

Preface

The Rivista di Politica Economica (RPE) promoted in 2003 the competition for the seventh edition of the “Angelo Costa” Undergraduate Theses Award consisting in the publication of the five most deserving papers taken from undergraduate theses in Economics by students graduated in an Italian university between May 1st 2001 and May 30th, 2003.

This issue — published separately in Italian — collects the five winning papers of the 2003 competition. The “Angelo Costa” Theses Award aims at drawing attention to Italy’s most promising graduates in Economics, awarding them with the publication of their paper in order to encourage the continuation of their studies and improve their chance of admission to Master and/or Ph.D. programs. We also hope this Theses Award will bring the authors of these papers to the attention of a wider public, thus avoiding, as it often happens, that the works remain mere manuscripts with a limited and random circulation.

The Award is named in memory of Angelo Costa, the first president of Confindustria (the Italian Confederation of Industry) in the immediate post-war period. He was elected president in 1945 and guided the organisation throughout the reconstruction period until 1955. Angelo Costa was again elected to chair the board of Confindustria from 1966 to 1970. A free-market advocate, on several occasions Costa firmly opposed the constraints imposed by statism and stressed the key role played by small-and medium-sized enterprises in Italy’s economic and industrial growth.

Even for the 2003 edition, the publication of the “Angelo Costa Lecture” held on the awarding day by a Member of the International Scientific Committee on a theme of particular economic interest, enriches the volume which collects the papers winning the Theses Award. The text of the Fifth Lecture, held by Prof. Andreu Mas-

Colell on January 15, 2004 is entitled: "The European Space of Higher Education: Incentive and Governance Issues".

Twenty graduates from the following universities submitted papers for this seventh edition of the Theses Award: three candidates were from the Università Commerciale 'Luigi Bocconi' of Milan, two candidates from Università 'Federico II' of Naples, Università degli Studi of Padua and LUISS 'Guido Carli' of Rome; one candidate respectively from Università degli Studi of Bologna, Università 'Cattolica' of Milan, Università degli Studi of Calabria, Università degli Studi of Florence, Università degli Studi of Molise, Università degli Studi of Perugia, Università degli Studi of Pavia, Università Roma Tre, Università degli Studi 'Parthenope' of Naples, Università degli Studi of Siena and Università degli Studi of Trent.

Each paper was submitted in anonymous form — as envisaged in the first phase of the competition — to one of the following Italian referees:

Paolo Bertoletti, Tito Boeri, Corrado Cerruti, Giancarlo Corsetti, Riccardo Faini, Marco Frittelli, Andrea Ichino, Giuseppe Lopomo, Massimiliano Massa, Fabio Padovano, Gustavo Piga, Maurizio Pugno, Riccardo Rovelli, Giuseppe Tullio, Alessandro Sterlacchini, Tommaso Valletti, Daniela Venanzi, Pietro Veronesi, Marco Vivarelli, Guglielmo Weber.

We also wish to thank Gianluca Cubadda, Sergio Ginebri and Lucio Sarno for their precious support.

On the basis of these referees' judgements, the thirteen authors qualified for the second stage of the contest were (listed in alphabetical order):

Davide Arnaudo, Università degli Studi of Pavia, A Kaldorian Analysis of Growth: The Role of Foreign Trade, of Catching-Up and of Innovation;

Aurora Ascione, Università degli Studi Roma Tre, Local Currency Pricing and Pass-Through: An Empirical and Theoretical Analysis;

Alfredo Barbieri, Università degli Studi of Padua, Option Pricing and the Role of the Stochastic Discount Factor;

Alessandro Bonatti, Università 'Federico II' of Naples, The Strategic Choice of Contractual Policies;

Alessandro Buccioli, Università degli Studi of Padua, Household Portfolios Efficiency in the Presence of Restrictions on Investment Opportunities;

Andrea Conte, Università 'Cattolica' of Milan, Innovation in Italian Industry: A Firm-Level Analysis;

Francesco Decarolis, Università Commerciale 'Luigi Bocconi' of Milan, The Economic Effects of Democracy. An Empirical Analysis;

Angelo Mele, Università 'Luigi Bocconi' of Milan, Racial Segregation and Public Education Spending: Theory and Empirical Evidence for the US;

Sauro Mocetti, Università degli Studi of Siena, Social Protection and Human Capital: Test of a Hypothesis;

Matteo Ploner, Università degli Studi of Trent, The Financial Markets and Wealth Effects on Consumption. An Experimental Analysis;

Giovanni Walter Puopolo, Università 'Federico II' of Naples, Optimal Bidding with Announcement of the Reservation Price;

Francesco Serti, Università degli Studi of Florence, Skill Premium and International Trade: the Italian Case;

Guido Traficante, LUISS 'Guido Carli' of Rome, The Fiscal Theory of the Price Level: Theoretical Foundations and Empirical Evidence.

Each one of these papers was then submitted – again in anonymous form – to three different Members of the International Scientific Committee who finally defined the five winners of the 2003 competition. The Members of the International Scientific Committee for this edition were:

Prof. Michael Brennan (University of California in Los Angeles)

Prof. Ricardo Caballero (Massachusetts Institute of Technology)

Prof. Phoebus J. Dhrymes (Columbia University)

Prof. Peter Diamond (Massachusetts Institute of Technology)

Prof. Jean-Paul Fitoussi (Observatoire Français des Conjonctures Economiques)

Prof. Heinz Kurz (University of Graz)

Prof. Axel Leijonhufvud (University of California in Los Angeles)

Prof. Andreu Mas-Colell (Universitat Pompeu Fabra)
Prof. Robert A. Mundell (Columbia University)
Prof. Stephen A. Ross (Massachusetts Institute of Technology)
Prof. Bertram Schefold (J. W. Goëthe Universität Frankfurt am Main)
Prof. Robert M. Solow (Massachusetts Institute of Technology)
Prof. Mark P. Taylor (University of Warwick).

The five authors who won the 2003 'Angelo Costa' Undergraduate Theses Award are:

Alessandro Bucciol, Università degli Studi di Padua, Household Portfolios Efficiency in the Presence of Restrictions on Investment Opportunities;

Francesco Decarolis, Università Commerciale 'Luigi Bocconi' of Milan, The Economic Effects of Democracy. An Empirical Analysis;

Giovanni Walter Puopolo, Università degli Studi 'Federico II' of Naples, Optimal Bidding with Announcement of the Reservation Price;

Aurora Ascione, Università degli Studi 'Roma Tre', Local Currency Pricing and Pass-Through: An Empirical and Theoretical Analysis.

Alessandro Bonatti, Università degli Studi 'Federico II' of Naples, The Strategic Choice of Contractual Policies;

Once again our initiative received widespread and appreciative comments in Italian and foreign academic circles and we would like to sincerely thank all those who gave their contribution to spread information on the Award. A special thanks for their personal direct and considerable commitment goes to the Italian referees and to the Members of the International Scientific Committee. The positive comments they expressed on the Award and the notable skill of the candidates encourage us and testify that the prestige of the Economics Undergraduate Theses Award "Angelo Costa" is considered today among the important events capable of fostering and encouraging young Italian economists in their scientific studies by making them known to a broader public.

The final choice of the winners, based on a criterion solely related to the quality of the manuscripts, is implemented by a double-blind referee procedure, by Italian and international economists who have given important contributions to the science of economics and have acquired over the years a rigorous capacity to evaluate scientific work. Our guidelines for this Award can be summed up in two terms: merit and competition. We believe these two characteristics have been and can be assured in the future by the rigour and transparency of the procedures adopted in the selection.

*This issue of *Rivista di Politica Economica* also publishes the profiles of the five winners of this seventh edition, the announcement of the 2004 Economics Undergraduate Theses Award “Angelo Costa” and a biographical update of the past-editions winners.*

We take this opportunity to congratulate our young colleagues and wish them great success in their future studies and professional activities.

THE MANAGING EDITOR
PROF. GUSTAVO PIGA