

Research@theTreasury

Economic Research and Debate at the Italian Treasury
Quarterly newsletter
June 2023



Dipartimento
del Tesoro

LATEST PUBLICATIONS

Does the NRRP speed up firms' Twin Transition? Empirical evidence from Italy

Authors: G. Ferri, M. Menghini, M. Pini
WP n.3/2023

The aim of the paper is testing if the National Recovery and Resilience Plan (NRRP) of Italy programs is effectively quickening the Twin Transition of enterprises. Using a unique micro-level database of almost 3,000 firms, our econometric analyses find conspicuous support for the hypothesis that the NRRP is effectively speeding up the Twin Transition. Namely, we show that if a firm is activating NRRP projects four main results attain. First, this will impact the extensive margin, increasing the likelihood of starting the Twin Transition at firms which had never invested in it previously. Moreover, it will affect the intensive margin, raising the probability of enticing firms which had already invested in the Twin Transition to continue investing in it. Thirdly, it will bear on the inclusive margin, whereby the prospect of starting the Twin Transition at firms which had never invested in it previously will be boosted for firms belonging to disadvantaged entrepreneurial segments and areas. Lastly, Twin Transition improves also the performance at firm level. We should highlight as well that the bulk of the previous results is robust to adopting an instrumental variables approach to tackle the issue of potential endogeneity.

Overall, our results offer strong empirical support to the validity of the EU policies in terms of speeding up the firm-level Twin Transition in the country which provides the most important case study, since Italy is the country which benefited of the largest allotment of NextGeneration EU's funds.

[Read the Paper](#)

Structural Reforms in the Italian National Recovery and Resilience Plan: a macroeconomic assessment of their potential effects

Authors: S. D'Andrea, G. Di Bartolomeo, S. D'Andrea, P. D'Imperio, G. Infantino, M. Meacci
WP n.2/2023

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This paper assesses the potential macroeconomic impact of the critical structural reforms designed within the Italian Recovery and Resilience Plan (RRP). Reforms are investigated by a large-scale dynamic stochastic general equilibrium macro-model, adapted to capture the effects of the RRP measures. Exploiting the RRP official documents, we scrutinize and catalog detailed data from 482 milestones and 665 policy targets relevant to our assessment. Each reform is then mapped onto the model and simulated, showing its transmission mechanisms and macroeconomic and social impact. We document a significant potential impact on medium- and long-term GDP. The efficacy of the reform package emerges in the long run. In 2050, GDP would be 10% higher than in the alternative scenario where no reform is implemented. However, sizeable effects will be observed since 2026, when observed GDP would rise by 3.4%. The labour market and education measures primarily drive the impact of the reforms on GDP and employment. We also explore the distributional effects of the reform program. We find that a significant labour and capital income increase accompanies the aggregate positive effect on output.

[Read the paper](#)

The Italian Treasury Dynamic Microsimulation Model (T-DYMM): data, structure and baseline results

Authors: R. Conti, M. Bavaro, S. Boscolo, E. Fabrizi, C. Puccioni, O. Ricchi, S. Tedeschi

WP n.1/2023

The Treasury Dynamic Microsimulation Model (T-DYMM) is a dynamic microsimulation model (DMM) owned by the Department of the Treasury of the Italian Ministry of Economy and Finance. One of the very few DMMs presently operating in Italy, it has been developed through three research projects, spanning from 2009 to 2021. The present article is intended to provide a general and comprehensive description of T-DYMM. The model, based on the AD-SILC dataset, which matches administrative and survey data, delivers long-term projections and is organised in five modules: demographic, labour market, pension, wealth and tax-benefit (the last two contain the most relevant novelties of the present version of T-DYMM). The broad aim of the model is to provide long-term analyses of the Italian social security system, with a focus on pension and social protection adequacy and their distributional characterization.

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COVID-19, saving rate and the surge in inflation: some evidence on Italian household consumption

Authors: D. Cassese, V. Ferroni, V. Macauda
NT n.1/2023

Over the last three years two shocks affected households consumption: Covid-19 and the surge in inflation. During the Covid-19, in Italy, as in other advanced economies, the propensity of households to save has reached extraordinary levels. In the second half of 2021, the rise in inflation, together with a less lively wage growth compared to prices, led to a decline in the purchasing power of households, generating asymmetrical effects among different income classes. This work investigates the reasons underlying the slow recovery path shown by Italian household consumption in the post-pandemic period: together with precautionary and forced circumstances, the concentration of savings among the richest households, characterized by a lower propensity to consume and greater financial activities, is one of the main reasons. In addition, by analysing the rise in prices and its cost-push origin, we evaluate the distributional effects of inflation, measuring the inflationary differential between the 1st and 5th quintile of households. The asymmetric distribution of savings among households and the larger impact of inflation on low-income ones could contribute to moderate the households consumption, despite the various fiscal measures implemented.

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La (dis)uguaglianza di genere in Italia, Teoria, politiche e benessere equo e sostenibile

Authors: G. Ceccantoni, G. Sangiovanni
NT n.6/2022

Gli ultimi anni sono stati caratterizzati da una crescente attenzione nella politica e nella società civile nei confronti delle disuguaglianze sociali ed economiche, incluse quelle di genere, che minacciano un modello di crescita equo e inclusivo. L'uguaglianza di genere, intesa come parità di opportunità oltre che di diritti, è da intendersi come un traguardo ancora da raggiungere, sebbene notevoli progressi siano stati compiuti. Nella vita professionale o in quella familiare come nell'istruzione, per la remunerazione o fino alla rappresentanza femminile nelle posizioni di leadership, la (dis)parità di genere assume molteplici espressioni frutto di alcuni modelli di comportamento o attitudini personali come del contesto socioeconomico: il margine d'intervento delle

politiche per la costruzione di un sistema più equo, la conciliazione tra i tempi di vita familiare e lavorativa, i servizi, l'occupazione e l'occupabilità è ancora ampio. La seguente nota intende presentare l'inquadramento teorico e politico della disuguaglianza di genere, nonché le peculiarità del contesto italiano e le evidenze emerse dall'analisi degli indicatori di Benessere Equo e Sostenibile (BES) al fine di comprendere la questione di genere nella prospettiva multidimensionale che caratterizza questa metrica.

[Read the Economic Focus \(Italian version\)](#)

UNDER REVIEW FOR PUBLICATION

L'economia sommersa nell'Unione Europea: analisi statistica ed implicazioni di policy

Authors: C. Morvillo, G. Jona Lasinio, B. Maggi

Nowcasting after the Pandemic: New Challenges and Future Developments

Authors: L. Pangallo, C. Tinti

Measuring poverty in Italy: how the AD-HBS dataset can offer new insight

Authors: M. Aprea, S. Battles, G. Gallo, S. Passeri, M. Palombi, M. Raitano, E. Romano, P. Zoppoli

Questa nuova newsletter presenta le occasioni di dibattito e i contributi di ricerca sui temi economico-finanziari del Dipartimento del Tesoro. Il vostro parere per noi è importante, potete scriverci a dt.segretaria.direzione1@tesoro.it.

This is the new edition of the Italian Treasury newsletter presenting papers, presentations and seminars on economic and financial issues. If you have any comments or suggestions feel free to write us at dt.segretaria.direzione1@tesoro.it.

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