

Notes

Preface

- 1 Roberto Violi, of the Economic Research Department, reread the whole text and Mirella Tocci and Cristina Zago took care of the formal aspects.
- 2 *Interesse e Profitto. Saggi sul sistema creditizio*, Il Mulino, Bologna, 1982; *Banca, Finanza, Mercato. Bilancio di un decennio e nuove prospettive*, Einaudi, Turin, 1991.

1 A Mutation

- 1 R.W. Goldsmith, *Financial Structure and Development*, Yale University Press, New Haven, CT, 1969.
- 2 J.G. Gurley and E.S. Shaw, *Money in a Theory of Finance*, Brookings Institution, Washington, DC, 1960.
- 3 R. Mattioli, 'I problemi attuali del credito', *Mondo economico*, 1962, p. 28.
- 4 A. Beneduce, *Relazione del consiglio di amministrazione dell'I.R.I. sul bilancio al 31 dicembre 1936*, Rome, 1937.
- 5 D. Menichella, *Scritti e discorsi scelti, 1933–1966*, Banca d'Italia, Rome, 1986.
- 6 C. Mayer, 'Financial Systems, Corporate Finance, and Economic Development', in R.G. Hubbard (ed.), *Asymmetric information, Corporate Finance, and Investment*, University of Chicago Press, 1990.
- 7 G. Carli, *Cinquant'anni di vita italiana*, Laterza, Rome–Bari, 1993, pp. 386 ff.
- 8 A reconstruction of the events in Italy in the 1930s is in G. Toniolo, *L'economia dell'Italia fascista*, Laterza, Rome–Bari, 1980.

2 The Institutional and Analytical Framework

- 1 C.A. Ciampi, *Scritti e conferenze*, 7 vols, Banca d'Italia, Rome, 1979–1993.
- 2 P. Baffi, 'Osservazioni sull'I.R.I.' in Ministero dell'Industria e del Commercio, *L'Istituto per la ricostruzione industriale*, UTET, Turin, 1955, Vol. 2, pp. 575–85.
- 3 P. Baffi, 'Inflazione e allocazione delle risorse', introductory address, *XXII Riunione scientifica della Società italiana degli economisti*, Rome, 6 November 1981, in *Allocazione delle risorse e politica economica nelle economie contemporanee*, Giuffrè, Milan, 1984.
- 4 G. Carli (ed.), *Sviluppo economico e strutture finanziarie in Italia* (1977) and *La struttura del sistema creditizio italiano* (1978), Il Mulino, Bologna.
- 5 The focus of the conference was the paper by M. Sarcinelli, 'Stagflation and Financial Structures in the 1970s: The Case of Italy'. The conference proceedings are in *Credit Systems in the 1970s*, Ente Einaudi, Rome, 1980.
- 6 Other, general reasons for gradualness are set out in R.G. Rajan and L. Zingales, 'Financial Systems, Industrial Structure, and Growth', mimeo, 1999.
- 7 M.S. Giannini, 'Osservazioni sulla disciplina della funzione creditizia' in *Scritti giuridici in onore di Santi Romano*, CEDAM, Padua, 1940; and especially 'Istituti di credito e servizi di interesse pubblico', *Moneta e credito*, 1949, pp. 105–19: 'We can certainly say that here we are dealing with legal orders; all three of their typical elements are found: a plurality of actors, organization, rule-making.

- These are sector (or section) legal orders, in that they are limited to the agents that perform a given activity' (p. 111).
- 8 B. Andreatta, 'Sistema finanziario privato e pubblico', address by the minister of the Treasury to the seminar held by Democrazia Cristiana, *Quale finanza per un'economia aperta?*, in *Credito popolare*, 1982, pp. 33–42.
 - 9 J.M. Keynes, *The General Theory of Employment, Interest and Money*, Macmillan, London, 1936, p. viii.
 - 10 R. Orestano, *Introduzione allo studio del diritto romano*, Il Mulino, Bologna, 1987, p. 357, and 'Economia come storia', letter to *Rivista di storia economica*, 1987, pp. 152–4. This letter confirms that Orestano sees economics and economic policy as falling within the notion of 'legal experience'.
 - 11 A. Giuliani, 'Le radici romanistiche della dottrina italiana della concorrenza', *Rivista di storia economica*, 1997, p. 116.
 - 12 There is growing statistical and even econometric evidence of the quantitative importance and the robustness of the connection between the legal order and variables such as the return on shares, the concentration of share ownership, the cost of bank loans, the depth of capital markets and firms' recourse to such markets, and even the size of enterprises. For an extensive survey of this literature, see R. La Porta, F. Lopez-de-Silanes, A. Shleifer and R. W. Vishny, 'Legal Determinants of External Finance', *Journal of Finance*, 1997, pp. 1131–50; and 'Law and Finance', *Journal of Political Economy*, 1998, pp. 1113–55.
 - 13 A. Marshall, *Principles of Economics*, Macmillan, London, 1890; E. Barone, 'Studi di economia finanziaria', *Giornale degli economisti*, 1912, April–May, pp. 309–53, 'Atlantico dei grafici', June, pp. 469–505, July–December pp. 1–75; F.P. Ramsey, 'A Contribution to the Theory of Taxation', *Economic Journal*, 1927, pp. 47–61.
 - 14 C. Cosciani, *Scienza delle finanze*, UTET, Turin, 1977, p. 269.
 - 15 S. Steve, *Lezioni di scienza delle finanze*, CEDAM, Padua, 1976, pp. 273–4.
 - 16 E. Barone, 'Studi di economia finanziaria', p. 25.
 - 17 K.J. Arrow, *Essays in the Theory of Risk-Bearing*, Elsevier, New York, 1970.
 - 18 C. Chamley and P. Honohan, *Taxation of Financial Intermediation*, Working Paper no. 421, World Bank, Washington, DC, 1990.
 - 19 F.P. Ramsey, 'A Contribution . . .' and 'A Mathematical Theory of Saving', *Economic Journal*, 1928, pp. 543–59.
 - 20 W.J. Corlett and D.C. Hague, 'Complementarity and the Excess Burden of Taxation', *Review of Economic Studies*, 1953, pp. 21–30.
 - 21 C. Chamley, 'Optimal Taxation of Capital Income in General Equilibrium with Infinite Lives', *Econometrica*, 1986, pp. 607–22.
 - 22 E.S. Phelps, 'Why It Is Desirable to Tax Wealth and Retire the Public Debt', mimeo, 1999.
 - 23 V. Visco, 'Il riordino della tassazione dei redditi finanziari nella prospettiva dell'UME', *Studi e note di economia. Quaderni*, 3, 1999, p. 20.
 - 24 J. Tobin, *The New Economics One Decade Older*, Princeton University Press, 1974.
 - 25 R.R. West, 'On the Difference between Internal and External Market Efficiency', *Financial Analysts Journal*, 1975, pp. 30–4.
 - 26 E.F. Fama, 'Efficient Capital Markets: A Review of Theory and Empirical Work', *Journal of Finance*, 1970, pp. 387–417.
 - 27 J. Hirshleifer, 'The Private and Social Value of Information and the Reward to Inventive Activity', *American Economic Review*, 1971, pp. 561–74.

- 28 G.A. Akerlof, *An Economic Theorist's Book of Tales*, Cambridge University Press, 1984.
- 29 M. Friedman, *A Framework for Monetary Stability*, Fordham University Press, New York, 1959.
- 30 P. Ciocca, 'Ancora sul credito di ultima istanza', *Moneta e credito*, 1990, pp. 163–80; 'Il principio di autonomia nel "central banking"', *Quaderni di economia e finanza*, 1992, pp. 5–22.
- 31 J.M. Keynes, *The End of Laissez-Faire*, Hogarth Press, London, 1926, p. 41.
- 32 J. Stiglitz, 'The Private Uses of Public Interests: Incentives and Institutions', *Journal of Economic Perspectives*, 1998, pp. 3–21.
- 33 M. Pantaleoni, *Erotemi di economia*, Laterza, Bari, 1925.
- 34 L. Einaudi, *Lezioni di politica sociale*, Einaudi, Turin, 1949, p. 21.
- 35 Cited in F. Cotula (ed.), *Stabilità e sviluppo negli anni cinquanta. Politica bancaria e struttura del sistema finanziario*, Laterza, Rome and Bari, 1999, vol. 3, pp. 172–3.
- 36 G.J. Stigler, 'Perfect Competition, Historically Contemplated', *Journal of Political Economy*, 1957, pp. 1–17.
- 37 A.C. Harberger, 'Monopoly and Resource Allocation', *American Economic Review*, Papers and Proceedings, 1954, pp. 77–87.
- 38 K. Cowling and D.C. Mueller, 'The Social Costs of Monopoly Power', *Economic Journal*, 1978, pp. 727–48.
- 39 H. Leibenstein, 'Allocative Efficiency vs. "X-Efficiency"', *American Economic Review*, 1966, pp. 412–13.
- 40 J.A. Schumpeter, *The Theory of Economic Development: An Inquiry into Profits, Capital, Credit, Interest, and the Business Cycle* (1911), Oxford University Press, New York, 1961, p. 74.
- 41 J.R.S. Revell, 'The Complementary Nature of Competition and Regulation in the Financial Sector', *Revue de la Banque*, 1980, pp. 9–33.
- 42 M.A. Petersen and R.G. Rajan, 'The Effect of Credit Market Competition on Lending Relationships', *Quarterly Journal of Economics*, 1995, pp. 407–43.

3 The Legal Order

- 1 J.A. Grundfest, 'Securities Regulation', in P. Newman (ed.), *The New Palgrave Dictionary of Economics and the Law*, vol. 3, Macmillan, London, 1998, pp. 410–19.
- 2 L.R. Cohen, 'Tender Offers', in P. Newman (ed.), *The New Palgrave Dictionary of Economics and the Law*, vol. 3, Macmillan, London, 1998, pp. 580–83 and the literature referred to therein.
- 3 U. Scarpelli, 'Il linguaggio giuridico: un ideale illuministico', in P. Di Lucia (ed.), *Nomografia. Linguaggio e redazione delle leggi*, Giuffrè, Milan, 1995, p. 28.
- 4 V. Visco, 'Il fisco giusto. Una riforma per l'Italia europea', *Il Sole 24 Ore*, Milan, 2000.
- 5 Several empirical analyses confirm that an adequate legal framework, perceived to be such by investors, can have a powerful positive effect on the economy's rate of growth in the long run. See, most recently, R.J. Barro, 'Human Capital and Growth in Cross-Country Regressions', *Swedish Economic Policy Review*, 1999, pp. 237–77.

4 Taxation

- 1 D.W. Jorgenson and R. Landau (eds), *Tax Reform and the Cost of Capital: An International Comparison*, Brookings Institution, Washington, DC, 1993, p. 28.
- 2 Visco, *Il fisco giusto*.

5 Supervision

- 1 Scarpelli, *Il linguaggio giuridico*, pp. 18 ff.

6 Competition

- 1 Cited in F. Cotula (ed.), *Stabilità e sviluppo*, p. 190.
- 2 D. Menichella, *Stabilità e sviluppo dell'economia italiana, 1946–1960*, Laterza, Rome and Bari, 1997, vol. 1, p. 705.
- 3 D. Menichella, *Stabilità e sviluppo*, p. 459.
- 4 P. Ciocca, C.A. Giussani and G. Lanciotti, *Sportelli, dimensioni e costi: uno studio sulla struttura del sistema bancario italiano*, Quaderni di ricerche dell'Ente Einaudi, Rome, 1974.
- 5 B.K. Short, 'The Relation between Commercial Bank Profit Rates and Banking Concentration in Canada, Western Europe, and Japan', *Journal of Banking and Finance*, 1979, pp. 209–19.
- 6 The seminal contribution was that of W.J. Baumol, *The Stock Market and Economic Efficiency*, Fordham University Press, New York, 1965.
- 7 F. Caffè, 'Di una economia di mercato compatibile con la socializzazione delle sovrastrutture finanziarie', *Giornale degli economisti e annali di economia*, 1971, pp. 664–84.
- 8 G. Cristini, 'I rendimenti delle azioni e l'efficienza della borsa', *Contributi alla ricerca economica*, no. 8, Banca d'Italia, Rome, 1978. An earlier study of stock exchanges in eight European countries, including Italy, from 1966 to 1971 had reached the following conclusions: 'Deviations from the random walk seem slightly more apparent in the European stock price behavior than in the American price behavior... Explanations for these departures from the random walk can probably be found in some of the technical and institutional characteristics of European capital markets: loose requirements for disclosure of information, discontinuity in trading. With the exception of the British market, where prices seem to behave much like U.S. stock prices, all other markets tend to exhibit quite unexpectedly similar behavior.' (B. Solnik, 'Note on the Validity of the Random Walk for European Stock Prices', *Journal of Finance*, 1973, p. 1158).
- 9 T.F. Bresnahan, 'Empirical Studies of Industries with Market Power', in R. Schmalensee and R.D. Willig (eds), *Handbook of Industrial Organization*, North-Holland, Amsterdam, 1989, table 17.1, p. 1051; S. Shaffer, 'A Test of Competition in Canadian Banking', *Journal of Money, Credit, and Banking*, 1993, pp. 49–61; S.A. Berg and M. Kim, 'Oligopolistic Interdependence and the Structure of Production in Banking: An Empirical Evaluation', *Journal of Money, Credit, and Banking*, 1994, pp. 309–22; P. Coccorese, 'The Degree of Competition in the Italian Banking Industry', *Economic Notes*, 1998, pp. 355–70; P. Angelini and N. Cetorelli, *Bank Competition and Regulatory Reform: The Case of the Italian Banking Industry*, Working Paper no. 32, Federal Reserve Bank of Chicago, 1999.

7 Performance

- 1 G. Becattini, *Il concetto d'industria e la teoria del valore*, Boringhieri, Turin, 1962.
- 2 P. Schure and R. Wagenvoort, 'Economies of Scale and Efficiency in European Banking: New Evidence', *Economic and Financial Reports of the European Investment Bank*, Report 99/01, Luxembourg, 1999, table 7, p. 35.

- 3 G. Zadra, 'I principali svantaggi competitivi delle banche italiane nel confronto europeo', *Bancaria*, 2000, pp. 2–8.
- 4 'La valutazione dell'affidabilità della clientela da parte delle banche. Criteri e prassi operative', *Bancaria*, 1983, p. 942.
- 5 G. Alesii, *Holding Companies Discounts: Some Evidence from the Milan Stock Exchange*, mimeo, 2000.

8 A Stagnant Economy

- 1 The estimates of the output gap made by international organizations show a basically similar cyclical pattern for the whole period for which data are available but sometimes differ as regards its size. However, for the years from 1990 to 1999, the highest estimates of the output lost, those of the OECD and the IMF, are practically the same: well above 1 per cent of potential output each year and a cumulative total of nearly 13 percentage points. With reference to GDP in 1999, they correspond to nearly 300,000 billion lire.
- 2 F. Onida, 'Quali prospettive per il modello di specializzazione internazionale dell'Italia?', *Economia italiana*, 1999, pp. 573–629.
- 3 G. Parigi and S. Siviero, *An Investment-Function-Based Measure of Capacity Utilisation. Potential Output and Utilised Capacity in the Bank of Italy's Quarterly Model*, Temi di discussione no. 367, Banca d'Italia, Rome, 2000.
- 4 L. Spaventa and V. Chiorazzo, *Astuzia o virtù? Come accadde che l'Italia fu ammessa all'Unione monetaria*, Donzelli, Rome 2000. In this detailed account no reference is made to monetary policy, which played a key disinflationary role between 1994 and 1998.
- 5 Exceptionally, the econometric scenario was published in the Bank's Annual Report (May 1992). The exercise was subsequently disseminated internationally in English and Japanese. See L. Dini, 'L'economia italiana. I progressi degli anni ottanta, le questioni aperte', mimeo, Tokyo, 4 June 1992.
- 6 Only a significant increase in the actual retirement age can permanently curb pension expenditure. To achieve such an increase, it may be necessary to supplement social security reforms with measures affecting the labour market. In this respect, see F. Modigliani and M. Ceprini, 'Social Security Reform: A Proposal for Italy', *Review of Economic Conditions in Italy*, 1998, pp. 177–201 and D. Franco, 'Italy. A Never-Ending Pension Reform', NBER-Kiel Institute Conference, Berlin, March 2000. At the same time only the full employment of a growing labour force can sustain pension expenditure, even if it is curbed. See A. Sen, 'L'occupazione: le ragioni di una priorità per la politica economica', in P. Ciocca (ed.), *Disoccupazione di fine secolo. Studi e proposte per l'Europa*, Bollati Boringhieri, Turin, 1997.
- 7 M. Buti, A. Carparelli, N. Nagarajan, P. Sestito and M. Svardi, *Italy's Slow Growth in the 1990s: Facts, Explanations and Prospects*, European Economy, Reports and Studies, no. 5, 1999. This report uses national accounts data compiled before the revision based on the latest labour force survey.

9 Finance and Growth

- 1 R.C. Merton and Z. Bodie, 'A Conceptual Framework for Analyzing the Financial Environment', in D.B. Crane *et al.* (eds), *The Global Financial System: A Functional Perspective*, Harvard Business School Press, Cambridge, MA, 1995.

- 2 R. Levine, 'Financial Development and Economic Growth. Views and Agenda', *Journal of Economic Literature*, 1997, pp. 688–726.
- 3 S. Kuznets, *Modern Economic Growth: Rate, Structure, and Spread*, Yale University Press, New Haven, CT, 1966, p. 81. In economies in which the service sector is increasingly preponderant, these factors tend to become even more important. An advanced service economy is inconceivable, has no chance of developing, in a society lacking in education. Educational shortcomings block growth both on the supply side and in the demand for services and human capital. For a long-term quantitative treatment, see A. Maddison, *Monitoring the World Economy 1820–1992*, OECD, Paris, 1995, tables 2–6 ('Successive Steps in Growth Accounting, 1820–1992'), pp. 41–2.
- 4 W.J. Baumol, *Entrepreneurship, Management, and the Structure of Payoffs*, MIT Press, Cambridge, MA, 1993; and above all H. Lydall, *A Critique of Orthodox Economics. An Alternative Model*, Macmillan, London, 1998. On the various theories of the entrepreneur, see also M. Casson, *The Entrepreneur: An Economic Theory*, Martin Robertson, Oxford, 1982.
- 5 Another illustrious victim of this philological superficiality is Joan Robinson. She has been singled out as the extreme case of a theoretical economist who supposedly considered the financial structure to be entirely endogenous, hence practically irrelevant, to the process of growth. 'Where enterprise leads finance follows' is the phrase of hers most frequently cited, and most tautologically when taken out of context, by this literature. It is remarkable that a student of Keynes's should be accused of underestimating the importance of money and finance. What is most surprising is that in that same book, in those same pages, practically in the same passage, the significance of finance is recognized, and Robinson even refers explicitly to the 'legal and institutional arrangements and the habits of lenders' (J. Robinson, *The Rate of Interest and Other Essays*, Macmillan, London, 1952, p. 86).
- 6 J.A. Schumpeter, *The Theory of Economic Development*, p. 74.
- 7 J.A. Schumpeter, *Business Cycles: A Theoretical, Historical, and Statistical Analysis of the Capitalist Process*, McGraw-Hill, New York, 1939, vol. 1, p. 116 (italics added).
- 8 *Ibid.*, p. 118.
- 9 J.A. Schumpeter, *The Theory of Economic Development*, p. 74. It should be remembered that the 'ephor' was the supreme magistrate elected by the people of Sparta to oversee and judge the government authorities themselves. Schumpeter wrote the definitive account of the qualities, including moral qualities, that the banker should possess.
- 10 R.G. King and R. Levine, 'Finance, Entrepreneurship, and Growth. Theory and Evidence', *Journal of Monetary Economics*, 1993, p. 521.
- 11 Summarized in R. Levine, *Financial Development and Economic Growth*.
- 12 A major refinement for Italy, confirming the quantitatively important relationship between banking efficiency and growth, is R. Lucchetti, L. Papi and A. Zazzaro, 'Efficienza del sistema bancario e crescita economica nelle regioni italiane', *XL Riunione scientifica annuale della Società italiana degli economisti*, mimeo, 1999.
- 13 'The main outstanding issue here is to disentangle the financial-development effect on growth from the reverse channel' (Barro, *Human Capital and Growth*, p. 275). Barro himself, moreover, 'explains' growth by reference

both to fundamental variables, less exposed to the risk of reciprocal causation (public consumption, the rule of law, democracy, fertility) and to variables (education, inflation, investment, terms of trade) that are if anything more exposed to this risk than is the level of financial development.

- 14 R. Levine and S. Zervov, 'Stock Markets, Banks, and Economic Growth', *American Economic Review*, 1998, pp. 537–58.
- 15 This stratification continues to follow the taxonomy given in Merton and Bodie, 'A Conceptual Framework'.
- 16 The exercise assumes proxy values constant at their 1985 levels, whereas the average historical values of the 1990s ranged between 5 and 10 per cent higher, depending on the proxy considered. The coefficients are taken from R.G. King and R. Levine, 'Finance and Growth: Schumpeter Might Be Right', *Quarterly Journal of Economics*, 1993, table VII, p. 727.
- 17 King and Levine run regressions on a vast sample of countries. The average annual growth rate of per capita GDP in each decade (the 1960s, 1970s and 1980s) is determined by economic variables and by the initial value of a variable representing the degree of development of the financial system. Using the parameters that they estimate, we can calculate the effect of the financial variables – according to various counterfactual hypotheses – on the rate of growth of Italian per capita GDP. However, the choice of the variables used to proxy financial development was limited, in King and Levine's study, by the availability of data for so many countries. Their four indicators – the ratio of liquid liabilities to nominal GDP (LLY), the ratio of commercial banks' domestic assets to the sum of those assets plus the domestic assets of the central bank, the ratio of the liabilities of the private non-financial sector to total domestic credit, and the ratio of private non-financial sector liabilities to GDP – are only partial approximations of the actual efficiency, or articulation, of the financial system, especially for the more advanced countries.

In Italy, LLY declined steadily starting in 1980. But it would be mistaken to interpret this as a sign of lesser financial development. On the contrary, the declining incidence of liquid liabilities is a sign of progress in portfolio structures, with less use of money as a financial asset. The other three variables are all essentially proxies of the importance of credit to the private sector. In Italy, they all began to rise starting in the mid-1980s. However, the trends in the aggregates as defined by King and Levine do not sufficiently reflect, indeed significantly underestimate, the effective improvement in the Italian financial system in connection with the privatization of both non-financial firms and of banking and the money and capital markets.

- 18 Adam Smith's remarks on banking remain valid: 'The only trades which it seems possible for a joint stock company to carry on successfully, without an exclusive privilege, are those, of which all the operations are capable of being reduced to what is called a Routine, or to such a uniformity of method as admits of little or no variation. Of this kind is, first, the banking trade.' *An Inquiry into the Nature and Causes of the Wealth of Nations* [1776], Clarendon, Oxford, 1976, p. 756.

References

- Akerlof, G.A., *An Economic Theorist's Book of Tales*, Cambridge University Press, Cambridge, 1984.
- Alesii, G., *Holding Companies Discounts: Some Evidence from the Milan Stock Exchange*, mimeo, 2000.
- Andreatta, B., 'Sistema finanziario privato e pubblico', address by the minister of the Treasury to the seminar held by Democrazia Cristiana, *Quale finanza per un'economia aperta?*, *Credito Popolare*, 1982, pp. 33–42.
- Angelini, P. and Cetorelli, N., *Bank Competition and Regulatory Reform: The Case of the Italian Banking Industry*, Working Paper no. 32, Federal Reserve Bank of Chicago, 1999.
- Arrow, K.J., *Essays in the Theory of Risk-Bearing*, Elsevier, New York, 1970.
- Atkeson, A., Chari, V.V. and Kehoe, P.J., 'Taxing Capital Income: A Bad Idea', *Federal Reserve Bank of Minneapolis Quarterly Review*, 1999, pp. 3–17.
- Baffi, P., 'Osservazioni sull'I.R.I.', in Ministero dell'Industria e del Commercio, *L'Istituto per la Ricostruzione Industriale*, vol. 2, UTET, Turin, 1955, pp. 575–85.
- Baffi, P., *Inflazione e allocazione delle risorse*, introductory address, XXII^a Riunione Scientifica della Società Italiana degli Economisti, Rome, 6 November 1981, in *Allocazione delle risorse e politica economica nelle economie contemporanee*, Giuffrè, Milan 1984.
- Barone E., 'Studi di economia finanziaria', *Giornale degli Economisti*, 1912 (April–May), pp. 309–53 plus 'Atlantino dei grafici'; (June) pp. 469–505; (July–December) pp. 1–75.
- Barro, R.J., 'Human Capital and Growth in Cross-country Regressions', *Swedish Economic Policy Review*, 1999, pp. 237–77.
- Baumol, W.J., *The Stock Market and Economic Efficiency*, Fordham University Press, New York, 1965.
- Baumol, W.J., *Entrepreneurship, Management, and the Structure of Payoffs*, MIT Press, Cambridge, MA, 1993.
- Becattini, G., *Il concetto d'industria e la teoria del valore*, Boringhieri, Turin, 1962.
- Beneduce, A., *Relazione del Consiglio di Amministrazione dell'IRI sul bilancio al 31 dicembre 1936*, Rome, 1937.
- Berg, S.A. and Kim, M., 'Oligopolistic Interdependence and the Structure of Production in Banking: An Empirical Evaluation', *Journal of Money, Credit, and Banking*, 1994, pp. 309–22.
- Bresnahan, T.F., 'Empirical Studies of Industries with Market Power', in Schmalensee, R. and Willig, R.D. (eds), *Handbook of Industrial Organization*, North-Holland, Amsterdam, 1989.
- Buti, M., Carparelli, A., Nagarajan, N., Sestito, P. and Suardi, M., *Italy's Slow Growth in the 1990s: Facts, Explanations and Prospects*, European Economy. Reports and Studies, no. 5, 1999.
- Caffè, F., 'Di una economia di mercato compatibile con la socializzazione delle sovrastrutture finanziarie', *Giornale degli Economisti e Annali di Economia*, 1971, pp. 664–84.

- Carli, G. (ed.), *Sviluppo economico e strutture finanziarie in Italia*, Mulino, Bologna, 1977.
- Carli, G. (ed.), *La struttura del sistema creditizio italiano*, Mulino, Bologna, 1978.
- Carli, G., *Cinquant'anni di vita italiana*, Laterza, Rome-Bari, 1993.
- Casson, M., *The Entrepreneur: An Economic Theory*, Robertson, Oxford, 1982.
- Cesari, R., *I fondi pensione*, Mulino, Bologna, 2000.
- Chamley, C., 'Optimal Taxation of Capital Income in General Equilibrium with Infinite Lives', *Econometrica*, 1986, pp. 607–22.
- Chamley, C. and Honohan, P., *Taxation of Financial Intermediation*, Working Paper no. 421, World Bank, Washington, DC, 1990.
- Ciampi, C.A., *Scritti e conferenze* (7 volumes: 1979–93), Banca d'Italia, Rome.
- Ciocca, P., *L'instabilità dell'economia. Prospettive di analisi storica*, Einaudi, Turin, 1987.
- Ciocca, P., 'Ancora sul credito di ultima istanza', *Moneta e Credito*, 1990, pp. 163–80.
- Ciocca, P., 'Il principio di autonomia nel "Central Banking"', *Quaderni di economia e finanza*, 1992, pp. 5–22.
- Ciocca, P., Giussani, C.A. and Lanciotti, G., *Sportelli, dimensioni e costi: uno studio sulla struttura del sistema bancario italiano*, Quaderni di Ricerche dell'Ente Einaudi, Rome, 1974.
- Coccorese, P., 'The Degree of Competition in the Italian Banking Industry', *Economic Notes*, 1998, pp. 355–70.
- Cohen, L.R., 'Tender Offers', in Newman, P. (ed.), *The New Palgrave Dictionary of Economics and the Law*, vol. 3, Macmillan, London, 1998, pp. 580–83.
- Corlett, W.J. and Hague, D.C., 'Complementarity and the Excess Burden of Taxation', *Review of Economic Studies*, 1953, pp. 21–30.
- Cosciani, C., *Scienza delle finanze*, UTET, Turin, 1977.
- Cotula, F. (ed.), *Stabilità e sviluppo negli anni Cinquanta. Politica bancaria e struttura del sistema finanziario*, Laterza, Rome-Bari, 1999, vol. 3.
- Cowling, K. and Mueller, D.C., 'The Social Costs of Monopoly Power', *Economic Journal*, 1978, pp. 727–48.
- Cristini, G., 'I rendimenti delle azioni e l'efficienza della Borsa', *Contributi alla Ricerca Economica*, no. 8, 1978, Banca d'Italia.
- Desario, V., *Il controllo pubblico sull'ordinamento finanziario*, Cacucci, Bari, 1995.
- Dini, L., *L'economia italiana. I progressi degli anni Ottanta, le questioni aperte*, mimeo, Tokyo, 4 June 1992.
- Domar, E.D. and Musgrave, R.A., 'Proportional Income Taxation and Risk-Taking', *Quarterly Journal of Economics*, 1944, pp. 388–422.
- Einaudi, L., *Lezioni di politica sociale*, Einaudi, Turin, 1949.
- Fama, E.F., 'Efficient Capital Markets: A Review of Theory and Empirical Work', *Journal of Finance*, 1970, pp. 383–417.
- Fazio, A., *Il sistema bancario italiano in Europa*, Annual Meeting of A.B.I., Rome, 1998.
- Franco, D., *Italy: A Never-Ending Pension Reform*, NBER-Kiel Institute Conference, Berlin, March 2000.
- Friedman, M., *A Framework for Monetary Stability*, Fordham University Press, New York, 1959.
- Giannini, M.S., 'Osservazioni sulla disciplina della funzione creditizia', in *Scritti giuridici in onore di Santi Romano*, CEDAM, Padua, 1940.

- Giannini, M.S., 'Istituti di credito e servizi di interesse pubblico', *Moneta e Credito*, 1949, pp. 105–19.
- Giuliani, A., 'Le radici romanistiche della dottrina italiana della concorrenza', *Rivista di Storia Economica*, 1997, pp. 107–16.
- Giuliani, A., *Giustizia ed ordine economico*, Giuffrè, Milan, 1997.
- Goldberg, L.G. and Rai, A., 'The Structure–Performance Relationship for European Banking', *Journal of Banking and Finance*, 1996, pp. 745–71.
- Goldsmith, R.W., *Financial Structure and Development*, Yale University Press, New Haven, CT, 1969.
- Gorini, S., 'La teoria del 'second best' e la scelta degli investimenti pubblici', *Rivista di diritto finanziario e scienza delle finanze*, 1969, pp. 454–92.
- Grossman, S.J. and Hart, O.D., 'Disclosure Laws and Takeover Bids', *Journal of Finance*, 1980, pp. 323–34.
- Grundfest, J.A., 'Securities Regulation', in Newman, P. (ed.), *The New Palgrave Dictionary of Economics and the Law*, vol. 3, Macmillan, London, 1998, pp. 410–19.
- Gurley, J.G. and Shaw, E.S., *Money in a Theory of Finance*, Brookings Institution, Washington, DC, 1960.
- Harberger, A.C., 'Monopoly and Resource Allocation', *American Economic Review, Papers and Proceedings*, 1954, pp. 77–87.
- Hirshleifer, J., 'The Private and Social Value of Information and the Reward to Inventive Activity', *American Economic Review*, 1971, 561–74.
- Jorgenson, D.W. and Landau, R. (eds), *Tax Reform and the Cost of Capital: An International Comparison*, Brookings Institution, Washington, DC, 1993.
- Keynes, J.M., *The End of Laissez-Faire*, Hogarth, London, 1926.
- Keynes, J.M., *The General Theory of Employment Interest and Money*, Macmillan, London, 1936.
- King, R.G. and Levine R., 'Finance, Entrepreneurship, and Growth: Theory and Evidence', *Journal of Monetary Economics*, 1993, pp. 513–42.
- King, R.G. and Levine R., 'Finance and Growth: Schumpeter Might Be Right', *Quarterly Journal of Economics*, 1993, pp. 717–37.
- Kuznets, S., *Modern Economic Growth: Rate, Structure, and Spread*, Yale University Press, New Haven, CT, 1966.
- Lamanda, C., *La società per azioni bancaria*, Bancaria, Rome, 1994.
- La Porta, R., Lopez-de-Silanes, F., Shleifer, A. and Vishny, R.W., 'Legal Determinants of External Finance', *Journal of Finance*, 1997, pp. 1131–50.
- La Porta, R., Lopez-de-Silanes, F., Shleifer, A. and Vishny, R.W., 'Law and Finance', *Journal of Political Economy*, 1998, pp. 1113–55.
- Lee R., 'Regulation of Capital Markets in the European Union', in Newman, P. (ed.), *The New Palgrave Dictionary of Economics and the Law*, vol. 2, Macmillan, London, 1998, pp. 228–32.
- Leibenstein, H., 'Allocative Efficiency vs. "X-Efficiency"', *American Economic Review*, 1966, pp. 392–415.
- LeRoy, S.F., 'Efficient Capital Markets and Martingales', *Journal of Economic Literature*, 1989, pp. 1583–1621.
- Levine, R., 'Financial Development and Economic Growth: Views and Agenda', *Journal of Economic Literature*, 1997, pp. 688–726.
- Levine, R. and Zervos, S., 'Stock Markets, Banks, and Economic Growth', *American Economic Review*, 1998, pp. 537–58.

- Lucchetti, R., Papi, L. and Zazzaro, A., *Efficienza del sistema bancario e crescita economica nelle regioni italiane*, 40th scientific annual meeting of the Società Italiana degli Economisti, mimeo, 1999.
- Lunghini, G. and Mori, P.A., 'Per una politica economica della concorrenza', in Lipari, N. and Musu, I. (eds), *La concorrenza tra economia e diritto*, Cariplo-Laterza, Rome-Bari, 2000.
- Lydall, H., *A Critique of Orthodox Economics: An Alternative Model*, Macmillan, London, 1998.
- Maddison, A., *Monitoring the World Economy 1820-1992*, OECD, Paris, 1995.
- Marshall, A., *Principles of Economics*, Macmillan, London, 1890.
- Masera, R.S., *Intermediari, mercati e finanza d'impresa*, Laterza, Rome-Bari, 1991.
- Mattioli, R., 'I problemi attuali del credito', *Mondo Economico*, 1962, pp. 27-31.
- Mayer, C., 'Financial Systems, Corporate Finance, and Economic Development', in Hubbard, R.G. (ed.), *Asymmetric Information, Corporate Finance, and Investment*, University of Chicago Press, 1990.
- Menichella, D., *Stabilità e sviluppo dell'economia italiana, 1946-1960*, Laterza, Rome-Bari, 1997.
- Merton, R.C. and Bodie, Z., 'A Conceptual Framework for Analyzing the Financial Environment', in Crane, D.B. (ed.), *The Global Financial System: A Functional Perspective*, Harvard Business School Press, Boston, MA, 1995.
- Ministero del Tesoro, *Il sistema creditizio e finanziario italiano*, Istituto Poligrafico e Zecca dello Stato, Rome, 1982.
- Modigliani, F. and Fabozzi, F., *Mercati finanziari. Strumenti e istituzioni*, Mulino, Bologna, 1995.
- Modigliani, F. and Ceprini, M., 'Social Security Reform: A Proposal for Italy', *Review of Economic Conditions in Italy*, 1998, pp. 177-201.
- Musu, I., 'Il valore della concorrenza nella teoria economica', in Lipari, N. and Musu, I. (eds), *La concorrenza tra economia e diritto*, Cariplo-Laterza, Rome-Bari, 2000.
- Nardozi, G., 'Money and Credit: Twenty Years of Debate in Italy (1970-1990)', *BNL Quarterly Review*, 1994, pp. 3-51.
- Onida, F., 'Quali prospettive per il modello di specializzazione internazionale dell'Italia?', *Economia italiana*, 1999, pp. 573-629.
- Orestano, R., *Introduzione allo studio del diritto romano*, Mulino, Bologna, 1987.
- Padoa Schioppa, T., *La moneta e il sistema dei pagamenti*, Mulino, Bologna, 1992.
- Pantaleoni, M., *Erotemi di economia*, Laterza, Bari, 1925.
- Parigi, G. and Siviero, S., *An Investment-Function-Based Measure of Capacity Utilisation: Potential Output and Utilised Capacity in the Bank of Italy's Quarterly Model*, Temi di discussione no. 367, Banca d'Italia, 2000.
- Petersen, M.A. and Rajan, R.G., 'The Effect of Credit Market Competition on Lending Relationships', *Quarterly Journal of Economics*, 1995, pp. 407-43.
- Phelps, E.S., *Why It Is Desirable to Tax Wealth and Retire the Public Debt*, mimeo, 1999.
- Rajan, R.G. and Zingales, L., *Financial Systems, Industrial Structure, and Growth*, mimeo, 1999.
- Ramsey, F.P., 'A Contribution to the Theory of Taxation', *Economic Journal*, 1927, pp. 47-61.
- Ramsey, F.P., 'A Mathematical Theory of Saving', *Economic Journal*, 1928, pp. 543-59.

- Revell, J.R.S., 'The Complementary Nature of Competition and Regulation in the Financial Sector', *Revue de la Banque*, 1980, pp. 9–33.
- Robinson, J., *The Rate of Interest and Other Essays*, Macmillan, London, 1952.
- Sarcinelli, M., 'Stagflation and Financial Structures in the Seventies: The Case of Italy', in *Credit Systems in the 1970s*, Ente Einaudi, Rome, 1980.
- Scarpelli, U., 'Il linguaggio giuridico: un ideale illuministico', in Di Lucia, P. (ed.), *Nomografia. Linguaggio e redazione delle leggi*, Giuffrè, Milan, 1995.
- Schumpeter, J.A., *The Theory of Economic Development: An Inquiry into Profits, Capital, Credit, Interest, and the Business Cycle* [1911], Oxford University Press, New York, 1961.
- Schumpeter, J.A., *Business Cycles: A Theoretical, Historical, and Statistical Analysis of the Capitalist Process*, McGraw-Hill, New York, 1939.
- Schure, P. and Wagenvoort, R., *Economies of Scale and Efficiency in European Banking: New Evidence*, Economic and Financial Reports of the European Investment Bank, Report 99/01, Luxembourg.
- Sen, A., 'L'occupazione: le ragioni di una priorità per la politica economica', in Ciocca, P. (ed.), *Disoccupazione di fine secolo. Studi e proposte per l'Europa*, Bollati Boringhieri, Turin, 1997.
- Shaffer, S., 'A Test of Competition in Canadian Banking', *Journal of Money, Credit, and Banking*, 1993, pp. 49–61.
- Short, B.K., 'The Relation between Commercial Bank Profit Rates and Banking Concentration in Canada, Western Europe, and Japan', *Journal of Banking & Finance*, 1979, pp. 209–19.
- Smith, A., *An Inquiry into the Nature and Causes of the Wealth of Nations* [1776], Clarendon, Oxford, 1976.
- Solnik, B., 'Note on the Validity of the Random Walk for European Stock Prices', *Journal of Finance*, 1973, pp. 1151–9.
- Spaventa, L. and Chiorazzo, V., *Astuzia o virtù? Come accadde che l'Italia fu ammessa all'Unione monetaria*, Donzelli, Rome, 2000.
- Steve, S., *Lezioni di scienza delle finanze*, CEDAM, Padua, 1976.
- Stigler, G.J., 'Perfect Competition, Historically Contemplated', *Journal of Political Economy*, 1957, pp. 1–17.
- Stiglitz, J., 'The Private Uses of Public Interests: Incentives and Institutions', *Journal of Economic Perspectives*, 1998, pp. 3–21.
- Tobin, J., *The New Economics One Decade Older*, Princeton University Press, 1974.
- Toniolo, G., *L'economia dell'Italia fascista*, Laterza, Rome–Bari, 1980.
- Vicarelli, F., 'Credito', in Lughini, G. (dir.), *Dizionario di economia politica*, Boringhieri, Turin, 1983.
- Visco, V., 'Il riordino della tassazione dei redditi finanziari nella prospettiva dell'UME', *Studi e Note di Economia. Quaderni*, 3, 1999, pp. 11–22.
- Visco, V., *Il fisco giusto. Una riforma per l'Italia europea*, Il Sole 24 Ore, Milan, 2000.
- West, R.R., 'On the Difference Between Internal and External Market Efficiency', *Financial Analysts Journal*, 1975, pp. 30–4.
- Zadra, G., *Strutture e regolamentazione del mercato mobiliare*, Giuffrè, Milan, 1988.
- Zadra, G., 'I principali svantaggi competitivi delle banche italiane nel confronto europeo', *Bancaria*, 2000, pp. 2–8.