



# ANNUAL 2019 NEWSLETTER



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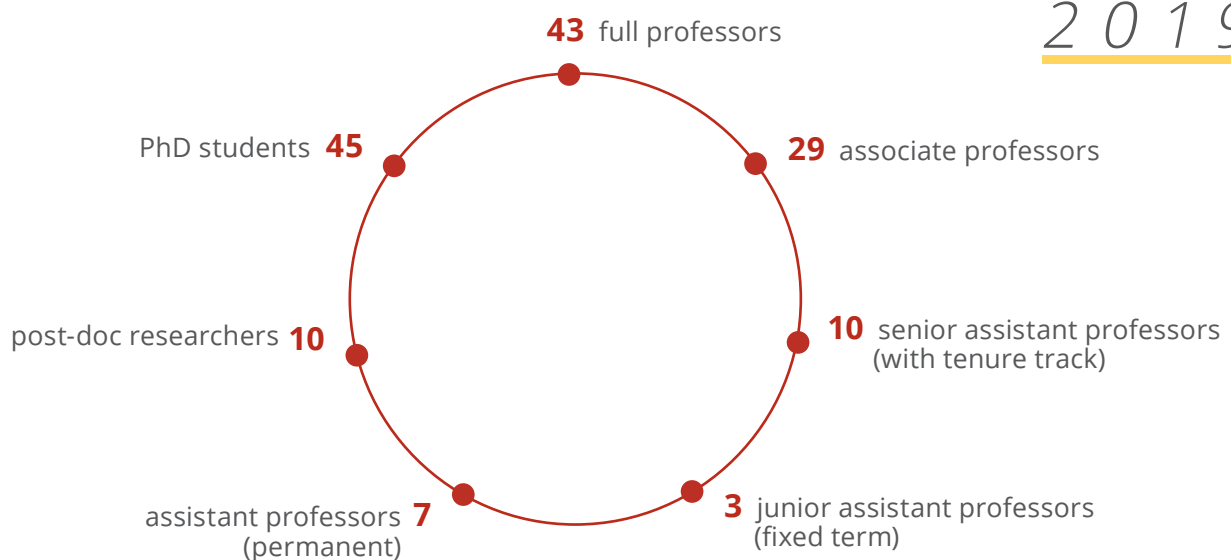


*Dear colleagues and friends,*

with a highlight of the continued success of our department reflected in acquiring several PRIN research projects (5 with Principal Investigators at the department including the two highest ranked ones in Italy plus 3 as local units), I would like to present the second issue of our annual research newsletter on the department's scientific achievements and faculty recruitment during 2019.

Giorgio Belletini, Head of the Department of Economics, University of Bologna

## The Department in numbers





## In-and-out's

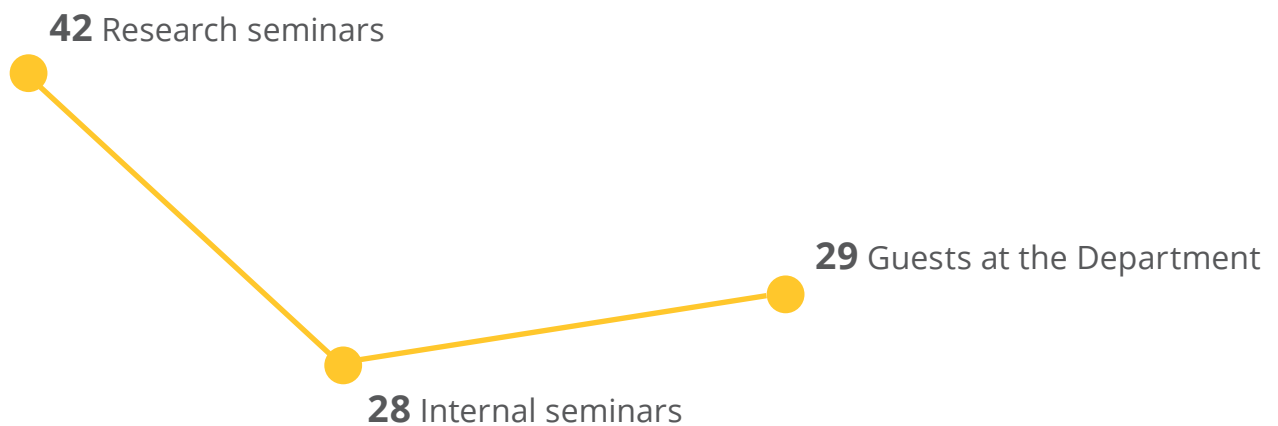
### New hires

- **Giovanni Angelini**, senior assistant professor, PhD University of Bologna
- **Francesca Barigozzi**, full professor, PhD Toulouse School of Economics (previously, associate professor)
- **Matteo Barigozzi**, full professor, PhD Sant'Anna School of Advanced Studies
- **Stefania Bortolotti**, senior assistant professor, PhD University of Trento
- **Emilio Calvano**, associate professor, PhD Toulouse School of Economics (previously, senior assistant professor)
- **Andrea Carriero**, full professor, PhD Bocconi University
- **Alice Guerra**, senior assistant professor, PhD University of Bologna
- **Niko Samuli Jaakkola**, senior assistant professor, PhD University of Oxford
- **Rossella Verzulli**, senior assistant professor, PhD University of Milan

### Retired faculty

- **Giancarlo Gozzi**, associate professor
- **Hartmut Lehmann**, full professor
- **Alessandro Romagnoli**, associate professor
- **Bruno Salituro**, associate professor
- **Anna Soci**, full professor

## Research seminars and guests



# Completed doctorates

The editorial board and the Faculty of the Department of Economics wish to recognize and congratulate newly-minted PhDs from our department's programmes who have completed and defended their thesis in the year 2019. We wish them the best and successful careers!








## PhD in Economics

Phd Student	Thesis title	Supervisor
David Tobias Angenendt	<i>Essays on Innovative Activity and the Protection of Innovations</i>	Vincenzo Denicolò
Anastasia Arabadzhyan	<i>Essays on Applied Public Economics</i>	Paolo Vanin
Ankush Asri	<i>'When Giulia and Andrea Meet Salma and Omar' Essays on Cultural and Economic Effects of Globalization</i>	Marco Casari
Stephen Billion	<i>Regulating Retirement Savings: An Evolutionary Psychology Approach</i>	Pieter Desmet Michael Faure Alan Miller
Marcello Colasante	<i>Essays in Minimum Relative Entropy Implementations for Views Processing</i>	Massimiliano Marzo
Giacomo Danda	<i>Essays in Applied Economics</i>	Davide Dragone
Thiago De Araújo Fauvrelle	<i>The Law &amp; Economics of Judicial Performance: An Empirical Approach</i>	Stefan Voigt Louis Visscher Elena Kantorowicz - Reznichenko
Mostafa El Far	<i>International Investment Law and Domestic Legislations in the MENA Region: Egypt, Jordan and Morocco</i>	Thomas Straubhaar Stephen Oeter Michael Faure
Gemelee Hirang	<i>The Persistence of Non-Tariff Measures in ASEAN</i>	Emanuela Carbonara Michael Faure
Ifrah Jameel	<i>The Impact of Capital Regulation on Bank Involvement in Securitized Banking</i>	Niels Philipsen Alessio Paces
Bryan Kareem Khan	<i>An Economic Analysis of the Intellectual Property Rights of Broadcasting Organisations</i>	Hans-Heinrich Trute Louis Visscher Kees van Noortwijk
Chih-Ching Lan	<i>A Law and Economic Analysis of Policy Instruments to Prevent Deforestation and Forest Degradation in the Tropics</i>	Michael Faure Sharon Oded
Alexande Lehner	<i>Essays in Long-Run Development and Spatial Economics</i>	Matteo Cervellati
Alessia Marrasso	<i>Evaluating non-Price Effects of Regulatory and Competition Enforcement Interventions</i>	Vincenzo Denicolò
Daniel Pi	<i>Foundations of Law and Economics</i>	Francesco Parisi
Filippo Roda	<i>The Economic Analysis of the One-Way Fee-Shifting Rule in Litigation</i>	Emanuela Carbonara Louis Visscher
Anh Nguyet Tran Thi	<i>Essays on Human Capital Development and Socio-Economic Inequality</i>	Chiara Monfardini
Emine Kubra Usta	<i>Essays in Applied and Labor Economics</i>	Margherita Fort
Akiva Weiss	<i>Institutional Solutions to Civil War</i>	Stefan Voigt Klaus Heine

# Selected publications

# 2019


## Econometrics

- 
**Angelini, G., E. Bacchiocchi, G. Caggiano, L. Fanelli**  
[Uncertainty Across Volatility Regimes](#). *Journal of Applied Econometrics* 34: 437–55.
- 
**Angelini, G., L. Fanelli**  
[Exogenous Uncertainty and the Identification of Structural Vector Autoregressions with External Instruments](#). *Journal of Applied Econometrics* 34: 951–71.
- 
**Barigozzi, M., C. Brownlees**  
[NETS: Network Estimation for Time Series](#). *Journal of Applied Econometrics* 34: 347–64.
- 
**Carriero, A., T.E. Clark, M. Marcellino**  
[Large Bayesian Vector Autoregressions with Stochastic Volatility and non-Conjugate Priors](#). *Journal of Econometrics* 212: 137–54.
- 
**Carriero, A., A.B. Galvao, G. Kapetanios**  
[A Comprehensive Evaluation of Macroeconomic Forecasting Methods](#). *International Journal of Forecasting* 35: 1226–39.
- 
**Cavaliere, G., A. Skrobotov, A.M.R. Taylor**  
[Wild Bootstrap Seasonal Unit Root Tests for Time Series with Periodic Nonstationary Volatility](#). *Econometric Reviews* 38: 509–32.
- 
**Georgiev, I., D.I. Harvey, S.J. Leybourne, A.M.R. Taylor**  
[A Bootstrap Stationarity Test for Predictive Regression Invalidity](#). *Journal of Business & Economic Statistics* 37: 528–41.



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## Economic History

- 
**Carboni, M., M. Fornasari**  
[The 'Untimely' Demise of a Successful Institution: The Italian Monti di Pietà in the Nineteenth Century](#). *Financial History Review* 26: 147–70.
- 
**Casari M., M. Lisciandra, C. Tagliapietra**  
[Property Rights, Marriage, and Fertility in the Italian Alps, 1790–1820](#). *Explorations in Economic History* 71: 72–92.
- 
**Del Sordo, C., M. Fornasari, R.L. Orelli**  
[Power and Discipline: The Role of Accounting in the Monte di Pietà of Ravenna between 18th and 19th Centuries](#). *International Journal of Business and Management* 14: 93–109.

## Environmental and Resource Economics



**Agliardi, E., R. Agliardi**

[Financing Environmentally-Sustainable Projects with Green Bonds](#). *Environment and Development Economics* 24: 608–23.



**Agliardi, E., T. Alexopoulos, C. Cech**

[On the Relationship Between GHGs and Global Temperature Anomalies: Multi-level Rolling Analysis and Copula Calibration](#). *Environmental and Resource Economics* 72: 109–33.



**Brock, W., A. Xepapadeas**

[Regional Climate Change Policy under Positive Feedbacks and Strategic Interactions](#). *Environmental and Resource Economics* 72: 51–75.



**Buccioli, A., N. Montinari, M. Piovesan**

[It Wasn't Me! Visibility and Free Riding in Waste Disposal](#). *Ecological Economics* 157: 394–401.



**Carattini, S., S. Levin, A. Tavoni**

[Cooperation in the Climate Commons](#). *Review of Environmental Economics and Policy* 13: 227–47.



**İriş, D., J. Lee, A. Tavoni**

[Delegation and Public Pressure in Threshold Public Goods Game: Theory and Experimental Evidence](#). *Environmental and Resource Economics* 74: 1331–53.



**Jaakkola, N.**

[Carbon Taxation, OPEC and the End of Oil](#). *Journal of Environmental Economics and Management* 94: 101–17.



**Jaakkola, N., F. van der Ploeg**

[Non-Cooperative and Cooperative Climate Policies with Anticipated Breakthrough Technology](#). *Journal of Environmental Economics and Management* 97: 42–66.



**Jaakkola, N., D. Spiro, A.A. van Benthem**

[Finders, Keepers?](#) *Journal Of Public Economics* 169: 17–33.

## Experimental and Behavioral Economics



**Bigoni, M., S. Bortolotti, M. Casari, D. Gambetta**

[At the Root of the North–South Cooperation Gap in Italy: Preferences or Beliefs?](#) *Economic Journal* 129: 1139–52.



**Bigoni, M., G. Camera, M. Casari**

[Partners or Strangers? Cooperation, Monetary Trade, and the Choice of Scale of Interaction](#). *American Economic Journal: Microeconomics* 11: 195–227.



**Bigoni, M., J. Potters, G. Spagnolo**

[Frequency of Interaction, Communication and Collusion: An Experiment](#). *Economic Theory* 68: 827–44.



**Conte, A., M.V. Levati, N. Montinari**

[Experience in Public Goods Experiments](#). *Theory and Decision* 86: 65–93.



**Cornaglia, F., M. Drouvelis, P. Masella**

[Competition and the Role of Group Identity](#). *Journal of Economic Behavior & Organization* 162: 136–45.



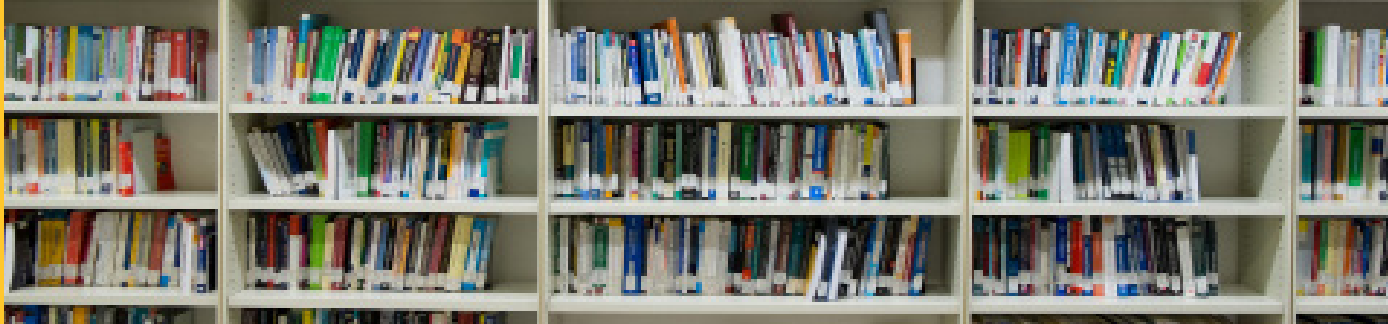
**Fabbri, M., N. Barbieri, M. Bigoni**

[Ride Your Luck! A Field Experiment on Lottery-Based Incentives for Compliance](#). *Management Science* 65: 4336–48.




## Health Economics

- 
**Arduini, T., D. Iorio, E. Patacchini**  
[Weight, Reference Points, and the Onset of Eating Disorders.](#) *Journal of Health Economics* 65: 170–88.
- 
**Dragone, D., G. Prarolo, P. Vanin, G. Zanella**  
[Crime and the Legalization of Recreational Marijuana.](#) *Journal of Economic Behavior & Organization* 159: 488–501.
- 
**Lippi Bruni, M., I. Mammi, R. Verzulli**  
[Quality in Nursing Homes.](#) In: *Oxford Research Encyclopedia of Economics and Finance*, Oxford University Press.
- 
**Ugolini, C., M. Lippi Bruni, G. Fiorentini, A.C. Leucci, M.L. Moro, E. Berti, L. Nobilio**  
[Disease Management in Diabetes Care: When Involving GPs Improves Patient Compliance and Health Outcomes.](#) *Health Policy* 123: 955–62.

Foto di Maria Montalbò





## Industrial Organization

- 
**Barigozzi, F., N. Burani**  
[Competition for Talent when Firms' Mission Matters.](#) *Games and Economic Behavior* 116: 128–51.
- 
**Biglaiser, G., E. Calvano, J. Crémer**  
[Incumbency Advantage and its Value.](#) *Journal of Economics & Management Strategy* 28: 41–48.
- 
**Carroni, E., L. Ferrari, S. Righi**  
[The Price of Discovering your Needs Online.](#) *Journal of Economic Behavior & Organization* 164: 317–30.


## International and Spatial Economics

- 
**Bakhtiari, S., A. Minniti, A. Naghavi**  
[Multinationalization and the Scope of Innovation.](#) *Industrial and Corporate Change* 28: 1057–77.
- 
**Ferrante, M.R., M. Freo**  
[Detecting Learning-by-Exporting Effects on Firms' Productivity Distribution by Accounting for Heterogeneous Macrofactors and Panel Attrition.](#) *World Economy* 42: 2745–73.
- 
**Lanzara, G., G.A. Minerva**  
[Tourism, Amenities, and Welfare in an Urban Setting.](#) *Journal of Regional Science* 59: 452–79.



## Labor, Household and Education Economics / Public Economics

- 
**Barigozzi, F., H. Cremer, K. Roeder**  
[Till Taxes Do Us Part: Tax Penalties or Bonuses and the Marriage Decision.](#) *European Economic Review* 118: 37–50.
- 
**Boranbay, S., C. Guerriero**  
[Endogenous \(In\)formal Institutions.](#) *Journal of Comparative Economics* 47: 921–45.
- 
**Coviello, D., A. Ichino, N. Persico**  
[Measuring the Gain from Labor Specialization.](#) *The Journal of Law and Economics* 62: 403–26.
- 
**Ferraresi, M., U. Galmarini, L. Rizzo, A. Zanardi**  
[Switch toward Tax Centralization in Italy: A Wake-up for the Local Political Budget Cycle.](#) *International Tax and Public Finance* 26: 872–98.

## Law and Economics

- 
**Franzoni, L.A.**  
[Legal Change in the Face of Risk-Averse Subjects: A Generalization of the Theory.](#) *American Law and Economics Review* 21: 394–430.

## Monetary and Financial Economics

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**Barigozzi, F., P. Tedeschi**  
[On the Credibility of Ethical Banking.](#) *Journal of Economic Behavior & Organization* 166: 381–402.
- 
**Barigozzi, M., M. Hallin, S. Soccorsi**  
[Identification of Global and Local Shocks in International Financial Markets via General Dynamic Factor Models.](#) *Journal of Financial Econometrics* 17: 462–94.



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## Political Economy / Development Economics

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**Guiso, L., H. Herrera, M. Morelli, T. Sonno**  
[Global Crises and Populism: The Role of Eurozone Institutions.](#) *Economic Policy* 34: 95–139.
- 
**Picci, L.**  
[Gossip, Internet-Based Reputation Systems and Governance.](#) In: F. Giardini, R. Wittek (eds) *The Oxford Handbook of Gossip and Reputation*. Oxford University Press, Oxford, pp. 496–511.

## Tourism and Sports Economics

- 
**Angelini, G., L. De Angelis**  
[Efficiency of Online Football Betting Markets.](#) *International Journal of Forecasting* 35: 712–21.
- 
**Guizzardi, A., G. Angelini, F.M.E. Pons**  
[Does Advance Booking Matter in Hedonic Pricing? A New Multivariate Approach.](#) *The International Journal of Tourism Research* 22: 277–88.

## Research in Brief

Jaakkola, N., D. Spiro, A.A. van Benthem (2019) **Finders, Keepers?** *Journal Of Public Economics* 169: 17-33.

Nationalisation of natural resource assets, or expropriation of the associated profits, is a common phenomenon: immobile assets such as oil fields are easy targets for revenue-hungry governments. Indeed, many countries have seen multiple waves of expropriations: private investors putting down the large upfront investment required to develop a resource asset, only to discover that a change in political weather leads to the government demanding a renegotiation of the financial terms the firm operates under. We argue that this process is cyclical and follows from the way natural resources are exploited. A resource-poor country offers attractive tax rates to potential investors, to encourage exploration for and development of resource finds. Once resources are discovered and the investment required for their exploitation is in place, the political leadership (sometimes the same government, sometimes a new one) is tempted to raise tax rates to get a larger share of the revenues. But the higher tax rates reduce new exploration. Once the resources are depleted, a government is forced to again offer favourable terms to investors, and the cycle continues. We document such cycles in many countries, some of them with strong institutions. Past research has argued that expropriations often follow price spikes: we provide evidence that suggests increases in production may be equally important, in line with our story.

Dragone, D., G. Prarolo, P. Vanin, G. Zanella (2019) **Crime and the Legalization of Recreational Marijuana.** *Journal of Economic Behavior & Organization* 159: 488-501.

The paper studies whether the legalization of medical marijuana for recreational use affects criminality rates. Exploiting the staggered legalization of marijuana in the US states of Washington and Oregon, the paper finds that the introduction of recreational marijuana has not increased crime. On the contrary, it produces a reduction in rapes and property crimes.

Angelini, G., E. Bacchiocchi, G. Caggiano, L. Fanelli (2019), **Uncertainty Across Volatility Regimes.** *Journal of Applied Econometrics* 34: 437-55.

The paper simultaneously addresses two major questions in the empirical literature on uncertainty: Is uncertainty a cause or effect of the decline in real economic activity? Does the relationship between uncertainty and economic activity change across macroeconomic regimes? The analysis is based on a small-scale Structural Vector Autoregressive model estimated on U.S. monthly data and a new identification methodology which exploits the breaks in the volatility of major macroeconomic variables across main macroeconomic regimes. Empirical results suggest that (i) uncertainty is an exogenous source of the decline of economic activity, (ii) the effects of uncertainty shocks amplify in periods of economic and financial turmoil.

Angelini, G., L. De Angelis (2019) **Efficiency of Online Football Betting Markets.** *International Journal of Forecasting* 35: 712-21.

This paper evaluates to what extent online betting markets for European (association) football leagues are efficient. By considering the odds proposed by 41 bookmakers on 11 European major leagues (including English Premier League, Bundesliga, Liga, and Serie A) over the last 11 years, we find evidence of differing degrees of efficiency among markets. We show that, if the best odds are selected across bookmakers, eight markets are efficient while three show inefficiencies that imply profit opportunities for bettors. In particular, we observe the tendency for bookmakers to provide odds on the favourite teams that are more profitable than the odds on the underdogs.





# Funded Projects

**Maria Elena Bontempi** and **Roberto Golinelli** conducted a research project jointly with Confindustria (Review and extension of the annual econometric model of the Confindustria Study Center; EUR 16,500). The project's aim is to develop a new macroeconomic model for the Italian economy to be used in the half-quarterly forecasts of Centro Studi Confindustria. The first results were presented in Rome in mid-December. This project will continue in 2020.

## *New Project*



# Commentary

## *Cooperation in the Climate Commons*

by Alessandro Tavoni (with S. Carattini and S. A. Levin)

Academics and policymakers have long debated the chances of seeing cooperation emerge in the climate commons. Nobel laureates Richard Thaler and Elinor Ostrom challenged, respectively, the commonly held views that cooperation cannot be achieved in public-good situations, or in the management of local, common, pooled resources (Dawes and Thaler 1988, Ostrom 1990, 2000). But climate change mitigation is a global public good. Can cooperative patterns emerge in the management of the climate commons? At what scale can cooperation be observed, and how can cooperative behaviour be encouraged?

Against conventional wisdom in economics, our recent research suggests that lessons from managing local commons may also apply to global dilemmas (Carattini et al. 2019). Standard theory predicts that in the climate commons, there should be little cooperation beyond what can be rationalised on the basis of the expected benefits from undertaking mitigation efforts. Our review of the evidence on the adoption of behaviours with implications for climate change mitigation suggests something different: that individuals are, to some extent, inclined to behave cooperatively in the face of this global dilemma.

Evidence from solar panels, hybrid cars, energy conservation, and carbon offsets, among other examples, suggests that when people decide whether to adopt a climate-friendly behaviour, local social norms matter, despite the global public good property of climate change mitigation.

Because of their visibility, rooftop solar photovoltaic panels convey information about the behaviour of others in a given community. Empirical evidence of peer effects in the adoption of rooftop PV technology adoption has been identified in various contexts, including California, Connecticut, and Germany (Bollinger and Gillingham 2012, Graziano and Gillingham 2015, Rode and Weber 2016). Hybrid cars provide further evidence of the role that visibility plays in determining peer effects in the adoption of green technologies. Peer effects drive the adoption of hybrid cars in California, but only for the Toyota Prius Hybrid and not, for instance, the Honda Civic Hybrid. While the Prius exists only in its hybrid form and is thus immediately identified as a 'green' car, the hybrid versions of the Civic look exactly like their non-hybrid versions (Narayanan and Nair 2013). This suggests that 'going green' leads to peer effects only when such behaviour is sufficiently visible.

In many cases, the norm is not directly visible but can be made visible through external intervention. An increasing number of studies have focused on information campaigns and social interventions aimed at influencing individuals' perception of the social norm, especially when the social norm is sufficiently high (that is, when a given behaviour is relatively widespread). The key driver for behavioural change is the information about the behaviour of others, the local social norm, and not learning about privately efficient behaviour.

Theories of international environmental negotiations have recently started to consider elements such as reciprocity, domestic demand for climate policy, and other deviations from self-regarding preferences, as the latter do not manage to explain cooperative 'anomalies' such as the Paris Agreement (Marchiori et al. 2017, Nyborg 2017). In our paper, we call for more research along these lines.

## **Editorial Board**

*Natalia Montinari*

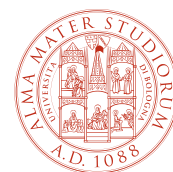
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