Budget-Neutral Labour Tax Wedge Reductions: A Simulation-Based Analysis for Selected Euro Area Countries", *International Journal of Central Banking*.

Baltrunaite A., "Political Donations and Public Procurement: Evidence from Lithuania", *Journal of the European Economic Association.*

Barone G., **G. de Blasio**, **A. D'Ignazio** and **A. Salvati**, "Incentives to Local Public Service Provision: An Evaluation of Italy's Obiettivi di Servizio", *Papers in Regional Science.* (OP No. 388)

Bartiloro L., **M. Bottone** and **A. Rosolia**, "The Heterogeneity of the Inflation Expectations of Italian Firms Along the Business Cycle", *International Journal of Central Banking*. (OP No. 414)

Corsello F. and **V. Nispi Landi**, "Labor Market and Financial Shocks: a Time-Varying Analysis", *Journal of Money, Credit and Banking.* (WP No. 1179)

Cova P., P. Pagano and **M. Pisani**, "Incentives Domestic and International Macroeconomic Effects of the Eurosystem Expanded Asset Purchase Programme", *IMF Economic Review.* (WP No. 1036)

D'Alessandro A., G. Fella and L. Melosi, "Local Fiscal Stimulus with Learning-By-Doing", *Regional International Economic Review*.

De Matteis P., F. Pietrovito and A. Pozzolo, "Local Context and Exports: an Analysis with a Matched Sample of Firm-Province Data", *Regional Studies.*

D'Ignazio A. and **C. Menon**, "The Causal Effect of Credit Guarantees for SMEs: Evidence from Italy", *Scandinavian Journal of Economics.* (WP No. 900)

Ercolani V. and J. Valle e Azevedo, "How Can the Government Spending Multiplier be Small at the Zero Lower Bound?", *Macroeconomic Dynamics.* (WP No. 1174)

Gambacorta L., **S. Schiaffi** and A. van Rixtel, "Changing Business Models in International Bank Funding", *Economic Inquiry*.

Gerali A. and **S. Neri**, "Natural Rates Across the Atlantic", *Journal of Macroeconomics*. (WP No. 1140)

Miccoli M. and **S. Neri**, "Inflation Surprises and Inflation Expectations in the Euro Area", *Applied Economics*. (OP No. 265)

Pihl A. M, and **G. Basso**, "Did California Paid Family Leave Impact Infant Health?", *Journal of Policy Analysis and Management* .

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

Rizzica L., "Raising Aspirations and Higher Education. Evidence from the UK's Widening Particiaption Policy", Journal of Labor Economics. (WP No. 1188)

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Alessandri P. and H. Mumtaz, "Financial Regimes and Uncertainty Shocks", , v. 101, pp. 31-46, *Journal of Monetary Economics.*

Casiraghi M. and **M. Miccoli**, "Inflation Risk Premia and Risk-Adjusted Inflation Expectations", *Economics Letters*, v. 175, pag. 36-39 (OP No. 286)

Ciani E., **F. David** and **G. de Blasio**, "Local Responses to Labor Demand Shocks: A Re-Assessment of the Case of Italy", v. 75, pp. 1-21, *Regional Science and Urban Economics*. (WP No. 1112)

2018

Adamopoulou E. and E. Kaya, "Young Adults Living with their Parents and the Influence of Peers", *Oxford Bulletin of Economics and Statistics* ,v. 80, pp. 689-713 (WP No. 1038)

Allen F., **L. Bartiloro**, X. Gu and O. Kowalewsky, "Does Economic Structure Determine Financial Structure?", *Journal of International Economics*, v.114, 5, pp.389-409.

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