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## **Sessione congiunta SIE – SITES**

### **Valutazione dell’impatto del COVID19 sul benessere delle famiglie Italiane usando un modello DSGE dell’economia Italiana Federico Perali e Pasquale Lucio Scandizzo**

#### **Abstract**

We present estimates of the impact of the exogenous shock generated by the health emergency on the well-being of Italian families. We use a dynamic stochastic general equilibrium macro model to determine the impact on prices and incomes of the Italian economy conditioned on three anti-shock scenarios that provide compensatory transfers to businesses only, to families and partly to families and partly to businesses. Changes in the prices of goods and wages associated with the different emergency response scenarios are transmitted to welfare functions of Italian households that allow to measure the impact in different regions for families belonging to each income level and for particular situations of fragility. This micro-macro link also improves the efficiency of the Bayesian calibration procedure by increasing the level of disaggregation of the underlying Euler functions. The microsimulation analysis also allows to establish a unique ranking of the different anti-shock interventions based on the minimal negative impact on social well-being and the increased speed of recovery of pre-emergence levels of well-being.

**Keywords:** Health, public intervention, DSGE, public intervention policies.

**JEL:** C68, E17, E27, E65.

## **Long-run Effects of a Change in Institutions: Evidence on Tax Compliance\***

**Antonio Acconcia, Marcello D'Amato, Riccardo Martina, Marisa Ratto**

### **Abstract**

The institution of Italy as a unified state in 1861 determined the implementation of common legal rules which affected agents formerly acting in highly diversified settings. The new fiscal regime, needed to equalize the tax burden across areas of the new-born state, determined heterogeneous increments in the tax pressure. These tax shocks elicited large variability in rates of compliance among Italian provinces. A fair amount of that variability settled in the following decades; however, non-negligible differences still persist nowadays.

**Keywords:** State formation, tax reform, noncompliance, decentralized enforcement.

**JEL:** D62, D81, H26, K41, K42.

## **The Shadow Economy and Public Policy in Italy: a Real Option Analysis**

**Pasquale Lucio Scandizzo**

### **Abstract**

In this paper I apply real option theory, in the aim to model tax compliance, enforcement and the shaping of a shadow economy in a general framework of mutual relationships, expectations and bargaining between a public authority and private agents. As an element of a social contract, tax obligations are considered a form of liability options, a concept only recently developed in the economic literature. By expanding this concept to the structural aspects of the informal sector, the paper develops a model to explain the shadow economy as a byproduct of non compliance, contractual features and tax design. Applications are also presented for the specific case of the Italian economy and the estimates of the size of its informal sector.

**Keywords:** Shadow economy, tax reform, noncompliance, decentralized enforcement.

**JEL:** D62, D81, H26, C78

## **Women's labour and natural shocks**

**Eugenia Canessa and Gianna Giannelli**

### **Abstract**

We employ georeferenced data and longitudinal household panel survey data to investigate the impact of the dramatic flood that hit Bangladesh in August-September 2014 on women's employment and bargaining power. Development economics models suggest that household labour supply increases after an idiosyncratic shock as coping strategy to avoid a heavy reduction in consumption. Our difference-in-difference estimates confirm these assumptions: women's employment probability raises by around 18 percentage points and that the probability for non-employed women to enter employment increases by around 22 percentage points after the flood. Correcting for the selection bias due to the initial employment status of women, we also find a significant rise in their probability to engage in autonomous wage-earning activities and in their average monthly income. Finally, we show that the greater involvement in the labour market - instrumented by the intensity of the flooding in villages where women live - contributes to raising their bargaining power within the household as measured by the Women's Empowerment in Agriculture Index.

**Keywords:** Bangladesh; Flood; Shock-coping strategy; Women's employment; Intra-household bargaining

**JEL Classification:** F66; J16; Q12; Q54.

# **Modelling Domestic Violence In Family Behavior: A Simultaneous Equations Model**

**Valentina Costa**

## **Abstract**

Almost 44 percent of Mexican women aged 15-64 years have experienced at least one episode of violence in their lifetime and cases of domestic violence have been increased in the last years in Mexico, particularly amongst Mayan and poor women. The need of modelling domestic violence for drafting better policies, thus, has become more urgent. The intention of this paper is exploring the determinants of domestic violence in the Mayan region to show to what extent the escalation of violence is a matter of economic scarcity or patriarchal norms or a combination of the two factors. A key concern is the potential endogeneity of violence and patriarchal norms due to reverse causality or omitted variable bias. In addition, unobserved factors could drive patriarchal norms in favor of domestic violence. To address these issues, a system of simultaneous equations model using instrumental variables (IV) to test determinants of domestic violence was implemented. While the regular results without controlling for endogeneity indeed show that male power and liberal social norms increase domestic violence, estimates show a statistically insignificant effect of male power and liberal social norms on domestic violence when IV are employed, suggesting that endogeneity bias is indeed a problem and leads to a spurious positive relationship between domestic violence, male power and liberal social norms. Disaggregating by different forms of domestic violence and samples, these results hold.

**Keywords: Women; Violence; Mayan Region ; Women's employment; Patriarchal Norms; Social Norms**

**JEL Classification: C20; C21; C43; F66; J12; J16.**