

In Memory of Cristiana Benedetti Fasil

The European University Institute will host two events in memory of Cristiana Benedetti Fasil, who passed away on May 24th, 2021. The first event is an academic workshop on Wednesday, June 15th, covering the themes that Cristiana worked on as a researcher and featuring her most recent work presented by co-authors. The second event is the inauguration of “Fondazione Cristiana Benedetti Fasil” on Friday, June 17th, which will carry on Cristiana’s big passion for the empowerment of women and disadvantaged youth in Africa.

Academic Workshop in Memory of Cristiana Benedetti Fasil
June 15th, 2022, 9.00-13.15
Venue: [Villa La Fonte, EUI](#)

Preliminary Programme

8.40-8.55 *Registration*

8.55-9.00 *Introductory speech*

9.00-10.30 *Session I: Macro Models for Policy Evaluation*

Omar Licandro (University of Nottingham) - “Heterogeneous firms, R&D policy, and the business cycle”

Growth and business cycles have a long tradition of being studied separately. However, events such as the Great Recession raise concerns that severe downturns may have detrimental implications for growth. If so, what policies may help alleviate such long-lasting effects of large recessions? To study these questions, we develop a tractable general equilibrium model of endogenous growth featuring heterogeneous firms, financial constraints and a range of innovation policies. A preliminary analysis suggests that counter-cyclical tax credits may serve as a powerful automatic stabilizer alleviating the long-lasting negative effects of severe cyclical downturns.

Giammario Impullitti (University of Nottingham) - “Endogenous growth, heterogeneous firms and workers: a framework for policy evaluation”

This paper builds a model of endogenous growth and business cycle to analyse the impact of a wide set of innovation policies on growth and income distribution. There are several dimensions of heterogeneity. Firms differ in productivity and in innovation ability, thereby having a different growth potential. Workers differ in their ability to acquire skills via education. Innovation requires a higher level of skills than production, hence innovation policies affect both income growth and its distribution across different workers. The framework is used to analyse the impact of key policies to stimulate growth, such as, innovation grants, loans, tax credits, and education subsidies. The focus is on the policy impact on both growth and income inequality, thereby providing a toolbox to search for policy mixes to pursue shared prosperity. The analysis highlights the role of firm and workers heterogeneity in shaping the growth and distributional effect of policy. Both horizontal policies, treating all firms equally, and selective policies are considered.

Andrea Conte (European Commission, JRC) - *“Territorial Impact Assessments of EU Funds and Policies”*

The JRC is the European Commission’s science and knowledge service, providing scientific evidence throughout the whole policy cycle. The Territorial Data Analysis and Modelling (TEDAM) team provides quantitative economic analyses and policy impact assessments with a focus on the territorial dimension (up to the NUTS 2 regional level). Territorial and Sectorial Dimensions are a fundamental angle for monitoring and assessing the impact of policies. By means of quantitative tools such as Rhomolo – and in the context of the regulatory framework envisaged by the Better Regulation Toolbox – I will describe the main policy contributions and scientific novelty of the tools used for territorial impact assessment.

10.30-10.50 **Break**

10.50-11.30 **Session II: Firm Dynamics and the Pandemic**

Vincent Sterk (UCL) - *“[Startups and Employment Following the COVID-19 Pandemic: A Calculator](#)”*, with *Cristiana Benedetti Fasil and Petr Sedlacek*

Early indicators suggest that startup activity across countries is heavily affected by the COVID-19 pandemic and the associated lockdowns. At the same time, empirical evidence has shown that such disturbances may have long-lasting effects on aggregate employment. This paper presents a calculator which can be used to compute these effects under different scenarios regarding (i) the number of startups, (ii) the growth potential of startups, and (iii) the survival rate of young firms. We apply our calculator to the U.S. and four European countries: France, Germany, Italy and Spain. We find that employment losses can be substantial and last for more than a decade, even when the assumed slump in startup activity is only short-lived. Almost half of the long-run losses is caused by fewer high-growth firms, “gazelles”, starting up during the pandemic. Our results also suggest that the long-run effects of the pandemic may vary across countries substantially with Germany possibly being shielded due to its low degree of business dynamism.

11.30-11.45 **Break**

11.45-13.15 **Session III: Development**

Fernando Vega-Redondo (Bocconi University) – *“Peer networks and entrepreneurship: a Pan-African RCT”* with *Paolo Pin, Diego Ubfal, Cristiana Benedetti Fasil, Charles Brummitt, Magdalena Domínguez, Gaia Rubera, Dirk Hovy and Tommaso Fornaciari*

Can large-scale peer interaction foster entrepreneurship and innovation? This is an important issue, with potentially large economic implications, which we have studied both empirically and theoretically. On the one hand, we have conducted an RCT involving almost 5,000 entrepreneurs from 49 African countries, where the treatment involves the possibility of interacting with peers in alternative ways, face-to-face or virtually, the latter under different degrees of national diversity. This interaction generates a social network, for which network (peer) effects are estimated to be uniformly positive. In contrast, however, we find that, when interaction is virtual, a positive treatment effect arises only when interaction when peer groups are nationally homogeneous. Our theory then sheds light on these experimental results by distinguishing between “constructive” and “disruptive” environments, the former being the only ones where the

interaction treatment is effective. We operationalize these notions and find that, as the theory predicts, only virtual interaction under national homogeneity qualifies as constructive.

Paolo Pin (Università di Siena) – “Informal insurance and social networks: a story of inefficiency”, with Salvatore Di Falco, Francesco Feri, Peter Martinsson, Razack Lokina and Xavier Vollenweider

Developing economies lack financial institutions and this is often supplied by informal risk sharing through family and peers. Unfortunately, these conditions lead to inefficiencies, because there is not perfect monitoring and both the potential lender and the potential borrower have distorted incentives on declaring their economic situation: potential lenders may hide their wealth not to be asked for a loan, while potential borrowers may hide their earning not to pay back. We have analyzed this issue in Tanzania with both a field and a laboratory experiment that identify these sources of inefficiency. In particular, in the field experiment individuals who receive a positive income shock reduce their social contacts, in turn leading to a second inefficiency that they received less help during the harvest. In the lab experiment, people who gained a small reward accepted to pay a cost not to share the news about their prize with the other participants.

Diego Ubfal (World Bank) - “Skills for growing women-owned businesses”

Billions of dollars are spent subsidizing entrepreneurship programs around the world. However, rigorous evaluations of traditional business training programs indicate that they are not transformative. In this presentation we will discuss recent evidence on psychology-based programs aimed at changing a particular set of soft skills related to successful entrepreneurship that have proved particularly effective for women-owned businesses. We will include in it a discussion on the importance of teachers’ quality, targeting, and complementary interventions.

***Inauguration of Fondazione Cristiana Benedetti Fasil
June 17th, 2022, 09.30-12.30
Venue: Villa La Fonte, EUI***

Preliminary Programme

9.30-10.00 **Registration and Coffee**

10.00-10.20 **Memories of Cristiana**

10.20-10.50 **Cristiana’s passion for Africa and her charitable work**

Christoph Bertsch – Cristiana’s journeys to explore Africa and her charitable work in Ghana. The projects supported by Social Venture Africa over the years. The Lady Volta Green Tech Academy.

10.50-11.15 **Fondazione Cristiana Benedetti Fasil**

Flavia Corneli – Cristiana’s will and her wish to create a charitable foundation to continue her work. The mission of Fondazione Cristiana Benedetti Fasil and how it is structured.

Christoph Bertsch – A platform that allows you to get involved in the continuation of Cristiana’s story.

11.15-11.30 **Break**

11.30-12.30 How to get involved?

Christoph Bertsch – *What does it take to call Fondazione Cristiana Benedetti Fasil in existence and to raise its potential? What are the needs and the ways to contribute? Examples of projects that were close to Cristiana's heart and examples of general activities that take place in a charitable foundation. Finding others with similar interests and discussing ideas.*

13.00-14.15 Joint lunch at a close-by restaurant

14.30- Social activities in memory of Cristiana