

Salvatore Modica

Born in Palermo, 9 January 1957. Married, four children

Address: Università di Palermo, Dipartimento SEAS,
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Positions (University of Palermo)

2000 – Professor, Economics (SECS-P/01)

1990 – 2000 Associate Professor, Mathematics for Economists (SECS-S/04)

1983 – 1990 Ricercatore, Mathematics for Economists (SECS-S/04)

Education

1983 – 1986 PhD in Economics, University of Cambridge, England

1982 – 1983 Master in Economics, University of Cambridge, England

1975 – 1980 Bachelor in Economics (Laurea), Università di Palermo

Representative Publications

1. “A Neo Bayesian Foundation of the Maxmin Value for Two-person Zero-sum Games”, *International Journal of Game Theory* 23 (1994): 347-358, with Sergiu Hart and David Schmeidler
2. “Unawareness and Partitional Information Structures”, *Games and Economic Behaviour* 27 (1999): 265-298, with Aldo Rustichini
3. “Credit Market Failures and Policy”, *Journal of Public Economic Theory* 11 (2009): 363-382, with Enrico Minelli
4. “School Grading and Institutional Contexts”, *Education Economics* 19 (2011): 475-486, with Valentino Dardanoni and Aline Pennisi
5. “Bayesian Model Averaging for Generalized Linear Models with Missing Covariates”, *Journal of Econometrics* 184 (2015): 452-463, with Giuseppe De Luca, Valentino Dardanoni and Franco Peracchi
6. “Peer Discipline and Incentives within Groups”, *Journal of Economic Behavior and Organization* 123 (2016): 19-30, with David K. Levine
7. “Collusion Constrained Equilibrium”, with David K. Levine and Rohan Dutta, *Theoretical Economics* 13 (2018): 307-340

Teaching

Economia Politica (undergraduate), University of Palermo 2000 –

Game Theory (graduate), University of Palermo 1997 – 2003 and 2016 –

Economics of Growth (graduate), University of Palermo 2006 – 2014

Decisions, Incentives and Contracts (PhD), SSSUP, Pisa 2007 – 2013

Decision Theory (graduate), University of Palermo 2006 – 2013

Quantitative Finance, Master in Risk Management, University of Palermo 2002

Matematica Generale, University of Palermo 1990 – 2000

Service

Refereeing for scientific journals including *American Economic Review*, *Econometrica*, *Economic Theory*, *Games and Economic Behavior*, *Journal of Econometrics*, *Journal of Economic Theory*

Member of the doctoral program committee in Palermo and Messina

Member of committees in several faculty selection procedures in Italy

Awards and Fellowships

1981 Banco di Sicilia (Borsa di Studio “Francesco Ferrara”)

1983 Banco di San Paolo, Torino (Borsa di Studio “Luciano Iona”)

1988 CNR, Italy (Visiting scholar, MIT, Cambridge USA)

1991 CNR, Italy (Visiting scholar, Tel Aviv University, Israele)

1994, 1995 CORE, Belgium (Visiting scholar)

2011 Einaudi Institute for Economics and Finance, Rome, (Visiting fellow)

2013 European University Institute, Florence (Brauder Fellow)

Grants

I have been local coordinator of some national grants in the past (lead by F. Donzelli, P. Tedeschi, T. Pietra and others) but I have no previous experience as PI, since in recent years local funds and the support of co-authors have been sufficient for my research needs. Lately owing to budget restrictions local funds have been eliminated and I am applying for a national government grant.

Publications

1. “Intervention and Peace”, with David Levine, forthcoming in *Economic Policy*
2. “Collusion Constrained Equilibrium”, with David K. Levine and Rohan Dutta, *Theoretical Economics* 13(1) (2018): 307-340
3. “Size, Fungibility, and the Strength of Lobbying Organizations”, with David Levine, *European Journal of Political Economy* 49 (2017): 71-83
4. “Peer Discipline and Incentives within Groups”, with David K. Levine, *Journal of Economic Behavior and Organization* 123 (2016): 19-30
5. “Dynamics in Stochastic Evolutionary Models”, with David Levine, *Theoretical Economics* 11 (2016): 89-131
6. “Evolution of Impatience: the Example of the Farmer-Sheriff Game”, with David K. Levine, Federico Weinschelbaum and Felipe Zurita, *AEJ: Microeconomics* 7 (2015): 295-317
7. “Bayesian Model Averaging for Generalized Linear Models with Missing Covariates”, with Giuseppe De Luca, Valentino Dardanoni and Franco Peracchi, *Journal of Econometrics* 184 (2015): 452-463
8. “A Generalized Missing-indicator Approach to Regression with Imputed Covariates”, with Valentino Dardanoni, Giuseppe De Luca and Franco Peracchi, *The Stata Journal* 12 (2012): 575-604

9. "Anti-Malthus: Conflict and the Evolution of Societies", with David K. Levine, *Research in Economics* 76 (2013): 289-306
10. "A Generalized Missing-indicator Approach to Regression with Imputed Covariates", with Valentino Dardanoni, Giuseppe De Luca and Franco Peracchi, *The Stata Journal*, 2012: 575-604
11. "Government Size, the Role of Commitments", with Giuseppe Albanese, *Oxford Bulletin of Economics and Statistics*, 2012: 532-546
12. "Open Source without Free-Riding", *Economia Politica*, 2012: 247-260
13. "School Grading and Institutional Contexts", with Valentino Dardanoni and Aline Pennisi, *Education Economics*, 2011: 475-486
14. "Regression with Imputed Covariates: a Generalized Missing Indicator Approach", with Valentino Dardanoni and Franco Peracchi, *Journal of Econometrics*, 2011: 362-368
15. "Co-movement of Public Spending in the G7", with Giuseppe Albanese, *Economic Letters*, 2010: 121-123
16. "Uninformed Traders in European Stock Markets", *Studi Economici*, 2010: 157-174
17. "The Simpson Paradox of School Grading in Italy", with Valentino Dardanoni and Aline Pennisi, *Research in Economics*, 2009: 91-94
18. "Grading Across Schools", with Valentino Dardanoni and Aline Pennisi, *The B.E. Journal of Economic Analysis & Policy (Topics)*, 2009
19. "Credit Market Failures and Policy", with Enrico Minelli, *Journal of Public Economic Theory*, 2009: 363-382
20. "Unawareness, Priors and Posteriors", *Decisions in Economics and Finance*, 2008: 81-94
21. "Knowledge Transfer in R&D Outsourcing: an Incentive-Constrained View", *Atti Accademia di Scienze, Lettere e Arti di Palermo*, 2007: 275-300
22. "A note on comparative downside risk aversion", with Marco Scarsini, *Journal of Economic Theory*, 2005: 267-271
23. "Unawareness and Partitional Information Structures", with Aldo Rustichini, *Games and Economic Behavior*, 1999: 265-298
24. "Unawareness and Bankruptcy: a General Equilibrium Model", with Aldo Rustichini and Jean-Marc Tallon, *Economic Theory*, 1998: 259-292
25. "Expected Utility for Decision Making with Subjective Models", *Theory and Decision*, 1995: 157-168
26. "Awareness and Partitional Information Structures", with Aldo Rustichini, *Theory and Decision* 1994: 107-124. Reproduced in *Epistemic Logic and the Theory of Games and Decisions*, edited by M.O.L. Bacharach et al., Kluwer 1997
27. "A Neo Bayesian Foundation of the Maxmin Value for Two-person Zero-sum Games", with Sergiu Hart and David Schmeidler, *International Journal of Game Theory*, 1994: 347-358
28. "Analisi di Arbitraggio della Differenza Attesa fra Costi di Acquisto e di Affitto di una Casa", *Banca Toscana Studi e Informazioni*, 1991: 83-89

29. "Production and Inventory Policy of the Competitive Firm and Capital Market Imperfections", *Giornale degli Economisti e Annali di Economia*, 1990: 65-68
30. "Business Cycles in Equilibrium: an Example", in *The Economics of Missing Markets, Information and Games*, F. Hahn ed., Oxford University Press, 1989: 452-467
31. "Complete Irreflexive Preferences: a Definition", with Antonio Gay, *Economics Letters*, 1988: 205-208
32. "Homogeneous Families of Probability Distributions and a Related Optimum Problem", *Annali della Facoltà di Economia di Palermo*, 1986: 235-246
33. "Temporary Equilibrium with Money, Unit-Elastic Price Expectations and Production Lags", *Economic Notes*, 1986: 65-69
34. "Investimento, Incertezza e Vincoli di Liquidità", *Giornale degli Economisti e Annali di Economia*, 1986: 73-77
35. "Linear Approximation and Test of Linearity for a Particular Regression Model", *Statistica*, 1986: 93-97
36. "Sulla Teoria della Distribuzione di Kalecki", *Rivista Bancaria*, 1981: 177-187

Working papers

1. "Peer Monitoring, Ostracism and the Internalization of Social Norms", with David K. Levine and Rohan Dutta, February 2018
2. "Damned If You Do and Damned If You Don't: Two Masters", with David K. Levine and Rohan Dutta, December 2017 (submitted)
3. "Selection and Gratitude", with Luigi Balletta, October 2017 (submitted)

Textbooks and other teaching material

1. *Disequazioni e Grafici per l'Analisi Matematica*, Liguori Editore 2010, with Salvatore Piraino
2. *Lezioni di Macroeconomia*, Egea Bocconi 2017, with Luigi Balletta. English version *Macroeconomics Lectures: the Basic Models* published by Bocconi University Press 2017
3. "Zero lower bound with shock-dependent target", with Luigi Balletta, November 2017
4. Lectures on basic Microeconomics with examples, applications and solved problems are available on my web page

Other activities

I have written editorials in Italian newspapers (*La Stampa*, *Il Sole 24 Ore*, *Il Giornale di Sicilia*) and online magazines (*Lavoce.info*, *NoiseFromAmerika.org*, *Huffington Post*) some of which co-authored with colleagues (Michele Boldrin, David Levine, Aldo Rustichini, Daniele Terlizzese, Luigi Zingales). I have participated in the political *Fermare il Declino* adventure with my views on the Italian education system. I have never been a candidate in academic electoral competitions.