



CSEF

Center for Studies in Economics and Finance

ACTIVITY REPORT ***2023***

CENTRE FOR STUDIES IN ECONOMICS AND FINANCE
University of Naples "Federico II"
Department of Economics and Statistics
Via Cintia, Monte S. Angelo
80126 NAPLES—ITALY



University of Naples Federico II



University of Salerno



Bocconi University, Milan

Bocconi

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What is CSEF?

The **Centre for Studies in Economics and Finance (CSEF)** is a joint venture of the University of Naples Federico II, the University of Salerno, and Bocconi University. Its premises are at the Department of Economics and Statistics of the University of Naples Federico II.

The Center hosts researchers and doctoral students from other Italian and foreign universities, supporting and stimulating academic research. It is involved in the activities of the **Master in Economics and Finance (MEF)** and of the **PhD in Economics** at the University of Naples Federico II.

The Center is directed by **Tullio Jappelli**. Its administration is entrusted to **Immacolata Diez** and **Stefania Maddaluno**.

News

The year 2023 was rewarding for many of our Fellows.

Giovanni Puopolo was appointed Full Professor, while **Lorenzo Pandolfi**, **Maria Carmela Ceparano** and **Ettore Panetti** were promoted to Associate Professors, respectively in Economics, Mathematical Economics and Finance at the University of Naples Federico II.

The Society for the Advancement of Economic Theory (SAET) elected CSEF Fellow **Maria Gabriella Graziano** as one of its Economic Theory Fellows.

The Governor of the Bank of Italy, Fabio Panetta, awarded the 2023 De Sanctis Prize to CSEF Fellow **Marco Pagano** for his research in economics. Marco also received the Wim Duisenberg Fellowship by the European Central Bank.

In 2023 CSEF welcomed two new hires. **Andrea Ramazzotti** (PhD London School of Economics and Political Science) and **Armando Miano** (PhD Harvard University) were recruited through the 5th edition of the European Job Market for Economists. **Maria Carmela Ceparano** and **Carla Ronza**, respectively Associate and Assistant Professor at the University of Naples Federico II, also joined CSEF.

In 2023 CSEF received two important grants. A team of CSEF fellows coordinated by **Lorenzo Pandolfi**, including **Michele Giannola**, **Tullio Jappelli**, **Monica Langella**, **Roberto Nisticò** and **Valeria Zurla**, was awarded the 1st Research Grant on Education by Unicredit Foundation for the project "Mentoring and Schooling Choices: Experimental Evidence from Italy". Another team of CSEF researchers, led by **Marco Pagano**, and including **Luca Coraggio**, **Tullio Jappelli**, **Monica Langella**, **Armando Miano**, **Marco Stenborg Petterson** and **Annalisa Scognamiglio**, participated in the Consortium of the TRAILS Project, selected for funding by the EU under the HORIZON-CL2-2023-TRANSFORMATIONS Program.

2023 has been a productive year: CSEF Fellows published articles in the *American Economic Review*, *AEA: Applied Economics*, *AEA: Macroeconomics*, *Economic Journal*, *Economic Policy*, *Economic Theory*, *International Economic Review*, *Journal of Development Economics*, *Journal of the European Economic Association*, *Journal of Economics and Management Strategy*, *Journal of Mathematical Economics*, *Journal of Public Economics*, *Management Science*, *Review of Finance*, and *Review of Financial Studies*, among others.

Funding

Research projects carried out at CSEF in 2023 were funded by the University of Naples Federico II, the Compagnia di San Paolo, the Center for Evaluation and Development, The World Bank, the UniCredit Foundation and the European Commission.

**Scientific
Committee**

The CSEF Scientific Committee includes the following members appointed by their respective universities for 3 years:

Alberto Bennardo (University of Salerno)

Carlo Ambrogio Favero (Bocconi University)

Chiara Fumagalli (Bocconi University)

Marco Pagano (University of Naples Federico II)

Anna Maria Menichini (University of Salerno)

Tullio Jappelli (University of Naples Federico II), Director

**How to
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Conferences and Seminars

Conferences

Workshop on Human Capital, Labour Markets and Public Policies The international conference organised by CSEF Fellow **Roberto Nisticò** in collaboration with Prof. Marco Bertoni of the University of Padua, was held on April 20-21, at the Federico II Conference Centre. The event allowed experts and young scholars from different countries to exchange views on labour economics, human capital and public policy issues.

New Advances in Family Economics The workshop, organized by CSEF Fellows **Carla Guerriero** and **Immacolata Marino**, jointly with Laurens Cherchye (KU Leuven), Pierre-André Chiappori (Columbia University), Edoardo Ciscato (KU Leuven), Bram De Rock (KU Leuven), Frederic Vermeulen (KU Leuven), took place at Villa Rufolo, Ravello, on 10 & 11 May. The event was co-sponsored by KU Leuven and the Research Foundation – Flanders (FWO).

Workshop on Networks and Development From 29 to 31 May 2023, CSEF hosted the second edition of the Workshop on Networks and Development at the Complesso dei SS. Marcellino e Festo in Naples. The workshop was co-sponsored by CSEF, LEAP (Bocconi), DIME (World Bank), DiSES, and the University of Naples Federico II, and organized by **Mattea Stein**, **Matteo Bizzarri**, **Michele Giannola**, **Roberto Nisticò** (CSEF and University of Naples Federico II) and Stefano Fiorin (Bocconi). During the two days of the workshop, participants attended 27 paper presentations, keynotes by Oriana Bandiera (LSE) and Imran Rasul (UCL), and two poster sessions.

Conference on Finance, Labor and Inequality CSEF and the *Review of Corporate Finance Studies* (RCFS) jointly organised the Conference on Finance, Labor and Inequality in Anacapri on June 19-20, 2023. The local organizers were **Andrew Ellul**, **Marco Pagano** and **Annalisa Scognamiglio**. The event brought together researchers from financial and labor economics to discuss issues from the viewpoint of both disciplines. The conference was funded by CSEF, the Society for Financial Studies, and the Unicredit & Universities Foundation.

17th CSEF-IGIER Symposium on Economics and Institutions In June 26-30, CSEF and the Innocenzo Gasparini Institute for Economic Research (IGIER Bocconi) held their annual joint Symposium on Economics and Institutions at the Villa Orlandi Conference Centre (Anacapri). The event was organized by CSEF Fellows **Francesco Drago**, **Chiara Fumagalli**, **Ettore Panetti**, **Mattea Stein**, and IGIER Fellows Pierpaolo Battigalli, and Basile Grassi. As the past editions, the Symposium featured three parallel sessions of seminars in the morning, with afternoons devoted to informal workshops and collaborative work. The program included papers in applied economics, macroeconomics, microtheory, and finance. The keynote speakers were Fabrizio Perri (Federal Reserve Bank of Minneapolis), Marina Halac (Yale University), Richard Blundell (University College London and Institute for Fiscal Studies), and Raffaella Sadun (Harvard Business School).

XXXI European Workshop on Economic Theory (EWET 2023) EWET 2023 was organized by the Department of Economics and Statistics of the University of Naples Federico II (DiSES), the Centre for Studies in Economics and Finance (CSEF), and the Associazione per lo Sviluppo di Teoria Economica, Matematica e Applicazioni (ASTEMA). EWET was coordinated by CSEF Fellow **Maria Gabriella Graziano** and was held on July 2-4, at the Federico II Conference Centre. The main lectures were delivered by Bernard Cornet (University of Kansas and Paris School of Economics), David K. Levine (European University Institute), and Emma Moreno-García (Universidad de Salamanca).

12th MoFiR Workshop on Banking The workshop organized by the Money and Finance Research Group (MoFiR), saw national and international experts presenting their research papers on the monetary and credit system, financial stability and regulation. The keynote speaker was Vasso Ioannidou (Bayes Business School (formerly Cass) and CEPR). The event, held on July 6 and 7 at the Federico II Conference Center, was coordinated by CSEF Fellows **Tommaso Oliviero, Ettore Panetti, Alberto Zazzaro**, and Andrea Presbitero (IMF, CEPR e MoFiR) with the financial support of the Associazione Borsisti Marco Fanno, CEPR, CSEF, Department of Economics and Statistics of the University of Naples Federico II, and the Society for Financial Studies.

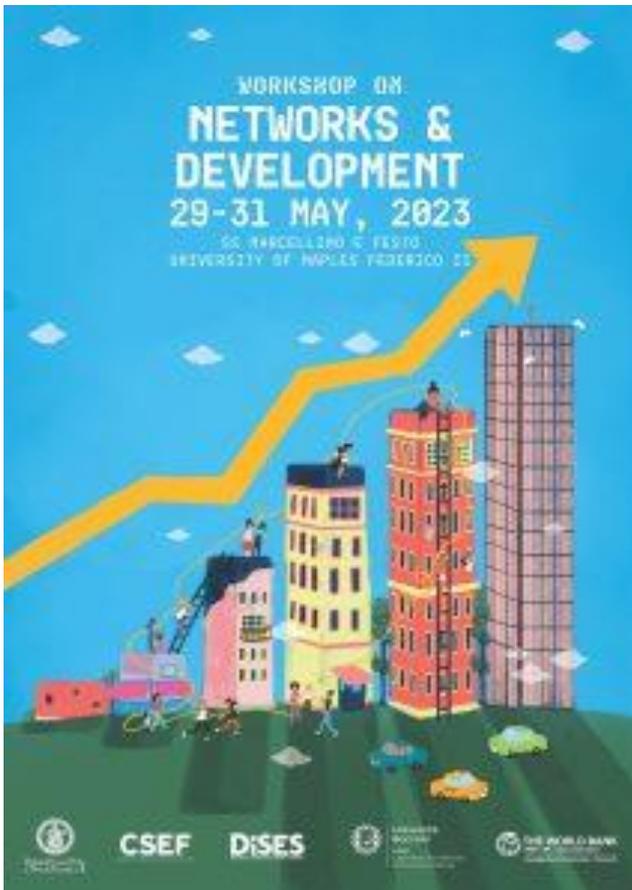
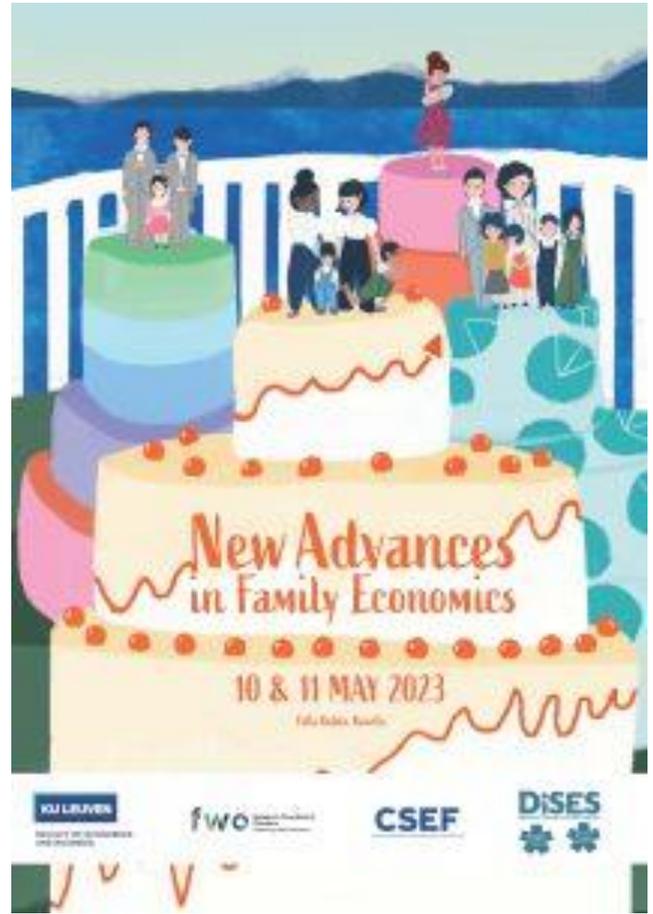
Badolato Labour & Organization Workshop (BLOW) On 13-15 July 2023, Badolato, a medieval village in the South of Italy, hosted the first edition of the workshop organized by the Department of Economics and Statistics of the University of Naples Federico II. The plenary speakers were Sonia Bhalotra (University of Warwick), and Francis Kramarz (CREST). The conference was promoted and coordinated by CSEF Fellows **Roberto Nisticò, Tommaso Oliviero, and Annalisa Scognamiglio**.

2nd Naples School of Economics PhD and Post-Doctoral Workshop The Naples School of Economics of the University of Naples Federico II and CSEF jointly organized the 2nd Economics Workshop for Ph.D. and Post-Doctoral Researchers. The papers were collected and selected by local PhD students and postdocs. The workshop was held at the University of Naples Federico II on 21 and 22 September 2023. The keynote speakers were Irene Monasterolo (Utrecht University) and Matteo Paradisi (Einaudi Institute for Economics and Finance).

Workshop on Households' Sustainability The workshop was held at the Federico II Conference Centre on 26-27 October 2023. The event was organized within the multi-disciplinary GRINS project (Growing Resilient, INclusive and Sustainable) financed by the European Commission through the Next Generation EU program. The Spoke 3 on Households' Sustainability, led by the University of Naples Federico II, is coordinated by CSEF Director **Tullio Jappelli**.

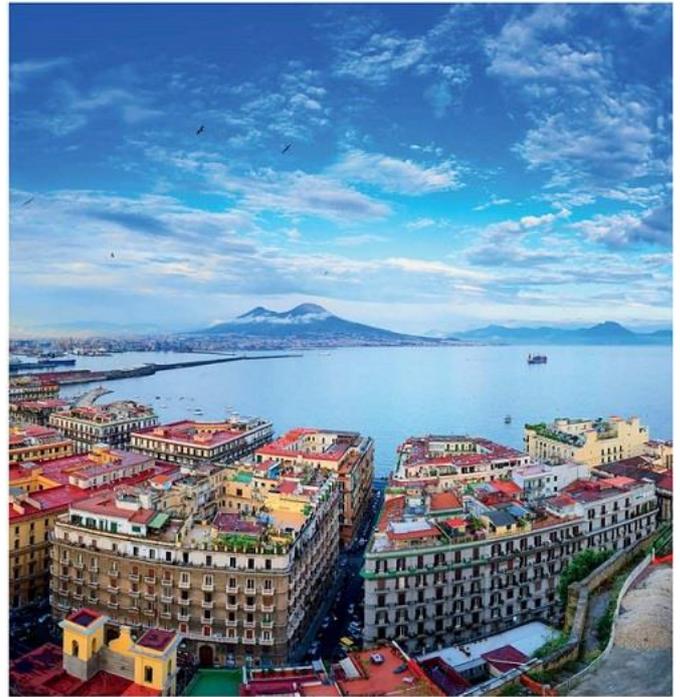


Workshop on
 “Human Capital, Labour Markets and Public Policies”
 Napoli, 20-21 April 2023
 Centro Congressi Federico II
 Via Parthenope 36, Napoli

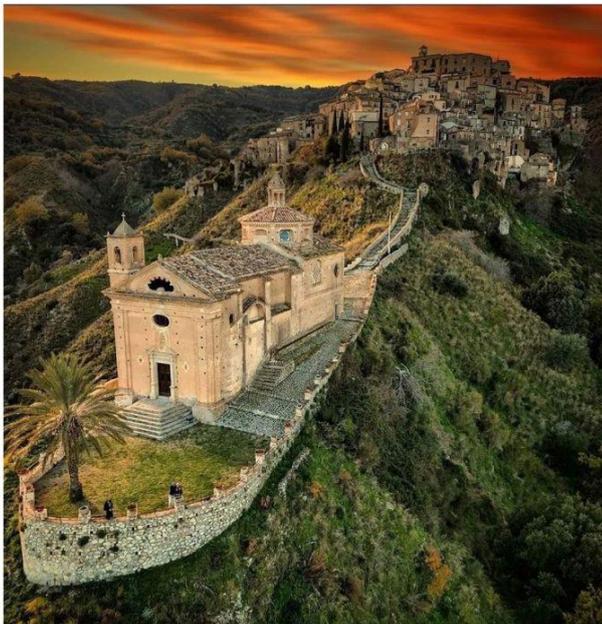


XXXI European Workshop on Economic Theory

EWET 2023
Naples
July 2-4



Naples School of Economics
2nd PhD and Post-Docs Workshop, 21 & 22 September 2023
University of Naples Federico II - Complesso di Monte Sant'Angelo
Via Cintia, 26 - Napoli



Badolato Labour & Organization Workshop (BLOW)

13-15 July 2023



Workshop on Households' Sustainability

Napoli, 26-27 October 2023
Centro Congressi Federico II - Via Partenope 36



Seminars

In 2023 CSEF hosted two weekly academic presentations by invited speakers and resident researchers. Moreover, as part of the 5th European Job Market, CSEF and the Department of Economics and Statistics invited very promising young job market candidates to present their research papers in January and February 2023, after selecting them through a very competitive process.

January

Armando Miano (Harvard University), *Search Costs, Outside Options, and On-the-Job Search* – **JM seminar**

Andrea Ramazzotti (London School of Economics and Political Science), *Wage Setting and School Enrollment: The Influence of Collective Agreements on Human Capital Accumulation in Italy, 1960s-1980s* – **JM seminar**

Enrico Miglino (University College London), *Parliamentary pensions and government stability. Can economic incentives 'transform' MPs' votes?* – **JM seminar**

Cosimo Petracchi (Brown University), *Exchange-Rate Regimes and Exporter-Importers* – **JM seminar**

Victor Augias (Sciences Po), *Non-Market Allocation Mechanisms: Optimal Design and Investment Incentives* (joint with Eduardo Perez-Richet) – **JM seminar**

Martina Uccioli (MIT), *What Works for Working Mothers? A Regular Schedule Lowers the Child Penalty* (joint with Ludovica Ciasullo)

Sophie Kreutzkamp (University of Bonn), *Endogenous Information Acquisition in Cheap-Talk Games* – **JM seminar**

Giulia Vattuone (University of Warwick), *Worker Sorting and the Gender Wage Gap*

Federico Puglisi (Northwestern University), *State-Dependent Pass-through from Monetary Policy to Lending Rates* – **JM seminar**

Jingni Yang (Australian National University), *Giving According to Agreement* (joint with Jan Heufer, Paul van Bruggen) – **JM seminar**

Cristiano Mantovani (UPF), *Hours-Biased Technological Change* – **JM seminar**

Elena Ashtari Tafti (University College London), *Technology, Skills, and Performance: The Case of Robots in Surgery* – **JM seminar**

Mattia Colombo (University of Mannheim), *Board Connections and Competition in Airline Markets* – **JM seminar**

February

Valerio Pieroni (Universitat Autònoma de Barcelona), *Wealth Distribution and Monetary Policy* – **JM seminar**

Francesco Mazzola (Rotterdam School of Management - Erasmus University), *Helping Electronic Foreclosures* – **JM seminar**

Karolina Vocke (University of Innsbruck), *Anonymity and stability* – **JM seminar**

Maria Ptashkina (Universitat Pompeu Fabra), *Revisiting the Effects of Preferential Trade Agreements* – **JM seminar**

Andrea Attar (Toulouse School of Economics & Tor Vergata University of Rome), *Keeping the Agents in the Dark: Private Disclosures in Competing Mechanisms* (Joint with Eloisa Campioni, Thomas Mariotti, Alessandro Pavan)

March

Pawel Bukowski (University College London & London School of Economics), *Wealth Inequality and Ethnic Conflict: The Extreme Right Among German Bohemians*

Emmanuel Caiazzo (University of Naples Federico II), *Bank Diversity and Financial Contagion*

Claudio Mezzetti (University of Queensland), *Manipulative Disclosure*

Matteo Bizzarri (University of Naples Federico II and CSEF), *Common Ownership in Production Networks* (joint with Fernando Vega-Redondo)

Tore Ellingsen (Stockholm School of Economics), *A Model of Social Duties*

Elia Sartori (University of Naples Federico II and CSEF), *Using Prediction Models to Design Tax Audit Policies: Incentives Vs Targeting* (joint with Matteo Paradisi and Luca Miani)

Abhijeet Singh (Stockholm School of Economics), *The incidence of affirmative action: Evidence from quotas in private schools in India* (joint with Mauricio Romero)

April

Isabelle Mejean (Sciences Po), *Energy cost pass-through and the rise of inflation* (joint with Raphaël Lafrogne-Joussier and Julien Martin)

Alessandro Tarozzi (European University Institute), *The Rise and Fall of SES Gradients in Heights around the World* (joint with Elisabetta Aurino, Adriana Lleras-Muney, Brendan Tinoco)

Federico Rossi (University of Warwick), *Skill Supply and the Organization of Production*

Mattea Stein (University of Naples Federico II and CSEF), *Using third-party data to improve tax compliance in a context of low enforcement capacity* (joint with Léo Czajka, Florence Kondylis and Bassirou Sarr)

Daniel Gottlieb (London School of Economics and Political Science), *Quality is in the Market Power and Insurance Coverage*

May

Michele Polo (Bocconi University), *Acquisitions, innovation and the entrenchment of monopoly* (joint with Vincenzo Denicolò)

Carla Guerriero (University of Naples Federico II and CSEF), *Choice and Rationality in Children* (joint with Daniele Cagliari, Valentino Dardanoni, Paola Manzini, Marco Mariotti)

Mike Burkart (London School of Economics and Political Science), *The Evolution of the Market for Corporate Control* (joint with Samuel Lee and Paul Voss)

Niccolò Lomys (University of Naples Federico II and CSEF), *Robust Identification and Estimation in Repeated Games* (joint with Cristina Gualdani and Lorenzo Magnolfi)

Massimo Marinacci (Bocconi University), *Decision Making under Model Misspecification*

Francesc Dilmé (University of Bonn), *Lexicographic Numbers in Extensive Form Games*

Lucia Corno (Cattolica University), *Norm Replacement and Information. A Field Experiment on Ending Female Genital Cutting* (joint with E. La Ferrara)

Ali Moghaddasi Kelishomi (Loughborough Business School), *Sorting, Inequality and Redistributive Taxation* (joint with Teng Ge)

Fabrizio Panebianco (Cattolica University of Milan), *From chance to choice. The economics of human enhancement* (joint with Giovanni Immordino)

Matteo Paradisi (Einaudi Institute for Economics and Finance - EIEF), *Audit rule disclosure and tax compliance* (joint with E. Di Gregorio and E. Sartori)

Chiara Aina (University of Zurich), *Tailored Stories*

September

Maarten de Ridder (London School of Economics and Political Science), *Lost in Transition: Financial Barriers to Green Innovation*

Francesca Trivellato (Institute for Advanced Study), *Limited Liability Between Theory and History: Evidence from Tuscany, 1450-1800*

October

Artashes Karapeytan (ESSEC Business School), *The Credit Reallocation Channel of Covered Interest Parity Deviations* (joint with Filippo Ippolito, Ragnar Juelsrud, Jose Luis Peydro, Olav Syrstad)

Elia Sartori (University of Naples Federico II and CSEF), *The Noise is in the Mind: Existence of Trading Equilibria with Transparent Prices* (joint with Franz Ostrizek)

Libertad González (Universitat Pompeu Fabra), *Does Paternity Leave Promote Gender Equality within Households?* (joint with Hosny Zoabi)

Pietro Salmaso (University of Naples Federico II), *Dynamic One-Sided Matching*

Seppo Honkapohja (Aalto University School of Business), *On robustness of average inflation targeting* (joint with Nigel McClung)

Mario F. Carillo (University of Naples Federico II and CSEF), *Populism and Complexity* (joint with Dana Foarta and Maria Petrova)

Virginia Minni (Institute for Fiscal Studies), *Meaning at work* (joint with Nava Ashraf, Oriana Bandiera and Luigi Zingales)

Catherine Casamatta (Toulouse School of Economics), *Lending and monitoring: Big Tech vs Banks* (joint with Matthieu Bouvard and Rui Xiong)

Agnese Leonello (European Central Bank), *CBDC and financial stability* (joint with T. Ahnert, P. Hoffmann and D. Porcellacchia)

Deniz Kattwinkel (University College London) *Optimal Decision Mechanisms for Juries: Acquitting the Guilty* (joint with Alexander Winter)

Eirik Gaard Kristiansen (Norwegian School of Economics) *An Efficiency Wage Model that Fits Data* (joint with Tore Ellingsen)

Marta Prato (Bocconi University) *Career Choice of Entrepreneurs and the Rise of Smart Firms* (joint with Ufuk Akcigit, Harun Alp, and Jeremy Pearce)

Shaowei Ke (China Europe International Business School - CEIBS) *Decision Making Under Multidimensional Uncertainty*

Alexia Delfino (Bocconi University) *Learning to see the world's opportunities: memory, mental experiencing, and the economic lives of the vulnerable* (joint with Nava Ashraf, Gharad Bryan, Emily Holmes, Leonardo Iacovone, Christian Meyer and Ashley Pople)

Ernst-Ludwig von Thadden (University of Mannheim) *Fiscal Policy and the Balance Sheet of the Private Sector* (joint with Hans Gersbach, Jean-Charles Rochet)

Giuseppe Sorrenti (University of Amsterdam) *Talent is everywhere, opportunity is not: Online role model mentoring and students' aspirations* (joint with Pietro Biroli, Amalia Di Girolamo, and Maddalena Totarelli)

Massimo Pulejo (University of Milan) *Attacking Women or their Policies? Understanding Violence Against Women in Politics* (joint with Gianmarco Daniele and Gemma Dipoppa)

November

ANTONIO ACCONCIA is Professor of Economics at the University of Naples Federico II. Recent publications include "Public Subsidies and Cooperation in R&D. Evidence from the Lab" (with S. Beraldo, C. Capuano, M. Stimolo), *The B.E. Journal of Economic Analysis & Policy* (2023); "The Response of Taxpayer Compliance to the Large Shock of Italian Unification" (with M. D'Amato, R. Martina, and M. Ratto), *European Journal of Political Economy* (2022); "Economics and Mafias", *Universities in the Fight against Mafias* (2022, D'Alfonso and Manfredi, editors); "Liquidity and Consumption: Evidence from Three Post-earthquake Reconstruction Programs in Italy" (with G. Corsetti and S. Simonelli) *American Economic Journal: Macroeconomics* (2020). He is currently working on "The Effects of Local Demand and Supply Restrictions on Markups" (with E. Scarinzi), "Firms' Capital Structure and Employment in the Aftermath of the 2008 Financial Crisis" (with D. Fabbri and A.M.C. Menichini), "The Stability Effects of Elected Women: Gender or Seniority?" (with C. Ronza); "Consumption and Liquidity Shocks" (with S. Chinetti and T. Jappelli).

CARLO ALTAVILLA is the Head of Monetary Analysis Division at the European Central Bank (Frankfurt) and a CEPR Research Fellow. His research interests span monetary policy, banking, capital markets, applied time series and financial econometrics. In 2022 he published "Is there a zero lower bound? The real effects of negative interest rates" (with Burlon L., Holton S., Giannetti M) in the *Journal of Financial Economics*. He also produced two new working papers: "Money Markets and bank Lending: Evidence from the Adoption of Tiering," jointly with M. Boucinha, L. Burlon, M. Giannetti and J. Schumacher, and "Supply or Demand: What Drives Fluctuations in the Bank Loan Market?", jointly with M. Boucinha and P. Bouscasse.

LUCA ANDERLINI is Professor of Economics at Georgetown University and Professor of Economics at the University of Naples Federico II. He has previously held permanent positions at the University of Cambridge and the University of Southampton, as well as visiting positions at Harvard, Yale, Penn and the London School of Economics. He is currently working on herding and the flow of information through networks and on the non-cooperative foundations of mechanisms of contract enforcement.

GIOVANNI ANDREOTTOLA is Assistant Professor of Economics at the Johannes Kepler University of Linz and a fellow at CSEF. He received a PhD in Economics from the European University Institute. His research focuses on game-theoretical models to investigate how electoral institutions and informational frictions contribute to shape policymaking in democracies. Recent working papers include "Scandals, Media Competition and Political Accountability" (R&R at *Journal of Politics*), "Simplistic Rhetoric and Poe's Law" (joint with CSEF fellow Elia Sartori) and "Legislative Hostage-Taking" (with Barton Lee from ETH Zurich). His paper "Polarization and Policy Design" is forthcoming at the *Journal of Political Economy Microeconomics*.

ALBERTO BENNARDO is Professor of Economics at the University of Salerno. His research focuses on microeconomics, organizational economics and financial economics. His articles "Multiple-Bank Lending, Creditor Rights and Information Sharing", joint with M. Pagano and S. Piccolo, and "Competitive markets with endogenous health risks", joint with S. Piccolo, were published in the *Review of Finance* and the *Journal of the European Economic Association*, respectively. He is currently working on private and social incentives to invest in information gathering and communication skills either before or after entering a principal-agent relationship, and task assignments and institutional design, in models with multi-dimensional moral hazard, where agents acquire information affecting the precision of the signals used for compensation purposes.

SERGIO BERALDO is Associate Professor of Economics at the University of Napoli Federico II. He investigates issues in the domain of public and behavioural economics. In 2023 he published: "Patient Migration as a Response to the Regulation of sub-national Health-care Budgets" (with Collaro M and Marino I.) in *Regional Studies*; 'Public Subsidies and Cooperation in Research and Development. Evidence from the Lab' (with A. Acconcia, C. Capuano, M. Stimolo), in *The B.E. Journal of Economic Analysis and Policy*; Equality

of Opportunity in Health Care (with Abatemarco A. and Collaro M.), in Sardoč, M. (Eds) *Handbook of Equality of Opportunity*, Springer

- MATTEO BIZZARRI** is a Post-doctoral Fellow at the University of Naples Federico II. He holds a PhD in Economics from Bocconi University. His interests are in economic theory and the economics of networks. He is currently working on “Supply and demand function equilibrium: trade in a network of superstar firms”, on how production networks impact market power, “Third party interest, resource value, and the probability of conflict” (with G. Battiston and R. Franceschin), on how intervention by powerful third parties changes the classic resource curse, and on “Learning, over-reaction, and the wisdom of the crowds” (with D. d’Arienzo), on how over-reaction to information might be welfare improving in financial markets under asymmetric information.
- EMILIO CALVANO** is Professor of Economics at the University LUISS Guido Carli in Rome, and associate faculty member at the Toulouse School of Economics. He earned his PhD from the University of Toulouse. At present, he leads an ERC-funded project that investigates the influence of intelligent algorithms on various aspects of the retail market, including pricing, social media and product recommendations. His recent collaborative work with G. Calzolari, S. Pastorello and V. Denicolò is centered on the application of machine-learning techniques to pricing algorithms in the online realm.
- SALVATORE CAPASSO** is Professor of Economics at the University of Naples Parthenope and Director of the Department of Human and Social Sciences of the National Research Council of Italy. He is on the board of directors of the Neapolitan National Museum and has the scientific responsibility of many large research projects involving CNR and other governmental and research institutions. His research is in the fields of development economics, contract theory, monetary economics and theory of financial intermediation. He has also a solid expertise on the Economics of integration and the Economics of Mediterranean countries. His latest research focuses on the relationship between crime, corruption and growth and on the role of the underground economy in economic development.
- MARIO CARILLO** is a researcher at the University of Naples Federico II. He holds a PhD in Economics from Brown University. His research interests are in the fields of economic growth and development, and political economy. He recently published "Fascistville: Mussolini's New Towns and the Persistence of Neo-Fascism" in the *Journal of Economic Growth* and "Pandemics and Regional Economic Growth: Evidence from the Great Influenza in Italy" (joint with Tullio Jappelli) in the *European Review of Economic History*.
- MILENA CEPARANO** is Associate Professor of Mathematical Economics at the University of Naples Federico II. Her research focuses on mathematical methods for game theory and economics. In 2023 she published “Affine relaxations of the best response algorithm: global convergence in ratio-bounded games” (with F. Caruso and J. Morgan) in the *SIAM Journal on Optimization*, “Asymptotic behavior of subgame perfect Nash equilibria in Stackelberg games” in *Annals of Operations Research*, and “Bilevel Nash equilibrium problems: numerical approximation via direct-search methods” (with F. Caruso and J. Morgan) in *Dynamic Games and Applications*.
- DIMITRIS CHRISTELIS** is a Professor of Economics and Head of the Economics Subject at the Adam Smith Business School, University of Glasgow. His research interests include empirical macroeconomics, household finance, microeconometrics, and health economics. In 2023 he has worked on households’ risky financial investment following a wealth shock (with D. Georgarakos, T. Jappelli, and G. Kenny), the partial identification of causal effects in the presence of sample selection (with J. Messina), the estimation of the causal effect of attending a selective college on subsequent obesity (with G. Brunello, A. Sanz-de-Galdeano and A. Terskaya), and the estimation of the causal effect of wearing a mask on the probability of infection from COVID-19 (with L. I. Dobrescu and A. Sanz-de-Galdeano).
- LUCA CORAGGIO** is a Post-doctoral Fellow at the University of Naples Federico II, from which he received a PhD in Economics. His research interests are in statistics and machine learning methods, with applications to economics. Currently, his research focuses on validation and selection in cluster analysis (see L. Coraggio and P. Coretto (2023) “Selecting the number of clusters, clustering models, and algorithms. A unifying approach based on the quadratic discriminant score” *Journal of Multivariate Analysis*, vol. 196), and on supervised learning for employer-employee matched data, studying (mis)allocation of

workers to jobs, and links with firms' productivity (see his working paper: "JAQ of All Trades: Job Mismatch, Firm Productivity and Managerial Quality", joint with M. Pagano, A. Scognamiglio, and J. Tag).

ANNA D'ANNUNZIO is an Associate Professor at Toulouse Business School. She holds a PhD in Economics from the Toulouse School of Economics. Her research focuses on industrial organization and public economics, with main applications to digital and health markets. She has recently published "Intermediaries in the Online Advertising Market" (with A. Russo) in *Marketing Science*. She is currently working on several projects: "Ad Valorem Taxation in a Multiproduct Monopoly" (with A. Russo), "Platform Transaction Taxes and Freemium Pricing" (with A. Russo), "Health data and investments" (with C. Canta and Y. Lefouilli), "Vertical Integration, Advertising Intermediaries and Digital Content Quality" (with A. Russo and S. Shekhar). She is leading the project "Telemedicine and precision medicine: the role of data in healthcare innovation", which received in 2021 a grant from the Agence Nationale de la Recherche (France). She is co-editor of *Information Economics and Policy*.

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MICHELE GIANNOLA is an Assistant Professor at the University of Naples Federico II, and a Research Associate at the Institute for Fiscal Studies. He received his PhD in Economics from University College London in 2021. Michele's research interests are in the fields of the economics of education, household economics and development economics. In 2023 he published "Parental Investments and Intra-household Inequality in Child Human Capital: Evidence from a Survey Experiment" in the *Economic Journal* and "Helping Struggling Students and Benefiting All: Peer Effects in Primary Education" in the *Journal of Public Economics* (with S. Berlinski and M. Busso). In 2022, Michele was awarded the Etta Chiuri prize by the Società Italiana di Economia Pubblica for an outstanding paper written by an author under the age of forty. In 2023, he was also awarded the first Research Grant on Education by Unicredit Foundation for the project "Mentoring and Schooling Choices: Experimental Evidence from Italy" (with T. Jappelli, M. Langella, R. Nisticò, L. Pandolfi, and V. Zurla), and the Jacobs Foundation Seed Funds Grant for the project "Understanding Motivational Variability in Online Learning Platforms" (with A. Hofman and J. Leonard). Michele is currently working on several other research projects including "The Effects of Center-Based Early Education on Disadvantaged Children's Developmental Trajectories: Experimental Evidence from Colombia" and "The Joint Role of School and Home Inputs in Children's Learning".

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CARLA GUERRIERO is Associate Professor at the University of Naples Federico II. Her research interests are in the fields of family economics, health, and environmental economics. In 2023, she was awarded two grants, "Sustainable Families" as PI (PRIN 2022) and "The Value of Scientific Production for Patient Care in Academic Health Science Centers" (PRIN PNRR). She is currently working on several research projects: "Rationality and attention in children" (joint with D. Calìari, V. Dardanoni, P. Manzini, and M. Mariotti), "Matching and Human Capital" (joint with E. Ciscato and P.A. Chiappori), "The role of free allowances and free allowances within the EU ETS framework" (joint with A. Pacelli).

GIOVANNI IMMORDINO is Professor of Political Economy at the University of Naples Federico II and Associate Editor of the *International Review of Law and Economics*. He holds a PhD in Economics from the University of Toulouse. In 2023 the following papers were published or accepted for publication: "Optimal sanctions for imperfect rules", (with P. Buccirossi), *American Law and Economic Review*; "Preference-based hiring decisions and incentives", (with F. Gioia), *Journal of the Economic Science Association*; "Consumption and Income Expectations during Covid-19", (with T. Jappelli, T. Oliviero), *Review of Economics of the Household*.

TULLIO JAPPELLI is Director of CSEF for 2022-24, Professor of Economics at the University of Naples Federico II. He is also a Research Fellow of CEPR and of the Center of Financial Studies (CFS, Frankfurt), Fellow of the European Economic Association, and Regular Research Visitor at the European Central Bank. Currently, he coordinates the Italian team of the Deaton Review, an international comparison project of inequalities in the labor market led by the Institute of Fiscal Studies in London, and Spoke 3 on "Households' sustainability" of the PNRR project GRINS (Growing resilient, inclusive, and sustainable) financed by the EU. In 2023 he published "Consumption and income expectations during Covid-19 (with G. Immordino and T. Oliviero) in the *Review of Economics of the Household*. The paper "Permanent income shocks, target wealth and the wealth gap" (with L. Pistaferri) is forthcoming in the *American Economic Journal: Macroeconomics*. Currently, he is revising the following papers: "The labor supply effect of windfall gains"; "Wealth shocks and portfolio choice"; "The Covid-19 crisis and consumption: survey evidence from six EU countries"; "Consumption and liquidity shocks".

FRANCESCO LANCIA is Associate Professor of Economics at Ca' Foscari University of Venice and a CEPR Research Affiliate. His main fields of research are macroeconomics and political economy. His work "Intergenerational Insurance" (with A. Russo and T. Worrall) is forthcoming in the *Journal of Political Economy*. He is currently working on "Sustainable Pensions" (with A. Russo and T. Worrall) and "On the Effectiveness of Gendering Politics" (with A. Dimico and A. Russo).

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NICCOLÒ LOMYS is a Research Fellow at the Department of Economics and Statistics of the University of Naples Federico II and a CSEF Fellow since September 2022. He holds a Ph.D. in Economics from the University of Mannheim. Previously, Niccolò was a researcher at the Simons Institute for the Theory of Computing (UC Berkeley) and the Toulouse School of Economics. His research interests are Economic Theory, Game Theory, Economics and Computation, and the Econometrics of Games. He is currently working on several projects. The following papers focus on microeconomic theory: "A Mediator Approach to Mechanism Design with Limited Commitment" (with T. Yamashita), "Learning while Bargaining: Experimentation and Coasean Dynamics", "Collective Search in Networks", and "Information Design with Optimal Frame Choice" (with Y. Evsyukova and F. Innocenti). The following papers instead focus on the econometrics of games: "Estimation of Games under No Regret" (with L. Magnolfi), "Robust Identification and Estimation in Repeated Games" (with A. Cozzolino, C. Galdani and L. Magnolfi), and "Identification in Search Models with Social Information" (with E. Tarantino). Niccolò also has an experimental paper, "Why Don't You Take a Leaf Out of Her Book? An Experiment on Social Search" (with M. Bigoni, M. Boldrini, and E. Tarantino). In 2022, he published an earlier version of the paper "A Mediator Approach to Mechanism Design with Limited Commitment" (with T. Yamashita) in the *Proceedings of the 23rd ACM Conference on Economics and Computation: EC 2022*. In 2023, he published an earlier

version of the paper "Collective Search in Networks" in the *Proceedings of the 19th Conference on Web and Internet Economics: WINE 2023*.

- IMMACOLATA MARINO** is Senior Assistant Professor of Economics at the University of Naples Federico II. She is an applied microeconomist with research interests in the fields of public economics/public policy, household finance and empirical banking. She is currently working on "How do Banks Respond to Non Performing Loans?" (with B. Bruno), "Inequality Trends in a Slow-Growing Economy: Italy 1990-2020" (with D. Checchi, T. Jappelli, and A. Scognamiglio), "Patient migration for adequate cancer treatments. An analysis of the geographical mobility within the Italian National Health System" (with S. Beraldo, M. Collaro, A. D'Ambrosio, and J. Pratschke). In 2023 she published "Patient Migration as a Response to the Regulation of sub-national Health-care Budgets" (with S. Beraldo, and M. Collaro) in *Regional Studies*, and "Internal Ratings and Bank Opacity: Evidence from Analysts' Forecasts" (with B. Bruno, and G. Nocera) in the *Journal of Financial Intermediation*, and completed the report "Inequality in Italy: 1980- 2020" for the international IFS Deaton Review project "Country Studies: Inequalities in Europe and North America".
- RICCARDO MARTINA** is Professor of Economics at the University of Naples Federico II. His research is in the areas of industrial organization and public economics and currently his work focuses on the strategic role of incentive contracts in oligopolistic markets, patent protection and the long run determinants of tax evasion in Italy. His paper "The Response of Taxpayer Compliance to the Large Shock of Italian Unification" (with A. Acconcia, M. D'Amato and M. Ratto) is forthcoming in the *European Journal of Political Economy*.
- DANIELE MASSACCI** is Associate Professor of Econometrics at the University of Naples Federico II. He holds a PhD from the University of Cambridge. His research is in the areas of asset pricing, financial econometrics, high dimensional statistics and machine learning. He is currently working on methodological projects related to large dimensional factor models, machine learning in asset pricing, and the detection of structural breaks in asset returns. On the empirical side, he is investigating the dynamics of FX returns and the cross-sectional dispersion of crypto risk premia.
- ANNAMARIA MENICHINI** is Professor of Economics at the University of Salerno. Her research spans corporate finance, corporate governance, microeconomics and behavioural economics. She is currently working on the determinants of the firm's reliance on leasing vs. secured lending (with M.G. Romano), the relationship between firms' financing and operating choices (with A. Acconcia and D. Fabbri), the benefits of separation versus conglomeration in loan contracts (with P. Simmons), and the determinants of relationship lending versus arm's length debt (with M. Burkart and D. Fabbri). In 2023 she completed the papers "Firms' Capital Structure and Employment in the Aftermath of the 2008-9 Financial Crisis (with A. Acconcia and D. Fabbri), and "Optimal multiple loan contracting under sequential audits and contagion losses" (with P. Simmons).
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- JACQUELINE MORGAN** is a former Professor of Game Theory at the University of Naples Federico II. She is currently working on algorithms for Nash and Subgame Perfect Nash equilibria in continuous games and on existence of solutions and regularizations for multi-leader-multi-follower games. Recent publications include: "Affine Relaxations of the Best Response Algorithm: Global Convergence in Ratio-Bounded Games" (with F. Caruso and M.C. Ceparano) in *SIAM Journal on Optimization*, 2023; "Asymptotic Behavior of Subgame Perfect Nash Equilibria in Stackelberg Games" (with F. Caruso and M.C. Ceparano) in *Annals of Operations Research*, 2023; "Bilevel Nash Equilibrium Problems: Numerical Approximation Via Direct-Search Methods" (with F. Caruso and M.C. Ceparano) in *Dynamic Games and Applications*, 2023; "Multi-Leader-Common-Follower

Games with Pessimistic Leaders: Approximate and Viscosity Solutions" (with M.B. Lignola) CSEF No.639, forthcoming in *Minimax Theory and its Applications*, 2024.

ROBERTO NISTICÒ is Associate Professor of Economics at the University of Naples Federico II. He holds a PhD in Economics from the University of Essex. His research spans the fields of development, labor and political economics. In 2023, he published "Mothers at peace: International peacebuilding and post-conflict fertility (with Vincenzo Bove, Jessica Di Salvatore and Leandro Elia), in *Journal of Development Economics*, "Economic Sanctions and Trade Flows in the Neighborhood" (with Vincenzo Bove and Jessica Di Salvatore) in *The Journal of Law and Economics*, "Opium price shocks and prescription opioids in the US" (with C. Deiana and L. Giua), in *Oxford Bulletin of Economics and Statistics* and "Ordinal rank and the structure of ability peer effects" (with Marco Bertoni) in *Journal of Public Economics*. He also produced the CSEF Working Paper n. 684 "Employment Protection, Job Insecurity, and Job Mobility" (with Marco Bertoni and Simone Chinetti), the IZA Discussion Paper n. 16589 "Economic Sanctions and Informal Employment" (with A. Moghaddasi Kelishomi) and the WorkINPS Paper n. 74 "Workplace peer effects in fertility decisions" (with M. De Paola and V. Scoppa). He was awarded the PRIN Research Grant for the project "STEP BY STEP: Educational stages, choices, achievement and long-run outcomes" (with M. Bertoni, L. Cappellari and V. Scoppa) and the UniCredit Foundation 1st Education Research Grant for the project "Mentoring and Schooling Choices: Experimental Evidence from Italy" (with M. Giannola, T. Jappelli, M. Langella, L. Pandolfi and V. Zurla). He is currently working on "Guaranteed minimum income and fertility" (with G. D'Achille, M. De Paola and P. Tridico), Recorded Workplace Accidents and Alternative but Formal Work Arrangements (with G. Mastrobuoni and F. Passerini) and "The effects of tenure-track systems on selection, productivity and fertility in Economics" (with M. Nieddu and L. Pandolfi)

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MARCO PAGANO is Professor of Finance at the University of Naples Federico II and Fellow of the CSEF, EIEF, ECGI, CEPR and CFS. In 2023 he was Wim Duisenberg Fellow at the European Central Bank, became a member of the Academia Europaea, and received the Premio De Sanctis per le Scienze Economiche. His article "Local Crowding Out in China" (with Yi Huang and Ugo Panizza), published on the *Journal of Finance*, received the 2023 Pu Shan Award for Distinguished Paper on World Economics, and his article "Advertising Arbitrage" (with Sergei Kovbasyuk) was awarded the IQAM Runner-up Award for the best investment paper published in the *Review of Finance*. In 2023 he published two articles: "Disaster Resilience and Asset Prices" (with C. Wagner and J. Zechner), *Journal of Financial Economics*, also featured in *The Economist*, and "Talent Discovery, Layoff Risk and Unemployment Insurance" (with L. Picariello), *European Economic Review*. He also produced the 2nd edition of the book *Market Liquidity: Theory, Evidence and Policy* (joint with T. Foucault and A. Roell), published by *Oxford University Press*. He worked on three new papers: "Climate Risk, Bank Lending and Monetary Policy" (with C. Altavilla, M. Boucinha and A. Polo), CSEF Working Paper No. 687, "A European Climate Bond" (with I. Monasterolo, A. Pacelli and C. Russo) and "Careers and Wages in Family Firms: Evidence from Administrative Data" (with E. Di Porto, V. Pezone, R. Saggio e F. Schivardi). Finally, he revised the following working papers: "Loan Guarantees, Bank Lending and Credit Risk Substitution" (with C. Altavilla, A. Ellul, A. Polo and T. Vlassopoulos), CSEF Working Paper No. 629, "The Geography of Investor Attention"

(with S. Mengoli and P. Pattitoni), CSEF Working Paper No. 630, accepted for publication by the *Review of Corporate Finance Studies*, “JAQ of All Trades: Job Mismatch, Firm Productivity and Managerial Quality” (with L. Coraggio, A. Scognamiglio and J. I. Tåg), CSEF Working Paper No. 641, and “Corporate Governance, Favoritism and Careers” (with L. Picariello), CSEF Working Paper No. 643.

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LORENZO PANDOLFI is Associate Professor of Economics at the University of Naples Federico II. He holds a PhD in Economics and Finance from Pompeu Fabra University (Barcelona). His research focuses on international economics, financial economics, and applied microeconometrics. Recently, he published “Bail-in and Bailout: Friends or Foes?” in *Management Science* and “The Effectiveness of Promotion Incentives for Public Employees: Evidence from Italian Academia” (with M. Nieddu) in *Economic Policy*. In 2023 he was awarded as PI a PRIN Grant for the project “Public policies and firms: the impact of credit- and liquidity-enhancing policies, public infrastructure investments, and green policies on the corporate sector” and a Unicredit Research Grant on Education for the project “Mentoring and Schooling Choices: Experimental Evidence from Italy”. He is working also on the following projects: “The Anatomy of Index Rebalancings: Evidence from Transaction Data” (with M. Escobar, A. Pedraza, and T. Williams), “It’s a Sure Win! Experimental Evidence on Overconfidence in Betting Behavior” (with M. Chegere, P. Falco, M. Nieddu, and M. Stein), “Inelastic Markets: the Demand and Supply of Risky Sovereign Bonds (with M. Moretti, S. Schmukler, G. Villegas-Bauer, and T. Williams), and “The effects of tenure-track systems on selection, productivity, and fertility in Economics” (with M. Nieddu and R. Nisticò, funded by a 2022 EEA/HER Research Grant).

ETTORE PANETTI is Senior Assistant Professor of Finance at the University of Naples Federico II, a member of UECE-ISEG and a research affiliate of SUERF. He holds a PhD in Economics from IIES-Stockholm University. His research interests are banking, financial stability and financial regulation. In 2023, Ettore has worked on the paper “Kicking the dog and meaning the master: Optimal policy against bank resolution forbearance” and collaborated with L. Deidda for the project “Bank Recovery and Resolution Planning, Liquidity Management and Fragility”. Moreover, he kept working on the project “Savings, Efficiency and Bank Runs” with A. Leonello, C. Mendicino and D. Porcellacchia, and on “The Financial Channels of Labor Rigidities: Evidence from Portugal” with E. Acabbi e A. Sforza.

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GIOVANNI PICA is Professor of Economics at the Università della Svizzera Italiana. He is currently working on the role of internal capital and labour markets within organizations, on the effects of non-tariff measures on the behaviour of firms, on occupational licensing, and on the determinants of the gender gap in math. Ongoing work on these topics includes “Quality and Selection in Regulated Professions” (with G. Basso, E. Brandimarti and M. Pellizzari); A peer like me? Early exposure to high achievers in math and later educational outcomes (with L. Pagani); TBTs, Firm Organization and Labour Structure (with G. Barba Navaretti, L. Fontagné, G. Orefice and A.C. Rosso) forthcoming in *Review of International Economics*, Exploiting Growth Opportunities: The Role of Internal Labor Markets; (with G. Cestone, C. Fumagalli and F. Kramarz), forthcoming in the *Review of Economic Studies*.

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VINCENZO PLATINO is Senior Assistant Professor of Mathematical Economics at the University of Naples Federico II. He holds a PhD in Applied Mathematics from the University Paris 1 Pantheon-Sorbonne and a PhD in Economics from the University Ca' Foscari. His research focuses on general equilibrium theory, economies with externalities, revealed preference theory, collective decision-making, and game theory. His recent publications include “On the regularity of smooth production economies with externalities: competitive equilibrium à la Nash” (with E. Del Mercato) in *Economic Theory*; “Private ownership economy with externalities and existence of competitive equilibria: a differentiable approach” (with E. Del Mercato) in the *Journal of Economics*; Social Loss with respect

to the core of an economy with externalities" (with C. Di Pietro and M. G. Graziano) in *Economic Theory* and "Externalities in private ownership production economies with possibility functions. An existence result" in *Metroeconomica*. His papers on "A measure of social loss for production economies with externalities (with M. G. Graziano) appeared in 2022 as CSEF WP n. 649, and on "Fuzzy decentralization in non-convex economies with externalities" (with M. G. Graziano and M. Pesce) appeared in 2023 as CSEF WP n. 678.

MICHELE POLO is a Professor of Economics at Bocconi University, Eni Chair in Energy Markets, President of the GREEN Research Centre, and IGIER and CSEF Fellow. His research interests are in industrial organization, regulation and antitrust, law and economics, political economics and the economics of organized crime. In 2023 he revised the paper "Acquisitions, Innovation and the Entrenchment of Monopoly" (joint with V. Denicolò) for the *Rand Journal of Economics* and "Dominant Ecosystems and Innovation Slowdown (joint with P. Azzali and V. Denicolò).

JONATHAN PRATSCHKE is Professor of Economic Sociology at the University of Naples Federico II. His research interests are centred on the quantitative study of social and spatial inequalities in relation to health, the labour market, and education. Recent publications include "An integrative evidence review on service user participation in the design and delivery of drug treatment, recovery and harm reduction services", written in collaboration with J. Glanville and F. Engling Cardoso (2022) and "Poverty and social cohesion in metropolitan areas" (in collaboration with E. Morlicchio) for the *Handbook on Local and Regional Governance* edited by F. Teles for Edward Elgar (2023). In 2023 he published "'Like with like' or 'do like'? Modelling peer effects in the classroom" (joint with G. Abbiati) in *Social Science Quarterly*.

MARCELLO PUCA is Assistant Professor of Economics at the University of Bergamo and visiting research fellow at the Center for the Philosophy of Freedom at the University of Arizona. He holds a PhD in Economics from the University of Naples Federico II. His research focuses on applied political economy and microeconomics. In 2023, he published: "The Role of Civic Capital on Vaccination" (with P. Buonanno and S. Galletta), *Health Economics*; "Earthquake Hazard and Civic Capital" (with P. Buonanno and G. Plevani), *European Journal of Political Economy*; "Religion and Women: How Waldensians Reduced the Gender Gap" (with A. Berlanda and P. Buonanno), *Economics of Education Review*; "Intention-based social influence in (non)strategic sharing experiments" (with D. Di Cagno, W. Güth and P. Sbriglia), *Journal of the Economic Science Association*. He also completed or revised the following working papers: "Trust in times of AI" (with F. Bogliacino, P. Buonanno, and F. Fallucchi), *CSEF working paper n. 689*; "The Value of Consensus: An Experimental Analysis of Costly Deliberation" (with K. J. Saral and S. M. Sepe) *CSEF Working Paper n. 680*; "Health hazard discrimination or prejudice? A field experiment" (with P. Buonanno and F. Porta).

GIOVANNI WALTER PUOPOLO is Professor of Finance at the University of Naples Federico II. He holds a PhD in Finance from the University of Lausanne and Swiss Finance Institute. His research focuses on asset pricing, portfolio choice problems with transaction costs, asset pricing with frictions, and household finance. Giovanni is the Principal Investigator of several research projects, such as "Household asset allocation and financial intermediation: the role of financial advice" funded by Compagnia di San Paolo and Fondazione Istituto Banco di Napoli (STAR Grant) and "Feedback effect and the design of financial markets" funded by EIEF. Recently he published the asset pricing textbook *Economia dei Mercati Finanziari* (with M. Pagano and L. Pandolfi), Il Mulino.

FRANCISCO QUEIRÓS is a post-doctoral fellow at the University of Naples Federico II and a CSEF fellow since September 2020. He holds a PhD in Economics from Pompeu Fabra University (Barcelona). Previous to joining CSEF, he was a Max Weber fellow at the European University Institute (Florence). He is a macroeconomist, working at the intersection of firm dynamics, and business cycles. His paper "The Real Side of Stock Market Exuberance" (*Economica*, 2024) studies the industry consequences of stock market overvaluation, in particular on firm entry and productivity growth. In "Asset Bubbles and Product Market Competition" (*Theoretical Economics*, 2024) he studies the interactions between product market competition and asset price bubbles. Finally, in "Firm Heterogeneity, Market Power and Macroeconomic Fragility" (joint with Alessandro

Ferrari), he studies the business cycle consequences of the emergence of superstar firms

- MARIA GRAZIA ROMANO** is Assistant Professor of Economics at the University of Salerno. She received a PhD in Applied Mathematics from the University of Naples Federico II and a Master in Financial Markets and Intermediaries from the University of Toulouse. Her research focuses on market microstructure, corporate finance, and microeconomics. In 2022 she published "Education, Taxation, and the Perceived Effects of Sin Good Consumption" (with G. Immordino and A.M.C. Menichini) in *International Tax and Public Finance*, and "Gender Differences in the Impact of COVID-19 Pandemic on Mental Health of Italian Academic Workers" (with V. Giudice et al.) in *Journal of Personalized Medicine*. She is currently working on the determinants of rental contracts as an alternative to purchase contracts, with A.M.C. Menichini; and off-market block trades and post trade transparency, with A. Frino.
- CARLA RONZA** is Assistant Professor of Economics at the University of Naples Federico II. Her research interests are in the fields of public economics, political economy and gender economics. She has recently published "Does Corruption Hinder Female Political Participation? Evidence from a Measure Against Organized Crime" (with A.L. Baraldi), *The Journal of Law, Economics & Organization*. She is currently working on "The Stability Effect of Elected Women: Gender or Seniority?" (with A. Acconcia), "Local Government Composition and Public Spending" (with A. Acconcia, C. Cantabene and A. De Iudicibus) "Uncertainty and Household Behaviour in Italy" (with A. Acconcia).
- ANTONIO ROSATO** is Associate Professor of Economics at the University of Queensland and at the University of Naples Federico II (part-time). He holds a PhD in Economics from the University of California Berkeley. His research focuses on Microeconomic Theory, Psychology & Economics, and Industrial Organization. In 2023 he published "Loss Aversion in Sequential Auctions" in *Theoretical Economics*. He is currently working on "Never Say Never: Optimal Exclusion and Reserve Prices with Expectations-Based Loss-Averse Buyers" (with B. Balzer) and "Quality is in the Eye of the Beholder: Taste Projection in Markets with Observational Learning" (with T. Gagnon-Bartsch).
- FRANCESCO FLAVIANO RUSSO** is Associate Professor of Economics at the University of Naples Federico II. He received a PhD in Economics from Boston University. His research focuses on immigration, illegal markets and tax evasion. His most recent work "Immigration and Nationalism: The Importance of Identity" (*European Economic Review*), studies the impact of immigration on elections in Italy. In a previous series of papers, joint with G. Immordino, he explores the relationship between cash and tax evasion. In "Cashless Payments and Tax Evasion" (*European Journal of Political Economy*) he shows a robust empirical relationship between the use of cash and tax evasion in a panel of countries. In "Fighting Tax Evasion by Discouraging the Use of Cash?" (*Fiscal Studies*) he studies the effect on evasion of a tax on cash withdrawals from bank tellers and ATM machines.
- GIUSEPPE RUSSO** is Associate Professor of Economics at the University of Salerno. He holds a PhD in Economic Analysis and Policy from PSE. His research focuses on political economy, migration, and the social integration of immigrants, with an emphasis on second-generation children. His paper "Lost in Translation: Reading Performance and Math Performance of Second-Generation Children in Italy" (joint with M. Cavallo) is forthcoming in the *Journal of Human Capital*. Currently, he is studying how immigration policies affect the diffusion of cultural norms over space and generations. Other recent publications include "Electoral Systems and Immigration" (with F. Salsano) in the *European Journal of Economy*, and "Interregional Migration of Human Capital and Unemployment Dynamics: Evidence from Italian Provinces" (with R. Basile, A. Girardi, M. Mantuano) in the *German Economic Review*.
- ELIA SARTORI** is a post-doctoral Fellow at CSEF since September 2019. He holds a PhD in Economics from Princeton University. His research interests are in applied microeconomic theory, behavioural and information economics. He is currently working on "Tailing Naive bidders in repeated auctions" (with F. Carannante and M. Pagnozzi), "Optimal reserve in sequential auction with persistent bidders" (with M. Pagnozzi), "Acquisition, (Mis)use and "Dissemination of Information: The Blessing of Cursedness and Transparency" (with F. Ostrizek), "Simplistic Rhetoric and Poe's Law" (with G. Andreottola), "Consumption and Waste in a Model of Durable Goods with Transaction Costs" (with L. Coraggio) and

"The Role of Information in Optimal Audit Schemes" (with L. Maini and M. Paradisi). His article "Screening while Controlling an Externality" (with F. Ostrizek) was published in *Games and Economic Behaviour*.

ANNALISA SCOGNAMIGLIO is Associate Professor of Economics at the University of Naples Federico II. She holds a PhD in Economics from MIT. Her main research interest is labor economics. In 2022 she published "What drives segregation? Evidence from social interactions among students" (with E. Calvano and G. Immordino) in the *Economics of Education Review*. She is revising a paper on the careers of workers in different sectors of the US economy (with A. Ellul and M. Pagano) and a paper on the link between misallocation of workers to jobs and firm productivity (with L. Coraggio, M. Pagano and J. Tag).

SAVERIO SIMONELLI is Professor of Economics at the University of Naples Federico II I, where he directs the Master in Economics and Finance and the Laurea Magistrale in Economics and Finance. His research focuses on fiscal and monetary policy, macroeconomic forecasting and instability of financial institutions. He is currently working with F. Esposito on "Firms Network and Natural Disasters" and on "Measuring Productivity Dispersion: Lessons From Counting One-Hundred Million Ballots" with E. Ilzetzki. He recently published "Liquidity and Consumption. Evidence from three Post-earthquakes Reconstruction Programs in Italy" (with A. Acconcia and G. Corsetti) in the *American Economic Journal: Macroeconomics* and "Short-Selling Bans and Bank Stability" (with A. Beber, D. Fabbri and M. Pagano) in the *Review of Corporate Finance Studies*.

MARCO MARIA SORGE is Associate Professor of Economic Policy at the University of Salerno and Affiliate Professor at the University of Göttingen. His research interests focus on computational economics, dynamic macroeconomics and political economy. His recent published and forthcoming articles include, among others, "Equilibrium indeterminacy and sunspot tales" (with C. Dave) in the *European Economic Review*; "Under the same (Chole)sky: DNK models, timing restrictions and recursive identification of monetary policy shocks" (with G. Angelini) in the *Journal of Economic Dynamics & Control*; "Fat-tailed DSGE models: A survey and new results" (with C. Dave) in the *Journal of Economic Surveys*; and "Politics, financial regulation and housing bubbles" in the *Journal of Real Estate Finance and Economics*.

MATTEA STEIN is Assistant Professor of Economics at the University of Naples Federico II. She received a PhD and a Master in Economics from the Paris School of Economics and a Master in Economics for Development from the University of Oxford and has previously worked for the World Bank. Her research is in development economics, with focus on business and social networks, firms and development, state institutions (courts, tax authority), social norms and impact evaluation of public policies. In 2023 she published the paper "The Speed of Justice" (with F. Kondylis) in the *Review of Economics and Statistics* and was awarded a PRIN 2022 PNRR grant as principal investigator for the project "Firm Networks and Sustainable Development" (with D. Del Prete and L. Picariello). She has a large-scale randomized control trial (RCT) ongoing with the Senegalese tax administration as part of the project "Firms' supply chain networks and tax compliance" (with F. Kondylis, B. Sarr and L. Czajka), has field work in Kenya ongoing for an RCT on "Fostering official trade" (with P. Falco and E. Wiseman), and is principal investigator on an impact evaluation of a youth employment and entrepreneurship project in Guinea funded by the European Commission. Her working papers, at various steps of the journal review process, are on an RCT on fraud detection under limited state capacity (with L. Czajka and B. Sarr), a lab-in-the-field experiment on sports betting (with M. Chegere, P. Falco, M. Nieddu and L. Pandolfi), social norms in Sub-Saharan Africa (with A. Barr) and an RCT on network change between small urban entrepreneurs.

ALBERTO ZAZZARO is Professor of Economics at the University of Naples Federico II and a Research Affiliate at MoFiR (Ancona), and Ld'A (Milan). His main research interests are in the fields of banking, family firms, migration and economic development. In 2023 he published "Relationship lending and employment decisions in firms' bad times, with P. Murro and T. Oliviero, *Journal of Financial and Quantitative Analysis*; "Job stability and initial mortgage conditions: Evidence from Italian administrative data", with P.E. Mistrulli, T. Oliviero and Z. Rotondi, *Oxford Bulletin of Economics and Statistics*; "Debt financing of SMEs: The certification role of R&D subsidies", with A. Bellucci and L. Pennacchio, *International Review of Financial Analysis*; "Lifting you up or dragging you down? The role of financial inclusion in poverty transitions among Italian households", with G. Bettin

and C. Pignini, *Review of Income and Wealth*; "Voters' distance, information bias and politicians' salary", with D. Bartolini, A. Sacchi and D. Scalera, *Italian Economic Journal*; "Management innovations in family firms after CEO successions: Evidence from Japanese SMEs", with H. Uchida and K. Yamada, *Japan & The World Economy*; "Information Asymmetry, External Certification and the Cost of Debt", with A. Bellucci, A. Borisov and G. Giombini, *Journal of Corporate Finance*; "The reallocation effects of COVID-19: Evidence from Venture Capital investments around the world", with A. Bellucci, A. Borisov and G. Gucciardi, *Journal of Banking and Finance*. He is a member of the editorial board of the Italian Economic Journal, PSL Quarterly Review and Minerva Bancaria. In 2023 he co-chaired the program of the 12th MoFiR workshop on banking (Naples).

VALERIA ZURLA is a Post-Doctoral Fellow at the University of Naples Federico II, a Research Fellow at the Population Wellbeing Institute at the University of Texas at Austin and a CSEF Research Fellow since September 2022. She earned a Ph.D. in Economics from Brown University in May 2022. In 2022, her doctoral dissertation won the National Tax Association's Outstanding Doctoral Dissertation Award in Government Finance and Taxation. Her research interests are in the fields of public economics and labor economics, focusing on social insurance programs and government interventions aimed at reducing labor market inequalities, specifically gender inequalities. She is currently working on the following projects: "How Should We Design Parental Leave Policies? Evidence from Two Reforms in Italy", part of the VistlINPS program; "Firm Heterogeneity and the Incidence of Earned Income Tax Credits: Evidence from Italy"; "Social Insurance Programs and Preferences for Redistribution: A Bayesian Adaptive Choice Experiment" (with M. Drake, N. Thakral, L. T. Tô). Valeria was awarded the 2023 EIEF grant and the 2023 VisitINPS fellowship for the project "Is Family-Friendly Firm-Friendly? The Costs and Benefits of Family-Friendly Workplaces (with C. De Leo and A. Fenizia).

Here is the full list of the Working Papers published by CSEF in 2023. All papers published since 1998 are available at https://csef.it/research_tax/working-papers/#.

- 663** Giacinta Cestone, **Chiara Fumagalli**, Francis Kramarz, and **Giovanni Pica** *Exploiting Growth Opportunities: The Role of Internal Labor Markets*

We explore how business groups use internal labour markets (ILMs) in response to changing economic conditions. We show that following the exit of a large industry competitor, group-affiliated firms expand and gain market share by increasing their reliance on the ILM to ensure swift hiring, especially of technical managers and skilled blue-collar workers. The ability to take advantage of this shock to growth opportunities is greater in firms with closer access to their affiliates' human capital, as geographical proximity facilitates employee relocations across units. Overall, our findings point to the ILM as a prominent mechanism making affiliation with a business group valuable at times of change. For the ILM to perform its role in the face of industry shocks, group sectoral diversification must be combined with geographical proximity between affiliates.

- 664** **Salvatore Capasso**, Oreste Napolitano, and Ana Laura Viveros *The Financial Conditions Index as an Additional Tool for Policymakers in Developing Countries: The Mexican Case*

The nature of the financial crisis in 2008 posed new challenges for macroeconomic theory and policymakers. In this context, a financial conditions index (FCI) could be a useful tool to identify the state of financial conditions in a country. We construct three FCIs for Mexico to analyse the role of financial asset prices in formulating monetary policy under an inflation-targeting regime. Using monthly data from 1995 to 2017, we estimate FCIs with three different methodologies and build the index by taking into account the mechanism of transmission of monetary policy and incorporating the most relevant financial variables. Our results show that, likewise for developing countries such as Mexico, an FCI could be a useful tool for managing monetary policy in reducing macroeconomic fluctuations.

- 665** Raquel Bernal, **Michele Giannola**, and Milagros Nores *The Effects of a Project and Play-Based Early Education Program on Medium-Term Developmental Trajectories of Young Children in a Low-Income Setting*

Extensive research has shown comprehensive early interventions can improve the developmental outcomes of disadvantaged children. However, the evidence on the effectiveness of high-quality center-based programs for young children in developing countries is still scarce, where programs are typically of low quality and only short-term impacts have been assessed. This paper reports short and medium-run effects from a high-quality early education intervention characterized by key elements of process quality such as project and play-based learning and rich adult-child interactions, on children younger than four years of age in two communities in northern Colombia. We find strong positive effects on cognitive development and health, and no significant impacts on socioemotional development.

- 666** Antonio Abatemarco, Massimo Aria, **Sergio Beraldo**, and Michela Collaro *Measuring Access and Inequality of Access to Health Care: a Policy-Oriented Decomposition*

We propose an approach for the measurement of healthcare inequalities inspired by the ideal of equal universal access. The approach assesses the chances of access to health treatments of appropriate quality, for any given realization of socially relevant characteristics an individual may have. It allows to assess supply-side (cost-specific) and demand-side (resource-specific) determinants of healthcare inequality. An empirical exercise using Italian data shows that the methodology can be employed to improve the design of policies addressing healthcare inequalities.

- 667** Emmanuel Caiazzo and **Alberto Zazzaro** *Bank Diversity and Financial Contagion*

This paper analyzes financial contagion in a banking system where banks are linked by interbank claims and common assets. We find that asset commonality makes banking systems more vulnerable to idiosyncratic shocks and helps to determine which interbank network structures are resistant to contagion. When the degree of commonality is homogeneous across banks, the most resilient structure is the complete interbank network in which each bank borrows evenly from all the others. However, when the bank most exposed to the defaulting bank is not the one whose portfolio is most similar to it, incomplete interbank networks are more resilient than complete. We also show that the degree and variability of asset commonality between banks and the way this intertwines with the cross-holdings of interbank deposits have important implications for macroprudential regulation.

668 Giovanni Andreottola and Elia Sartori *Simplistic Rhetoric and Poe's Law*

We study the use of simplistic arguments in political communication, developing a novel model of mobilization through rhetoric with naive and sophisticated voters. We show that politicians sometimes choose simplistic arguments in order to appear more competent, exploiting what we call Poe's Law, that is, the uncertainty on whether the argument used by the politician reflects her own competence or is 'degraded' to meet the demand for simplistic arguments of the naive electorate. We compare the Bayes Nash game with a game in which sophisticated voters are unable to conceptualize Poe's Law, dismissing their peers' cognitive abilities and identifying with a leader that speaks to a fully naive crowd. The two games have opposed predictions on how expected simplism departs from its demand-driven benchmark, as well as on the interpretation of extreme arguments. Our results demonstrate that dismissal is a valid rationalization of an overly simplistic political debate.

669 Vincenzo Bove, Jessica Di Salvatore, and Roberto Nisticò *Economic Sanctions and Trade Flows in The Neighbourhood*

We investigate the effect of economic sanctions on trade flows in countries sharing a border with sanctioned states. According to trade models, sanctions are expected to reduce trade flows as they disrupt established trading routes and economic relationships with suppliers and customers. However, there may also be instances where countries circumvent trade restrictions by clandestinely exchanging goods with sanctioned countries across the border and trading on their behalf, leading to an increase in imports and/or exports. To shed light on this issue, we employ a combination of large-N panel data analysis and comparative case studies using the synthetic control method. We find that, in the aggregate, neighbouring countries experience economic costs as sanctions disrupt trade. Yet, case studies uncover heterogeneity in countries' responses, with some cases exhibiting an increase in trade flows. We discuss possible explanations for these outcomes in the case-study analysis.

670 Vincenzo Bove, Jessica Di Salvatore, Leandro Elia, and Roberto Nisticò *Mothers at Peace: International Peacebuilding and Post-conflict Fertility*

A considerable body of empirical evidence indicates that conflict affects reproductive behaviour, often resulting in an increased fertility rate due to higher child mortality and limited access to healthcare services. Yet, we know much less about the effect of peace in a post-conflict setting. This study explores how the external provision of security affects fertility rates by focusing on the UN intervention in Liberia. By combining birth history data from three rounds of the Demographic and Health Survey with information on road distance to UN military compounds, we find that women who live in the proximity of peacekeepers have lower fertility rates in the deployment period. We find that this is due to parents prioritizing quality over quantity as peacekeepers improve maternal and child health and encourage family planning by (i) enabling donors and humanitarian actor to deliver infrastructures and services, and (ii) facilitating citizens' access to such services.

671 Sergio Beraldo and Enrico Colombatto *Do People Really Dislike Wealth Taxes more than Other Types of Taxes? Evidence from a Survey-Experiment Representative of the Italian Population*

We designed a Survey Experiment (SE) to study the attitudes of the Italians towards wealth, income and consumption taxes. In particular, we interviewed a sample of 2,400 subjects drawn from a larger representative pool of 120,000 individuals. Besides collecting information about individuals' values and beliefs, the survey also gathered information about (i) the preferred tax base, (ii) the attitudes towards replacing all the taxes with a unique tax, possibly on wealth, (iii) the views in regard to proposals to increase public expenditure by resorting to taxes of various kind and in different scenarios. We find that wealth taxes are definitely preferred to consumption taxes and that this preference is at par with income taxation. Wealth taxes are justified by the fact that they reflect one's ability to pay. Opposition emerges when it is feared that wealth taxes end up increasing tax pressure and when the value of the main residence is included in the tax base. Political inclinations play a minor role.

672 Matteo Bizzarri, Fabrizio Panebianco, and Paolo Pin *Homophily and Infections: Static and Dynamic Effects*

We analyze the effect of homophily in an epidemics between two groups of agents that differ in vaccination rates ("vaxxers" and "anti-vaxxers"). The steady-state infection rate is hump-shaped in homophily, whereas the cumulative number of agents infected during an outbreak is u-shaped. If vaccination rates are endogenous, homophily has the opposite impact on the two groups, but the qualitative behavior of the aggregate is unchanged. However, the sign of the group-level impact is the opposite if vaccination is motivated by infection risk or by peer pressure. If motivations are group-specific, homophily can be harmful for both groups.

- 673** Giulia Bettin, Amadou Jallow, and **Alberto Zazzaro** *How Do Monthly Remittances Respond to Natural Disasters in Migrants' Home Countries?*

The literature on the impact of natural disasters on remittances has provided mixed evidence so far, with identification remaining a key challenge. This paper studies the insurance role of remittances by investigating their dynamic response in the aftermath of a disaster. We use a novel and rich panel dataset of monthly remittance flows from Italy to 81 developing countries for the period 2005 to 2015. We find that monthly remittance flows on average increase by 2% due to natural disasters in migrants' home countries. The response gets significant a few months after the event and tends to disappear within a year from the disaster occurrence. The intensity and timing of remittances' responsiveness are heterogeneous according to the nature of the disaster, the receiving country's characteristics, and migrants' socio-economic conditions in the host country.

- 674** **Marcello D'Amato** and **Francesco Flaviano Russo** *Cultural Doorways in the Barriers to Development*

We provide a new measure of cultural similarity among ethnic groups and countries, based on orally transmitted narratives. Compared to other measures of phylogenetic distances of the separation time of two ethnic groups, either linguistic, religious or based on the "molecular clock", our index measures the intensity of cultural exchanges across group pairs in their history, after separation and before the recent great migrations. By the use of this index, a "cultural clock", we provide further support to the hypothesis that the cultural channel is key to interpret the role of vertically transmitted traits in the account for the deep causes of observed pairwise distances in economic outcomes, at both the ethnic-group and the country level.

- 675** Paolo Emilio Mistrulli, Md Taslim Uddin, and **Alberto Zazzaro** *Discrimination of Immigrants in Mortgage Pricing and Approval: Evidence from Italy*

In this paper, we explore empirically whether immigrants, other things being equal, pay more for mortgages than natives and whether the probability that banks approve their loan applications is systematically lower. To this aim, we use two extensive and unique dataset of mortgage contracts and banks' requests for initial information about potential mortgagors drawn from the Italian Credit Register for the period 2011-2016, and survey data from the Survey on Household Income and Wealth conducted by the Bank of Italy for the period 2006-2016. We find that immigrants pay 19-24 basis points more than native Italians on single-name mortgages and 28-40 basis points more on jointly-owned ones. This interest rate gap narrows significantly, but does not disappear, when immigrant borrowers' credit history lengthens or if they borrow from a cooperative bank. Finally we find that immigrants have a 2.7% smaller chance of getting a mortgage compared to natives, which decreases for mortgage applications submitted to cooperative banks. Overall, our findings suggest that the disparity of treatment of immigrants in the Italian mortgage market is mostly due to a greater difficulty of banks in assessing the credit-worthiness of culturally distant borrowers. However, we also detect that cultural distance may fuel persistent disparity between migrants and natives.

- 676** **Maria Gabriella Graziano**, **Marialaura Pesce**, and Niccolò Urbinati *The Equitable Bargaining Set*

We define the equitable bargaining set for exchange economies. Our definition differs from that in Mas-Colell (1989) because it requires that objections and counter objections must satisfy some equitability conditions. We show that the equitable bargaining set coincides with that of Mas-Colell when the underlying economy is atomless, but not in general. Then we provide two sets of conditions for economies with market imperfections that apply to finite economies and to mixed market economies. In the first case, our conditions imply that the equitable bargaining set is a subset of the core, and so it converges to the set of competitive allocations if the economy is replicated. In the second case, we show that all allocations in the equitable bargaining set are competitive, extending the Walras-bargaining equivalence of Mas-Colell (1989) to the framework of mixed markets. All the conditions we use follow well-established assumptions from the literature in finite and mixed market economies.

- 677** **Marialaura Pesce**, Niccolò Urbinati, and Nicholas C. Yannelis *On the Limit Points of an Infinitely Repeated Rational Expectations Equilibrium*

We show that a symmetric information Rational Expectations Equilibrium (REE) exists universally (and not generically), it is Pareto efficient and obviously incentive compatible. Agents, in a repeated economy framework, can reach a symmetric information REE (i.e., an efficient and incentive compatible equilibrium outcome) by observing the past asymmetric REE and also by updating their private information. We also prove the converse result, i.e., given a symmetric information REE, we can construct a sequence of approximate asymmetric REE allocations that converges to the symmetric information REE. The approximate REE can be interpreted as the mistakes that agents make due to

bounded rationality, nonetheless, in the limit an exact symmetric information REE is reached. In view of the above results, the symmetric information REE provides a rationalization for the asymmetric one.

678 Maria Gabriella Graziano, Marialaura Pesce, and Vincenzo Platino *Decentralization in Non-Convex Economies with Externalities*

We consider a pure exchange economy with externalities. Individual preferences are affected by the consumption of all other agents in the economy, and each agent i is exogenously associated with a nonempty set A_i , representing the individual agent i care about. We adopt a cooperative approach to equilibrium analysis, allowing each individual to cooperate with others and form coalitions. Following Vasil'ev (2016), Husseinov (1994), and Graziano (2001), we study a notion of generalized fuzzy core and show that, in the case of non-convex preferences, the set of coalitions can be enlarged in such a way that a core allocation can be supported as an A-equilibrium by some price system. In the second part of the paper, we consider an economy with Arrowian markets for consumption externalities. For an appropriate definition of generalized fuzzy core, we show that a core allocation can be decentralized as an Information equilibrium in terms of personalized and market prices.

679 Daniele Checchi, Tullio Jappelli, Immacolata Marino, Annalisa Scognamiglio *Inequality Trends in a Slow-Growing Economy: Italy 1990-2020*

This paper presents stylized facts on labor supply and income inequality of individuals aged 25-55 drawn from the 1989-2020 Survey of Household Income and Wealth (SHIW) conducted by the Bank of Italy. Over the sample period earnings inequality of the working-age population has increased considerably, less when considering households' disposable income. The increase in inequality is confirmed when using administrative data on employees. The evidence suggests that the labor market reforms of the last three decades are the most plausible explanation for the increased earnings inequality. Comparison between earnings and disposable income suggests an important role of the government and the household in reducing inequalities.

680 Marcello Puca, Krista J. Saral, and Simone M. Sepe *The Value of Consensus. An Experimental Analysis of Costly Deliberation*

Combining theory and experiments, we examine decision-making with endogenous deliberation across different voting rules: consensus and veto unanimity, and simple majority. Before voting, asymmetrically informed agents choose whether to engage in potentially costly communication to aggregate their private information. In line with existing studies, we find that free communication minimizes differences in decision-making across rules. In contrast, with costly communication, differences in decision-making re-emerge as the voting rules affect communication and private information aggregation. Consensus unanimity frequently outperforms the other rules because it induces more communication among agents. This work provides a new rationale for the legitimacy of the commonly used consensus unanimity voting rule in jury trials.

681 Francesca Gioia and Giovanni Immordino *Gender-science Implicit Association and Employment Decisions*

In this paper, we document that implicit associations, measured by the gender-science implicit association test, explain employment decisions, both in terms of access to the labour market and in terms of career advancement. In both cases, when choosing between a female and a male worker with the same ex-ante ability, the higher the male-science implicit association of the employer, the higher her/his likelihood of hiring/promoting a male intentionally and the lower her/his likelihood of leaving the decision to chance. Increasing the incentives to employers does not vary the effect of implicit gender-science association which is also not heterogeneous by gender, age or income earned.

682 Dimitris Georgarakos, Tullio Jappelli, Geoff Kenny, and Luigi Pistaferri *Labor Supply Response to Windfall Gains*

Using a large survey of euro area consumers, we design an experiment in which respondents report how they would change the decision to participate in the labor market, the hours worked, and their search effort (if not employed) in response to randomly assigned windfall gain scenarios. Windfall gains reduce labor supply, but only if they are significant in size. At the extensive margin, we find no effect for gains below €25,000, and a decline in the probability of working of 3 percentage points for gains between €25,000 and €100,000. At the intensive margin, there is no effect for small gains, and a drop of roughly one weekly hour for gains above €50,000. Women and workers closer to retirement respond more strongly to windfall gains. Finally, the proportion of those who stop searching for a job or search less intensively falls by 1 percentage point for each €10,000 gain, and the effect is more pronounced for older individuals receiving the largest prize.

- 683** Fausto Galli, Simone Manzavino, and **Giuseppe Russo** *Immigration Restriction and The Transfer of Cultural Norms Over Time and Boundaries: The Case of Religiosity*

We study the effect of an immigration ban on the self-selection of immigrants along cultural traits, and the transmission of these traits to the second generation. We show theoretically that restricting immigration incentivizes to settle abroad individuals with a higher attachment to their origin culture, who, under free mobility, would rather choose circular migration. Once abroad, these individuals tend to convey their cultural traits to their children. As a consequence, restrictive immigration policies can foster the diffusion of cultural traits across boundaries and generations. We focus on religiosity, which is one of the most persistent and distinctive cultural traits and exploit the 1973 immigration ban in West Germany (Anwerbestopp) as a natural experiment. Through a diff-in-diff analysis, we find that second generations born to parents treated by the Anwerbestopp show higher religiosity.

- 684** Marco Bertoni, Simone Chinetti, and **Roberto Nisticò** *Employment Protection, Job Insecurity, and Job Mobility*

This study leverages the Italian Jobs Act reform as a natural experiment to examine the impact of reduced employment protection on job insecurity and job mobility. The reform significantly lowered protection for open-ended contract workers in large firms hired after March 7, 2015, and introduced a sharp discontinuity in severance pay at 2-year tenure. Treated employees exhibit increased fear of job loss and higher termination rates. The higher job insecurity prompts workers in low-pay sectors and in low-quality firms to actively pursue job mobility, transitioning towards higher-paying positions. Conversely, workers in high-paying sectors respond by intensifying their efforts to secure their existing jobs. Crucially, all effects disappear for workers above the 2-year tenure threshold, when they become entitled to a 50% higher severance pay. These findings emphasize a complex trade-off behind the design of employment protection systems, as addressing early-stage insecurity with tailored social insurance may counteract upward mobility effects.

- 685** **Daniele Massacci** *Instability of Factor Strength in Asset Returns*

We study the problem of detecting structural instability of factor strength in asset pricing models for financial returns with observable factors. We allow for strong and weaker factors, in which the sum of squared betas grows at a rate equal to and slower than the number of test assets, respectively: this growth rate determines the strength of the corresponding factor. We propose LM and Wald statistics for the null hypothesis of stability and derive their asymptotic distribution when the break fraction is known, as well as when it is unknown and has to be estimated. We corroborate our theoretical results through a comprehensive series of Monte Carlo experiments. An extensive empirical analysis uncovers the dynamics of instability of factor strength in financial returns from equity portfolios.

- 686** **Antonio Acconcia**, Daniela Fabbri, and **Anna Maria C. Menichini** *Firms' Capital Structure and Employment in the Aftermath of the 2008-9 Financial Crisis*

Empirical literature documenting the real costs of financial crises links the surge of unemployment to mainly bank frictions. This paper takes a more comprehensive approach by looking at how bank credit constraints, firm's capital structure and inputs characteristics interact in shaping the firms's response. We document that both the firm's ability to substitute bank with trade credit and the characteristics of the inputs transacted along the supply chain matter in shaping the labor market reaction of Italian corporations to the unfolding of the 2008-9 financial crisis. As bank lending conditions tightened, firms intensively increasing their reliance on trade credit managed to partly mitigate their employment contraction but faced a stronger input bias against labor. Manufacturing firms largely using trade credit to buy differentiated inputs experienced a smaller drop in employment but a stronger input bias than firms buying standardized inputs. Finally, while the labor market recovered quite fast for firms increasing their reliance on trade credit, with the number of employees reaching the pre-crisis level around 2016, the shift toward technologies less intensive in labor showed more persistence, with the input bias even sharpening during 2013-14 and being in 2019 still 6 percentage points higher than the initial 2008 value.

- 687** **Carlo Altavilla**, Miguel Boucinha, **Marco Pagano**, and Andrea Polo *Climate Risk, Bank Lending and Monetary Policy*

Combining euro-area credit register and carbon emission data, we provide evidence of a climate risk-taking channel in banks' lending policies. Banks charge higher interest rates to firms featuring greater carbon emissions, and lower rates to firms committing to lower emissions, controlling for their probability of default. Both effects are larger for banks committed to decarbonization. Consistently with the risk-taking channel of monetary policy, tighter policy induces banks to increase both credit risk premia and carbon emission premia and reduce lending to high emission firms more than to low emission ones.

While restrictive monetary policy increases the cost of credit and reduces lending to all firms, its contractionary effect is milder for firms with low emissions and those that commit to decarbonization.

688 Niccolò Lomys *Collective Search in Networks*

I study the dynamics of collective search in networks. Bayesian agents act in sequence, observe the choices of their connections, and privately acquire information about the qualities of different actions via sequential search. If search costs are not bounded away from zero, maximal learning occurs in sufficiently connected networks where individual neighborhood realizations weakly distort agents' beliefs about the realized network. If search costs are bounded away from zero, maximal learning is possible in several stochastic networks, including almost-complete networks, but generally fails otherwise. When agents observe random numbers of immediate predecessors, the learning rate, the probability of wrong herds, and long-run efficiency properties are the same as in the complete network. The density of indirect connections affects convergence rates. Network transparency has short-run implications for welfare and efficiency.

689 Francesco Bogliacino, Paolo Buonanno, Francesco Fallucchi, and **Marcello Puca** *Trust in times of AI*

In an online, pre-registered experiment, we explore the impact of AI mediated communication within the context of a Trust Game with unverifiable actions. We compare a baseline treatment, where no communication is allowed, to treatments where participants can use free-form communication or have the additional option of using ChatGPT-generated promises, which were assessed in a companion experiment. We confirm previous observations that communication bolsters trust and trustworthiness. In the AI treatment, trustworthiness sees the most significant increase, yet trust levels decline for those who opt not to write a message. AI-generated promises become more frequent but garner less trust. Consequently, the overall trust and efficiency levels in the AI treatment align with that of human communication. Contrary to our assumptions, less trustworthy individuals do not show a higher propensity to delegate messages to ChatGPT.

690 Matteo Bizzarri and Daniele d'Arienzo *The Social Value of Overreaction to Information*

We study the welfare effects of overreaction to information in the form of diagnostic expectations in markets with asymmetric information, and the effect of a simple intervention in the form of a tax or a subsidy. A large enough level of overreaction is always welfare-decreasing and can rationalize a tax on financial transactions. A small degree of overreaction to private information can both increase or decrease welfare. This is because there are two competing externalities: an information externality, due to the informational role of prices, and a pecuniary externality, due to the allocative role of prices. When the information externality prevails on the pecuniary externality, the loading on private information in agents' trades is too small compared to the welfare optimum: in this case, a small degree of overreaction is welfare-improving.

691 Marcello D'Amato, Christian Di Pietro, and **Marco M. Sorge** *Left and Right: A Tale of Two Tails of the Wealth Distribution*

We study a model of wealth accumulation in altruistic lineages, in which households face uninsurable risk, investment indivisibilities and credit market imperfections. A thick upper tail of the stationary distribution of wealth is shown to emerge as a robust prediction, irrespective of (i) the presence of multidimensional (wealth and ability) heterogeneity and non-convexities in human capital formation, and (ii) the nature of parental bequest motives (joy-of-giving vs. paternalism). Additionally, (iii) we identify conditions under which the unique, ergodic wealth distribution exhibits a mass point at the bottom of its support, where bequest incentives are inactive and social mobility can only occur via occupational upgrading within lineages. Our interest in the features of the left tail motivates the exploration of the effects of various frictions and fiscal measures on intergenerational wealth transmission and the persistence of inequality. We show that tax policies (e.g. capital income taxation) targeting top wealth inequality can dilate expected residence time of lineages in the lower states of the wealth space, providing a strong case for redistributive policies that favour access to education for the less wealthy.

692 Ali Moghaddasi Kelishomi and **Roberto Nisticò** *Economic Sanctions and Informal Employment*

This paper examines how economic sanctions affect the allocation of workers across formal and informal employment. We analyse the case of the unprecedented sanctions imposed on Iran in 2012. Employing a difference-in-differences approach, we compare the probability of being employed in the informal sector before and after 2012 for workers in industries with different pre-existing exposure to international trade. Our analysis reveals that, following the sanctions, workers in industries with higher trade exposure are significantly more likely to experience informal employment compared to workers

in industries with lower trade exposure. These results remain robust when accounting for potential sorting issues by using an instrumental variable approach. Our findings suggest that the sudden shock to market access caused by the sanctions might have induced a decline in firms' productivity, especially in industries that heavily depend on imported inputs, and therefore an increase in firms' incentives to reduce the costs by shifting their employees to the informal sector. This sheds light on an important margin of labour market adjustment through which sanctions can affect the economy of the target country.

- 693** Anna Laura Baraldi, **Giovanni Immordino**, Erasmo Papagni, and Marco Stimolo *An Unintended Consequence of Gender Balance Laws: Mafia Fuels Political Violence*

Several studies document that women are more honest than men, so an increase in their political representation improves political institutions. However, greater honesty among politicians is an obstacle to mafias' influence, who may respond by escalating violence. We test this unintended consequence in Italy using Law 215/2012 whereby voters can express two preferences if they are of different genders. A Difference-in-Differences analysis documents an increase in violence probability of 0.6 times its mean (0.031). An alternative Differences-in-Discontinuities design yields similar result. These findings are not driven by the regions most plagued by mafias and are validated by several robustness checks.

- 694** **Niccolò Lomys** and Emanuele Tarantino *Identification in Search Models with Social Information*

We theoretically study the problem of a researcher seeking to identify and estimate the search cost distribution when a share of agents in the population observes some peers' choices. To begin with, we show that social information changes agents' optimal search and, as a result, the distributions of observable outcomes identifying the search model. Consequently, neglecting social information leads to non-identification of the search cost distribution. Whether, as a result, search frictions are under or overestimated depends on the dataset's content. Next, we present empirical strategies that restore identification and correct estimation. First, we show how to recover robust bounds on the search cost distribution by imposing only minimal assumptions on agents' social information. Second, we explore how leveraging additional data or stronger assumptions can help obtain more informative estimates.

- 695** Giacomo Gabbuti and **Salvatore Morelli** *Wealth, Inheritance, and Concentration: An 'Old' New Perspective on Italy and its Regions from Unification to the Great War*

Despite its relevance in 19th-century economics, wealth – its accumulation, composition, and distribution – has largely been neglected in Italian economic history. Filling this gap, we show that between the late 19th and mid-20th centuries, Italy presented a historically high value of total private wealth but had relatively small relevance in total bequests flows in proportion to national income. Then, we present novel estimates of wealth concentration between 1863 and 1914, combining national tabulations of inheritance tax records and microdata archives for Milan and Naples. During this period, wealth concentration in Italy was in line with the highest levels ever recorded since the late Middle Ages. Contrary to the evidence of declining income inequality in the period – traditionally considered the industrial 'take-off' phase of Italy – we find no clear signs of trends in wealth concentration or structural changes in wealth composition. This picture is confirmed and enriched by novel findings about wealth concentration at provincial and regional levels in the early 20th century. We show a great deal of heterogeneity beyond national aggregates but find no evidence of the classic North-South divide when looking at concentration. Likewise, we find no clear link between concentration levels and asset composition or economic development. Although contemporary inequality is much lower than early 20th-century figures, the 'real' wealth of present 'millionaires' seems much higher than that of historically rich individuals. Overall, the paper lays the basis for a very long-run view of wealth in Italy and reconsiders the impact of its industrialization at the end of the Liberal period.

- 696** **Salvatore Capasso**, Maria Kaisari, Konstantinos Kounetas, and Elias Lainas *School productive performance and technology gaps: new evidence from PISA 2018*

Improving educational outcomes is a global political imperative due to its favourable influence on a country's economic prosperity. Although researchers have endeavoured to gauge school performance through diverse data resources and techniques, there remains a lack of clarity regarding the factors that enhance school effectiveness. Using the latest version of the Programme for International Student Assessment (PISA, 2018), this paper employs a bootstrapped data envelopment analysis (DEA) to investigate the factors underlying the performance of 8825 schools across 34 OECD countries in terms of their national and international technological capabilities. The central idea is that technological heterogeneity and the technology gap significantly influence the benchmarking process. The findings confirm the presence of substantial technology gaps, indicating that the examined schools are unable

to fully harness their potential due to limitations in metatechnology. These gaps are influenced by student characteristics, school features and educational practices.

- 697** Andrea Bellucci, Alexander Borisov, and **Alberto Zazzaro** *Authority, Information, and Credit Terms: Evidence from Small Business Lending*

This paper studies the interplay between allocation of decision-making authority and information production within a bank in the context of small business lending. Using a sample of credit lines to small businesses and changes in the overlap between decision-making authority and information production following an organizational restructuring of the bank, we show that an increase in the authority of the information-producing loan officer leads to a reduction in the use of collateral but leaves interest rates broadly unchanged. The reduction of collateral requirements is more pronounced when loan officers have tacit local knowledge or soft information or when their real authority is limited pre-restructuring. Our results highlight the effect of alignment of information production and decision-making authority on the contract terms of bank credit.

- 698** **Carla Guerriero** and Antonia Pacelli *Emissions Abatement: the Role of EU ETS and Free Allowances. The Italian Case.*

This paper uses Italian data on industrial plant emissions over 12 years to assess the differential impact of negative shocks in the allocation of free allowances across various industrial sectors in the context of the EU Emission Trading Scheme (ETS). Specifically, it examines the consequences of reduced free allowances for certain sectors in contrast to those that maintain their existing allocation. By using a novel indicator of emission intensity based on quantity this study shows that the absence of free allowances does not directly impact the incentive to abate emissions but fosters the entry of cleaner producers. The results offer evidence of regional heterogeneity by analysing the variations in policy effects between the South and the North of Italy.