BANCA D'ITALIA
EUROSISTEMA

NUMBER 60
NOVEMBER 2020

RESEARCH AT THE BANK OF ITALY

DIRECTORATE GENERAL FOR ECONOMICS, STATISTICS AND RESEARCH

NEWSLETTER

Contents

Highlights

3rd Bank of Italy-CEPR Labour workshop

(Online, 10-11 September 2020)

During the workshop leading and emerging researchers in the field of labour economics presented their research on topics relevant for understanding labour market dynamics and their interaction with institutions. The three keynote lectures were given by David Dorn (University of Zurich and CEPR), Lisa Kahn (University of Rochester and NBER) and Camille Landais (London School of Economics and CEPR).

The programme and the links to some of the papers presented during the workshop are available here.

Conference on 'Financial Stability and Regulation'

(Online, 22-23 October 2020)

Bank of Italy and the Bocconi BAFFI CAREFIN Centre organized the second biennial conference on 'Financial Stability and Regulation'. The event was held virtually (via Webex) on 22-23 October, 2020. The conference brought together leading world scholars and policy-makers to discuss topics relating to financial stability, financial sector regulation and bank supervision. The Governor of the Bank of Italy delivered the welcome address to the participants. The conference included keynote speeches from Christine Parlour (Berkeley Haas), Hyun Song Shin (Bank for International Settlements) and Patrick Bolton (Imperial College).

The programme for the conference can be found here.

2nd Bank of Italy Human Capital workshop

(Online, 26 October 2020)

The workshop brought together leading researchers in the field of education and human capital to present their theoretical and empirical research. Simon Burgess (University of Bristol and IZA) gave a keynote lecture.

The programme and the links to some of the papers presented during the workshop are available here.

Forthcoming events

Bank of Italy and SUERF workshop: The effectiveness of monetary policy in a low interest rate environment

(Online, 18-19 November 2020)

The workshop will address several of the challenges currently faced by monetary policy, including how to deal with the low level of nominal and real interest rates, how to deal with a persistent undershooting of inflation targets, how to align inflation expectations with the inflation target, how to deal with a changing inflation formation process, and how to gauge changes in the transmission of monetary policy impulses to the economy and inflation. The workshop will address several of these issues, combining insights from cutting-edge academic research and policy makers' practical experiences. The keynote speech will be given by Jordi Galí (CREI, Universitat Pompeu Fabra, Barcelona GSE). The workshop will be held online.

The programme is available here.

Fourth Annual Workshop: ESCB Research Cluster 2

(Online, 23-24 November 2020)

The fourth annual workshop of the ESCB Research Cluster 2 on "International Macroeconomics, Fiscal Policy, Labour Economics, Competitiveness and EMU Governance" will be held on 23 and 24 November. The research clusters bring together ESCB researchers to present their work within the ESCB research community, exchange ideas and foster open discussions. This year the workshop addresses issues relating to the COVID crisis, trade, fiscal policy, productivity and labour markets.

The program is available here. The link for participating online will be made available soon on the network.

International research conference on firm financing and firm dynamics: 'Firms in times of the pandemic'

(Online, 4 December 2020)

The third research conference on trends in firm organization, firm financing and firm dynamics organized by Banque de France, Bank of Italy and Sciences Po & CEPR will be held virtually. The programme features contributions highlighting the immediate and longer-term consequences of the COVID-19 pandemic for firms, as well as assessing the cost and benefits of policies targeted at firms during the first wave of the pandemic.

See the programme for further information. Online registration is mandatory.

Bank of Italy/CEPR/EIEF Conference on 'Ownership, Governance, Management & Firm Performance'

(Online, 21-22 December 2020)

The conference aims at bringing together leading economists to discuss the role of managers and owners in shaping firm performance, with a particular emphasis on micro-macro linkages (from firm behavior to aggregate productivity growth) and policy implications. The two keynote lectures will be given by Renée Adams (Oxford - Saïd Business School) and Raffaella Sadun (Harvard Business School and CEPR). The workshop will be held online.

To attend, please register here (Dec-21) and here (Dec-22). The programme is available here.

Latest Working Papers

No. 1306: **Demographics and the natural real interest rate: historical and projected paths for the Euro Area** (November 2020)

Papetti Andrea

Using a dynamic macroeconomic model, the paper studies to what extent the ongoing demographic change in the euro area (the population aging process determined by decreasing fertility and mortality rates) can have an impact on the natural real interest rate, namely the real return on capital that theoretically brings economic output in line with its potential.
Compared with the average for the 1980s, demographics account for a decrease in the natural real interest rate of about 1.4 percentage points until 2030 (roughly at its trough) and about 1 percentage point until the subsequent stationary equilibrium. This can be attributed to the greater scarcity of labor input, brought about by a lower fertility, and by a higher willingness to save by individuals due to a longer life expectancy.
Full text (pdf)

No. 1305: **A quantitative analysis of distortions in managerial forecasts** (November 2020)

Yueran Ma, Tiziano Ropele, David Sraer and David Thesmar

In this paper we quantify the economic effects of Italian managers' sales forecast errors. Through the estimation of a theoretical model with heterogeneous firms – in which managers may formulate distorted forecasts due to behavioral biases – we analyse the implications that sales forecast errors have on corporate investment decisions and on total factor productivity at aggregate level. To this end, we use data from the Survey of Industrial and Service Firms and balance sheet data from Cerved.
We show that managers make systematic sales forecast errors as a result of the muted reaction to productivity shocks (underreaction) that marks the formulation process of their expectations. Consequently, in response to positive (negative) productivity shocks, a manager with distorted expectations invests less (more) compared with a hypothetical manager with rational expectations. However, these expectation biases exert only negligible effects on total factor productivity at aggregate level.
Full text (pdf)

No. 1304: **Consumption and wealth: new evidence from Italy** (November 2020)

Riccardo De Bonis, Danilo Liberati, John Muellbauer and Concetta Rondinelli

This paper estimates a consumption function for Italy. In addition to permanent income, housing wealth, the interest rate on household loans and an index of credit conditions, our model introduces household net worth split into liquid and illiquid assets. The consumption dynamics are examined by using financial accounts and real national accounts in a Vector Error Correction Model (VECM), estimated from 1975 to 2017. The results show that the marginal propensity to consume out of liquid financial assets – mainly deposits and bonds – is positive and statistically significant, and greater than that for illiquid assets (mainly unquoted shares and insurance and pension assets); we also find that housing wealth has a smaller and significant impact on consumption. As expected, permanent income accounts for a large fraction of consumption, while the effect of the interest rate is negative.

Full text (pdf)

No. 1303: **The effects of structural reforms: Evidence from Italy** (November 2020)

Emanuela Ciapanna, Sauro Mocetti and Alessandro Notarpietro

This paper assesses the macroeconomic effects of structural reforms implemented in Italy between 2011 and 2017 (service sector liberalizations, incentives to innovation, civil justice reforms). The quantitative analysis is based on three steps: selection of a quantitative indicator that measures the impact of the reform; estimation of the effects of the reform on some variables of interest, such as markup (difference between price and production cost of goods/services) or total factor productivity (TFP); simulation of a dynamic general equilibrium model to evaluate the macroeconomic effects.
According to our estimates, service sector liberalization increased TFP by 4.3% and

Latest Working Papers

decreased markup by 0.7 percentage points; incentives to innovation and civil justice reform increased TFP by 1.4 and 0.5%, respectively. The increase in the level of GDP as of 2019 due to the sole effect of the reforms (ignoring all other shocks that hit the Italian economy in the same period) would be//would have been between 3% and 6%; the increase in potential output would lie//would have lain between 4% and 8%, with non-negligible effects on employment.
Full text (pdf)

No. 1302: **Bargaining power and the Phillips curve: a micro-macro analysis** (November 2020)

Marco J. Lombardi, Marianna Riggi and Eliana Viviano

This work draws a relationship among three macroeconomic facts underway since the 1980s: (i) the decrease in workers' bargaining power, (ii) the increase in the contribution of the number of workers (extensive margin) relative to hours per employee (intensive margin) in the cyclical adjustment of the labour input and (iii) the flattening of the Phillips curve. The paper uses a theoretical model and tests its implications based on Italian and euro-area data.
The theoretical model shows that the lower is workers' bargaining power, the more firms react to changes in demand by adjusting the extensive margin rather than the intensive one. This shrinks the cyclical movements of inflation, as the marginal cost increases with the number of hours per employee. The empirical analysis confirms these conclusions and indicates that the weakening of workers' bargaining power is a key factor behind the flattening of the Phillips curve.
Full text (pdf)

No. 1301: **Do details matter? An analysis of Italian personal income tax** (November 2020)

Martino Tasso

A high degree of progressivity in personal income tax can discourage the labour supply. On the other hand, with incomplete markets and earnings shocks, progressive taxation works as a publicly provided form of insurance, allowing for some protection of consumption. This paper studies the welfare consequences of some/various elementary components of personal income tax (marginal rates, allowances, tax credits) in an overlapping generations model with heterogeneous agents calibrated for Italy.
The tax credit for employees' earned income and the marginal tax rates have first-order macroeconomic and distributional consequences. Overall, risk-averse individuals obtain a positive utility from living in an economy with these characteristics, despite lower production and consumption levels. In particular, the welfare cost of an alternative tax system without the tax credit for employees' earned income (but with lower marginal tax rates) is estimated to be equal to about 1.5 per cent of consumption.
Full text (pdf)

No. 1300: **Effects of eligibility for central bank purchases on corporate bond spreads** (November 2020)

Taneli Mäkinen, Fan Li, Andrea Mercatanti and Andrea Silvestrini

The paper quantifies the effect of the European Central Bank's Corporate Sector Purchase Programme (CSPP) on the yield spreads of the bonds eligible for purchase relative to those of noneligible bonds, issued between March 2016 and December 2018. The analysis allows an assessment of whether central bank asset purchases permanently alter the relative prices of eligible and noneligible assets.
Over the period considered, the CSPP is found not to have exerted a statistically significant effect on the yield spreads of the eligible bonds relative to those of the noneligible. Combined with evidence from previous studies, this finding suggests that the effects of the programme were not limited to the eligible bonds but were also felt by their close substitutes.
Full text (pdf)

No. 1299: **Forecasting US recessions: the role of economic uncertainty** (September 2020)

Valerio Ercolani and Filippo Natoli

This paper investigates the role of macroeconomic and financial uncertainty in forecasting recessions in the United States. The analysis uses a probit model that also includes other predictors besides the uncertainty variables,

Latest Working Papers

such as the slope of the yield curve, on US data from 1972-2018.
In-sample forecasts show that macroeconomic and financial uncertainty are the best predictors of recessions in the short run; in the longer run, macro uncertainty is the second best predictor, just after the yield curve slope. Out-of-sample forecasts shows that uncertainty contributed significantly to lowering the probability of a recession in 2019, which indeed did not occur.
Full text (pdf)

No. 1298: **Anti-poverty measures in Italy: a microsimulation analysis** (September 2020)

Nicola Curci, Giuseppe Grasso, Marco Savegnago and Pasquale Recchia

The paper analyses the effects of the Reddito di Cittadinanza (RdC, a minimum income scheme introduced in Italy in 2019) on the incidence and the intensity of poverty. Unlike other papers available in the literature, this work focuses on a definition of absolute poverty, based on a comparison between household consumption and a given poverty line. Moreover, the paper discusses the effect of some budget-neutral changes to the rules of this scheme. The analyses are carried out using the BIMic static (non-behavioural) microsimulation model.
The RdC reduces the number of households living in absolute poverty (head count ratio) and, above all, the intensity of poverty (poverty gap). These effects, which do not account for individual responses to policy changes and for economic incentives, are the result of both the large amount of resources devoted to implementing the RdC and its design. A budget-neutral change to the rules of the scheme, to favour large households with minors at the expense of single persons, would make the RdC more effective in fighting absolute poverty.
Full text (pdf)

No. 1297: **Workforce aging, pension reforms, and firm outcomes** (September 2020)

Francesca Carta, Francesco D'Amuri and Till von Wachter

Raising statutory retirement ages has been a popular policy to increase the labor supply of older workers and to guarantee the sustainability of the welfare system. However, its effects on outcomes for firm and the labour market have been insufficiently investigated. This paper quantifies the effects on workers and firms of the unexpected increase in the statutory retirement age introduced by the Fornero reform in 2011. The reform affected differently firms with otherwise similar characteristics.
The firms most affected by the 2011 reform increased the number of employees in all age classes, with no effect on investment and daily wages. Total labor costs and value added increased broadly in line with employment growth. These results suggest that there are complementarities between employees of different ages and that older workers are endowed with firm-specific skills that are hard to replace.
Full text (pdf)

No. 1296: **Price dividend ratio and long-run stock returns: a score driven state space model** (September 2020)

Davide Delle Monache, Ivan Petrella and Fabrizio Venditti

The paper studies the long-term trend of US stock market valuations, measured by the relationship between stock prices and dividends. This ratio, which shows a growing trend over the last hundred years, is decomposed into two factors: the expected value of future dividends and that of the returns on shares. A methodology is developed that allows us to quantify the relative contribution of each factor to the trend.
The rising trend in the price-to-dividend ratio is entirely attributable to the decline in expected equity market returns. This component can be further divided into a risk-free part, comparable to the natural interest rate, and a risk premium. The decline in expected returns is mainly attributable to the decline in the natural interest rate, in line with the results of the most recent literature on secular stagnation.
Full text (pdf)

No. 1295: **How loose, how tight? A measure of monetary and fiscal stance for the euro area** (September 2020)

Nicoletta Batini, Alessandro Cantelmo, Giovanni Melina and Stefania Villa

This paper builds an index to examine the evolution of the joint monetary and fiscal policy stance in the euro area and its three largest

Latest Working Papers

member countries (France, Germany and Italy). The index provides an estimate of the overall stance of economic policies by quantifying the impact of conventional and unconventional fiscal and monetary policies on aggregate demand.
The overall stance has been driven by an accommodative fiscal policy since the global financial crisis, which then turned restrictive due to the sovereign debt crisis. Since then, economic activity in the euro area and in its largest economies has been almost uniquely sustained by the ECB's accommodative monetary policy. The fiscal policy stance has subsequently become widely heterogeneous across euro-area countries.
Full text (pdf)

No. 1294: **Prudential policies, credit supply and house prices: evidence from Italy** (September 2020)

Pierluigi Bologna, Wanda Cornacchia and Maddalena Galardo

A regulatory change introduced in Italy in 2006 repealed the limit on banks' maturity transformation (Basel 3 later introduced requirements on liquidity risk). This change incentivized banks to increase their supply of long-term credit. This work leverages this regulatory change to study, for the two years following, the effects of a regulatory loosening on mortgage supply and on housing prices in Italian municipalities.
The banks constrained by the regulation increased mortgage supply in response to the change; this did not occur for the other banks. The regulatory change incentivized the supply of longer-term mortgages, making them affordable for a larger customer base. An acceleration in house prices corresponded to the higher credit supply.
Full text (pdf)

No. 1293: **Fiscal space and the size of fiscal multiplier** (September 2020)

Luca Metelli and Kevin Pallara

The paper studies empirically whether the effects of public spending in the United States differ as the conditions of its public finances vary, measured using the concept of fiscal space. Four different fiscal space indicators are constructed to obtain a breakdown between periods of greater and lesser sustainability for the public finances. Finally, the effects of shocks to government spending in these periods are estimated.
The effects of government spending are greater when an expansionary manoeuvre is implemented at times when fiscal space is ample. In this case, the fiscal multiplier is greater than one. As public finance conditions worsen, the effects are significantly smaller and the multiplier is less than one.
Full text (pdf)

No. 1292: **Asymmetric information in corporate lending: evidence from SME bond markets** (September 2020)

Alessandra Iannamorelli, Stefano Nobili, Antonio Scalia and Luana Zaccaria

According to the theory of asymmetric information, the financially weakest firms self-select into bond markets. The paper investigates the relevance of this 'adverse selection' by relating Italian SMEs' propensity to issue minibonds with the degree of information asymmetry regarding their financial soundness. This is inferred from the Bank of Italy's In-house Credit Assessment System (ICAS), distinguishing public information (based on financial statements) from 'private' information (based on credit history).
The results show positive (rather than adverse) selection: holding public information constant, firms with better private fundamentals are more likely to access minibond markets. Additionally, credit conditions improve for issuers following the bond placement. These results are consistent with a model, developed in the paper, where firms use bond market lending to signal their credit quality to outside stakeholders.
Full text (pdf)

No. 1291: **An economic assessment of the evolution of the corporate tax system in Italy** (September 2020)

Ernesto Zangari

The paper analyses the evolution of the corporate tax system in Italy over the period 2010-2020, focusing on the "Aiuto alla Crescita Economica" (ACE), the tax incentives for purchasing machinery and the tax benefits on retained earnings ("Mini-Ires"). The analysis is based on the computation of summary tax

Latest Working Papers

indicators derived from an investment model that takes into account the effects of the corporate taxes.
The analysis shows a strong reduction in the effective tax rates and in the tax asymmetry between debt and equity over the period 2011-2016, followed by a gradual increase in the years thereafter. Such dynamics were driven especially by the evolution of the ACE regime. Since 2016, the tax incentives on machinery have partially counterbalanced the increase in the effective tax rates.

Full text (pdf)

Other recent Working Papers

June 2020 — July 2020

No. 1290: The impact of the IRB approach on the relationship between the cost of credit for public companies and financial market conditions
Raffaele Gallo

No. 1289: Trade shocks and credit reallocation
Stefano Federico, Fadi Hassan and Veronica Rappoport

No. 1288: The time-varying risk of Italian GDP
Fabio Busetti, Michele Caivano, Davide Delle Monache and Claudia Pacella

No. 1287: Court efficiency and aggregate productivity: the credit channel
Guzmán González-Torres and Giacomo Rodano

No. 1286: Protectionism and the effective lower bound in the euro area
Pietro Cova, Alessandro Notarpietro and Massimiliano Pisani

No. 1285: The economic drivers of volatility and uncertainty
Andrea Carriero, Francesco Corsello and Massimiliano Marcellino

No. 1284: Uncertainty matters: evidence from a high-frequency identification strategy
Piergiorgio Alessandri, Andrea Gazzani and Alejandro Vicondoa

No. 1283: The macroeconomics of hedging income shares
Adriana Grasso, Juan Passadore and Facundo Piguillem

No. 1282: How do house prices respond to mortgage supply?
Guglielmo Barone, Francesco David, Guido de Blasio and Sauro Mocetti

No. 1281: The effects of shop opening hours deregulation: evidence from Italy
Lucia Rizzica, Giacomo Roma and Gabriele Rovigatti

No. 1280: The non-linear effects of the Fed's asset purchases
Alessio Anzuini

No. 1279: The role of bank supply in the Italian credit market: evidence from a new regional survey
Andrea Orame

No. 1278: Trainspotting: board appointments in private firms
Audinga Baltrunaite and Egle Karmaziene

No. 1277: Going the extra mile: effort by workers and job-seekers
Matthias S. Hertweck, Vivien Lewis and Stefania Villa

Latest Occasional Papers

No. 586: **The In-house Credit Assessment System of Banca d'Italia** (November 2020)

Filippo Giovannelli, Alessandra Iannamorelli, Aviram Levy and Marco Orlandi

The paper describes the architecture and the underlying methodology of Banca d'Italia's 'In-House Credit Assessment System' (ICAS), which estimates the default probabilities of Italy's non-financial firms and allows banks to pledge the loans made to these firms as collateral for monetary policy operations. The system provides banks with an important tool for expanding liquidity sources and gives the banking system an incentive for granting loans to firms and households.

The role of BI-ICAS has become even more important since the Eurosystem eased the monetary policy collateral framework in response to the financial crisis triggered by the COVID-19 pandemic. This importance is confirmed by the significant increase, recorded in 2020, of the value of bank loans pledged as collateral with BI-ICAS and the number of bank counterparties using this system..

Full text (pdf)

No. 585: **The regulatory cycle in banking: what lessons from the U.S. experience? (From the Dodd-Frank Act to Covid-19)** (November 2020)

Maurizio Trapanese

This paper analyses the interactions between financial regulation and crises with reference to the experience of the United States in the period after the global financial crisis up to the Covid-19 emergency. In the last few years, a new regulatory system for large banks has arisen in the U.S., reversing some elements of the Dodd-Frank Act and introducing deviations from the internationally agreed rules. This approach is also confirmed by some of the measures adopted in response to Covid-19.

The analysis shows that, should the U.S. deregulation trend spread abroad, the globally harmonized approach to regulation could break down. In the current circumstances as well, the international rules must not be breached, as they provide the resilience needed to sustain lending to the economy and to keep banks safe. In the near future, the pressures to dilute the G-20 rules could grow stronger. The importance of maintaining a consistent approach to banking regulation should be emphasized.

Full text (pdf)

No. 584: **Wasted in waste? The benefits of switching from taxes to pay-as-you throw fees: the Italian case** (November 2020)

Giovanna Messina and Antonella Tomasi

Waste management is mainly financed through a local property tax (TARI). Alternative financing schemes, known as 'pay-as-you throw' (PAYT), are designed to price each additional unit of waste disposed of by the user and create significant advantages in terms of efficiency and equity, as well as of environmental care/for the environment. The paper estimates the impact of a wide implementation of PAYT schemes by Italian municipalities by applying different estimation strategies on an extensive dataset with more than 6,100 observations.

Our results show that the application of PAYT schemes would have a significant impact on users' behaviour: the total amount of waste in per capita terms would fall and, more specifically, unsorted waste would almost halve. The costs for waste management services would fall from 20 to 10 per cent, reflecting a reduction of one third in the cost of managing undifferentiated waste.

Full text (pdf)

No. 583: **What can we learn about mortgage supply from online data?** (November 2020)

Agnese Carella, Federica Ciocchetta, Valentina Michelangeli and Federico M. Signoretti

The work exploits a dataset made available by the main online mortgage broker (Mutuionline) that contains up-to-date information on mortgage supply conditions. This dataset allows us to assess trends in the mortgage rates offered by banks, distinguishing by customer and contract riskiness, and can be used to nowcast trends in banks' interest rates based on supervisory reports (MIR).

Latest Occasional Papers

The main results are: 1) riskier mortgages, characterized by high loan-to-value ratios, lower borrower's income and long maturity, are offered by a small number of banks that charge higher interest rates; 2) keeping constant the level of risk, online banks offer, on average, better price conditions than traditional ones; 3) the rates offered by Mutuionline have a high predictive content for interest rates on fixed-rate mortgages at the individual bank level.
Full text (pdf)

No. 582: **Born in hard times: startup selection and intangible capital during the financial crisis** (November 2020)

Guzman Gonzalez-Torres, Francesco Manaresi and Filippo Scoccianti

The paper studies the effects of the credit crunch caused by the 2008-13 double-dip recession on firm selection, focusing on firm entry and exit as its main mechanism.
The financial crisis triggered a selection of entrants increasingly skewed towards those with higher intangible capital intensity. This explains a substantial portion of the rise in intangible capital intensity measured in the aggregate data. Additionally, it shaped a technological transition that persisted well into the subsequent expansion.
Full text (pdf)

No. 581: **The reconstruction of back data for Italy's balance of payments and international investment position (1970-1999)** (November 2020)

Enrico Tosti

The changeover to the 6th Balance of Payments Manual (BPM6) has involved a significant revision of international standards for the compilation of external statistics (flows and stocks). This work continues the reconstruction of back data for the main items of the balance of payments and international investment position, offering BPM6 compliant time series starting from 1970.
The reconstruction of back data did not substantially alter the history of Italy's external statistics. The balances of the current account and of the financial account worsened only minimally, with a marginally negative final effect on errors and omissions. The choice to include undeclared assets held abroad made the trend of the net international investment position substantially consistent with the accumulated current account balance.
Full text (pdf) in Italian only

No. 580: **Autarchy along the distribution** (November 2020)

Silvia Fabiani, Alberto Felettigh and Alfonso Rosolia

In a globalized economy, the production of goods and services takes place in stages around the world. Domestic consumption expenditure thus rewards foreign factors of production as well as domestic ones and is therefore exposed to fluctuations in the exchange rate and in foreign prices. This paper documents the geographical distribution of the value added embedded in the expenditure of Italian households, both for the sector as a whole and along the distribution of consumption expenditure.
Between 20 and 40 percent of Italian households' expenditure rewards foreign factors of production that were employed for producing the goods and services being consumed or in intermediate stages of production. Slightly less than half of this share is attributable to the productive factors of other euro-area countries and therefore constitutes expenditure by Italian households that, thanks to the common currency, is shielded from exchange-rate fluctuations.
Full text (pdf)

No. 579: **A silent revolution. How central bank statistics have changed in the last 25 years** (September 2020)

Riccardo De Bonis and Matteo Piazza

This work presents the evolution of central bank statistics over the last 25 years. We first describe the work aimed at satisfying the information needs for common monetary policy, leading to a brand new set of harmonized monetary and financial statistics. We then focus on the most significant developments caused by the financial crisis and by the institutional changes that accompanied it. The final part looks at the challenges lying ahead, namely how to deal with digitalization and globalization.

Latest Occasional Papers

This work provides a comprehensive overview of the giant leap made by European central bank statistics over the last quarter of a century, showing the challenges and progress in harmonization in the main statistical domains. While this work has already provided a good base for analysis during the great financial crisis, the crisis and the resulting institutional changes led to new requests for data, both in a European and a global context, which resulted in a new effort to produce even more detailed data.
Full text (pdf)

No. 578: **The break-even inflation rates: the Italian case** (September 2020)

Alberto Di Iorio and Marco Fanari

This paper analyses a market-based measure of expected inflation computed as the difference between yields to maturity of nominal and inflation-indexed Italian government bonds (break -even inflation rate, BEIR). In the first part of the paper, we assess the contribution of inflation, liquidity and credit risk, and other possible variables. In the second, we decompose the BEIRs into expected inflation rates and their relative risk premia.

Since the second half of 2018, inflation expectations, adjusted for credit and liquidity risk, have persistently declined. In the third quarter of 2019, the level had almost reached the historical low observed in 2016.
Full text (pdf)

No. 577: **The determinants of service export behaviour in Italian non-financial firms** (September 2020)

Alessandro Moro and Enrico Tosti

The paper examines the main determinants of service exports (other than travel, transport and processing under contract) of Italian non-financial corporations and insurance companies through the analysis of firm-level data collected for the compilation of the Italian balance of payments. The period considered, from 2013 to 2018, allows us to analyse the performance of exports in both an initial phase of low growth and, starting from 2016, a period of significant recovery. The analysis confirms the important role played by the traditional trade variables (foreign demand and distance) and some firm-level characteristics (such as size and productivity). Moreover, the paper identifies a complementary relationship between service exports and foreign direct investment, suggesting that a significant component of Italy's international trade in services might include intra-group transactions, particularly during the recent recovery phase.
Full text (pdf)

No. 576: **Regional differences in retail payment habits in Italy** (September 2020)

Guerino Ardizzi, Elisa Bonifacio, Cristina Demma and Laura Painelli

We study which factors are associated with the territorial heterogeneity, between the Centre and North and the southern regions, in the use of non-cash payment instruments. We focus on the 2013-2018 period, when there was a widespread increase in non-cash transactions among the main advanced economies, spurred by technological innovation and the new legal framework supporting security, efficiency and transparency in digital payments.

We find that the main factors associated with a lower demand for cash are technological innovation in payments and the population's digital skills and education levels; criminality and tax evasion are significantly and positively correlated to the use of cash, but their impact is lower compared with the other factors.
Full text (pdf)

Other recent Occasional Papers

June 2020 — July 2020

No. 575: Bounded rationality and expectations in economics
Ignazio Visco and Giordano Zevi

No. 574: Business continuity in times of distress: debt restructuring agreements and compositions with creditors in Italy
Alessandro Danovi, Iacopo Donati, Ilaria Forestieri, Tommaso Orlando and Andrea Zorzi

No. 573: Connected Italy
Emanuela Ciapanna and Giacomo Roma

No. 572: Robots and employment: evidence from Italy
Davide Dottori

No. 571: Financial spillovers to emerging economies: the role of exchange rates and domestic fundamentals
Alessio Ciarlone and Daniela Marconi

No. 570: From 8,000 to 1,000? Rationalization and governance of Italian Government-owned enterprises
Sauro Mocetti and Giacomo Roma

No. 569: Italian workers at risk during the Covid-19 epidemic
Teresa Barbieri, Gaetano Basso and Sergio Scicchitano

No. 568: Economies of scales revisited: evidence from Italian banks
Emilia Bonaccorsi di Patti and Federica Ciocchetta

No. 567: Financial crises, macroprudential policy and the reliability of credit-to-GDP gaps
Piergiorgio Alessandri, Pierluigi Bologna and Maddalena Galardo

No. 566: Recent export developments in the pharmaceutical sector in Italy and in the Lazio region
Gloria Allione, Raffaello Bronzini and Claire Giordano

No. 565: The Matthew effect and modern finance: on the nexus between wealth inequality, financial development and financial technology
Jon Frost, Leonardo Gambacorta and Romina Gambacorta

No. 564: Indicators of uncertainty: a brief user's guide
Luca Rossi

No. 563: Job-to-job flows and wage dynamics in France and Italy
Clémence Berson, Marta De Philippis and Eliana Viviano

No. 562: Payment card fraud: global trends and empirical evidence on Internet card fraud in Italy
Guerino Ardizzi, Elisa Bonifacio and Laura Painelli

No. 561: Mind the gap! Machine learning, ESG metrics and sustainable investment
Ariel Lanza, Enrico Bernardini and Ivan Faiella

No. 560: The Italian public sector workforce: recent evolution in the light of the rules on turnover
Lucia Rizzica

Notes on Financial Stability and Supervision

No. 22: **The FDIC bank crisis management experience: lessons for the EU Banking Union** (August 2020)

Giovanni Majnoni D'Intignano, Andreas Dal Santo and Michele Maltese

The US Federal Deposit Insurance Corporation (FDIC) responsibilities span three key regulatory functions - banking regulation and supervision, resolution and receivership, and bank deposit insurance - a feature seldom found on the international scene and in stark contrast to the European framework. In addition, the FDIC's accumulated experience in bank failure management makes this institution a point of reference in the ongoing debate on possible reforms of the European Union bank crisis management framework and deposit insurance scheme.

The analysis of the US regulatory framework and the FDIC experience highlights four main factors that explain its superior performance, when compared to that of the European Banking Union: (a) the concentration of different functions into one authority; (b) the presence of a single framework for banking resolution flexibly applicable to all banks, regardless of their size; (c) the possibility to use the deposit insurance fund to protect also uninsured deposits, under the least cost principle, when - as part of purchase & assumption transactions - it allows for a reduction of fund disbursements; (d) the absence of antitrust constraints.

Full text (pdf)

No. 21: **The Bank of Italy's systemic risk dashboard for the Italian financial systema technical note on the aggregation of risk indicators** (July 2020)

Luca Bonato, Giuseppe Cascarino and Francesco Franceschi

The Bank of Italy's risk dashboard (RD) is a set of indicators providing a general overview of systemic risks to the Italian financial system. It is one of the tools used by the Bank to measure and assess financial stability risks. The RD is currently comprised of more than 80 indicators. In this note we describe the methodology used to aggregate these indicators in nine broader categories of risk.

Full text (pdf)

Selection of Journal articles and books

Authors' names in boldface: Bank of Italy

Full list since 1990

Forthcoming

Acceturo A., **G. Albanese** and **A. D'Ignazio**, "A New Phoenix? Large Plants Regeneration Policies in Italy", *Journal of Regional Science*.

Affinito M., **G. Albareto** and **R. Santioni**, "Purchases of Sovereign Debt Securities by Italian Banks During the Crisis: the Role of Balance-Sheet Conditions", *Journal of Banking & Finance*. (OP No. 330)

Albanese G., **G. de Blasio** and **A. Locatelli**, "Does EU Regional Policy Promote Local TFP Growth? Evidence from the Italian Mezzogiorno", *Papers in Regional Science*. (WP No. 1253)

Alpino M. and E. Hammersmark, "The Role of Historical Christian Missions in the Location of World Bank Aid in Africa", *World Bank Economic Review.*

Audinga B., **C. Giorgiantonio**, **S. Mocetti** and **T. Orlando**, "Discretion and Supplier Selection in Public Procurement", *Journal of Law, Economics, and Organization.* (WP No. 1178)

Avdjev S., L. Gambacorta, L. Goldberg and **S. Schiaffi**, "The Shifting Drivers of Global Liquidity", *Journal of International Economics.*

Ballatore R., **M. Paccagnella** and **M. Tonello**, "Purchases Bullied Because Younger Than My Mates? The Effect of Age Rank on Victimisation at School", *Journal of Labour Economics*.

Barone G., **F. David**, **G. de Blasio** and **S. Mocetti**, "How do House Prices Respond to Mortgage Supply?", *Journal of Economic Geography*.

Bottero M., F. Mezzanotti and S. Lenzu, "Sovereign Debt Exposure and the Bank Lending Channel: Impact on Credit Supply and the Real Economy", *Journal of International Economics*. (WP No. 1032)

Bronzini R., **S. Mocetti** and M. Mongardini, "The Economic Effects of Big Events: Evidence from the Great Jubilee 2000 in Rome", *Journal of Regional Science*. (WP No. 1208)

Carletti E., F. De Marco, V. Ioannidou and **E. Sette**, "Banks As Patient Lenders: Evidence from a Tax Reform", *Journal of Financial Economics.*

Carpinelli L. and M. Crosignani, "The Design and Transmission of Central Bank Liquidity Provisions", *Journal of Financial Economics.*

Carta F. and M. De Philippis, Discussion on "Labor Market Trends and the Changing Value of Time" by J. Boerma and L. Karabarbounis, *Journal of Economic Dynamics and Control.*

Colabella A., "Do ECB's Monetary Policies Benefit EMEs? A GVAR Analysis on the Global Financial and Sovereign Debt Crises and Post-Crises Period", *Oxford Bulletin of Economics and Statistics*.

Conflitti C. and **R. Zizza**, "What's Behind Firms' Inflation Forecasts?", *Empirical Economics.* (OP No. 465)

Cova P. and **F. Natoli**, "The Risk-Taking Channel of International Financial Flows", *Journal of International Money and Finance.* (WP No. 1152)

Cova P., **A. Notarpietro**, P. Pagano and **M. Pisani**, "Secular Stagnation, R&D, Public Investment and Monetary Policy: a Global-Model Perspective", *Macroeconomic Dynamics.* (WP No. 1156)

Delle Monache D., I. Petrella and F. Venditti, "Price Dividend Ratio and Long-Run Stock Returns: a Score Driven State Space Model", *Journal of Business & Economic Statistics.*

Del Prete S. and **S. Federico**, "Do Links between Banks Matter for Bilateral Trade? Evidence from Financial Crises", *Review of World Economics.* (WP No. 1217)

Depalo D., "Explaining the Causal Effect of Adherence to Medication on Cholesterol through the Marginal Patient", *Health Economics.*

Depalo D., "The Side Effects on Health of a Recovery Plan in Italy. A Nonparametric Bounding Approach", *Regional Science and Urban Economics.*

De Philipis M. and F. Rossi, "The Parents, Schools and Human Capital Differences across Countries", *Journal of the European Economic Association.*

Di Giacinto V., **G. Micucci** and **A. Tosoni**, "Knowledge Intensive Business Services and Urban Areas: An Analysis of Localization and Productivity on Italian Data", *Annals of Regional Science.* (OP No. 443)

Fidora M., **C. Giordano** and M. Schmitz, "Real Exchange Rate Misalignments in the Euro Area", *Open Economies Review*. (WP No. 1162)

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

Giordano C. and **F. Zollino**, "Long-Run Factor Accumulation and Productivity Trends in Italy", *Journal of Economic Surveys*.

Liberati D. and **M. Loberto**, "Taxation and Housing Markets with Search Frictions", *Journal of Housing Economics.* (WP No. 1105)

Loschiavo D., "Household Debt and Income Inequality: Evidence from Italian Survey Data", *Review of Income and Wealth.* (WP No. 1095)

Mele A., K. Molnár and **S. Santoro**, "On the Perils of Stabilizing Prices when Agents are Learning", *Journal of Monetary Economics*.

Metelli L. and **F. Natoli**, "The International Transmission of US Tax Shocks: A Proxy-SVAR Approach", *IMF Economic Review*. (WP No. 1223)

Selection of Journal articles and books

Mocetti S. and T. Orlando, "Corruption, Workforce Selection and Mismatch in the Public Sector", *European Journal of Political Economy*. (OP No. 402)

Mocetti S., **G. Roma** and E. Rubolino, "Knocking on Parents' Doors: Regulation and Intergenerational Mobility", *Journal of Human Resources*. (WP No. 1182)

Nispi Landi V. and **A. Schiavone**, "The Effectiveness of Capital Controls", *Open Economies Review*. (WP No. 1200)

Pavan G., A. Pozzi and **G. Rovigatti**, "Strategic Entry and Potential Competition: Evidence from Compressed Gas Fuel Retail", *International Journal of Industrial Organization.*

Pereda Fernandez S., "Copula-Based Random Effects Models for Clustered Data", *Journal of Business & Economic Statistics.* (WP No. 1092)

Peydrò P, A. Polo and **E. Sette**, "Monetary Policy at Work: Security and Credit Application Registers Evidence", *Journal of Financial Economics.*

Pietrunti M. and **F. M. Signoretti**, "Unconventional Monetary Policy and Household Debt: the Role of Cash-Flow Effects", *Journal of Macroeconomics.*

Rainone E., "The Network Nature of OTC Interest Rates", *Journal of Financial Markets.* (WP No. 1022)

Sbrana G. and **A. Silvestrini**, "Forecasting with the Damped Trend Model Using the Structural Approach", *International Journal of Economics.*

Stagnaro C, C. Amenta, G. Di Croce and **L. Lavecchia**, "Managing the Liberalization of Italy's Retail Electricity Market: A Policy Proposal", *Energy Policy.*

Vander Donckt M., P. Chan and **A. Silvestrini**, "A New Global Database on Agriculture Investment and Capital Stock", *Food Policy.*

2020

Accetturo A., "Geographical Labor Market Imbalances. Recent Explanations and Cures", *Papers in Regional Science*, v. 95, 2, pp. 437-438.

Accetturo A., A. **Dalmazzo** and **G. de Blasio**, "Spatial Equilibrium in Deviations: An Application to Skill-Premium and Skill-Mix Heterogeneity", *Journal of Regional Science*, v. 59, 4, pp. 615-632.

Alessandri P. and **M. Bottero**, "Bank Lending in Uncertain Times", *European Economic Review*, v. 128. (WP No. 1109)

Antunes A. and **V. Ercolani**, "Public Debt Expansions and the Dynamics of the Household Borrowing Constraint", *Review of Economic Dynamics*, v. 37, pp. 1-32. (WP No. 1268)

Anzuini A., L. Rossi and **P. Tommasino**, "Fiscal Policy Uncertainty and the Business Cycle: Time Series Evidence from Italy", *Journal Journal of Macroeconomics*, v. 65.

Arduini T., E. Patacchini and **E. Rainone**, "Treatment Effects with Heterogeneous Externalities", *Journal of Business & Economic Statistics*, v. 38, 4, pp. 826-838. (WP No. 974)

Arias J., G. Ascari, **N. Branzoli** and E. Castelnuovo, "Innovative Investments, Financial Imperfections, and the Italian Business Cycle", *International Journal of Central Banking*, v. 16, 3, pp. 51-94.

Baltrunaite A., "Political Contributions and Public Procurement: Evidence from Lithuania", *Journal of the European Economic Association*, v. 18, 2, pp. 541-582.

Basso G. and **G. Peri**, "Internal Mobility: The Greater Responsiveness of Foreign-Born to Economic Conditions", *Journal of Economic Perspectives*, v. 34, 3, pp. 77-98.

Bernardini M. and L. Forni, "Private and Public Debt Interlinkages in Bad Times", *Journal of International Money and Finance*, v. 109.

Bragoli D., F. Cortelezzi, G. Marseguerra and **M. Rigon**, "Innovative Investments, Financial Imperfections, and the Italian Business Cycle", *Oxford Economic Papers*, v. 72, 2, pp. 412-434.

Bripi L., **D. Loschiavo** and **D. Revelli**, "Services Trade and Credit Frictions: Evidence with Matched Bank – Firm Data", *The World Economy*, v. 43, 5, pp. 1216-1252. (WP No. 1110)

Coibion O., Y. Gorodnichenko and **T. Ropele**, "Inflation Expectations and Firms' Decisions: New Causal Evidence", *Quarterly Journal of Economics*, v. 135, 1, pp. 165-219. (WP No. 1219)

Corsello F. and **V. Nispi Landi**, "Labor Market and Financial Shocks: a Time-Varying Analysis", *Journal of Money, Credit and Banking*, v. 52, 4, pp. 777-801. (WP No. 1179)

Depalo D. and **S. Pereda Fernandez**, "Consistent Estimates of the Public/Private Wage Gap", *Empirical Economics*, v. 58, 6, pp. 2937-2947.

D'Ignazio A. and **C. Menon**, "The Causal Effect of Credit Guarantees for SMEs: Evidence from Italy", *Scandinavian Journal of Economics*, v. 122, 1, pp. 191-218. (WP No. 900)

Ercolani V. and **F. Natoli**, "Forecasting US Recessions: The Role of Economic Uncertainty ", *Economics Letters*, v. 193. (WP No. 1299)

Gazzani A., "News and Noise Bubbles in the Housing Market", *Review of Economic Dynamics*, v. 36, pp. 46-72.

Giordano R., S. Lanau, **P. Tommasino** and P. Topalova, "Does Public Sector Inefficiency Constrain Firm Productivity? Evidence from Italian Provinces", *International Tax and Public Finance*, v. 27, 4, pp. 1019-1049.

Selection of Journal articles and books

Ladu G., **A. Linarello** and F. Oropallo, “Trade Shocks, Product Mix Adjustment and Productivity Growth in Italian Manufacturing”, *The World Economy*, v. 43, 5, pp. 1434-1451. (OP No. 513)

Mäkinen T., L. Sarno and **G. Zinna**, “Services Risky Bank Guarantees”, *Journal of Financial Economics*, v. 136, 2, pp. 490-522. (WP No. 1232)

Nispi Landi V., “Capital Controls Spillovers”, *European Journal of International Money and Finance*, v. 109. (WP No. 1184)

Rainone E. and F. Vacirca, “Estimating the Money Market Microstructure with Negative and Zero Interest Rates”, *Quantitative Finance*, v. 20, 2, pp. 207-234. (WP No. 1059)

Rizzica L., “Raising Aspirations and Higher Education. Evidence from the UK's Widening Participation Policy”, *Journal of Labor Economics*, v. 38, 1, pp. 183-214. (WP No. 1188)

Santioni R., F. Schiantarelli and P. Strahan, “Internal Capital Markets in Times of Crisis: The Benefit of Group Affiliation”, *Review of Finance*, v. 24, 4, pp. 773-811. (WP No. 1146)

Schiantarelli F., **M. Stacchini** and P. Strahan, “Bank Quality, Judicial Efficiency and Loan Repayment Delays in Italy”, *Journal of Finance*, v. 75, 4, pp. 2139-2178. (WP No. 1072)

Segura A. and J. Zeng, “Off-Balance Sheet Funding, Voluntary Support and Investment Efficiency”, *Journal of Financial Economics*, v. 137, 1, pp. 90-107.

2019

Accetturo A., **M. Cascarano, P. Degasperi** and **F. Modena**, “The Effects of Common Culture and Language on Economic Exchanges: Evidence from Tourist Flows”, *Regional Studies*, v. 53, 11, pp. 1575-1590.

Albanese G., **M. Cioffi** and **P. Tommasino**, “Legislators' Behaviour and Electoral Rules: Evidence from an Italian Reform”, *European Journal of Political Economy*, v. 59, pp. 423-444. (WP No. 1135)

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

Andini C. and **M. Andini**, “Social Capital and Growth: Causal Evidence from Italian Municipalities”, *Journal of Economic Geography*, v. 19, 3, pp. 619-653.

Aprigliano V., **G. Ardizzi** and **L. Monteforte**, “Using the Payment System Data to Forecast the Economic Activity”, *International Journal of Central Banking*, v. 15, 4, pp. 55-80. (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*, v. 15, 4, pp. 1-54.

Baltrunaite A., A. Casarico, P. Profeta and G. Savio, “Let the Voters Choose Women”, *Journal of Public Economics*, v. 180.

Barboni G. and **C. Rossi**, “Does Your Neighbour Know you Better? The Supportive Role of Local Banks in the Financial Crisis”, *Journal of Banking & Finance*, 106, pp. 514-526.

Barone G., **A. D’Alessandro** and **G. de Blasio**, “A Ticket to Ride: Education and Migration from Lagging Areas”, *Papers in Regional Science,* v. 98, 5, pp. 1893-1902.

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*, v. 98, 2, 1195-1213. (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*, v. 15, 5, pp. 175-205. (OP No. 414)

Bartoletto S., B. Chiarini, E. Marzano and **P. Piselli**, “Business Cycles, Credit Cycles and Bank Holdings of Sovereign Bonds: Historical Evidence for Italy 1861-2013”, *Journal of Macroeconomics*, v. 61.

Bassanetti A., C. Cottarelli and A. Presbitero, “Lost and Found: Market Access and Public Debt Dynamics”, *Oxford Economic Papers*, v. 71, 2, pp. 445-471

Basso G., **F. d’Amuri** and G. Peri, “Immigrants, Labor Market Dynamics and Adjustment to Shocks in the Euro Area”, *IMF Economic Review*, v. 67, 3, pp. 528-572. (WP No. 1195)

Batini N., G. Melina and **S. Villa**, “Fiscal Buffers, Private Debt, and Recession: The Good, the Bad and the Ugly”, *Journal of Macroeconomics*, v. 62. (WP No. 1186)

Cappelletti G. and **G. Guazzarotti**, “The Role of Counterparty Risk and Asymmetric Information in the Interbank Market”, *International Journal of Central Banking*, v. 15, 5, pp. 101-135.

Cappelletti G., **G. Guazzarotti** and **P. Tommasino**, “Tax Deferral and Mutual Fund Inflows: Evidence from a Quasi-Natural Experiment”, *Fiscal Studies*, v. 40, 2, pp. 211-237 (WP No. 938)

Cardani R., A. Paccagnini and **S. Villa**, “Forecasting with Instabilities: An Application to DSGE Models with Financial Frictions ”, *Journal of Macroeconomics*, v. 61. (WP No. 1234)

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”, *Regional Science and Urban Economics,* v. 75, pp. 1-21. (WP No. 1112)

Selection of Journal articles and books

Conflitti C. and **M. Luciani**, “Oil Price Pass-Through into Core Inflation”, *Energy Journal*, v. 40, 6, pp. 221-247.

Cova P., P. Pagano and **M. Pisani**, “Domestic and International Effects of the Eurosystem Expanded Asset Purchase Programme: A Structural Model-Based Analysis”, *IMF Economic Review,* v. 67, 2, pp. 315-348 (WP No. 1036)

D’Alessandro A., G. Fella and L. Melosi, “Fiscal Stimulus with Learning-By-Doing”, *Regional International Economic Review,* v.60, 3, pp.1413-1432.

De Matteis P., F. Pietrovito and A. Pozzolo, “Local Context and Exports: an Analysis with a Matched Sample of Firm-Province Data”, *Regional Studies*, v. 53, 4, pp. 550-561.

Delle Monache D. and I. Petrella,“Efficient Matrix Approach for Classical Inference in State Space Models”, *Economics Letters*, v.181, pp. 22-27.

Ercolani V. and J. Valle e Azevedo, “How Can the Government Spending Multiplier be Small at the Zero Lower Bound?”, *Macroeconomic Dynamics*, v. 23, 8, pp. 3457-2482. (WP No. 1174)

Foa G., L. Gambacorta, L. Guiso and **P. E. Mistrulli**, “The Supply Side of Household Finance”, *Review of Financial Studies*, v.32, 10, pp. 3762-3798. (WP No. 1044)

Gambacorta L., **S. Schiaffi** and A. van Rixtel, “Changing Business Models in International Bank Funding”, *Economic Inquiry*, v. 57, 2, pp. 1038-1055.

Gara M., **M. Gianmatteo** and **E. Tosti**, “Magic Mirror in my Hand … How Trade Mirror Statistics Can Help Us Detect Illegal Financial Flows”, *The World Economy*, v. 42, 11, pp. 3120-3147. (OP No. 445)

Mercatanti A., **T. Makinen** and **A. Silvestrini**, “The Role of Financial Factors for European Corporate Investment”, *Journal of International Money and Finance*, v. 96, pp. 246-258. (WP No. 1148)

Miccoli M. and **S. Neri**, “Inflation Surprises and Inflation Expectations in the Euro Area”, *Applied Economics,* v. 51, 6, pp. 651-662 (OP No. 265)

Neri S. and **A. Notarpietro**, “Collateral Constraints, the Zero Lower Bound, and the Debt–Deflation Mechanism ”, *Economics Letters*, v. 174, pp. 144-148 (WP No. 1040)

Neri S. and **T. Ropele**, “Disinflationary Shocks and Inflation Target Uncertainty”, *Economics Letters*, v. 181, pp. 77-80.

Pancrazi R. and **M. Pietrunti**, “Natural Expectations and Home Equity Extraction”, *Journal Journal of Housing Economics*, v. 46, 4. (WP No. 984)

Pihl A. M, and **G. Basso**, “Did California Paid Family Leave Impact Infant Health?”, *Journal of Policy Analysis and Management*, v. 38, 1, pp. 155-180.

Riggi M., “Capital Destruction, Jobless Recoveries, and the Discipline Device Role of Unemployment”, *Macroeconomic Dynamics,* v. 23, 2, pp. 590-624 (WP No. 871)

Sbrana G. and **A. Silvestrini**, “Random Switching Exponential Smoothing: A New Estimation Approach”, *International Journal of Production Economics*, v. 211, pp. 211-220.

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

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

@UfficioStampaBI

The views expressed in the publications, papers, and seminars summarized in this Newsletter are those of the authors and do not necessarily reflect the position of the Bank of Italy.