



UNIVERSITÀ
CATTOLICA
del Sacro Cuore



DEPARTMENT OF ECONOMICS AND FINANCE Newsletter July-December 2021

FEATURED RESEARCH



Cipullo, D. 2021. “Political Fragmentation and Government Stability. Evidence from Local Governments in Spain”, *American Economic Journal: Applied Economics*.

Unstable governments have been historically associated with fragmented parliaments. Topical cases include the Weimar Republic in Germany and the Fourth Republic in France. Despite the abundance of examples, to date, we lack rigorous evidence on whether the association between fragmentation and stability is indeed causal. The main empirical issue lies in finding exogenous variation in fragmentation, especially when using national-level data. Also, occurrences of instability events at the national level are too uncommon to apply reliable econometric techniques.

A recent work by Davide Cipullo (Università Cattolica), with Carozzi (LSE) and Repetto (Uppsala University), forthcoming in the *American Economic Journal: Applied Economics* exploits data from 50,000 local elections in Spain (featuring more than 1,000 events of unseated governments), where parties can only enter the municipality council if they receive more than 5% of the votes. Using a Regression-Discontinuity design, the authors compare municipalities where a party receives just less than the required quota – and remains out from the council – with municipalities where a party receives a few more votes than the required quota – and may enter the council.

The empirical results document that the entry of an additional party causes a 5-percentage points increase in the probability that the incumbent mayor is unseated via a vote of no confidence. In relative terms, for each additional party that enters the municipality council, incumbent mayors are 140% more likely to be replaced during the term. Using the empirical results and a simulation method, the authors also show the policy impact of admission thresholds on the stability of incumbent governments. Low entry thresholds (e.g., those requiring a party to receive at least 3% of the votes to participate in the seat distribution) do not reduce instability compared to not having an admission threshold at all.

On the contrary, relatively high thresholds (e.g., those requiring at least 5% of the votes) may reduce occurrences of instability substantially.

DEPARTMENT EVENTS

FORTHCOMING EVENTS

Thursday, January 20th, h. 12.00

ERAY CUMBUL (TOBB University of Economics and Technology, Ankara)
Department Seminar

Monday, January 24th, h. 12.00

PAOLO ROBERTI (University of Bolzano/Bozen)
CIFREL Seminar



Tuesday, January 25th, h. 12.00

JUHA TOLVANEN (University of Vienna)
Department Seminar

Thursday, January 27th, h. 15.00

SILVIO RAVAIOLI (Columbia University)
Department Seminar

Monday, January 31st, h. 12.00

TSZ-NING WONG (University of Mannheim)
Department Seminar

Thursday, February 3rd, h. 12.00

LUDMILA MATYSKOVÁ (University of Bonn)
Department Seminar

Tuesday, February 8th, h. 12.00

SELENE GHISOLFI (Università Bocconi, LEAP)
Department Seminar

Thursday, February 10th, h. 12.00

SULE ALAN (EUI)
Department Seminar

Tuesday, February 15th, h. 12.00

FEDERICO INNOCENTI (University of Mannheim)
Department Seminar

Friday, February 18th, h. 12.00

MAYA JALLOUL (Lebanese American University)
Department Seminar

Thursday, February 24th, h. 12.00

ALESSANDRO PAVAN (Northwestern University)
Department Seminar

Monday, February 28th, h. 12.00

MIGUEL ALMUNIA (CUNEF)
CIFREL Seminar

Thursday, March 3rd, h. 12.00

JAN EECKHOUT (UPF)
Department Seminar

Thursday, March 10th, h. 12.00

MARCO LE MOGLIE (Università Cattolica del Sacro Cuore)
Internal Seminar

Monday, March 21st, h. 12.00

MAZHAR WASEEM (University of Manchester)
CIFREL Seminar

Thursday, March 24th, h. 12.00

CATALIN-FLORINEL DRAGOMIRESCU-GAINA (Università Cattolica del Sacro Cuore)
Internal Seminar

Thursday, April 7th, h. 12.00

GIACOMO CALZOLARI (EUI)
Department Seminar

Monday, April 11th, h. 12.00

EMANUELE BRACCO (University of Verona)
CIFREL Seminar

Thursday, April 21st, h. 12.00

MARCO MANACORDA (QMUL)
Department Seminar

Thursday, April 28th, h. 12.00

ISABELA MANELICI (LSE)
Department Seminar

Thursday, May 5th, h. 12.00

GIOVANNI URSINO (Università Cattolica del Sacro Cuore)
Internal Seminar

Thursday, May 12th, h. 12.00

EMANUELE TARANTINO (LUISS)
Department Seminar

Monday, May 16th, h. 12.00

CHIARA CANTA (Toulouse School of Economics)
CIFREL Seminar

Thursday, May 19th, h. 12.00

ATTILA LINDER (UCL)

Department Seminar

Thursday, May 26th, h. 12.00

ANNA MAYDA (Georgetown University)

Department Seminar

Monday, June 20th, h. 12.00

VALENTINO LARCINESE (London School of Economics)

CIFREL Seminar

For more details and updates check the Seminars Webpage at:

<https://dipartimenti.unicatt.it/economia-finanza-seminari-seminari-di-dipartimento>

PAST EVENTS

Friday, September 10th, whole day

Workshop on Economics with Heterogeneous Interacting Agents - WEHIA 2021

Friday, September 10th - Saturday, September 11th, whole day

XV GRASS - Social Choice Research Group Workshop

Monday, September 27th, h. 12.00

SERGIO GALLETTA (University of Bergamo)

CIFREL Seminar

Thursday, October 7th, h. 15.00

GAUTAM RAO (Harvard University)

Department Seminar

Thursday, October 14th, h. 15.00

EMANUELE COLONNELLI (University of Chicago Booth)

Department Seminar

Friday, October 15th, whole day

Workshop on Economics with Heterogeneous Interacting Agents - WEHIA 2021

Thursday, October 21st, h. 12.00

ELIAS PAPAIOANNU (London Business School)

Department Seminar

Monday, October 25th, h. 12.00

JAKOB EGHOLT SØGAARD (University of Copenhagen)
CIFREL Seminar

Thursday, October 28th, h. 12.00

ELENA VILLAR AND TOMMASO COLUSSI (Università Cattolica del Sacro Cuore)
Internal Seminar

Thursday, November 4th, h. 12.00

STEFANIE VON HINKE (University of Bristol)
Department Seminar

Thursday, November 18th, h. 15.00

ESTEBAN ROSSI-HANSBERG (Princeton University)
Department Seminar

Friday, November 19th, whole day

Workshop on Economics with Heterogeneous Interacting Agents - WEHIA
2021

Monday, November 22nd, h. 16.30

JULIANA YAEL MILOVICH (IHEAL and OPHI)
CRILDA Seminar

Wednesday, November 24th, h. 17.00

Presentazione Osservatorio Monetario 3/2021
LAM

Monday, November 29th, h. 12.00

AUDINGA BALTRUNAITE (Bank of Italy)
CIFREL Seminar

Thursday, December 2nd, h. 12.00

LORENZO CASABURI (Zurich University)
Department Seminar

Thursday, December 9th, h. 12.00

CIRO DE FLORIO (Università Cattolica del Sacro Cuore)
Internal Seminar

Monday, December 20th, h. 12.00

CHRISTOS KOTSOGIANNIS (University of Exeter)
CIFREL Seminar

Thursday, December 22nd, h. 9.00

Macroeconomic Dynamics: Theory and Applications
Workshop

WORKING PAPERS

- N. 108** – “High School Choices by Immigrant Students in Italy” - Koray Aktas, Gianluca Argentin, **Gian Paolo Barbetta**, Gianna Barbieri and **Luca V.A. Colombo** (July 2021)
- N. 109** – “Employer Association in Italy Trends and Economic Outcomes” - **Bernardo Fanfani**, **Claudio Lucifora**, and **Daria Vigani** (July 2021)
- N. 110** – “Monetary and macroprudential policy: The multiplier effects of cooperation” - **Federico Bassi** and **Andrea Boitani** (September 2021)
- N. 111** – “Impatience and crime. Evidence from the NLSY97” - Stefania Basiglio, Alessandra Foresta, and **Gilberto Turati** (September 2021)
- N. 112** – “The Impact of the ECB Banking Supervision Announcements on the EU Stock Market” - **Angelo Baglioni**, **Andrea Monticini** and David Peel (November 2021)
- N. 113** – “Should you Meet The Parents? The impact of information on non-test score attributes on school choice” - Elisa Facchetti, Lorenzo Neri, and **Marco Ovidi** (December 2021)

RECENT PUBLICATIONS

- Baglioni, A.** 2021. “Le frontiere della politica monetaria. Dal quantitative easing ai tassi negativi”, Milano: Hoepli.
- Brenna, E.** 2021. “The Economic and Social Burden of Osteoporosis in Developed Countries: Health Policy Considerations Based on a Literature Review”, *International Journal of Business and Social Science*, 12 (6).
- Brenna, E.** 2021. “Assistenza Residenziale: Anziani, bisogno di cure e risposte del SSN”, 17° Rapporto CREA Sanità, cap. 7.
- Cipullo, D.**, with F. Carozzi, L. Repetto. 2022. “Political Fragmentation and Government Stability. Evidence from Local Governments in Spain”, forthcoming in *American Economic Journal: Applied Economics*.
- Cipullo, D.**, and **M. Le Moglie**. 2022. “To vote, or not to vote? Electoral Campaigns and the Spread of COVID-19”, forthcoming in *European Journal of Political Economy*.
- Cipullo, D.** 2021. “Voting Systems and Fiscal Policy: Evidence from Runoff and Plurality Elections”, *National Tax Journal*, 74 (2): 347-376.

Delli Gatti, D., and S. Reissl. 2022. “Agent-Based Covid economics (ABC): Assessing non-pharmaceutical in-terventions and macro-stabilization policies”, forthcoming in *Industrial and Corporate Change*.

Delli Gatti, D., and E. Grugni. 2021. “Breaking Bad: Supply Chain Disruptions in a Streamlined Agent Based Model”, *European Journal of Finance*, DOI: 10.1080/1351847X.2021.1963300.

Delli Gatti, D., with G. Tedeschi, D. Vidal-Tomas, and M. Gallegati. 2021. “The macroeconomic effects of default and debt restructuring: An agent based exploration”, *International Review of Economics and Finance*, 76 (C): 1146-1163.

Dragomirescu-Gaina, C., with D. Philippas, S. Goutte, and D. Nguyen. 2021. “Investors’ attention and information losses under market stress”, *Journal of Economic Behavior and Organization*, 191: 1112-1127.

Dragomirescu-Gaina, C. 2021. “Facing an unfortunate trade-off: policy responses, lessons and spillovers during the COVID-19 pandemic”, *Economics & Human Biology*, 43, 101052.

Femminis, G., and **G. Piccirilli**. 2021. “Efficient information acquisition with heterogeneous agents”, *Economics Letters*, 207, article 110025.

Turati G., with M. Di Giacomo, M. Piacenza, and L. Siciliani. 2022. “The effect of co-payments on the take-up of prenatal tests”, *Journal of Health Economics*, vol. 81, 102553.

DEPARTMENT NEWS

AFFILIATIONS & FELLOWSHIPS



We congratulate

- **Elenka Brenna** on her appointment as RTD-A at the Department of Economics and Management, University of Pavia.
- **Elena Cottini** on her appointment as Associate Professor, Facoltà di Economia.

PROJECTS

- **Balduzzi P., Bordignon M., and Colombo L.:** in the LIBenter Project (Department of Political Sciences, Università Cattolica del Sacro Cuore, Principal Investigator: Prof. Dino Rinoldi, Università Cattolica del Sacro Cuore Piacenza) participation at a research project funded by CNEL that produced the document: “Il monitoraggio del Piano nazionale di ripresa e resilienza (PNRR) a cura di comunità, associazioni, cittadini. Una proposta per la tutela della trasparenza, dell’integrità e della realizzazione degli investimenti pubblici”.

PEOPLE

Our welcome to the new researchers joining the Department!

• **Leda Maria Bonazzi (Post-doc Research Fellow, Facoltà di Economia)**



Leda Maria Bonazzi is a Post-Doctoral Fellow at the Department of Economics and Finance. She has obtained a PhD in Economics at the University of Milano Bicocca in 2019, with a 3-month stay at the London School of Economics and Political Sciences. Her research interests lie primarily in the field of Microeconomic Theory, with a focus on Industrial Organization and Economics of Information. After completing her PhD program she has worked as Research Assistant at the Institute for Social and Economics Research (ISER) of University of Essex.

She has a degree in Economics and Social Sciences at Bocconi University, and before starting her PhD program, she has worked in many research oriented environments within different institutions and has collaborated on several projects ranging from demography to public policy. She has been an international student at Brandeis University, and an intern in the DG COMP of the European Commission.

• **Davide Cipullo (Assistant Professor – RTD-A, Facoltà di Economia)**



Davide Cipullo joined the Department of Economics and Finance as an Assistant Professor (Rtd-A) of Public Economics (Scienza delle Finanze) in October. He was shortlisted in last year's academic job market and then hired over the summer. He is also affiliated with the CESifo institute for economic research in Munich and with the Uppsala Centre for Fiscal Studies. Davide received his Ph.D. in Economics from Uppsala University in 2021. During the academic year 2018-2019, Davide was a visiting fellow at the

Department of Economics of Harvard University. Davide also holds a B.Sc. and a M.Sc. in Economics from the University of Siena, and a M.Sc. and a Ph.Lic. in Economics from Uppsala University. Davide's research lies within the fields of political economy and public economics, and applies a combination of theoretical and quasi-experimental approaches. His current works include a study of gender gaps in voter support for political candidates and the investigation of electoral incentives behind the release of GDP growth forecasts.

- **Catalin-Florinel Dragomirescu-Gaina (Assistant Professor – RTD-A, Facoltà di Scienze Bancarie, Finanziarie e Assicurative)**



Starting September 2021, Catalin holds a RTD-A position within the Faculty of Finance, Banking and Insurance – Università Cattolica del Sacro Cuore where he teaches Economia Politica II. Catalin obtained his PhD from our university in April 2020, although his 18 years of previous experience cover both professional and academic domains. Catalin held various positions in central banks, European institutions and think-tanks, while his academic experience covered various teaching positions, mainly in areas related to economics and finance. His main research interests are focused on macro-finance, international and public finance, as well as labour economics and applied econometrics.

- **Franziska Tinnefeld (Research Fellow – EPOC Project)**



I am a first year PhD Candidate within one of the EU funded Marie Skłodowska-Curie innovative training networks under the topic name of Economic Policy in Complex Environments (EPOC). During the three-year program I will be working in the Economics Faculty at Università Cattolica del Sacro Cuore in Milan for two years and will take part in a visiting year at Amsterdam University. I have completed my research Master in Multidisciplinary Economics at Utrecht University with a thesis on the relatedness of climate-change mitigation technologies in developing countries. Within my current PhD I am able to continue my work in the field of innovation and sustainable growth under the supervision of Prof. Maria-Luisa Mancusi (UNICATT) and Dr. ig. Florian Wagener (UvA).

• **Debmallya Chanda (Research Fellow – EPOC Project)**



Debmallya Chanda is currently a Ph.D. student and research fellow at the Università Cattolica del Sacro Cuore in Milan. He holds this position at the Complexity Lab in Economics (CLE) at the Department of Economics and Finance. Presently he is working on one of the projects under the Economic Policy in Complex Environments (EPOC) funded by Marie Skłodowska-Curie Actions in Horizon 2020. Monetary policy analysis and study of financial stability of the central bank digital currencies using the framework of hybrid

agent based modeling is the primary objective of the project. Role of financial institutions and liquidity instruments on the effectiveness of different central bank policy measures will also be studied. Before joining the Ph.D., he was a research assistant at Science Po, Paris for a brief period. Debmallya has completed his masters from Université Paris 1 Pantheon-Sorbonne in September, 2020 where he worked on unsecured and secured credit driven self-fulfilling credit cycles in the US economy.

VISITING RESEARCHERS

Manuela Pedio, University of Bristol: September 2021.

Filippo Gusella, University of Florence: October-December 2021

LEAVING

A few people left the Department. We thank them for all the work they have done and wish them all the best for their future careers.

Federico Bassi (Post-doc Research Fellow, Facoltà di Scienze Bancarie, Finanziarie, Assicuratriche) has moved to Université de Lille as Researcher.
federico.bassi@univ-lille.fr

Rosario Crinò (Full Professor, Facoltà di Economia) has moved to Università degli Studi di Bergamo as Full Professor.
rosario.crinò@unibg.it

Luca Stella Luca Stella (Assistant Professor, Facoltà di Scienze Politiche e Sociali) has moved to Freie Universität Berlin as Junior Professor.
luca.stella@fu-berlin.de

*Contacts: Department of Economics and Finance phone: +39.02-7234.2976
fax: +39.02-7234. 2781 e-mail: dip.economiaefinanza@unicatt.it*