



UNIVERSITÀ
CATTOLICA
del Sacro Cuore



DEPARTMENT OF ECONOMICS AND FINANCE

Newsletter January-June 2023

FEATURED RESEARCH



Parodi, F. “Taxation of Consumption and Labor Income: a Quantitative Approach”, forthcoming at *AEJ: Macroeconomics*.

The uniform commodity taxation theorem by Atkinson and Stiglitz (1976), one of the most influential results in Public Economics, implies that differentiated consumption tax rates are not needed if an optimal non linear income tax is in place. Yet, in practice, most countries heavily rely on differentiated commodity taxation even if they have sophisticated progressive income tax systems.

In order to bridge this gap between tax theory and tax practice, in this paper I quantitatively characterize the optimal consumption and income tax rates using an estimated structural life-cycle model of households' consumption, saving and labor supply choices. The model relaxes the key assumptions of the Atkinson-Stiglitz theorem that could be driving the uniform commodity taxation result. First, I allow for multiple consumption goods with different degrees of necessity and durability. In particular, I include durable goods that are partially irreversible and enter the borrowing constraint. Second, I consider rich preference heterogeneity. Third, I take into account horizontal equity objectives of the social planner.

I derive the optimal tax system under the assumption of a utilitarian social welfare function. I find that durables should be subsidized and non-durables should be taxed at a uniform rate. The durable subsidy is driven by the life-cycle features of the model together with durables irreversibility and borrowing constraints. Uniform taxation on non-durables holds under exogenous and endogenous fully or weakly separable labor supply and it relies on homogeneity of intertemporal preferences. Lastly, allowing for government's horizontal equity concerns, I show that the model can rationalize the tax practice under a high degree of government's inequality aversion.

DEPARTMENT EVENTS

FORTHCOMING EVENTS

Tuesday, September 5th, h. 12.00, room G. 153

EVA MÖRK (Uppsala University)

Department Seminar

Monday, September 25th, h. 12.00

GIACOMO BRUSCO (University of Tübingen)

CIFREL Seminar

Thursday, September 28th, h. 12.00, room G. 153

FLORIAN OSWALD (Science Po University)

Department Seminar

Thursday, October 5th, h. 12.00, room G. 153

MATTEO SANDI (Università Cattolica del Sacro Cuore)

Internal Seminar

Thursday, October 12th, h. 12.00, room G. 153

THIEMO FETZER (Warwick University)

Department Seminar

Friday, October 13th, h. 12.00, room C. 017

SEBASTIAN POLEDNA (International Institute for Applied Systems Analysis)

CLE Seminar

October 18th-19th, room Negri da Oleggio

“AGE-IT”: the Contribution of Medical and Social Sciences

Workshop

Thursday, October 19th, h. 12.00, room G. 153

LUIGI PACIELLO (EIEF)

Department Seminar

Monday, October 23th, h. 12.00

THIESS BUTTNER (FAU)

CIFREL Seminar

Tuesday, October 24th, h. 12.00, room 210 (via Necchi 5)

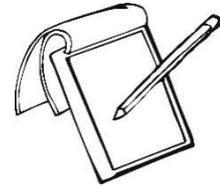
DAVID GOLDBAUM (University of Technology Sydney)

CLE Seminar

Thursday, October 26th, h. 12.00, room G. 153

OWEN OZIER (Williams College)

Department Seminar



Thursday, November 9th, h. 12.00, room G. 153
PIERO TEDESCHI and GIOVANNI URSINO (Università Cattolica del Sacro Cuore)
Internal Seminar

Thursday, November 16th, h. 12.00, room G. 153
FRANCESCO SOBBRIO (Tor Vergata University)
Department Seminar

Thursday, November 23rd, h. 12.00, room G. 153
VOLCKER NOCKE (Mannheim University)
Department Seminar

Monday, November 27th, h. 12.00
ELISA CASI-EBERARTHER (Norwegian School of Economics)
CIFREL Seminar

Monday, November 27th, h. 15.30, room OL. 103
Presentazione del rapporto INAPP: “Invecchiamento della forza lavoro nelle imprese Italian”
PIETRO CHECCUCCI (INAPP)
CRILDA PNRR Age-it Seminar

Thursday, December 5th, h. 12.00, room G. 153
WAYNE SANDHOLTZ (Nova SBE)
Department Seminar

Thursday, December 14th, h. 12.00, room G. 153
MARCO TABELLINI (HBS)
Department Seminar

Monday, December 18th, h. 12.00
ALESSANDRO SANTORO (University of Milano Bicocca)
CIFREL Seminar

PAST EVENTS

Wednesday, January 11th, h. 17.00, room G. 001
Dipartimento di Economia e Finanza
Dipartimento di Economia Internazionale, delle Istituzioni e dello Sviluppo

Burt Barnow (Trachtenberg School of Public Policy and Public Administration, George Washington University, Amsterdam Professor of Public Service and Economics)

Jeffrey Smith (Department of Economics, University of Wisconsin-Madison, Paul T. Heyne Distinguished Chair in Economics and Richard A. Meese Chair in Applied Econometrics)

Douglas Besharov (School of Public Policy, University of Maryland, Norman & Florence Brody Professor of Social Policy)

Monday, January 23rd, h. 12.00

FLORIAN SCHEUER (University of Zurich)
CIFREL Seminar

Thursday, February 2nd, h. 12.00, room G. 241

FEDERICO BOFFA (University of Bolzano)
Department Seminar

Thursday, February 9th, h. 12.00, room G. 117

NICOLA MASTROROCCHO (University of Bologna)
Department Seminar

Thursday, February 16th, h. 12.00, room G. 253

ALEX GORBENKO (University College London)
Department Seminar

Monday, February 20th, h. 9.30, room NI. 110

“Understanding Inequalities: New Evidence and Open Questions”
Workshop D.3.2 2018 Project

Monday, February 20th, h. 12.00

DOMENICO LISI (University of Catania)
CIFREL Seminar

Tuesday, February 21st, h. 17.00, room G. 007

MIGUEL ALQUEZAR YUS (European University Institute)
Political Economy WIP Seminar

Thursday, February 23rd, h. 12.00, room G. 026

LUCIA CORNO (Università Cattolica del Sacro Cuore)
Internal Seminar

Thursday, February 23rd, h. 17.00, room Maria Immacolata

“La riglobalizzazione. Dall’interdipendenza tra Paesi a nuove coalizioni economiche”

LAM - Laboratorio di Analisi Monetaria

ASSBB - Associazione per lo Sviluppo degli Studi di Banca e Borsa

Presentazione volume di G. Ottaviano

from March, 1st to May, 24st

“Guerra e pace nella storia del pensiero economico. Le relazioni internazionali fra conflitto, scambio e cooperazione”

Seminar Series - Associazione Francesca Duchini Studio del Pensiero Economico

Thursday, March 2nd, h. 12.00, room G. 153

RICCARDO MASOLO (Università Cattolica del Sacro Cuore)
Internal Seminar

Tuesday, March 7th, h. 17.00, room G. 153

MARCO BERTONI (Università di Padova)
Political Economy WIP Seminar

Thursday, March 9th, h. 12.00, room G. 026
SELENE GHISOLFI (Università Cattolica del Sacro Cuore)
Internal Seminar

Thursday, March 16th, h. 12.00
JORDI GALI (Universitat Pompeu Fabra)
Department Seminar

Monday, March 20th, h. 11.00, Cripta Aula Magna
Presentazione libro M. Madia “Vite disuguali. Salute, longevità, accesso ai diritti: la misura delle grandi fratture sociali”

Monday, March 20th, h. 12.00
ENRICO RUBOLINO (University of Lausanne)
CIFREL Seminar

Tuesday, March 21st, h. 17.00, room G. 153
GIOVANNA INVERNIZZI (Collegio Carlo Alberto)
Political Economy WIP Seminar

Thursday, March 23rd, h. 12.00
DAVIDE CIPULLO (Università Cattolica del Sacro Cuore)
Internal Seminar

Friday, March 24th, h. 12.00, room G. 125 bis
MASSIMO FERRARI MINESSO (European Central Bank)
CLE Seminar

Thursday, March 30th, h. 12.00
MARCO OVIDI (Università Cattolica del Sacro Cuore)
Internal Seminar

Friday, March 31st, h. 12.00
KERSTIN HÖTTE (Alan Turing Institute, London / INET Oxford)
CLE Seminar

Tuesday, April 4th, h. 17.00, room G. 153
PARTH PARIHAR (European University Institute)
Political Economy WIP Seminar

Thursday, April 13th, h. 12.00
ABHIJEET SINGH (Stockholm School of Economics)
Department Seminar

Friday, April 14th, h. 12.00
ANDREA MODENA (Mannheim University)
CLE Seminar

Monday, April 17th, h. 12.00
MATTEO PARADISI (EIEF)
CIFREL Seminar

Tuesday, April 18th, h. 17.00, room G. 153
DAVIDE CIPULLO (Università Cattolica del Sacro Cuore)
Political Economy WIP Seminar

Thursday, April 20th, h. 12.00
PEDRO SOUZA (Queen Mary)
Department Seminar

Thursday, April 27th, h. 12.00
ALISTAIR MACAULAY (University of Oxford)
Department Seminar

Tuesday, May 2nd, h. 17.00, room G. 153
VITANTONIO MARIELLA (Università di Bergamo)
Political Economy WIP Seminar

Thursday, May 4th, h. 12.00
FILIPE CAMPANTE (Johns Hopkins University - Online)
Department Seminar

Friday, May 5th, h. 12.00
MARCO RANALDI (University College London)
CLE Seminar

Thursday, May 11th, h. 12.00
ANDREAS MADESTAM (Stockholm University)
Department Seminar

Tuesday, May 16th, h. 17.00, room G. 153
JONATHAN CHAPMAN (Università di Bologna)
Political Economy WIP Seminar

Thursday, May 18th, h. 12.00
PAOLO PINOTTI (Bocconi University)
Department Seminar

Monday, May 22nd, h. 12.00
KATRINE MARIE JAKOBSEN (Oxford University)
CIFREL Seminar

Thursday, May 25th, h. 12.00
ALESSANDRO TAROZZI (EUI)
Department Seminar

Monday, May 29th, h. 12.00
HITOSHI SHIGEOKA (Simon Fraser University)
CLE Seminar

Tuesday, May 30th, h. 17.00, room G. 153
GEMA LAX MARTINEZ (University of Lausanne)
Political Economy WIP Seminar

Thursday, June 8th, h. 12.00

LUCA GEROTTO (Università Cattolica del Sacro Cuore)
Internal Seminar

Friday, June 9th, h. 12.00

PATRIZIO TIRELLI (University of Pavia)
CLE Seminar

Monday, June 19th, h. 12.00

ALEJANDRO ESTELLE-MORE (University of Barcelona)
CIFREL Seminar

Wednesday, June 21st, h. 16.30, Sala Maria Immacolata

Presentazione di Osservatorio Monetario n. 2/2023
"Stabilità finanziaria, vigilanza e politica monetaria"
LAM - Laboratorio di Analisi Monetaria
ASSBB - Associazione per lo Sviluppo degli Studi di Banca e Borsa

*For more details and updates check the Seminars Webpage at:
<https://dipartimenti.unicatt.it/economia-finanza-seminari-seminari-di-dipartimento>*

WORKING PAPERS

N. 123 – “The long-run earnings effects of winning a mayoral election” - Marco Bertoni, Giorgio Brunello, **Lorenzo Cappellari**, and Maria De Paola (January 2023).

N. 124 – “Is Populism reversible? Evidence from Italian local elections during the pandemic” - **Massimo Bordignon**, **Federico Franzoni**, and Matteo Gamalerio (January 2023).

N. 125 – “Subsidies to Technology Adoption when Firms’ Information is Endogenous” - **Luca Colombo**, **Gianluca Femminis**, and Alessandro Pavan (January 2023).

N. 126 – “Legal status and voluntary abortions by immigrants”- Luca Pieroni, Melcior Rosselló Roig, **Luca Salmasi**, and **Gilberto Turati** (January 2023).

N. 127 – “Do firm expectations respond to Monetary Policy announcements?” - Federico Di Pace, Giacomo Mangiante, and **Riccardo M. Masolo** (February 2023).

N. 128 – “Heterogeneity and the Equitable Rate of Interest” - **Riccardo M. Masolo** (February 2023).

RECENT PUBLICATIONS

Balduzzi, P., and M.F. Ambrosanio. 2023. “La prima legge di bilancio del governo Meloni”, *Aggiornamenti sociali*, 4 (74): 254-261.

Colombo, F. 2023. “Fondamenti razionali di economia finanziaria”, Torino: Giappichelli.

Colombo, L., and U. Galmarini. 2023. “Taxation and Anti-smoking Campaigns: Complementary Policies in Tobacco Control”, *Journal of Policy Modeling*, 45 (1): pp. 31-57.

Colombo, L., and V. Böhm. 2023. “Technology Choice with Externalities”, *Rivista internazionale di scienze sociali*, 1: 65-93.

Colombo, L., with M. Longo, M. Motolese, and C.K. Nielsen. 2023. “Gerd Weinrich: Economic Theory in the Service of Policy Design”, *Rivista internazionale di scienze sociali*, 1: pp. 5-17.

Colombo, S., with L. Filippini, and A. Pignataro. 2023. “Information sharing, personalized pricing, and collusion”, forthcoming in *Information Economics and Policy*.

Colombo, S., and L. Lambertini. 2023. “R&D investments with spillovers and endogenous product differentiation”, *Regional Science and Urban Economics*, 98: 103861.

Colombo, S., with L. Filippini, and D. Sen. 2023. “Patent licensing and capacity in a Cournot model”, *Review of Industrial Organization*, 62: 45-62.

Colombo, S., and Z. Hou. 2023. “Transportation gas emissions with online retailing: a spatial model”, *Spatial Economic Analysis*, 18: 7-22.

Colombo, S., and E. Berbenni. 2023. “The impact of pandemics on the labour market: insights from an Italian company archive during the Spanish Flu”, *Letters in Spatial and Resource Sciences*, 16: n° 11.

Colombo, S., with E. Berbenni, and C. Cantù. 2023. “Competing or cooperating? Italian banking rivalry in Egypt, 1924-1940”, *Journal of Management History*, 29: 205-231.

Di Domenico, L., with M. Raberto, and K. Safarzyńska. 2023. “The circular economy mitigates the material rebound due to investments in renewable energy”, *Journal of Cleaner Production*.

Di Domenico, L. 2023. “Multiplicity and not necessarily heterogeneity: implications for the long-run degree of capacity utilization”, *Journal of Economic Interaction and Coordination*.

Di Domenico, L., with G. Brondino, and D. Romaniello. 2023. “Hysteresis and Cost-push inflation: Which implications for monetary policies?”, *Rivista Internazionale di Scienze Sociali, Vita e Pensiero*, Pubblicazioni dell’Università Cattolica del Sacro Cuore, 131 (2): 273-290.

Di Domenico, L., with G. Ciaffi, and M. Deleidi. 2023. “Spesa pubblica, moltiplicatori fiscali e sostenibilità del debito pubblico”, *Economia e Politica*, 15 (25): 1-9.

Dragomirescu-Gaina, C., with D. Philippas, and S. Goutte. 2023. “How to ‘Trump’ the energy market: Evidence from the WTI-Brent spread”, *Energy Policy*, 179: 113654.

Dragomirescu-Gaina, C., and **A. Boitani**. 2023. “News and narratives: A cointegration analysis of Russian economic policy uncertainty”, *Economics Letters*, 226: 111094.

Femminis, G., and G. Piccirilli. 2023. “Optimal policy with dispersed information and uncertain monetary transmission”, *Economics Letters*, 229: 111204.

Ghisolfi, S., with I. Almas, T. Bold, T. von Carnap, and J. Sandefur. 2023. “The macroeconomics of pandemics around the world: Lives versus livelihoods revisited”, *Journal of Development Economics*, 163: 103099.

Grillo, M. 2023. “Market competition, efficiency and economic liberty”, *International Review of Economics*, 70: 437-456.

Le Moglie, M., with G. Daniele, and F. Masera. 2023. “Pains, Guns and Moves: The Effect of the U.S. Opioid Epidemic on Mexican Migration”, *Journal of Development Economics*, 160: 102983

Le Moglie, M., with G. Daniele, and A. Aassve. 2023. “Never Forget the First Time: The Persistent Effects of Corruption and the Rise of Populism in Italy”, forthcoming in *The Journal of Politics*.

Panebianco, F., with P. Battigalli, and P. Pin. 2023. “Learning and Selfconfirming Equilibria in Network Games”, *Journal of Economic Theory*, 212: 105700.

Panebianco, F., with V. Boucher, C. Del Bello, T. Verdier, and Y. Zenou. 2023. “Education Transmission and Network Formation”, *Journal of Labor Economics*, 41 (1): 129-173.

Sandi, M., with R. Disney, J. Gathergood, and S. Machin. 2023. “Does Homeownership Reduce Crime? A Radical Housing Reform from the UK”, *Economic Journal*, 133 (655): 2640–2675.

Santoro, E., with H. Bouakez, and O. Rachedi. 2023. “The Government Spending Multiplier in a Multi-Sector Model”, *American Economic Journal: Macroeconomics*, 15: 209-239.

Costa-Font, J., A. Batinti, **G. Turati** (eds.). 2023. *Handbook on the Political Economy of Health Systems*, London: Edward Elgar Publishing.

Turco, E., with E. Ciola, A. Gurgone, D. Bazzana, S. Vergalli, and F. Menoncin. 2023. “Enter the MATRIX model: a Multi-Agent model for Transition Risks with application to energy shocks”, *Journal of Economic Dynamics and Control*, 146: 104589.

Turco, E., with D. Bazzana, M. Rizzati, E. Ciola, and S. Vergalli. 2023. “Energy price shocks and stabilization policies in the MATRIX model”, *Energy Policy*, 177: 113567.

Turco, E., with **D. Delli Gatti**, and S. Reissl. 2023. “V for Vaccines and Variants”, *Journal of Evolutionary Economics*, 1-56.

DEPARTMENT NEWS

AWARDS

- **Davide Cipullo** received the Arnberg Prize 2023 from the Swedish Royal Academy of Science for the Ph.D. thesis “Political Careers, Government Stability, and Electoral Cycles”.

GRANTS & PROJECTS

- **D. Cipullo** and **M. Bordignon** on the PRIN 2022 Project “Sovereign and Corporate Debt in the aftermath of a major crisis: Economic and Political Implications” (Principal Investigator: Silvia Marchesi, Università degli Studi di Milano-Bicocca).

- **T. Colussi** on the PRIN 2022 Project “Voting mechanisms, socio-economic contextual factors, and electoral outcomes” (Principal Investigator: Jonathan Chapman, Università degli Studi di Bologna).

- **M. Sandi**, with **S. Ghisolfi**, **L. Cappellari**, and **M. Le Moglie** on the PRIN 2022 Project “The dynamics of crime and social exclusion in Italy”.

- **M. Le Moglie** on the PRIN 2022 Project “Fighting Organized Crime” (Principal Investigator: Gianmarco Daniele, Università degli Studi di Milano).

- **L. Cappellari** on the PRIN 2022 Project “Step-by-Step: Educational stages, choices, achievement and long-run outcomes”.

- **F. Panebianco**, with **A. Galliera**, and **L. Colombo** on the PRIN 2022 Project “Prosumers”.

- **F. Panebianco** on the PRIN (PNRR) 2022 Project “The Economics of Human Enhancement”.
- **G. Ursino** on the PRIN 2022 Project “Measuring Scientific Output via Preferences Elicitation”.



PEOPLE

Welcome to the new researchers joining the Department!

- **Eray Cumbul (Researcher, Facoltà di Economia)**



Eray Cumbul joined the Department of Economics and Finance as an assistant professor in 2023. He had previously graduated from the University of Rochester in 2013. After completing his studies, he undertook a post-doctoral position at IESE Business School in Barcelona between 2014 and 2015. Following that, he worked at TOBB University of Economics and Technology from 2015 to 2023 as an assistant professor of economics.

Eray's primary research interests encompass industrial organization, competition policy, and economic theory.

He has achieved notable success by publishing his research in esteemed economics journals, including the American Economic Journal: Microeconomics, Games and Economic Behaviour, and the International Journal of Industrial Organization. In addition to his research accomplishments, Eray frequently contributes as a referee for the most prestigious academic journals in the field.

• **Federico Franzoni (Post-doc Researcher, Facoltà di Economia)**



Federico Franzoni has been serving as a Postdoctoral Research Fellow in the Department of Economics since March 2023. His current research project is titled “The post-COVID-19 syndrome: Evaluation of the indirect effects of the epidemic on the health system” whose Principal Investigator is Prof. Claudio Lucifora. Federico’s educational background includes a Bachelor’s degree in Economics from the Catholic University of the Sacred Heart in 2017. He subsequently pursued a Master of Science in Economics and Business Administration, specializing in Economics, at the Norwegian School of Economics in 2019. During his master's program, he also engaged in the Erasmus+ Mobility Program at Maastricht University. Finally, in September 2023, Federico completed his Ph.D. in Economics and Finance at the Catholic University of the Sacred Heart - under the supervision of Prof. Massimo Bordignon - with a doctoral dissertation in Political Economics.

• **Gema Lax Martinez (Post-doc Researcher, Facoltà di Economia)**



Gema Lax Martínez is a Post-doc in Economics at the Department of Economics and Finance at Università Cattolica del Sacro Cuore. She is also affiliated at the CLEAN Unit in Bocconi University. She holds a PhD in Economics from the University of Lausanne (Switzerland). Gema holds a Master in Economic Analysis from Autonomous University of Barcelona (UAB) and has completed the Swiss Program for Doctoral Students in Economics at Study Center Gerzensee.

Her fields of specialization are Economic History, Political Economy and Conflict. Her current research focuses on the analysis of authoritarian regimes as well as the origins of Nationalism.

• **Riccardo M. Masolo (Researcher, Facoltà di Economia)**



Riccardo took up the position of RTDB researcher in the department in January 2023. Prior to that, he studied at Bocconi and Northwestern University and worked at Bank of England and the University of Bergamo. He has published in the Journal of the European Economic Association, the Journal of Money, Credit and Banking and the Journal of Economic Dynamics and Control.

Riccardo is a macroeconomist with an interest in inflation, business cycle dynamics and forecasting. His research combines Dynamic Stochastic General Equilibrium models with time-series and survey data.

His current projects focus primarily on optimal monetary policy in heterogeneous-agent models and the formation of inflation expectations of households and firms. Riccardo will be teaching macroeconomics at the undergraduate and graduate level.

• **Emiliano Santoro (Full Professor, Facoltà di Economia)**



From April 2023, Emiliano is Full Professor of Economics at the Department of Economics and Finance at the Catholic University of Milan. Prior to this, he held the Bicentenary Chair in Economics at the Department of Economics at the University of Copenhagen and was a Resident Visiting Fellow at Danmarks Nationalbank. He has also held visiting positions at the Central Bank of Finland in Helsinki, the Centre de Recerca en Economia Internacional (CREI) in Barcelona, Banco de España in Madrid, and the

Einaudi Institute for Economics and Finance (EIEF) in Rome. After graduating cum laude from Alma Mater Studiorum – Università di Bologna, Emiliano earned a Master of Science in Economics from the University of York, a Doctorate in Economics from the Catholic University of Milan, and a PhD from the University of Cambridge. His research interests span the fields of macroeconomics, monetary policy, and macroeconometrics

• **Elena Villar (Researcher, Facoltà di Economia)**



Elena Villar is Assistant Professor at the Department of Economics and Finance of the Catholic University of Milan since May 2023. She earned her PhD in Economics at the University of Milan-Bicocca in 2018, with a thesis on women in the labour market, in particular on the effects of childbirth on mothers' careers. Her research interests are in the areas of Labour and Health Economics.

Elena spent research and training periods in several European Universities, including: Université Paris Nanterre, Queen Mary University of London, and University of Aberdeen. She worked as a policy analyst for the ILO and UNESCO.

VISITING STUDENTS

• **Francesco Gabriele** (Ph.D. student, University of Southern California, from May to July 2023).

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LEAVING

A Research fellow left the Department. We thank him for all the work he has done and wish him all the best for his future career.

Duccio Gamannossi degli'Innocenti (Post-doc Research Fellow) has moved to Università degli Studi di Padova, at the Department of Economics and Management, as Assistant Professor.

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