

CURRICULUM VITAE

Carlo A. Favero

Born in Milan (Italy), 1962

Married to Eva Bocchiola, 2 daughters and one son

EDUCATION

- Università Commerciale “Luigi Bocconi” di Milano (Italy), 1985, five years degree in "Discipline Economiche Sociali".
- "P.Ricci" Award for the best thesis in Economic Policy of the academic year 1984-85
- London School of Economics, 1987, M.Sc. in Economics
- Oxford University, St. Antony's College, D.Phil. in Economics, 1989 Thesis Title : "Testing the Lucas critique of Econometric Policy Evaluation." "Foreign Commonwealth Office" Award 1989

EMPLOYMENT

- Lecturer in Economics, Queen Mary College, University of London 1989-1992
- Research Associate of the Department of Applied Economics, University of Cambridge (1990-92)
- Associate Professor of Econometrics, University of Ancona (1992-93)
- Associate Professor of Economics, Bocconi University of Milan (1993-1999)
- Professor of Economics, Bocconi University of Milan (2000-)
- Director of the Innocenzo Gasparini Institute for Economic Research
- Director of the PhD Programme at Bocconi University
- Fellow of the Centre for Economic Policy Research, programme in International

Macroeconomics

- Member of the Scientific Committee Euro Area Business Cycle Network

CURRENT RESEARCH INTERESTS

- Financial markets and central banks' behaviour
- Econometric Analysis of Monetary Policy Transmission Mechanism
- Econometric methods for Monetary Policy decisions

C.A. Favero, M.Pagano, E.L. Von Thadden (In Corso Di Stampa). **How Does Liquidity Affect Bond Yields?**. JOURNAL OF FINANCIAL AND QUANTITATIVE ANALYSIS,

C.A. Favero, F.Giavazzi (2008). **Should the euro area be run as a closed economy**. THE AMERICAN ECONOMIC REVIEW, pp.1- 8 Vol.98,

C. FAVERO (2007). **Valuing Ecosystem Services as Productive Inputs: Discussion**. ECONOMIC POLICY, pp.213- 215 Vol.49,

DIEBOLD F.X.; ENGLE R.F.; C. FAVERO; GALLO G.M (2006). **"The econometrics of macroeconomics, finance, and the interface,"**. JOURNAL OF ECONOMETRICS, pp.1- 2 Vol.127,

ACADEMIC ACTIVITIES

- Director of the Ph.D. in Fiance at Bocconi University
- Associate Editor of the European Economic Review (1999-2002)
- member of the Economic Policy Panel (2004-2006)
- Refereeing:

American Economic Review, Economic Journal, Econometric Reviews, European Economic Review, Oxford Economic Papers, Journal of Applied Econometrics, Journal of Business Economics and Statistics, Journal of Money, Credit and Banking, Journal of Monetary Economics , Applied Economics, Oxford Bulletin of Economics and Statistics, Scottish Journal of Political Economy, Journal of Banking and Finance, Journal of Environmental Economics and Management, Review of Economic Studies, Review of Finance

NON-ACADEMIC ACTIVITIES

- Italian Ministry of Treasury: advisor to the Direzione Generale for the estimation and simulation of an econometric model of the Italian Economy
- CONSOB, member of the Scientific Committee
- European Central Bank, consultant
- World Bank, consultant

PUBLICATIONS

REFEREED INTERNATIONAL JOURNALS

CARRIERO A; C. FAVERO; I.KAMINSKA (2006). **Financial Factors, Macroeconomic Information and the Expectations Theory of the Term Structure of Interest Rates.** JOURNAL OF ECONOMETRICS, pp.339- 358 Vol.127,

C. FAVERO (2006). **Improving Fiscal Policy in the EU: The Case for Independent Forecasts: Discussion.** ECONOMIC POLICY, pp.529- 531 Vol.47,

C. FAVERO (2006). **International Competition in Corporate Taxation: Evidence from OECD Time-Series. Discussion.** ECONOMIC POLICY, pp.197- 199 Vol.45,

C. FAVERO (2006). **Taylor Rules and the Term Structure.** JOURNAL OF MONETARY ECONOMICS, pp.1377- 1393 Vol.53,

C. FAVERO (2005). **Deflation and Monetary Policy in a Historical Perspective: remembering the past or being condemned to repeat it? Discussion.** ECONOMIC POLICY, pp.838- 839 Vol.44,

BONFIGLIOLI A.; C. FAVERO (2005). **Explaining Co-movements Between Stock Markets: the case of US and Germany.** JOURNAL OF INTERNATIONAL MONEY AND FINANCE, pp.1299- 1316 Vol.78,

AIOLFI M.; C. FAVERO (2005). **Model Uncertainty, Thick Modelling and the Predictability of Stock Returns.** JOURNAL OF FORECASTING, pp.233- 254 Vol.24,

FAVERO C. , MARCELLINO M.(2005).**Modelling and Forecasting Fiscal Variables for the Euro Area.** OXFORD BULLETIN OF ECONOMICS AND STATISTICS, pp.755- 783 Vol.67,

C. FAVERO; MILANI F (2005). **Parameter Instability, Model Uncertainty and the Choice of Monetary Policy.** TOPICS IN MACROECONOMICS, Vol.5,

FAVERO C. ; MARCELLINO M., NEGLIA F. (2005). **Principal components at work: the empirical analysis of monetary policy with large datasets.** JOURNAL OF APPLIED ECONOMETRICS, pp.603-620 Vol.20,

C. FAVERO (2004). **Comments on “Fiscal and monetary policy interactions: Empirical evidence on optimal policy using a structural new-Keynesian model”.** JOURNAL OF MACROECONOMICS, pp.2001- 2005 Vol.26,

C. FAVERO; GIAVAZZI F. (2003). **Is the International propagation of financial shocks non-linear?: Evidence from the ERM Crisis.** JOURNAL OF INTERNATIONAL ECONOMICS, pp.231- 247 Vol.57,

C. FAVERO; ROVELLI R (2003). **Macroeconomic stability and the preferences of the Fed. A formal analysis, 1961-98.** JOURNAL OF MONEY, CREDIT, AND BANKING, pp.545- 557 Vol.35,

CODOGNO L.; C. FAVERO; A.MISSALE (2003). **Yield Spreads on EMU government Bonds.** ECONOMIC POLICY, pp.503- 533 Vol.37,

FAVERO C.A.; F. GIAVAZZI (2002). **Is the International propagation of financial shocks non-linear?: Evidence from the ERM Crisis.** JOURNAL OF INTERNATIONAL ECONOMICS, pp.231- 246 Vol.57 ,

C. FAVERO; MOSCA F. (2001). **Uncertainty on monetary policy and the expectations model of the term structure of interes rates.** ECONOMICS LETTERS, pp.369- 375 Vol.71,

C. FAVERO; IACONE F; GIAVAZZI F.; TABELLINI G. (2000). **Extracting information from asset prices:the methodology of EMU calculators.** EUROPEAN ECONOMIC REVIEW, pp.1607- 1632 Vol.44,

C. FAVERO; SPINELLI F (1999). **Deficits, money growth and inflation in Italy:1875-1994.** ECONOMIC NOTES, pp.43- 71 Vol.28,

C. FAVERO (1999). **Financial markets' assessments of EMU.** CARNEGIE-ROCHESTER CONFERENCE SERIES ON PUBLIC POLICY, pp.271- 280 Vol.51,

BAGLIANO F.-C.; C. FAVERO (1999). **Information from financial markets and VAR measures of monetary policy.** EUROPEAN ECONOMIC REVIEW, pp.825- 837 Vol.43,

BAGLIANO F.-C.; C. FAVERO (1998). **Measuring monetary Policy with VAR models: an evaluation.** EUROPEAN ECONOMIC REVIEW, pp.1069- 1112 Vol.42,

DORNBUSCH R.; C. FAVERO; GIAVAZZI F. (1998). **The Immediate challenges for the European Central Bank.** ECONOMIC POLICY, pp.17- 64 Vol.26,

—— C. FAVERO; HENDRY D.F. (1992). **Testing the Lucas Critique. A Review. Reply to** C. FAVERO; GIAVAZZI F.; SPAVENTA L. (1997). **High Yields: The spread on German Interest Rates.** ECONOMIC JOURNAL, pp.956- 986 Vol.107,

—— **comments.** ECONOMETRIC REVIEWS, pp.317- 318 Vol.2,
C. FAVERO; PAPI L. (1995). **Technical Efficiency and Scale Efficiency in the Italian Banking Sector. A non-parametric approach.** APPLIED ECONOMICS,

C. FAVERO; PESARAN M.H.; SHARMA S. (1994). **A Duration Model of Irreversible Oil Investment: Theory and Empirical Evidence.** JOURNAL OF APPLIED ECONOMETRICS, pp.S95- S113 Vol.9,

C. FAVERO; PESARAN M.H. (1994). **Oil Investment in the North Sea.** ECONOMIC MODELLING, pp.308- 329 Vol.11(3),

C. FAVERO; BAGLIANO F.C. (1992). **Money Demand Instability, Rational Expectations And Policy Regimes: The Case of Italy: 1964-1986.** JOURNAL OF BANKING & FINANCE, pp.331- 349 Vol.16,

BOOKS

C. FAVERO (1992). **Taxation and Optimization of Oil Exploration and Production: The U.K. Continental Shelf.** OXFORD ECONOMIC PAPERS, pp.187- 208 Vol.44,

C. FAVERO; HENDRY D.F. (1992). **Testing the Lucas Critique. A Review.** ECONOMETRIC REVIEWS, pp.265- 306 Vol.2,

“The Econometrics of Monetary Policy. An overview” (forthcoming), T.C. Mills and K. Patterson
Palgrave Handbook of Econometrics: Volume 2 Applied Econometrics

“Monetary Policy, Fiscal Policies and Labour Markets : Macroeconomic Policy Making in the EMU” with R. Beetsma, A. Missale, A. Muscatelli, P. Natale and P. Tirelli, Cambridge University Press (2003)

“Applied Macroeconometrics”, Oxford University Press, (2001)

WORKING PAPERS

Model Evaluation in Macroeconometrics: from early empirical macroeconomic models to DSGE models (Sept. 2007)

On the Statistical Identification of DSGE models (Sept. 2007)(with A.Consolo and A.Paccagnini)

Term Structure Forecasting: No-Arbitrage Restrictions vs. Large Information Set (March 2007)(with Linlin Niu and L.Sala)

Debt and the Effects of Fiscal Policy (2007) (with F.Giavazzi)

How Does Liquidity Affect Government Bond Yields? (with M.PAgano and ELU Von Thadden), May 2007 revised version of "Valuation, Liquidity and Risk in Government Bond Markets

Consumption, Wealth, the Elasticity of Intertemporal Substitution and Long-Run Stock Market Returns (2005)

The Predictive Power of the Yield Spread: further Evidence and a Structural Interpretation, Jan 2005 (with I. Kaminska and U.Soderstrom)

Monetary-Fiscal Mix and Inflation Performance: Evidence from the U.S. (with Tommaso Monacelli), revised January 2005

POLICY REPORTS

“Study on the Decomposition of Observed Spreads in the Euro area Government Bond Markets”(2002) A study for the European Commission (with L. Codogno and A. Missale).

“EMU and Public Debt Management: One Money, One Debt” , CEPR Policy Paper no.3., 2000, with A. Missale and G. Piga

“Monitoring the European Central Bank 2. One Money, Many Countries”, CEPR, 2000, (with T. Persson, X. Vives and C.Wyplosz)

“Financial Market Structures and Monetary Transmission in the EMU”, report for the European Commission, Directorate General for Economic and Financial Affairs (DG2), (with F. Giavazzi), 1999

“Monetary Policy in Stage III: Implications of different Debt Structures Across Member States” report for the European Commission, Directorate General for Economic and Financial Affairs (DG2), (with A. Missale, G. Piga and H. Uhlig), 1999

“An evaluation of monetary transmission in the context of the European Central Bank” (with F. Giavazzi) A report to the European Parliament, July 1999

CONFERENCE PROCEEDINGS

Monetary Policy in the Euro Area: lessons from five years of the ECB and implications for Turkey, with F. Canova(2007) in *MAcroeconomics Policies for EU Accession*, Basci, Togan and Von Hagen, Edward Elgar

Why are Brazil's Interest Rates so High? IGIER Working paper n. 224, July 2002 (with Francesco Giavazzi) [Inflation Targeting, Debt, and the Brazilian Experience, 1999 to 2003](#)
[Francesco Giavazzi](#), [Ilan Goldfajn](#) and [Santiago Herrera](#) (Eds.) MIT PRESS May 2005

"How do European Monetary and Fiscal authorities behave?"(2003) in M. Buti (ed.) *Monetary and Fiscal Policies in EMU*", Cambridge University Press

"Debt Maturity and the Reaction and Performance of Monetary Policy" (1999) (with Alessandro Missale and G. Primiceri) in Alec Chrystal (ed)" *Debt Structure and Monetary Conditions*", Bank of England and Mac Millan Press

"Comment to Bates: Financial Markets' assessment of EMU" (1999), Carnegie-Rochester Conference Series, Volume on "Issues Regarding European Monetary Unification",

"Comment to Weber A. "Asymmetric interest rate policy in Europe" forthcoming in Konig (ed) *The Monetary Transmission Process: Recents Developments and Lessons for Europe*, Mac Millan Press London

"Monetary Policy, Forward Rates and Long Rates: does Germany differ from the United States?"(1998) (with F. Iacone and M. Pifferi) in "Monetary Policy and Interest Rates" I. Angeloni and R. Rovelli(eds.), MacMillan Press, 198-231

"Comment to Mirowski: The attribution of quantitative error and the erasure of plural interpretations in various sciences" in *Pluralism in Economics*, E.Screpanti and A.Salanti(eds.), Edward Elgar (1998) ,278-281

FUNDED RESEARCH PROJECTS

Financial Market Structures and Monetary Transmission in the EMU", the European Commission, Directorate General for Economic and Financial Affairs (DG2), 1998 (with F. Giavazzi)

Monetary Policy in Stage III: Implications of different Debt Structures Across Member States" the European Commission, Directorate General for Economic and Financial Affairs (DG2), 1998 (with G. Piga, A. Missale and H. Uhlig)

High-level economic policy design and conduct in the run up to European Union accession, (1998) CEPR and National Bank of Hungary (with D. Begg, F. Canova, A. Hughes Hallett, P. Martin, I. Mihov, A. Weber, M. Wickens, C. Wyplosz)

MIUR COFIN Project on "The Econometric Analysis of Structural Change"(1998) Local Scientific Coordinator

An evaluation of monetary transmission in the context of the European Central Bank, (1999) the European Parliament (with F. Giavazzi)

The credit channel in Europe: empirical evidence from disaggregated data on banks and firms, (1999) Fondation Banque de France pour la recherche en économie monétaire, financière et bancaire (with F.-C. Bagliano e A. Sembenelli)

Financial contagion: how it spreads, how can it be stopped? (1999) World Institute for Development Economic Research (with F. Giavazzi)

Understanding high Brazilian interest rates (2000) The World Bank

MIUR-COFIN Project on “Structural Macroeconometrics models of the Italian Economy in the European context”(2000) National Scientific Coordinator

The Decomposition of Observed Spreads in the Euro Area Government Bond Markets, (2001) European Commission , Directorate General Economic and Financial Affairs

Measuring Risk Premium in the term structure of Euro interest rates (2002) The European Central Bank

MIUR-COFIN Project on “Forecasting in Macroeconomics and Finance” (2002) Scientific Coordinator

The determinants of risk premium in Brazil (2003) The World Bank

MIUR-COFIN Project “Monetary and Fiscal Stabilization Policies” (2004) National Scientific Coordinator

MIUR-COFIN Project “Financial, credit and labour markets in business cycle models for policy evaluation. Theory and empirics.” (2007) National Scientific Coordinator

MIUR-FIRB Project on “The choice of instruments for Financing Public Debt in the Euro area under the Growth and Stability Pact” (2005-2008)

Euro Area Money Demand and International Portfolio Allocation (2007) (with Roberto de Santis and B.Roffia) European Central Bank

SEMINAR PRESENTATIONS (MAIN AND RECENT)

2008

Tilburg University

Austrian Central Bank

European Central Bank

"3M in Finance and Macroeconomics: Model Averaging, Model Specification and Model Risk", Amsterdam

2007

Meetings of the American Economic Association
University of Oxford
Barcelona, CREI-UPF
EABCN Workshop on “Changes in Inflation Dynamics”, Banque de France, Paris
Central Bank of Turkey

2006

ZEW Conference on the Relation between Monetary Policy and Financial Markets, Mannheim
Bundesbank
Economic Policy Panel, Vienna

2005

Universitat Pompeu Fabra, Barcelona
Manheim University
University of San Gallen
Oslo University

2004

International Monetary Fund, Washington
Annual meeting of the Society for Computational Economics, Amsterdam
Department of Economics, ISEG, Lisbon
Euro Area Business Cycle Network, Brussels
Economic Policy Panel

2003

Federal Reserve of Atlanta
PUIC, rio de Janeiro
Banco do Brazil, Brasilia
Economic Policy Panel, Athens,
First meetings of the Euro Area Business Cycle Network, Madrid
Seminar presentation, Birkbeck College, London