

# TURMOIL OVER THE CRISIS: ENTRY AND EXIT OF ITALIAN FIRMS \*

Marco Grazzi<sup>1</sup>, Chiara Piccardo<sup>1</sup>, and Cecilia Vergari<sup>1</sup>

<sup>1</sup>Department of Economics, University of Bologna

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## Abstract

This work investigates the relationship between firms characteristics and their dynamics, in terms of survival, entry and exit processes, in particular distinguishing between “voluntary” and “involuntary” exits. More in detail, we study how and to what extent, innovation activities, as proxied by patents and trademarks, are able, in addition to standard performance variables, to shape the different dynamics that one observes at the firm level. In this respect, we employ the available information capturing the complementarities between the two measures of intellectual property rights (IPRs)

Our main contribution to the large body of empirical literature focused on firms entry and exit from the market is the way in which we delineate firms’ exit. Indeed, differently from the main stream of the applied literature, we focus on “involuntary” exit to identify firms characteristics associated to business “failure”. In particular, we base our definition of firm death on the type of administrative procedure a firm is undergoing and we only consider administrative procedures that unambiguously lead to an “involuntary” exit as causes of firms’ death.

**Keywords:** firm level dataset, firms survival, exit and entry processes, AIDAdata, patents and trademarks

**JEL classification:** C14, C25, C41, L25, L60, L80, O34

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