viaSarfatti25

BOCCONI UNIVERSITY, KNOWLEDGE THAT MATTERS

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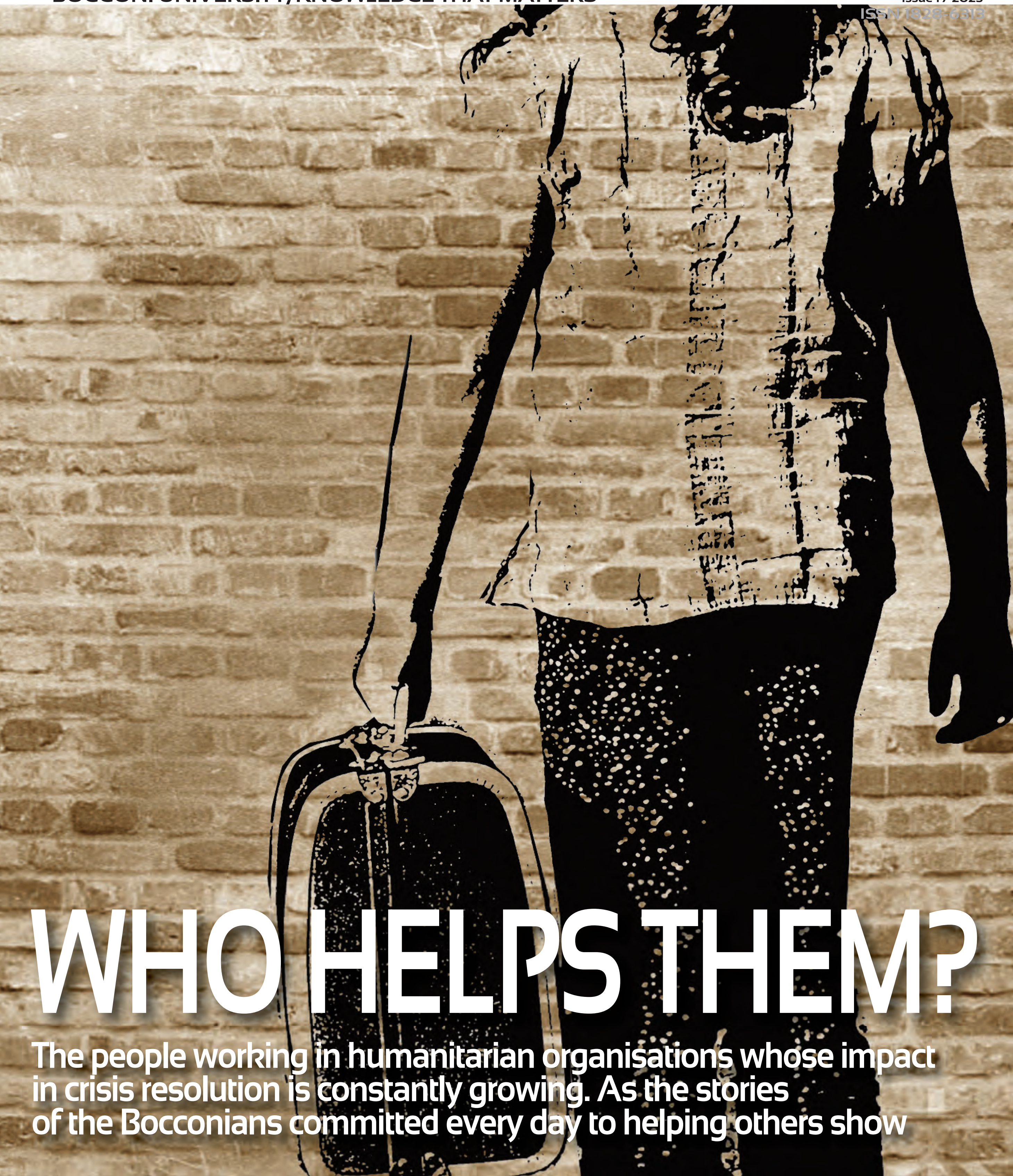

WHO HELPS THEM?

The people working in humanitarian organisations whose impact in crisis resolution is constantly growing. As the stories of the Bocconians committed every day to helping others show

Bocconi community together for social impact

Hafsa Nagawa, Akili Dikonzo Alembe and Léa Christine Itumu Kikora are the three refugee students who arrived at Bocconi this year thanks to the Unicore project. They were awarded scholarships in memory of Luca Attanasio

A peace builder who combined his role as diplomat with a commitment to humanitarian projects that could benefit African civil society. The 22nd of February marks the second anniversary of the untimely death of **Luca Attanasio**, Ambassador to the Republic of Congo and Bocconi Alumnus. Undoubtedly, he was a role model for many young people (and not only them) who have a moral drive to seek engagement in the world in search of a purpose in their lives. As Luca himself said in October 2020, when he received the Nassiriya International Peace Prize, "it is necessary to act to give them (i.e. the African people) a better future. We try, in our small way, to redraw the world."

Today five young people study under the aegis of his name: in the first year **Matthias Georges Benoiton** and **Jessica Obi Kalu** arrived, and this year **Akili Dikonzo Alembe, Léa Christine Itumu Kikora** and **Hafsa Nagawa**. They have all joined the ranks of the Bocconi academic community thanks to the scholarship fund in memory of Luca Attanasio made possible by the generosity of over 800 donors.

A sense of purpose, setting an example and intergenerational solidarity are the values that mark not only Luca's life story but also the commitment that Bocconi is making to the community as a whole. Today, more and more young people are asking us to help them look beyond the present in order to imagine an inclusive and sustainable society. A kind of society that leaves no one behind and knows how to inspire people. Through teaching, research and the so-called Third Mission in which universities transfer knowledge to the rest of society, Bocconi is increasingly committed to making a positive social impact.

The Rectorate that I have the honor of leading has the mandate to accelerate in this direction, by continuing to combine international reputation and impact. We will focus on broadening the horizons of social science, by giving attention to cognitive and behavioral sciences, data science and artificial intelligence, and integrate them virtuously with other disciplines, from the life sciences to business and finance. And we will do it with constant ethical rigor to strengthen the impact of our actions. This way, to use Luca's words, we will contribute to "redrawing the world."

Francesco Billari
Rector

Photo by Paolo Tonato

Welcome

to Milan

Bocconi, and the city of Milan, both increasingly international, are ever more attractive to international students. This semester Bocconi is hosting 730 exchange students coming from its over 280 partner schools around the world. We took some of them around town to visit Milan's highlights

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Marketing? It is not a but a knowledge tech

From Big Data analysis to NFTs; from the study of how companies present themselves to stock market investors, to the way politicians and parties present themselves to voters: these are some of the frontiers of marketing studied in the Bocconi Department headed by Gaia Rubera, Amplifon Chair in Customer Science

by Emanuele Elli @

Social media, finance, politics, advertising… the menu of research areas in the Bocconi Department of Marketing is extremely varied and ramified, reflecting the breadth and pervasiveness of the discipline. It may also be for this reason that since it has existed as an independent field of inquiry, marketing has been one of the most popular subjects for students and graduates to start their careers in companies. Paradoxically, this was not the case for **Gaia Rubera**, Professor of Marketing and Director of the Department, as well as holder of the Amplifon Chair in Customer Science. "For me it was not love at first sight", says the teacher. "As a student I liked organization, the passion for marketing struck me later, during my PhD in Management and especially during the years spent in the US. In Europe, still in the 2000s, the subject was still considered more qualitative than quantitative and this devalued the perception of its status; in America it was exactly the opposite, it was a field of study with very practical applications for the life of companies and consumers and had a theoretical part which still needed to be written".

➜ Those were the years in which social media was already growing, thus not surprisingly the first terrain of your studies. How have studies in this area evolved?

Compared to when I started, the aspect that has progressed the most is the ability to collect data from sources other than social media. In addition to numerical data, today we are able to acquire text, analyze data from images and even audio. From a theoretical point of view, we have begun to ask ourselves new questions about consumer behavior and their relationship with brands.

➜ In this regard, an ad hoc chair has recently

LEGGI L'ARTICOLO IN ITALIANO

sales technique,
nology

GAIA RUBERA
A Bocconi Graduate in Business Administration, is Professor of Marketing, Director of the University's Marketing Department and holder of the Amplifon Chair in Customer Science. Her research in this area began during her PhD in Business Administration and Management, spent partly at the University of Southern California and then at Michigan State. "I had to spend a semester in the United States, I ended up staying there six years," recalls the professor. "At that stage, I started getting interested in social media. I had a Facebook profile but my students were all on Twitter, which had just started. To follow them, I started studying social media and I liked it to the point that I looked for a research idea that could include its use and attendance. The beauty of marketing lies precisely in this aspect, it is a discipline that still allows one to transform one's passions into the subject of study".

been established at Bocconi, the Amplifon Chair in Customer Science.
Customer Science is a discipline that aims to understand the consumer by photographing him/her throughout the customer journey, from the first moment s/he comes into contact with the company until the completion of the journey which does not end with the purchase, but with product satisfaction and repurchase. How you move the consumer along this itinerary, how to keep him/her engaged, how to personalize the dialogue with him/her..

➜ Do you need to be a technology expert if you want to study marketing today?
Yes, in order to know what you can ask from technology, you need to know how it works. In the case of audio data, for example, for a long time we didn't know what to do with it, but now we have neural network models that allow us to interrogate and analyze them to extract emotional aspects related to the customer-company relationship.

➜ What are the frontiers of marketing today, the areas in which research still has everything to discover?
Apart from the topic of image and audio data, a new topic is certainly that of NFTs, Non-Fungible Tokens. Seen from a marketing point of view, NFTs are elements that allows one to demonstrate one's status in a digital environment. If in real life we wear certain brands, when we have an avatar we will want to equip them with the same NFT clothes. It is not very different from what happens with our profile on social networks, we choose it, we take care of it, we modify it to give users a first-impression image of us. NFTs will be an evolution of all this and for companies it will be a very important market. Another topic in which we have invested at the Department is the

Marketing/Finance interface, or rather how companies market themselves to the stock market, how they communicate with analysts and investors. It is an area of research that promotes the new idea that marketing is not only directed to consumers but also to investors. Always along the same lines, another area that is emerging is that of Political Marketing, that is to say studying parties and politicians with the same theoretical schemes with which we study brands. Marketing is increasingly expanding its boundaries, involving all aspects of individual life.

➜ Are there still great marketing schools outside universities? Once upon a time, working at P&G was equivalent to taking a Master's degree…

Big tech companies are a privileged observatory on consumption, because they have a vast trove of data at their disposal. Two years ago, for example, LVMH entered into an agreement with Google to cede some of its data; in that moment Google potentially became a major fashion player. And the same happens in many other areas, because these companies have databases that allow them to know more than anyone even about their own markets.

➜ However, there are still elements of imponderability, unpredictable dynamics that drive consumer behavior. Is this why predictive marketing was born?

I'll answer with an example: a few years ago, there was a Dutch startup that proposed an algorithm which, by acquiring data on song sales from Spotify, was able to predict whether a new song would be successful or not. The result of the first tests gave out a different outcome: the algorithm was able to identify (in 93% of cases) the songs that turned out not to be successful, while it proved to be unreliable in predicting which ones would be hits. This happens because machine learning is always built on the experience of the past while people's tastes change with changes in culture, sensitivities and history. Predictive analytics is a very interesting marketing activity, but there is nothing predictive about it as we normally understand the term. It is not possible to predict the future of consumer behavior because people are not robots. Is it a limit? Maybe, but it's also what makes our research more challenging and interesting.

➜ With all these elements, it is easy to imagine that marketing classrooms are really busy today. Is the appeal of discipline always strong for young people?

Yes, when marketing manages to talk about important issues for society, it always attracts great interest. I see a lot of attention in the classroom, for example, when we talk about disinformation or about how with social bots it is possible to influence people's opinions or which kind of messages can increase vaccination rates. Today's 20-year-olds are not attracted by marketing as a tool to help a company sell more or better, but rather as a discipline that can shed light on some important social issues. Marketing embraces a wider scope than is usually thought because it is not a sales technique, but a knowledge technology. ■

THE DEPARTMENT

Highlighting Marketing as a discipline and field of inquiry that advances the central role of customers and markets and that significantly contributes to the economic, social, cultural, and moral progress of firms, institutions, and society. This is the vision of the Bocconi Marketing Department

More brain drain, less

Thirty-six fewer new firms a year: this is the cost of Italian emigration between 2008 and 2015 as estimated by researchers. In fact, it is above all educated young people and potential company founders who leave Italy to work abroad. An outflow destined to increase economic stagnation in Italy, a country which is struggling to grow, due an increasingly aging population and a low level of education

by Massimo Anelli @

MASSIMO ANELLI
Assistant Professor of Economics, Bocconi University

More and more Italians, especially young people, are leaving the country. If we consider the latest pre-Covid numbers, in 2019 there were 122,000 Italians registered as residents abroad. We estimate that the actual outflows of Italians are 2.6 times higher than those officially recorded. This is equivalent to the country losing a city the size of Bari every year. A Bari made up mainly of young people, with a high level of education, innovators and entrepreneurs. To give a crude image of this migratory emergency, if emigrants had left Italy on a boat, in 2019 we would have seen a boat with 6,110 Italians leaving every week. However, the attention of Italian media and politics seems focused on a much smaller migratory inflow, namely in the same year, thee 220 immigrants a week who crossed the Mediterranean and landed on the Italian coast.

The consequences of this emigration are not well known, nor studied. In the long run, emigration could be beneficial for growth thanks to return migration, the exchange of ideas and international trade, remittances and the incentive to invest in human capital in the country of origin. However, if those who emigrate are among the brightest in the workforce or are particularly entrepreneurial, emigration could reduce the country's growth potential and depress employment. Demographic forces could also depress business creation, if many young people leave the country: recent research shows that aging countries have declining business creation. Which of the two forces prevails, at least in the short run?

There are several hurdles in establishing a cause and effect between emigration and business creation. The main one is reverse causality: given that people often emigrate in response to unfavorable economic conditions, fewer new businesses and less job creation may be the cause, and not the effect, of emigration. In a recent work, we have established a causal link between emigration and entrepreneurship by considering the variation of factors that attract people abroad, but do not depend on local economic conditions. An important factor of attraction is the presence of a historical network of fellow citizens of the municipality of origin in the country of destination, who provide information and support to look for job or business opportunities upon arrival. A

entrepreneurship

second important determining factor is the economic status of the destination country compared to other potential destinations. The interaction between these two variables allows us to construct a measure of the forces of attraction for each Italian municipality, which is hardly correlated with current local economic conditions. According to our estimates, for every 1,000 emigrants between 2008 and 2015, circa 36 fewer businesses were created per year. This flight of entrepreneurs is particularly strong for businesses created by people under the age of 45 and for innovative startups.

A decomposition exercise shows that only 36% of the total flight of firms is due to the simple effect of population reduction, while 7% is due to the fact that emigrants are younger than average and 10% to their higher educational level. The remaining 47% of the flight effect of firms is due to the fact that, regardless of age and education, Italian emigrants are much more likely to be entrepreneurs than the average population.

Migratory flows affect the country of origin through various channels. Most of the recent economic literature has emphasized the potential positive spillover for residents, including rising wages and the rebalancing of labor markets if emigration occurs from countries with high unemployment to countries with low unemployment. This research study highlights a new channel surprisingly overlooked by the literature, namely the depressing effect that emigration has on business creation. We also underline that the demographic channel is important, especially if the younger and more educated generations are leading the emigration. In a country like Italy, where economic growth is extremely slow, the average level of education is low and population is aging is quickly, high emigration rates can trigger a potential downward spiral that could exacerbate economic stagnation. ■

THE PAPER

Emigration and Entrepreneurial Drain by Massimo Anelli, Gaetano Basso, Giuseppe Ippedico, Giovanni Peri

What will remain in war

The pandemic has changed consumer behavior: there is less interest in aesthetics and more in comfort, less impulse to purchase and more attention to the environment. Attitudes that are having a strong impact on the fashion industry: is it a transient a phase triggered by the pandemic or is this a trend bound to last?

by Renu Singh @

It is no surprise that the COVID-19 pandemic instigated dramatic shifts in all of our daily lives, with consumption practices being no exception. Non-essential businesses, including retail stores, were closed for long periods of time, the new norm of working from home allowed for greater flexibility and reduced needs for workplace wear, and fewer group gatherings overall reduce the need for more clothing generally. With sustainability already a buzzword in the clothing and textile industry before 2020, many touted the pandemic as the potential start of a new era in sustainable fashion. Yet, nearly three years into this public health emergency, the jury is still out on whether significant, lasting changes have been made.
The clothing and textile industry plays a significant role in the global economy, adding €2.2 trillion to global manufacturing and employing approximately 300 million people – many of them women – worldwide. This is only projected to grow over the next several years. Unfortunately, the industry also has a substantial carbon footprint. The fashion industry accounts for 2-8% of carbon dioxide emissions globally – a larger share than that of both international flights and maritime shipping together. In addition, it utilizes nearly 215 trillion liters of water and is the source of 9% of the ocean's microplastics per year (UN Fashion Alliance 2022). Both production and consumption have facilitated this trajectory. For example, global garment production between 2000 and 2014 alone doubled. Meanwhile, the average consumer bought 60% more

RENU SINGH
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clothes annually and kept them for only half as long (McKinsey 2016). In the EU, personal consumption of textiles is the second highest source of pressure on land use for raw materials and the fourth most polluting lifestyle domain – following household energy use, mobility, and food (EEA 2019). Today we very much live in a fast fashion world.
Given this excess, sustainability concerns were already being brought to the forefront of the debate and into industry practices, government regulations, and consumers' consciousness well before the pandemic hit. Concerns range from those revolving around social issues, such as working conditions and livelihoods of the laborers involved, to environmental ones, including water usage, emissions, and waste management. There has also been a focus on sustainable practices across all levels of the fashion economy, from the production of raw materials and manufacturing of textiles to their distribution, consumption, and disposal. However, the global disruption brought on from COVID-19 to industry and consumer alike has still led to some additional shifts in attitudes, intentions, and potentially behaviors.
Specifically on the consumer front, understanding both their sustainable fashion consumption attitudes or intentions and their behaviors has important implications for industry and society. In a study I conducted with colleagues across countries in the Middle East, Southeast Asia, Europe, and North America, we find that a sizable number of consumers

drobes after Covid?

reported the pandemic had affected their attitudes toward clothing (Iran, et al. 2022). Overall, we identify five patterns of change in consumer attitudes toward clothing during COVID-19. One of the most common patterns was a decreased interest in fashion, including less interest in aesthetics and fashion trends over comfort. Consumers also had an increased sense of gratitude for and appreciation of what they already owned that reduced the compulsion to buy more; rising concerns about environmental and ethical implications of their purchases; a growing focus on the quality, durability, and timeliness of products; and an outright desire to live with less clothing overall.
These attitudes were further exhibited in consumers’ actions, as we show in another study, where all forms of fashion acquisition decreased, including discount and impulse shopping. However, this also applied to more sustainable behaviors, including buying sustainable new and second-hand apparel, tailoring, and swapping, as COVID-19 shifted the accessibility of traditional outlets for such practices, required consumers to relearn how to engage in alternative options, and also reduced the overall perception of how much more consumers really needed in the first place (Vladimirova, et al. 2022).
What remains to be seen is to what extent such attitudinal and behavioral changes will remain as the world “normalizes”. Will we witness a regression and resurgence in the roaring 2020s or will COVID-19 continue to serve as a tipping point in the trajectory of sustainable fashion consumption? Only time will tell.

Beyond customs

Brexit demonstrates that non-tariff barriers affect the end-consumer costs more than tariff barriers. Therefore they must not be underestimated

By Jan David Bakker @

In June 2016, the people of the United Kingdom voted to leave the European Union (EU), a deep economic union with few internal trade barriers. The economic integration of the European Union goes beyond the elimination of tariffs within its borders but also minimises non-tariff barriers (NTB) to trade, for example, through mutual recognition of standards (i.e. a steak of beef that Italy imports from France is not checked for public health certificates at the border while a steak imported from Algeria is).
Since January 2021, the trade relationship between the EU and the UK is governed by the Trade and Cooperation Agreement (TCA) which ensures that trade between the two areas remains tariff free. However, given the aim of the UK to increase its independence from the EU in terms of domestic regulation and trade policy, the TCA only contains very limited provision of regulatory alignment between the two blocs. This allows for future regulatory divergence between the UK and the EU and therefore has created a regulatory and customs border in the English Channel which has led to an increase in NTBs between the UK and the EU. These NTBs include new comprehensive customs checks, rules of origin requirements and sanitary, and phytosanitary (SPS) measures for trade in animals and plants.
A recent study by Bocconi University and the Centre for Economic Performance at the London School of Economics documents that these NTBs have increased consumer prices of food items in the UK. It found that food prices increased by around 6% due to Brexit which added an average £210 onto household food bills – costing consumers £5.8bn across the UK over 2020 and 2021. This rise in consumer prices was driven only by products with high NTBs and there was no statistically significant rise in prices for products with low NTBs, suggesting that EU exporters and UK importers face higher costs due to these new barriers, and estimates suggest between 50% and 88% of these costs have been passed on to consumers. While UK importers and EU exporters incur higher costs and UK consumers are hurt by higher prices, domestic UK producers benefit from the price increase. However, overall, this protectionist rise in NTBs has hurt the UK economy.
These findings highlight the importance of deep economic integration that goes beyond simple tariff reductions, in order for consumers to reap the benefits of lower prices associated with free trade. Even though non-tariff barriers are less commonly discussed in the public debate than tariffs, they account for a much larger share of the trade policy costs in advanced economies. According to recent estimates (while tariffs are a tax, NTBs generate administrative and bureaucratic costs that are not directly observable so have to be estimated), the average ad valorem cost of non-tariff barriers stands at 13.1% compared to 1.8% for tariffs in the European Union. Non-tariff barriers and tariffs both increase the costs of trade but have very different benefits: tariffs generate government revenue while NTBs can be an important tool for protecting public health or the environment (e.g. through enforcing that imported goods abide by the same environmental standards than those produced domestically). So, there is a potential

JAN DAVID BAKKER
Assistant Professor of International trade, Bocconi University

THE PAPER

Non-Tariff Barriers and Consumer Prices: Evidence from Brexit by Jan David Bakker, Nikhil Datta, Richard Davies and Josh De Lyon

duties

benefit of adjusting regulation unilaterally for the UK that it was not able to do as part of the European Union. That said, so far UK regulations have remained very similar to EU regulations. It is unclear whether there are any policy fields where the UK can benefit substantially from diverging from the EU regulatory framework unless the UK decides to align its regulatory framework with another major trading bloc such as the United States, which would significantly lower trade costs with and hence reduce the cost of goods imported from the US. ■

339 millio seekin

It is the estimated number of victims for 2023 of the humanitarian crises awaiting a response that individual governments are less and less inclined to give. In this context, the role of humanitarian organizations and of the women and men who work in them is expanding, and ever greater management and leadership skills are required, so as to help those in need and solve the dilemma of co-opetition with other actors involved which often risks hampering the aid machine

by Greta Nasi and Alexander Hiedemann @
Stories by Camillo Papini

on people
ng help

Complex emergencies have increased in frequency and intensity over the past few years. The Covid-19 pandemic, as well as ongoing geopolitical crises, such as the conflict in Ukraine, have also negatively impacted humanitarian crises, exacerbating existing issues and raising new ones. With an estimated 339 million people worldwide in need of humanitarian assistance in 2023 (+37% compared to 2022), it is that more and more governments have been and will be requiring support from other actors. As a result, without questioning the responsibility of governments to secure the welfare of its citizens by initiating, organising, coordinating, and implementing humanitarian assistance in the wake of an emergency (as indicated in the UN General Assembly Resolution 46/182 of 19 December 1991), over the following years, it is highly probable that the shift of relative power between nation states and non-state actors will continue.
The UN SDG 17, "Partnerships for the goals", indicates that the private sector can be an influential player in improving humanitarian response by providing financial, logistical, and technical support as well as new practices and knowledge. With $51.5 billion required only in 2023 to address existing emergencies, the private sector and other "non-traditional" actors can assist with rebuilding efforts to promote long-term recovery, with benefits outweighing potential risks. Complementing the role of governments and other actors, humanitarian organisations (HOs) are organisations characterised by a unique joint mission of preventing and alleviating human suffering. Whenever there is an insufficient response, inadequate capacity at the national level, or a specific request from the national government, assistance and protection is provided to affected populations. In this regard, HOs play a fundamental role in channelling international humanitarian assistance to where it is needed most. They operate in various fields, such as disaster relief,


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health care, education, and human rights.
In today's humanitarian architecture, HOs impact human well-being in multiple forms and with multiple roles. Local humanitarian actors, such as the Red Cross and Red Crescent Movement. These organisations represent a global humanitarian network of over 270,000 employees and more than 900,000 volunteers in Europe. These types of organisations bring together individuals behind-the-scenes and are concrete enablers of practical, immediate response efforts, guarding the nexus with recovery and development. Non-governmental organisations perform a broad spectrum of functions ranging from advocacy for human and civil rights (e.g. Oxfam) to medical assistance (e.g. Doctors Without Borders) and humanitarian intervention in the field (e.g. Care). Given the relevance of their local knowledge and presence in the field, NGOs play a significant role as partners and implementers. Intergovernmental organisations such as the United Nations have different programs and funds (namely WFP, UNICEF, UNHCR, WHO, UNDP, FAO, OCHA), and operate in 193 countries with more than 37,000 employees. These organisations are multilateral by nature and, given their recognised role and capacity to coordinate the humanitarian response, recipients of 60% of all direct government humanitarian funding. Humanitarian organisations have the unique role of augmenting the efforts of governments in responding to and addressing both onset and non-onset emergencies, in fulfilment with the principles of ownership (by beneficiary countries that are in the driving seat of their aid), "alignment" (between donors and partners relying on national systems), and harmonisation (between donors, both bilateral and multilateral) established in 2005 Paris Declaration. Their actions should enhance "capacity building" and "facilitate" the national actors, but this does not always come at ease. Given the myriad of parties active in specific regions, the liaison between Governments and humanitarian actors is not always easy. Humanitarian access under international humanitarian law is often an obstacle for state and non-State armed groups. This is the case with the ongoing deteriorating security experienced in the Sahel, where armed groups must protect humanitarian groups and government restrictions on movement are placing large areas out of reach, as well as in Afghanistan, where the Taliban has banned

THE MASTER

The Executive Master in Management of International Organizations (EMMIO) is a part-time blended program that prepares participants to tackle the biggest managerial challenges of modern international organizations, such as: United Nations, international NGOs, international financial institutions, intergovernmental and supranational organizations.

THE MASTER OF SCIENCE

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THE LIBRARY GUIDE

Here is a detailed bibliographic guide, edited by the Bocconi Library, dedicated to the activities of humanitarian organisations

humanitarian organisations from working in crucial areas or women from working for NGOs. Similarly, when looking at migration, Frontex failed to act on unlawful pushbacks and resulting in the European Parliament voting against the approval of the Frontex budgetary discharge for 2020 and decrees such as those issued by Italy's government (decreto legge 2 Jan 2023, n. 1) are seen as constraints to humanitarian organisations, multiplying the costs of relief and violating international law provisions (e.g. UN Convention on the Law of the Sea, Palermo Protocol, EU law).

Thus, the orchestration of humanitarian organisations' activities is challenging; it has to be pursued with the proper management and leadership capacity to reduce the current leap and ultimately transform the current humanitarian architecture into a peer-to-peer partnership oriented towards mutual accountability where the "coopetition" (coordination vs competition) dilemma between humanitarian organisations as well as other actors will be resolved. ■

THE MOOC

The Management of International Development: Towards Agenda 2030 MOOC on Coursera Platform, delivered jointly by Bocconi and SDA Bocconi, provides participants with the opportunity to explore the multifaceted concept of international development in order to be able to interpret and lead its challenges, opportunities and constant

Aid without borders

VALERIA CACCAVO International Committee of the Red Cross

With an eye to invisible emergencies

"One of the main challenges, when it comes to funding for humanitarian operations, is represented by protracted crises that do not make the news, and so do not attract "investors". Often, organizations are "showered" with funding targeted for specific contexts or operations (think of Ukraine today) and so they are forces to make difficult choices, sometimes having to make budget cuts in more "invisible", i.e. less mediatic settings, but where the needs may be similarly dire", says Valeria Caccavo, who studied for the Bachelor of International Economics and Management and the MSc in Economic and Social Sciences at Boccons University and is now field team leader at the International Committee of the Red Cross , expressing her personal opinion and not the positions or views of the ICRC. As a humanitarian worker who's lived through different emergencies worldwide, Ms Caccavo highlights the importance of unearmarked funding when giving to aid organizations.
The positive impact of her job, among many tasks assigned, is on the field, close to people affected by conflict or armed violence. "Another fertile debate that is populating the international aid sector is on the 'fetishization' of suffering for mediatic and funding purposes", Caccavo continues. "There is a growing consensus around the fact that, for example, images of poor, malnourished or agonizing children should not be used as a funding strategy (and some of us argue that they shouldn't have even been taken in the first place). This is because they can be disturbing and ethically problematic, and often constitute a breach of consent and of the rights and dignity of people at their most vulnerable time".

BEATRICE CARLEVARO COOPI

Development beyond the emergency

Ensuring humanitarian assistance to populations affected by war and natural disasters means "not only intervening in the field in a timely manner, but also developing a transition and exit strategy that guarantees, once the intervention is complete, positive long-term effects by reducing the risk of aid dependence", explains Beatrice Carlevaro, Regional Program Coordinator - East Africa for COOPI, based in Nairobi with the task of coordinating programs in the East African countries where the NGO is present (particularly Somalia, Sudan and Ethiopia). "The challenge is to generate an integrated and effective impact", underlines the Bocconi alumna who holds a Master's Degree in Economic and Social Sciences, "and this is only possible thanks to the coordinated action of the various actors in the humanitarian system (United Nations, government institutions, NGOs among others). This is especially the case because humanitarian crises often require multi-sectoral interventions, aimed at responding to the multiple needs of the affected populations", adds Carlevaro who has also worked in Libya in the past, in the humanitarian assistance of asylum seekers released from local detention camps. The future and the challenges of the humanitarian sector? "I see the future in the strengthening of the link between humanitarian aid and development cooperation", replies Carlevaro, "connecting more the concepts of humanitarian action, development support and peace promotion".

Directly in the field or behind their desks, in Italy, Africa and the rest of the world, 8 Bocconi alumni and alumnae explain their work in humanitarian organizations bringing aid to populations affected by war and hardship, and promote cooperation and development. Because intervening in the most disadvantaged situations is not just a matter of goodwill, but also of organization and professionalism

NOEMI DALMONTE UN Population Fund
Collaboration between NGOs and governmental organizations is increasing

International cooperation is undergoing a phase of transformation in which working environments are becoming less vertical, less managerial, more open to collaboration and more agile in processes, especially after the pandemic has increased the need for certain kinds of intervention. New technologies are also making their effects felt, for example by facilitating the contribution of different actors to the creation of a project. According to Noemi Dalmonte, Deputy Representative in Cameroon for the United Nations Population Fund (UNFPA), the UN agency specializing in sexual and reproductive rights, the changes underway involve all the main actors of international cooperation. It happens within the United Nations as well as the NGOs, thanks to a growing participation of the latter in bottom-up planning. Moreover, "many national governments are showing more flexibility and less bureaucratization. They welcome requests for greater transparency and requests to proportionally contribute to projects", says the SDA Bocconi alumna with an Executive Master in Management of International Organizations (EMMIO).
Among the tools increasingly used are economic studies that confirm how much governments can save by investing against forced marriage, early pregnancies or maternal mortality. The latter in Cameroon has dropped from 7,820 women dying of childbirth in 2011 to 4,600 fatalities a year today. "Before, during and after childbirth, many women are now assisted by qualified personnel in quality health facilities", says Dalmonte. "Across various support centers, they can then attend sex education courses, receive baby boxes for the care of their newborns and follow childrearing training sessions".

SILVIA FONTANA Médecins Sans Frontières
Health care professionals need to also understand management

Health care and non-medical personnel who provide humanitarian support in emergency contexts need to have not only technical but also managerial and cross-cultural skills, with a propensity for innovation, aimed at implementing new ideas and improving existing processes. Silvia Fontana, Head of Human resources for Médecins Sans Frontières Italy, as well as a Bocconi graduate in Business Administration (CLEA), thus stresses the importance of courses for various professional updates. Final objective: to ensure that the missions of humanitarian operators in the field enable them to "do the best for the most vulnerable" by improving access to and quality of medical care. A challenge that is accentuated by having to work "not only in situations of particular emergency but also with little information available while abrupt changes in the evolution of conflicts are getting more frequent", says Fontana, who is also a member of the board of directors of the Italian Forum on Meritocracy and sits on the scientific board of the Valeria Solesin Award.
Thanks to the attention to reactiveness, concludes Fontana, "we were able to respond quickly, for example, to requests for intervention in Codogno, south of Milan, to try to stem the first Covid outbreaks. The intervention team? It was composite in terms of the mix of experiences, demonstrating that different skills working together are more effective".

BEATRICE GERLI IFAD
Better development tomorrow than an egg today

Not only helping rural populations stay above the poverty line but also and above all promoting the parallel development of knowledge, the creation of local cooperatives and the habit of measuring and reporting the results of each initiative in the field. These are some of the positive impacts of Beatrice Gerli's job gender and targeting specialist for the International Fund for Agricultural Development (IFAD), with a Bocconi Master of Science in Economics and Management of Public Administration and International Organizations. Gerli works at IFAD which is both a specialized UN agency and an international financial institution, supporting projects in the agricultural sector, ranging from fishing to the development of supply chains (such as those for coffee, cocoa or milk).
"Poverty has many facets: it can be economic, educational or social.

Having to consider multiple areas of intervention, we measure the results of our projects through composite indices", says Gerli, "as is the case with the Women's Empowerment in Agriculture Index, which is important because it offers a glance of the different conditions of men and women in many areas, including access to and control of productive assets and credit, workloads, membership in local groups, leadership and domestic violence". This multidimensional approach to development underlies all IFAD projects, such as a project to support women's coffee producer co-ops in Uganda, which are now also exporting abroad. Or the case of Mozambique, where female savings collectives are active in mobile banking to manage their collective savings.

ALESSANDRO GIROLA United Nations
Against the polarization of civilizations

Since the end of the Soviet Union and particularly after the attack on the Twin Towers, the divisions running across countries and societies of world have become more cultural than ideological in nature. Social networks are very popular especially among young people, they risk becoming megaphones that amplify the risk of radicalization and recruitment, especially among the youngest. "Maturing awareness that many of the current conflicts are motivated by conflicts around identity conflicts is the first step to try to heal them by building intercultural bridges", argues Alessandro Girola, Programming Coordinator of the United Nations, engaged in the UN Alliance of Civilizations, an entity specialized in identifying the current causes of polarization in the world's civilizations. "Given the current challenges, a systemic approach, i.e. one that involves all parts of society, is essential. The private sector, also through CSR objectives, represents an important partner in implementing the mandate of the United Nations", continues Girola.
According to the Bocconi alumnus, who has a degree in Economics and Management of Public Administrations and International Institutions, "there are several areas of the world that require attention. South-East Asia is just one example. But there is also the danger of terrorist attacks motivated by far-right ideologies, a phenomenon that is unfortunately also growing in Western societies".

SILVIA PARUZZOLO Save the Children
Reducing child poverty requires a holistic approach

In the post-Covid period, for the first time in years, child poverty is growing again, accompanied, among other things, by the recent food crisis, one of the worst of the 21st century. The mix of pandemic, military conflicts, climatic effects and inflation has exacerbated inequalities and inflicted grievous harm and serious suffering in many areas of the world. "The economic lockdowns had already taken away most or all income sources for many families", explains Silvia Paruzzolo, Global Head of Programs, Child Poverty Reduction of Save the Children, a Bocconi graduate in Economic and Social Sciences with a PhD in Public Management also at Bocconi. "Today, many families find themselves resorting to extreme actions to try to survive, such as early marriage or child labor for their children".

The increase in child poverty can be countered by "a holistic approach to children's rights, for example by guaranteeing access to a fair education", continues Paruzzolo. "We need to verify that girls and boys actually attend school, but also that the costs for materials and transport are sustainable, if the classroom is the school or the home, whether kids live in a safe environment or not, and that the funds for their support are not invested in other primary needs".

However, there is a surprising factor, according to Paruzzolo: the involvement of children in the actions of adults to protect and support them. It is the girls and boys themselves who are extremely aware and well-focused on what their fundamental problems are and the rights they want to see protected.

ALICE QUAGLIATO Terre des Hommes
International cooperation also creates innovation

Break the vicious circle of poverty, offering those disadvantaged and suffering hardship new opportunities for socializing and for participating productively in society. The non-profit sector can fulfill this function, where the state struggles to support local populations, and the private sector is not always present. "Taking society a step further than it would do on its own is the positive impact international cooperation workers can bring, for the benefit both of the balanced development of a person in difficulty and society itself, which this way can count on a an additional actor for its civic growth", says Alice Quagliato, head of delegation in Burundi for Terre des Hommes, a Swiss NGO which is committed to protecting internal migrants in the country and those who are subject to penal restrictions, many for minor charges, as well as carrying out advocacy a institutions by reporting cases which often don't have adequate weight in current debates.

The world of international cooperation can also offer examples of innovative initiatives, such as that the program organizing kindergartens in Burundian prisons, says Quagliato, which has created favorable situations for the balanced development of children. "At its base there is a methodology that we have developed and applied with games and pedagogical tools, also validated by scientific and academic protocols, including those of Burundian Doctoral Schools", underlines the head of delegation of Terre des Hommes who graduated from Bocconi University with a Master of Science in Economics and Management of Public Administration and International Organizations (CLAPI).

The ROI of cybersec

While on the one hand investments to protect companies and institutions from hacker attacks are increasing, on the other these have increased so much that one wonders how to calculate the return on investment. Although there is still no single answer, the important thing is to keep asking the question. And to not let your guard down

by Colin MacArthur @

Governments in Italy, Europe, and the United States have invested millions of Euros in cybersecurity. There are new “chief cyber officers” in many governments, new agencies focused on cyber, and reams of new cyber-related regulation. Many major companies in the United States and Europe are now required, under different regulations, to report a data breach or hack to their regulations quickly. In turn, both private- and public sectors are on a cyber hiring spree.

The reasons for this huge investment seem obvious. We are all inundated with notifications about lost data, and many governments themselves have been cyber-attack victims. The never ceasing drumbeat of losses and outages seem like an obvious reason to continue major investments in cybersecurity.

But when governments invest in cyber security, what are they actually investing in? Some of the investment is into developing a country’s “cyber intelligence” capabilities, or their ability to anticipate possible attacks and attackers, and share information about them. But just as much effort also goes into setting up networks, computers, and devices to be resistant to attack. Governments have invested billions in people and processes to make sure their computers do not run without antivirus, and mobile phones get their software updated. They are also building regulations to make sure that other, essential companies do the same. This huge cyber investment is just as much about the basic “machinery of government” - people and processes - as it is fancy software.

COLIN MACARTHUR
Adjunct Professor of State competition and conflicts in the cyber space, Bocconi University

But despite these years of investment, attacks and losses continue to mount. Ransomware for hire - or services that allow an attacker to remotely encrypt someone else’s computer, and demand payment to undo it - is more popular than ever before. Although Russia’s war in Ukraine did not include any massive network meltdowns, it did include a variety of cyberattacks, demonstrating the continued vulnerability of Ukrainian and Western systems.

With this contradiction-huge investment in protection, but continued losses-how will we know our cyber investments are worth it? What’s the “return on investment”? Although the answer seems obvious - the more we invest, the safer we are - the

MASTER OF SCIENCE

Cyber Risk and Governance, directed by Greta Nasi, is a programme in partnership with Politecnico di Milano to train experts in the cyber risk world

THE PODCAST

The Cybersecurity for Public Value addressing one of th critical issues that governments and policymakers are facing toc podcast is hosted by Greta Nasi with the support of Colin MacA

urity

current cyber contradiction seems to challenge that. For the last several years, I have been asking technology leaders in government and private sector how they measure the impact of their work. Often, they demurely smile or look at the table. A few offer simple answers: the number of people they serve, the number of vulnerabilities they identify, or the number of attacks to which they respond. But none have articulated a way to measure how safe their work will make us, and how that compares to the cost.

A few scholars are trying to answer these questions. One approach is to calculate, using economic models, the possible costs to country's economies of various signs of cyber-attacks. If a government's investment in cybersecurity hold off such attacks, the averted cost is a measure of the investment's value. Another approach is to articulate all of the possible harms that can befall an organization under attack, and count the number that you avert. These approaches, although not widely applied, are a start to measuring some form of value.

Some even argue that it's not possible to really establish the ROI of cybersecurity investment. Can you really put a price on a sense of security? Do we ask the same of our investments in the military? There are certainly real challenges in measuring all the kinds of value that a cybersecurity effort can bring.

But it's worth the effort to try to establish the real impact of government cybersecurity investments. Every investment involves a trade-off, another priority not as well funded. And often, cybersecurity activities trade-off security with privacy, or ease of access to information. Governments, civil society and citizens themselves should keep asking: how do we know this cybersecurity requirement, process, action is worth the effort? ■

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Big tech and the coop

To promote prosocial behavior, reduce inequalities and limit the power of platforms, there needs to be a new business model which replaces existing algorithms geared to the maximization of profits with new algorithms which protect the consumer and promote corporate social responsibility

by Dovev Lavie @

Platform ecosystems, e.g. those of Amazon and Apple, play a central role in our economic system. However, recent research alludes to the challenges that these Big Tech firms impose on stakeholders and on society. My recent book - *The Cooperative Economy* (Routledge, 2023) explains why remedies such as antitrust regulation, legislation, and corporate policies that seek to infuse corporate social responsibility fall short. It uncovers the underlying deficiencies and advocates an alternative economic system.

Wealth concentration and economic inequality, the grip of platform owners, loss of privacy and free choice, overconsumption of natural resources, and some drawbacks of globalization, have taken a toll on society. These problems have one root cause - our economic system prioritizes profit and utility maximization and rewards opportunistic behavior. All efforts to fix our economy treat the symptoms, not this root cause. Because we cannot change the system's DNA, I call for designing a new economic system that is free from these faults.

The mirror image of opportunistic behavior is prosocial behavior, whereby individuals seek to enhance the utility of others at a personal cost. Experiments suggest that about half of humanity is conditionally prosocial - people will be kind to others if others are kind to them. By rewarding those who exploit others, our economic system breaks the natural cycle of positive reciprocity and drives out prosocial behavior. However, new design principles can reinforce prosocial behavior. The cooperative economy is a prosocial platform for exchange, barter and donation that serves societal values under resource constraints. It limits consumption and profit making while facilitating economic equality. It serves the interests of consumers, vendors, and employees while restricting the power of the platform owner. The cooperative economy scrutinizes greedy individuals and penalizes opportunistic behavior while motivating and rewarding prosocial behavior. This leads to a just distribution of value in the system.

DOVEV LAVIE
Full Professor of Management, Bocconi University

The main novelty of the system is price discrimination whereby high-income consumers subsidize low-income consumers. Unlike progressive taxation in which the state steps in as a political intermediary that imposes a burden, price subsidization creates a perception of unmediated donation to community members, and thus carries the benefits of prosocial behavior. By increasing the purchasing power of low-income consumers, the cooperative economy provides employees with the freedom to pursue a profession of choice or start a

erative economy

business with less financial distress, thus encouraging entrepreneurship. By shifting from a global to a multi-local structure, it restores a sense of community that facilitates interaction and mutual support, while reducing value chain vulnerabilities and enhancing sustainability. Another design principle is consumption per need rather than per desire. This entails imposing consumption limits which are upward adjusted for high-income earners to support subsidization. In turn, reasonable profit caps redirect vendors' excess profit back to consumers. The platform operator accepts not to enter its vendors' businesses and avoid influencing consumer behavior, which are common practices in the current system. These principles represent an extension of the notion of corporate social responsibility to various stakeholders. The cooperative economy can leverage sophisticated algorithms, machine learning, and artificial intelligence, not to inflate consumption and abuse consumers, but to protect users from opportunistic behavior.

The cooperative economy ensures fair competition by guaranteeing market access. In turn, stricter controls for quality and sustainability ensure consumers' welfare. It also promotes respectful employment while reducing salary differences, which further enhance economic equality. To prevent concentration of wealth and power, the system excludes financial shareholders, whereas consumers, vendors, and employees receive equal voice in promoting their interests. A new standard for inspecting and certifying algorithms can further serve that purpose. Accordingly, the proposed system offers a revolution that replaces the greed-driven logic of our economic system with a counter logic of prosocial behavior. ■

THE BOOK

The concentration of wealth and economic inequality, the dominance of Big Tech firms, the loss of privacy and free choice, and the overconsumption and abuse of natural resources have been reinforced by globalization. Regulation, government and corporate policies have fallen short of offering sufficient remedies. *The Cooperative Economy* by Dovev Lavie (Routledge, 2023) identifies the root cause of these problems and offers a bold solution: a new economic system, free from the design flaws that have contributed to these societal grand challenges.

WOMEN'S

with Caroline Coly, Kristin Engvig, Silvia Griselda, Kerim Can Kavakli, Paola Mariani, Melissa Miedico, Giulia Savio, Raffaella Piccarreta, Paola Profeta

Research, impact stories of our alumnae, events, initiatives and scholarships for female students: this is how Bocconi promotes female empowerment and fights violence against women

LEGGI L'ARTICOLO IN ITALIANO

FEMALE EMPOWERMENT

From gender quotas to role models that help defeating stereotypes: this is how the quest for gender equality and equal dignity is achieved. But the real goal is to make society more efficient and meritocratic

by Paola Profeta @

PAOLA PROFETA
Dean for Diversity, Inclusion and Sustainability, Full Professor of Public Economics, Director of AXA Research Lab on Gender Equality, Bocconi University.

In politics, the economy and academia, decision-making positions are still largely occupied by men. According to EIGE, the European Institute for Gender Equality, today in Europe women represent on average 33% of the presidents and board members of major companies, 22% of CEOs, 32.6% of national MPs, 34% of local government officials, 26.6% of presidents and members of national academies of science.

In Italy the situation is particularly critical in the field of science, where women represent only 12.5% of the country's scientists. On the other hand, in corporate boards of listed companies, are now 42.6%, thanks above all to the introduction of gender quotas in corporate governance bodies required by Law 120/2011 (so-called Golfo-Mosca Law). Before the introduction of gender quotas, women were only 7% of board members.

Gender quotas are now an international best practice: after ten years of discussion, at the end of 2022 an EU Directive was approved which provides for gender quotas for the boards of directors of large listed companies in Europe with the aim of attaining 40% of both genders among nonexecutive directors and 33% overall. This measure is accompanied by other best practices which provide for measures to increase the presence of women in top executive positions, such as the certification of gender equality for companies, introduced in Italy starting from 2022. This is part of EU strategy for 2020-2025, which introduces incentive mechanisms on wage and salary compensation transparency in private companies to achieve the objective of "equal pay for equal work of equal value".

Why is it important to promote women's empowerment and female leadership? Many recent studies try to give an answer that goes beyond the motivations of equality and equal representation. In fact, these are also efficiency reasons. If women have the same levels of education, skills and talent as men, as is now known to happen in many fields in our societies, restricting decision-making positions to just the male gender does not guarantee the best possible selection. A virtuous process can begin if making room for qualified women means giving up less qualified men with the consequence that the inclusion of women executives increases the the probability of having leaders - men and women - who are on average more qualified. Confirming this argument, the introduction of gender quotas in Italy has been accompanied by an increase in the level of educational credentials of the individuals who sit on corporate governance bodies (Ferraro et al., 2022). Obviously, the necessary condition to start this process is the existence of a pool of highly qualified women who, for reasons related to discrimination or simply for lack of attention to gender representation, were not considered for these positions.

Another important element is the result obtained by women in leadership positions: women can change the decision-making agenda, proposing policies that can in turn strengthen female empowerment (Profeta, 2020). In politics, for example, the presence of women in leadership positions is accompanied by greater public spending on childcare services, which in turn are essential for the employment of mothers and the reduction of gender gaps. Finally, female empowerment is important because women and men are different and the female style of leadership in a traditionally male world can create value starting from innovation. Decades of experimental studies have shown that women are more risk-averse than men, tend to be less competitive and have a long-time horizon. Even during the pandemic, women in decision-making positions took different decisions from men, often more oriented towards the long term.

How to promote female empowerment? There are fields where the situation is more critical, for example in STEM (Science, Technology, Engineering and Mathematics) subjects, where women are under-represented starting from college students. Coupled with the digital gender gap, the situation is worrying, as these fields will be increasingly relevant in tomorrow's high-performing jobs. However, there is no shortage of illustrious examples of women in science, today and in history, such as Samantha Cristoforetti, Margherita Hack, Rita Levi Montalcini and Marie Curie. Role models are important in motivating girls and showing society what female leadership can achieve in terms of fair and efficient outcomes. They also help to overcome the main obstacle, which is cultural bias. According to data from the World Value Survey measuring explicit gender stereotypes, more than 15% of Italians agree with the statement "Men are better business leaders than women". The most recent research shows that implicit stereotypes are even more acute and widespread than explicit ones and concern everyone in the firm, entrepreneurs, managers, workers. Without even realizing it, these stereotypes play a very powerful role in guiding the decisions about hiring and promoting women. Discarding them is complicated, but it is a challenge to be faced and overcome if the goal is to promote female empowerment ■

SILVIA GRISELDA The gender gap in mathematics is also the fault of multiple-choice tests

STEM-oriented boys, humanities-oriented girls. A hard-to-die cliché which survives for reasons beyond existing cultural barriers in schools and families. Silvia Griselda, post-doc researcher at the AXA Research Lab on Gender Equality at Bocconi University, in her research work shows how the perpetuation of prejudice and bias can also derive from the way exams are conceived.

THE PAPER

The Gender Gap in Math: What are we Measuring?
by Silvia Griselda

An example of this is her job market paper "The Gender Gap in Math: What Are We Measuring?", where she analyzes data on PISA (Program for International Student Assessment) test scores of high school students from 65 countries around the world. The intrinsic characteristic of this exam, the way it is structured (different tests for each student), is the high percentage of multiple-choice questions. Silvia Griselda's analysis shows that this type of exams favors a better performance for boys in STEM subjects and girls in the humanities and, as the weight of multiple answers increases, the performance gap also tends to widen. "This happens", explains Griselda,

GIULIA SAVIO In a political system that rewards men, women's quotas are useful

It is in the sites of power that the gender gap persists and is strongest. Among these, politics is the terrain of choice: few countries in Europe can boast a fair percentage of women in the positions that count. The delicate and important relationship between politics and gender and the differences in political performance between women and men are the focus of the research work of Giulia Savio, a post-doc at Bocconi's AXA Research Lab on Gender Equality. The gender gap in social power has often brought to the fore the debate on female quotas in politics, also in Italy.
In one of her works, "Does Panachage Backfire on Women? Monitoring Gender Gaps in an Open List System", Giulia Savio considers the Swiss electoral system, where there is a mechanism called panachage, i.e. the possibility of voting for a list by adding names of candidates from other lists (for Italy, it is conceptually similar to split voting). The researcher demonstrates how, in systems designed in this way, women's quotas can really be useful to mitigate the gender imbalance.
The study highlights how women candidates perform similarly to men in attracting voters of their own party, while they have lower results when it comes to gathering preferences of voters of other parties (i.e. through panachage). "This happens both because women often have smaller personal networks, also due to a shorter job history on average, and because male voters – who are also more likely to vote for candidates of other camps – tend to vote for male candidates". But lower results for women in the panachage system also have another implication, which further adds to the gender gap: "Since the electoral system favors parties that do well in panachage, in the medium term, male candidates tend to be preferred over female candidates when it comes to draw up the electoral lists".
It is here, therefore, that women's quotas can come into play in a useful way, by safeguarding seats that would have otherwise been a male prerogative, due to the way in which the electoral system is conceived. Not only that, but "a cultural operation to push candidates to improve their personal networks, and inform voters of the presence of this gender bias in the panachage system, is also fundamental".
One question, however, remains crucial. Is gender representation in politics just a matter of fairness? The answer is no. As the researcher points out in "Gender Preferences of Leaders: Reaction in Time of Crisis", which she co-authored, women politicians – compared to men – tend to express the interests of under-represented classes of citizens, including children. The article demonstrates how, before the pandemic, Italy's female mayors invested a greater portion of public spending in child care and kindergartens that their male counterparts, a trend also observed in other countries.

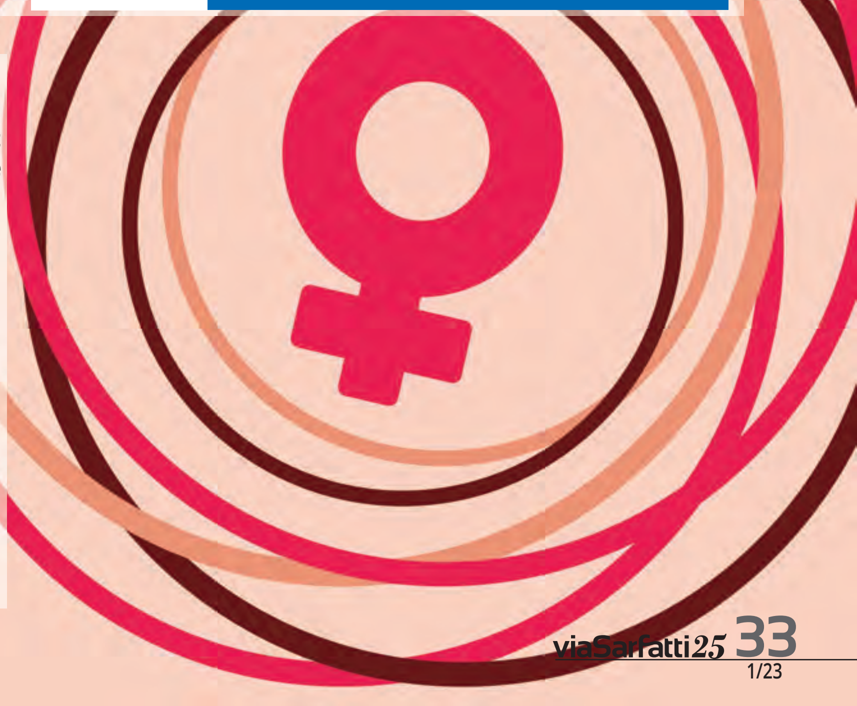
THE PAPER

Does Panachage Backfire on Women? Monitoring Gender Gaps in an Open-List System by Giulia Savio

THE PAPER

Gender Preferences of Leaders: Reaction in Time of Crisis
by Alda Marchese, Paola Profeta, Giulia Savio

"because compared to a dry, direct answer, multiple choice offers different answer options, some of them incorrect, which tend to distract the more insecure students (information overload). It follows that those who have greater confidence in their skills about the subject tend to respond better, therefore boys in STEM subjects and girls in the humanities".
And here, then, we return to the topic of prejudice: growing up in an environment that promotes the idea that girls are not strong in science undermines their self-confidence with regard to their scientific knowledge. Consequently, in addition to promoting the presence of female role models in the scientific field, according to Silvia Griselda there are two steps that need to be taken: "On the one hand, undermining the stereotypes that are perpetuated in the family and at school, in orde to encourage confidence in girls' own skills. On the other hand, since multiple-choice tests are increasingly used, train girls and boys on this type of knowledge assessment, so that the impact of information overload is lessened".



With women, for women

Alumna Kristin Engvig talks about her experience as founder and CEO of WIN, the women's network created 25 years ago to promote women's empowerment and leadership. Because gender inclusion is still an uphill battle

by Jennifer Clark @

Now in its 25th year, Women's International Networking (WIN) is a leadership organization focusing on female empowerment founded by Bocconi alumna Kristin Engvig, who is CEO. WIN's flagship event is the annual Global WINConference, an internationally recognized platform for inspiring exceptional leaders, managers, and entrepreneurs that has engaged thousands of men and women worldwide.

A native of Norway, Kristin Engvig earned a Bocconi MBA in 1991 and embarked on a marketing career in the financial sector. She switched gears in 1996 and went to Europe as a Bocconi marketing trainer in the EU's PHARE program, where she was inspired to create a meeting place for women and women's networks around the world. Bringing everyone together in one place and with one unifying vision was "the fastest way I could find to advance and empower and inspire women in a compact short period of time," she says.

➜ *How did you get the idea for WIN and its mission?*

Working globally made me understand the importance of community and also of inspiring another way of working, kinder and more inclusive. During my time in Milan as Professional Womens' Association president, as it was called then, I found these networks incredibly useful when I later travelled the world for work. I was inspired to bring all these groups together and meet at a conference, to strengthen each woman's authentic path, learn about new organizational approaches and create a world that is more inclusive.

➜ *You started working on female empowerment issues 25 years ago. Has there been progress? What has changed in 25 years?*

When I stated, there were very few activities for women, and companies did not have diversity and inclusion programs. Women found it embarrassing to go to these events. We had to have our learning sessions mostly on weekends, Friday afternoon, Saturday and Sunday. Now it can be during the week!

The topic gets more attention now, and the vocabulary is well known to many people.

Still, I had imagined we would have seen more change over a quarter century. There is a lot of regression in the world. In the US, abortion rights were taken away. Look at Afghanistan, and Iran. The progress I see is that these regressive acts are causing women to speak up. Some of the girls in Iran are risking their lives. They won't shut up. And that is progress.

➜ *Was there a watershed event in the corporate world about diversity being recognized as an important topic? Or was change slow and gradual?*

Slow and gradual. At the beginning progress was slow because people didn't know so much about it. but in a certain way it was easier because it was a novelty. Now there is a certain fatigue. That has created a bit of trouble. It can be hard to get financing. Companies say, "Kristin, I get proposals from so many different groups

➜ *What do you think of the #MeToo movement?*

On the positive side, it made it possible to talk about something that for so many women was buried in shame. On the negative side, it brought forward a lot of women who have a lot of natural anger over having been treated badly. And it made some men scared. It made certain environments difficult. I have talked to men who say "I don't know what to say now. In a way I don't even want to work with women, I want to stay out of trouble." And that's not we wanted.

KRISTIN ENGVIG was in the 1990 class of SDA Bocconi MBA. Bocconi has played an important role in her professional life, she says. "As an undergraduate I did business administration and I wanted to internationalize myself. Everything we studied I have used in my conferences, particularly the cross-cultural part of dealing with people from different cultures. And my Bocconi studies and network have been useful in the entire agenda design, as well as curating and directing the global and regional meetings. I later applied what I learned to my work on inspirational leadership and women's empowerment."

THE LAB

The AXA Research Lab on Gender Equality, funded with the contribution of AXA Research Fund and AXA Italy, promotes research in social sciences related to gender. Research includes all areas of gender economics, gender policies, and gender diversity management. The Lab aims to promote gender equality in the economic and social spheres through rigorous scientific methodologies.

THE LIBRARY GUIDE

Here is a detailed bibliographic guide, compiled by the Bocconi Library, dedicated to the issue of female empowerment

GENDER EQUALITY = MORE RESILIENCE

Amidst the consequences of the pandemic, rising geopolitical tensions and new global risks to face, adaptive and resilience capacities are increasingly a fundamental prerequisite for a prosperous society. Gender equality and women empowerment are known to be strong contributors to societal resilience through education, employment, and leadership. Nevertheless, challenges and obstacles still exist as witnessed by the persistence of pay gaps and barriers to women's labour force participation and business leadership in many countries. This will be the topic of discussion on March 30th, in the Aula Magna Gobbi of Bocconi University, during the 2023 annual event of the AXA Lab on Gender Equality at Bocconi, entitled 'The Role of Gender Equality in Building Societal Resilience'.

➜ What are the challenges in the next 5 years? What work still needs to be done?

Now we really need to continue to awaken women to their self-worth, their connections, and their own biases about other women. Companies should continue to look at their hiring policies, how they write job descriptions, and work-life balance. Continuing to have flexible work is important. We know from statistics that many women leave at a certain point. These competitive places are too tiring. Yes, we can compete. But a lot of those cultures are made by men for men. My work at WIN is about proposing a more collaborative paradigm, which one can experience at the WINConference. We know it works.

➜ Why do women still struggle to reach CEO positions?

It's not that women cannot lead. They can. But is there another way? Many report that although they can fit into a corporate culture, it is tiring and they wish to lead more authentically. Our work at WIN is to try to a more harmonious interaction between feminine and masculine values in the workplace ■

THE COURSE

The SDA Bocconi Diversity and Inclusion Management course (in Italian) provides participants with the tools and skills to effectively respond to external contextual influences and to assess and measure the impact of diversity in their company.

EDUCATION MEANS POWER

Research and common sense concur: female empowerment starts from education and, in this sense promoting women in those fields of study that are traditionally male reserves is crucial. Bocconi University, a strong believer in the value of female students, has been increasing its commitment year after year: overall, looking at data from first-year undergraduate degrees, one student out of 4 receives some form of financial aid and 44% of the beneficiaries are women. However it is by looking at the scholarships and grants devoted to female students that the University's effort in this direction emerges, thanks also to the increasingly important contribution of Bocconi donors. For the current academic year, 54 scholarships and tuition waivers were allocated for this objective, supported by 20 donors (11 companies and foundations and 9 large individual donors), with the aim of increasing this effort in forthcoming years. And while fundraising continues – here is the link where anyone can donate to the campaign Women in Finance, the project that promotes gender equality in the financial sector through qualified training and tuition remission - it emerges that six of the fourteen funds supporting students have the promotion of female empowerment as their aim. They are the Generali Bocconi Women in STEM Awards, the eBay Bocconi Women in Tech Awards, the Donna Javotte Women's Scholarship Fund, the Mastercard Bocconi Women Awards, the OTB Foundation Brave Women Awards, and the Pirelli Women Awards.

In terms of executive education, SDA Bocconi School of Management also focuses on supporting women among its students with a system of subsidies and incentives geared to promoting diversity and inclusion.

"Fostering the possibility of expressing one's individual potential is one of the missions of the University", explains the Dean for Development and Alumni Relations, Antonella Carù. "This task necessarily involves the promotion of gender equality in those areas where the presence of women is low. And thanks also to the support of many donors and the alumni community, Bocconi is translating this commitment into concrete actions".

GENDER VIOLENCE

Challenges to the norms of patriarchal society can increase femicide rates. What makes the difference, however, is the context: higher economic development is an important factor in guaranteeing the safety of female challengers to the status quo. For this reason, ensuring the economic independence of women must become a major societal goal, as demonstrated by a Bocconi study on the case of Turkey

by Kerim Can Kavakli @

KERIM CAN KAVAKLI
Assistant Professor of Political science, Bocconi University

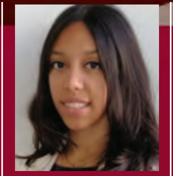
Gender-based violence is a common problem around the world. The majority of the victims are women, who often suffer in the hands of their closest relatives or romantic partners, for daring to defy the restrictions imposed on them. A woman's desire to seek education, formal employment, or to escape an abusive partner may trigger violence or even her death. The most extreme form of gender-based violence is the killing of a woman or a girl on account of her gender, known as femicide. To get a sense of the extent of the problem, consider that, according to the Interior Ministry's statistics, in Italy a femicide is committed every three days. Moreover, this number has increased significantly since the beginning of the global pandemic. One academic study estimated that, in economic terms, the costs of intimate-partner violence (a subcategory of gender-based violence) alone reach 5% of global GDP. In short, gender-based violence is a large problem that calls for academic attention and policy solutions.

In my research, I studied this problem in the context of Turkey. Unfortunately, Turkey is another country where

CAROLINE COLY The double penalty of women harassed at work

In every single year, 12% of women fall victims to toxic behaviors at work, including sexist comments, sexual or physical harassment, or violence, with sexual harassment and violence involved in 41% of these episodes. To make things worse, this translates into a double penalty for women, as they are not only more likely to endure toxic behaviors but are also forced to quit their jobs in order to avoid them.

These are some of the results of a study conducted by Caroline Coly, Postdoc Researcher at Bocconi's AXA Research Lab on Gender Equality, with Cyprien Batut (Chaire Travail PSE, Direction Generale du Trésor) and Sarah Schneider-Strawczynski (Paris School of Economics), using a survey of about 11,500 employed French women to assess the prevalence of toxic behaviors and to investigate what may affect the likelihood of being harassed in the workplace.



They not only find that women frequently suffer from a variety of toxic behaviors but also that environments in which apparently minor misbehavior such as jokes about women are tolerated turn out to be more at risk for major episodes. The women who report often hearing derogatory remarks or jokes about women are 15 times more likely to report having obscene remarks made to them, 130 times more likely to report being made sexual propositions, and 40 times more likely to report having been physically or sexually assaulted than those who never hear such remarks.

Women appear to be more at-risk in some specific sectors, such as in the accommodation and catering industries and the risk of harassment is correlated with lower hourly wages. Women who report toxic behaviors are also more likely to work in companies with higher male representation and higher male executive or CEO representation.

gender-based violence is common. It is a patriarchal society where more than 40% of women report suffering physical or sexual violence at least once in their lifetime. Since 2018, every year around 400 women are murdered, often by their relatives or intimate partners. Although the total number of femicides is high in Turkey, it is not uniform across the country. If we look at the rate of femicides (i.e. the number of femicides per citizen), it is twice as high in the top 25% of provinces relative to the bottom 25%. I investigated which factors may explain this variation.

I used statistical methods to look at the correlation between the rate of femicides and a number of socio-economic factors: ethnic composition, religiosity, and civil war experience, divorce rate, gender equality in education, and the level of economic development.

The first three factors (religiosity, ethnic composition, and civil war experience) capture various facets of patriarchal culture. All else equal, we may expect more women to be killed in places that are more religious, more conservative, and with a stronger legacy of political violence.

The next two variables (divorce rate and gender equality in education) aim to capture women's willingness to challenge patriarchal norms and men's commands. All else equal, more femicides may take place when more women are getting divorced and more women are getting educated.

Finally, the level of economic development, i.e. GDP per capita, may matter because it determines whether women have opportunities to win their economic independence. In less developed places women are more likely to be unemployed or work in low-paying jobs. Without economic independence, women who suffer violence at home may be unable to escape their abusers and may become femicide victims when violence escalates to murder.

My analysis shows support for most of these hypotheses. First of all, culture, (more specifically, ethnic composition) matters. Places in Turkey with a more patriarchal culture experience more femicides. However, neither religiosity or a legacy of political violence seem to have an effect once we control for ethnic composition. Divorce rate and educational gender equality also matter. As these factors increase, so does the femicide rate. Finally, economic development matters. Fewer femicides are committed in places that are more developed.

One may ask, do these factors interact? For instance, is the deadly effect of divorce mitigated if a province is more developed and therefore women have better opportunities to escape their abusers? The answer is yes. The deadly effects of divorce rate and educational equality are mitigated in more developed provinces. To get a sense of the importance of these factors, consider a (hypothetical) average province. Using our model, we can calculate how the femicide rate will change as we vary different parameters. For instance, if its divorce rate were higher, how much will the number of femicides change? It turns out that divorce is always associated with more killings, but in a relatively rich province, the femicide rate doubles, whereas in a poor province it quadruples.

These findings broadly support the theoretical argument that gender-based violence results from a combination of women challenging their status quo and men using violence to suppress such challenges. However, economic development seems to be an important factor that facilitates defiant women's safety. Unfortunately, in the Turkish context, my analysis suggests that more women are murdered as more women challenge patriarchal norms. However, environments that allow women to gain their economic independence also give them more bodily safety.

THE OPINION

by Raffaella Piccarreta @
Associate Professor of Statistics, Bocconi University

Living in a family environment marred by violence affects the future of young women by anticipating their transition to adulthood, and motherhood in particular. A study on Colombia clearly indicates that growing up in abusive families amplifies the adverse consequences of disadvantaged social environments, and removes the relative advantages associated with living in more favorable environments

Coly and her co-authors also use the onset of the #MeToo movement as an exogenous shock on social norms regarding violence against women in the workplace. In terms of worker flows, the #MeToo resulted in an increase in the relative exit probability of women in high-risk establishments. This suggests that #MeToo increased awareness among women in toxic work environments and, at least in the short term, that their working conditions did not improve sufficiently to prevent them from leaving in higher numbers.

"By durably changing norms of what is acceptable in the workplace for women, the #MeToo movement, at least in the short term, may have increased the double penalty," Coly concludes. "This social movement did not appear to have altered the norms surrounding the culture of abuse that predominates in some workplaces, at least at the medium-run. This demonstrates, however, that a social movement can still contribute to raising awareness and pushing women out of toxic situations where they would have remained for longer without it."

THE OPINION

by Paola Mariani @
Associate Professor of International and European law, Bocconi University

The European Court of Human Rights has condemned Italy's conduct on several occasions, considering the Italian state too bland in prosecuting crimes related to the domestic abuse of women and children. This should be cause of alarm for Italian institutions, which should change legal procedures and trigger an indispensable cultural change in society as soon as possible

On the phone to walk home without fear

Silvia Barbareschi, Bocconi alumna now in the third year of her doctorate at Berkeley, talks about her volunteer work for the DonnexStrada association and her commitment to women's safety

by Andrea Celauro @

"Like every woman, I too have felt the fear of walking down the street alone, that sense of insecurity that ends up limiting our choices: such as what time to go to work or to the gym or what path to take." Silvia Barbareschi, 29, a degree from Bocconi in 2018 in Economics and Social Sciences and a PhD in business and public policy in progress at the Berkeley Haas School of Business, tells without hesitation one of the reasons that led her, in 2021 during the first year of her PhD, to take part in the new association with DonnexStrada and to lend her time to help everyone. Unable to leave for California due to the pandemic, she was still in Rome, from where she followed the activities of the doctorate remotely: "And in the aftermath of Sarah Everard's femicide in London, killed while she was walking home. I learned, through a post on Facebook, that some young women were creating an association and starting a virtual escort service for single women. I immediately felt the problem as mine."

SILVIA BARBARESCHI
Alumna Bocconi, DonnexStrada volunteer

DonnexStrada is the association that aims to improve the safety on the street of women and victims of gender violence: through its Instragram page, which since September is also international (*Viola walk home*), virtually accompanies home those who request it by activating a video call. In case something happens, the volunteers (pre-authorized by the user) activate the recording of the call, so that they can provide video evidence, and, if necessary, alert the police. With the success of the service, which in 10 months of 2022 was used by 600 people, the projects of the association - which today has over 80 volunteers - have expanded: for example, with the creation of Punti Viola (Purple Points) to create a support network in the area through the involvement of businesses. The aim is to create safe places where you can find aware and trained personnel, if necessary, to provide initial support. "This is an important activity, an initiative to stigmatize a fear that all women feel but of which they are often ashamed and tend to hide". Silvia is passionate about the support activity provided through the call center, giving availability for night shifts, those in which there is more need for volunteers (but the service is active 24 hours a day). A service that she continued to carry out even after moving to Berkeley: "I am doing something that really helps society. The role of DonnexStrada goes far beyond supporting women who ask for support day by day: these are activities that produce culture, that create awareness in men and that push women to overcome shame and fight to improve their condition."

Looking back at the work done in this first year and a half, Silvia betrays a certain bitterness in telling how this sense of insecurity represents a much more widespread problem than we think and than she herself expected. And how, above all, "it is shared in a transversal way in all age groups and in all social groups." At the same time, however, "I learned that the little things, the simplest ideas can be the ones that make the difference. And this is the great strength of this association."

For the future, Silvia Barbareschi already has a project in mind: "I will continue to collaborate with DonnexStrada and I think I will do my doctoral thesis on these issues, or understand how the perception of insecurity conditions choices differently between men and women and how we can find a solution involving citizens without distinction of gender."

Prison is tough, and tougher for women

Women represent a minority of the prison population, and the resources deployed for them are meager, increasing the sense of detachment and abandonment. But there are those who help them look to the future, such as the professors and students involved in Bocconi's legal clinics

by Davide Ripamonti @

"If detention in prison represents, by its nature, a situation of fragility, in the case of female detention the fragility is even greater." This is what Melissa Miedico, associate professor at the Department of Legal Studies of Bocconi University and head of the legal clinics project of the University tells us. In the clinics, teachers and students of the Master program in Law lend their work of "support and orientation" in some difficult contexts such as, for example, the Bollate prison. A difficult situation as a whole, and for women even moreso. "Women in Bollate prison live in a situation of great suffering", explains Melissa Miedico, "because, in addition to the problems related to detention itself, representing less than 10% of the prison population they are also marginalized, especially from the point of view of the resources offered to them. I'm talking about professional opportunities, or courses in cinema, theater, reading. For them, since there are no mixed-gender opportunities, the resources deployed for these purposes are very few compared to those offered to male prisoners." And the Bollate prison, within the Italian penitentiary scene, is seen as an example of excellence. In addition, female detention often has serious repercussions on the family unit, since women take care of children and the elderly more frequently. And this generates feelings of guilt.

Nother characteristic of female detention is that a large proportion of women prisoners are foreigners. "Many come from other contexts of fragility, such as, for example, the Roma community, in which women face a sort of 'inexorable destiny', that of being forced to commit crimes. Their propensity to commit crimes is induced by the cultural context of which they are part. It should also be noted that almost always these are crimes with a very low component of violence", continues Miedico, "and the penalty for imprisonment imposed on them is, in my opinion, often disproportionate."

The activity of the clinic, in this difficult situation, is of fundamental importance and of great impact: "We are present in prison once a week in the women's ward. We mediate to explain the stages of detention and help women claim benefits, including long-term benefits such as probation. In this we coordinate with their lawyers and prison educators. The fact that many of them are foreigners adds further complexity, because the problems of detention add up and intertwine with those related to the residence permit. We support them and help them understand these complexities," says Miedico.

MELISSA MIEDICO
Associate Professor of Criminal law, Bocconi University

It is a sort of window on the outside world. Three of the students involved in the project, Francesco Mauri, Antonio Maria Traversaro and Aurora Zamagni, all enrolled in the fourth year of the Law program, agree with this definition: "Ours is also a listening activity, not just legal advice. We accept their requests, their needs, and we strive to find solutions. It may not seem like much, but in fact it is very important to show that someone cares about their problems" explains Antonio. Problems that seem trivial, for those who are outside. But they take on a completely different dimension in a deformed parallel reality like that of prison.

"I am thinking, for example, of the case of machines that dispense drinks and snacks", continues Antonio. "In fact, in the room where the detainees receive family visits they are absent, while in the men's ward there is even a bar. This is because, given the considerable numerical inferiority of the female prison population, needs are more difficult to be satisfied", Aurora intervenes. Small things, or maybe not, if you want life to have meaning even behind bars and are looking forward to getting back out there. "The legal desk is important because it fills a void," Francis says, "and unfortunately not all prisons have one. Communicating with the outside is difficult, there are limits set by regulations. We are also there for this and it is a great satisfaction, an enrichment, to see that it works."

THE LIBRARY GUIDE

Here is a detailed bibliographic guide, compiled by the Bocconi Library, dedicated to the issue of gender-based violence

Africa is increas

Desertification has cost 12% of Africa's GDP and the forecast is 0.8 tons in crop lost per hectare of land tilled each year up to 2040, according to a study of the Bocconi GREEN research center on the economic and social implications of increasing aridity for the African continent

Approximately 52 million square kilometers of the earth surface is made by arid zones, defined as areas where the total amount of rainfall is balanced by evaporation from the surface and natural transpiration of plants. The "right balance" between atmospheric precipitation and water evaporation is essential for soil productivity, a balance that climate change is constantly modifying, with dramatic consequences on habitability and food availability in many areas of the globe.
According to the 2019 report of the Intergovernmental Panel on Climate Change (IPCC), as of 2015, approximately 500 million people were living in areas that had experienced desertification between the 1980s and 2000s. This situation is expected to worsen in the coming decades, as the population made vulnerable by global warming and habitat degradation, including desertification, is estimated to increase by an additional 250 million people by 2050, with Africa expected to pay the highest price (click here to see map). In spite of these climate predictions, there is little knowledge of the economic effects of desertification, defined as land degradation in arid, semi-arid and sub-humid areas resulting from many factors, including climate change and anthropization.
Thanks to funding from the Invernizzi Foundation, it was possible to study the economic and social implications deriving from worrying phenomena of increased soil aridity. Desertification, in fact, worsens the living conditions of habitants through a chronic shortage of water and food which, for the part of the population that has no possibility of migrating elsewhere, translates into deterioration of a series of human welfare indicators.
By building a database composed of georeferenced data relating to the entire globe and analyzing it with econometric techniques, our estimates indicate a reduction in income due to desertification equal to 12% for Africa as a whole over the 1990-2015 period, with costs projected to be equal to 16% of GDP in 2079, with much higher effects not only in the Sub-Saharan region, but also in the Maghreb (click here to see map). The Asian region, on the other hand, would seem to suffer much less from the same phenomenon, with the sole exceptions being the central and inner areas of Russia, China and Mongolia. Furthermore, the deterioration of soil productivity would seem to have a significant negative impact on the health of children at birth, in terms of life expectancy and body mass, so as to cast a dark shadow on long-term development prospects. These effects would derive directly from the reduction of the quantity of harvest extracted from agricultural areas, and this not only in the years when extreme meteorological events occur (heavy rains or, conversely, prolonged droughts), but, more slowly and progressively, in subsequent years. More specifically, our results show that between 1995 and 2005, soil aridification led to a global loss of approximately 1.7 million tons of corn, 81,000 tons of rice, 786,000 tons of soybeans and 430,000 tons of wheat, a contraction mainly concentrated in Africa and Asia. By using long-term forecast models of evapotranspiration potential of soils, i.e. the soil's ability to hold the right amount of water (a measure often used to measure aridity), we predict that aridification would cost up to 0.8 tons per hectare of crop grown in Sub-Saharan Africa for every year until 2040.
Therefore, if immediate action is not taken to counter the effect of the advance of aridity on agricultural productivity and, therefore, on the availability of food, the African continent could lose, in less than a century, more than a third of its product, something which, together with the population increase, would cause a clear reduction in individual welfare. ■

MARCO PERCOCO
Director of GREEN, Bocconi University

MAURIZIO MALPEDE
Post-Doctoral Fellow at the GREEN, Bocconi University

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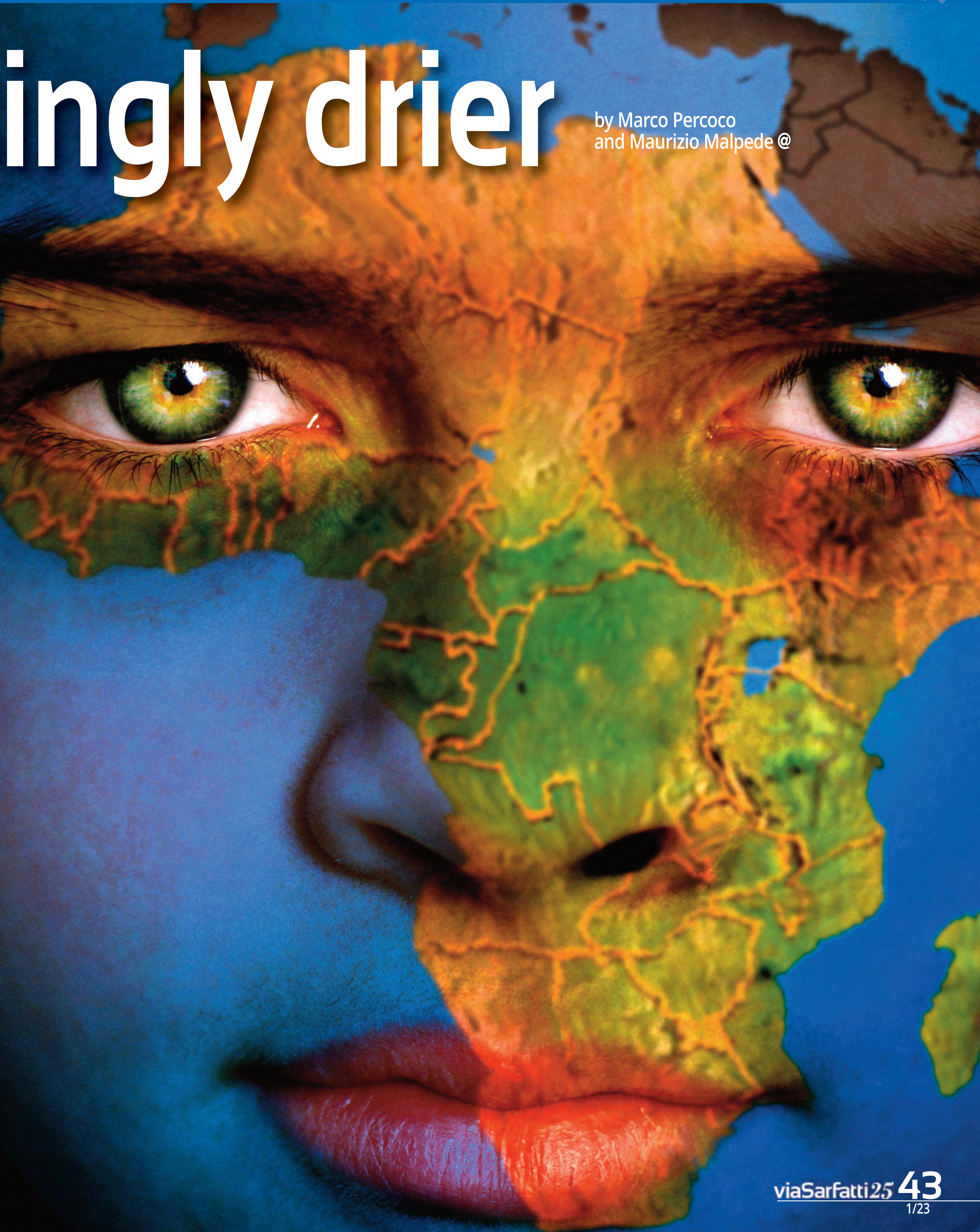
by Marco Percoco
and Maurizio Malpede @



Side effects

A study on a large sample of covered bonds issued by European listed banks in the 2005-2016 period invites regulators and monetary authorities to pay attention to indirect risk

by Stefano Gatti @

In periods of high financial market volatility or affected by strong external shocks (think of the 2008 financial crisis or, more recently, the first wave of the Covid pandemic), banks are exposed to the problem of obtaining liquidity on a stable and continuous basis.
For European banks, the use of covered bonds represents a source of financing that is available even in periods of extreme financial tension, both as a method of funding appealing to institutional investors and as a source of guarantee for ECB refinancing operations.
In fact, covered bonds are bonds that guarantee payment of interest and principal to investors, not only on the basis of the issuer's ability to generate cash flows, but also thanks to the existence of a pool of high-quality assets reserved for the exclusive benefit of investors (so-called encumbered assets). When the solidity of the bank is not enough, the cash flows produced by the pool of reserved assets will intervene.
If, on the one hand, this double repayment guarantee generates a bond with high credit ratings and therefore a financial asset with low risk of default, on the other hand, the segregation of assets in a dedicated pool - and mind you, high-quality assets – creates significant problems for the bank's other creditors, depositors, other creditor banks and holders of unsecured senior bonds. In fact, these investors could incur in larger losses if the bank goes down. A smaller volume of remaining assets would be available for their reimbursement. This would generate what in jargon is defined as the effect of structural subordination of creditors with respect to subscribers of covered bonds. In turn, structural subordination could have another unintended effect. The bank's management could have the incentive to increase the risk of the assets not included in the pool warranting covered bonds, so that uncovered assets can generate higher yields to repay the structurally subordinated creditors. Clearly, this is an effect that is not particularly welcome by regulators who, if on the one hand have

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THE PAPER

Does Asset Encumbrance Affect Bank Risk? Evidence from Covered Bonds by Emilia Garcia-Appendini, Stefano Gatti and Giacomo Nocera

repeatedly reiterated the importance of covered bonds as a funding instrument for the banking system, on the other hand are careful to avoid the repetition of moral hazard phenomena which could jeopardize the stability of banks themselves and their ability to resort to financial markets for its funding needs.

Together with Emilia Garcia-Appendini and Giacomo Nocera, we have studied a large sample of covered bonds issued by listed European banks in the 2005-2016 period. Data analysis indicates that the increase in the portion of assets reserved as collateral for covered bonds (the so-called degree of encumbrance) does not have a significant impact on the total risk of banks included in the sample. However, the data demonstrate the existence of a negative effect caused by the structural subordination of creditors unassisted by encumbrance consisting of the increase in the spread on the Credit Default Swap (CDS), i.e. the price of the guarantee against bank default. It follows that unsecured creditors should have a greater incentive to monitor bank management to reduce their expected losses in the event of default.

The analysis of the sample also indicates that the effect of asset encumbrance on the bank's risk exposure depends on the proportion of non-retail institutional investors able to closely monitor management: for banks with a smaller proportion of such creditors, an increase of assets segregated for the benefit of covered bonds' underwriters leads to an increase in the total risk of the bank.

A further result of the analysis is that the relationship between asset encumbrance and banking risk depends on the bank's liquidity. The higher liquidity , the lower the risk is that the bank could face fragility issues due to repayment requests coming from creditors in the event of emerging difficulties.

Overall, the evidence collected raises the issue that regulators and monetary authorities should be wary of the potential side effects of regulatory interventions that lead to an increase in banks' levels of asset encumbrance, something which has already happened, for example, following the launch of the ECB program precisely devoted to the purchase of covered bonds (Covered Bond Purchase Program - CBPP). ■

THE COURSE

The SDA Bocconi *Finanza aziendale* course (in Italian) provides an opportunity for systematisation and discussion of current financial management issues

The law of converg

Civil law courts are now called upon to reinterpret their role by incremen-tally getting closer to Common law courts. This is how and why we are moving towards a global model of judicial protection

by Cesare Cavallini and Marcello Gaboardi @

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MARCELLO GABOARDI
Associate Professor of Civil procedure law, Bocconi University

The traditional distinction between rights and remedies supports the clas-sic account of civil law and common law as an inference from the role played by law in protecting rights and providing remedies. But for legal scholars today a new question arises. Does it still make sense to rely on this distinction to understand how various legal systems work around the world?
According to the distinction, civil law systems protect individual rights to the extent they are previously laid down by the legislature, while common law systems authorize courts to employ their decisions to adapt the exist-ing legal rules to the overwhelming social changes. Civil law courts are de-picted as declarative and remedies as legislative response to concrete questions. Instead, common law courts are viewed as creative and reme-dies as judicial response.
This contrast is rooted in the historical origins of Anglo-American and Con-tinental European legal systems. While the latter were shaped by the idea of written law, which found its main expression in the codification of laws that began in Europe in the 19th century in the wake of the Romanistic tra-dition, Anglo-American legal systems were shaped primarily by judicial de-cisions and

LEGGI L'ARTICOLO IN ITALIANO

ence

the doctrine of stare decisis. Whether or not this account is legally picturesque as a general matter, it is ill-suited to describe the current reality of civil law and common law systems. Courts are increasingly called to reinterpret their role by overcoming the limits of the written law and giving import to constitutional values and judicial precedents. Adaptive interpretations of legal rules and deference to prior decisions are massively becoming the new guidance for resolving disputes. These changes reduce the distance between civil law and com-mon law systems. In civil law countries, remedies gradually cease to be considered consequences of legislative choices; they become judicial re-sponses extending their scope beyond the written law.

For instance, the evolution of European legal systems called upon to pro-tect individual interests in new social and economic contexts offers a good example. How to protect the individual's interest in compensation for non-pecuniary health damages? How to safeguard the rights of underrepre-sented minorities? How to ensure equal access to civil justice? These are questions that civil law courts have gradually answered through creative and innovative interpretations of general principles of legal systems. In the absence of specific written rules, the legislative vacuum has been filled by the work of case law. In many jurisdictions, the right to compensation for non-pecuniary damage to health and the right of underrepresented minori-ties to actively participate in public life and political activity have been gradually recognized by the Supreme Courts of various European countries.

Changes, however, are not revolutionary. Instead, they are incremental. The scope of the law is gradually increased. New remedies defer general principles like constitutional precepts. Judicial precedents coherently gov-ern new interpretative developments. The legal system seems to be self-regulating like never before. By comparing how legal systems create new doctrines or construed old theories, it emerges that the distinction be-tween rights and remedies should be reframed as an overarching theory cooperating in general terms. The Italian experience offers another inter-esting example of this new practice with regard to the application of the doctrine of res iudicata by the Italian Supreme Court. In this case, the Su-preme Court overcomes a legal principle established for decades in proce-dural law, holding that issue preclusion should be interpreted in general terms so as to preclude not only issues concerning the claim asserted but also the matter from which it arises. And this allows for a rapprochement between civil law and common law legal systems, which have long estab-lished different rules on the subject. ■

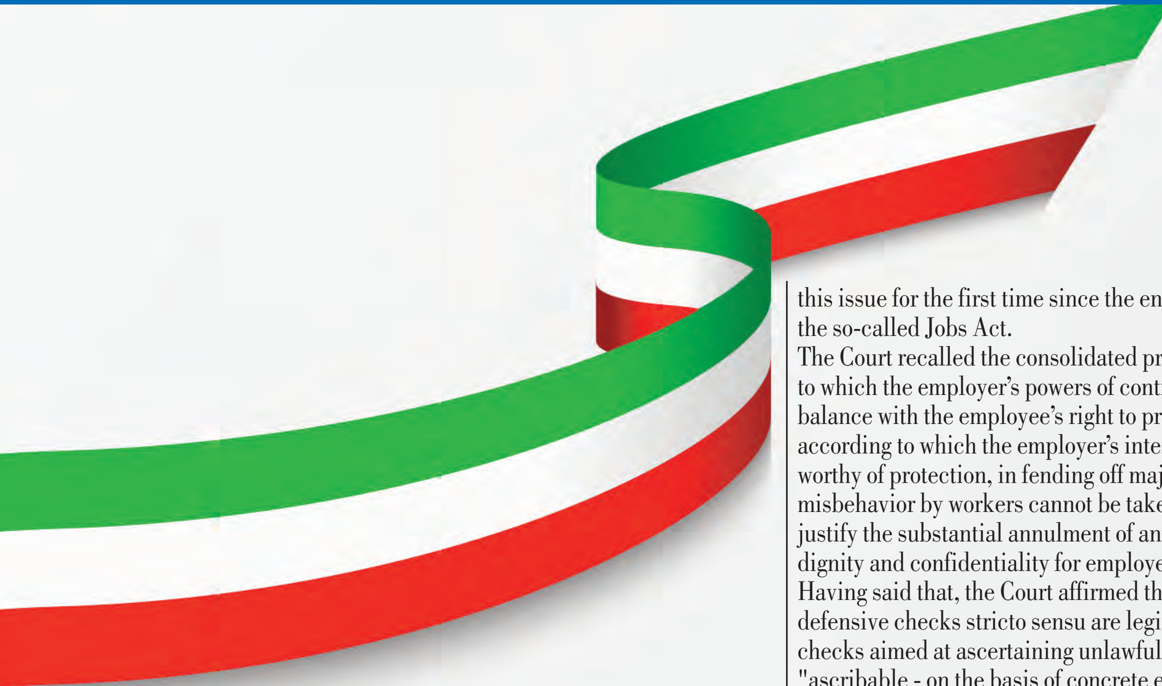
THE PAPER

Rights vs. Remedies: Towards a Global Model
by Cesare Cavallini and Marcello Gaboardi

Privacy of employees: Italy first in Europe

Employers can carry out defensive checks only to ascertain potential offenses that directly endanger the company's assets. But Italy remains a country at the forefront in Europe for the legal discipline of employee privacy

by Elena Gramano @



ELENA GRAMANO
Assistant Professor of Labour law, Bocconi University

So-called "defensive" checks are the checks put in place by the employer in a hidden way, and therefore not known to the worker, with the aim of promptly ascertaining an offense for which the employer has a well-founded suspicion.
It is an institution that has its origin in Italian jurisprudence and finds no mention in the law and, in particular, in Art. 4 of the Workers' Statute (Law no. 300/1970, reformed by Art. 23, Paragraph 1, Legislative Decree no. 151/2015) which regulates employers' remote monitoring of workers' behavior.
The labor law debate on defensive controls was born as early as the 1970s in the face of the need, understandable and felt above all by the jurisprudence on the merits, to carve out a space free from the limits set out in Art. 4 of the Workers' Statute, for the employer who had to verify a suspected illegal conduct by an employee.
In particular, the jurisprudence had recognized that the irrepressible need to avoid unlawful conduct by employees could not justify a substantial cancellation of any form of guarantee of the dignity and confidentiality of the worker, and that, therefore, defensive checks were legitimate only if relating to unlawful conduct by employees capable of harming "assets unrelated to the employment relationship" (Court of Cassation February 23, 2012, n. 2722).
More recently, the 2015 reform of Italian labor law, which radically changed the text of Art. 4 of the Workers' Statute, has rekindled the debate about the opportunity to continue to carve out a space of legitimacy for remote controls done outside the purview of the article itself: defensive controls, in fact.
On 22 September 2021, the Court of Cassation ruled on this issue for the first time since the entry into force of the so-called Jobs Act.
The Court recalled the consolidated principle according to which the employer's powers of control must find a balance with the employee's right to privacy, and according to which the employer's interest, albeit worthy of protection, in fending off major forms of illegal misbehavior by workers cannot be taken as an excuse to justify the substantial annulment of any guarantee of dignity and confidentiality for employees.
Having said that, the Court affirmed that only so-called defensive checks stricto sensu are legitimate, i.e. checks aimed at ascertaining unlawful conduct "ascribable - on the basis of concrete evidence - to individual employees" and which cannot pertain to the fulfillment of the ordinary obligations arising from the employment contract, but only to forms of illegal conduct potentially harmful to the company's assets.
It would not make sense, the Court reiterated, to require the employer to comply with the negotiation procedure with union representatives or the procedure for requesting administrative authorization, in the face of extraordinary events which require the employer to react quickly in order to immediately ascertain offenses that could endanger or compromise the company's assets.
The ruling, therefore, confirms the survival of an area, albeit limited, of legitimacy of the defensive checks done by firms and recognizes the need, not otherwise protectable, of the employer to proceed quickly (and possibly secretly) to establish if suspicions are founded, in order to allow him a reasonable margin of reaction, which would be compromised if one were to proceed according to the procedure pursuant to Art. 4.
The ruling, which was particularly awaited, thus redraws the boundaries of the jurisprudential institution of defensive checks, something which constitutes an Italian unicum compared with the legal discipline of the matter in other EU countries, which do not present a similar treatment of the issue. This can be easily explained if one considers that Italian jurisprudence had to coin the institution of defensive checks, in order to respond the legal regulation of remote checks in the workplace with dates as far back s 1970. From this point of view, Italy probably was the first legal system to legally establish a specific protection of the privacy of the worker, well before the adoption of the privacy regulations at the European level, and well ahead of all other EU countries. ■

Solidarity in times of energy crisis

After the pandemic, also to reduce the dependence of member states on fossil fuels imported from Russia, the European Commission has shown with REPowerEU that its approach to common challenges has changed, making the need to have a permanent fiscal space even more evident

by Rosalba Famà @

LEGGI L'ARTICOLO IN ITALIANO

The European Union is in the process of adopting an energy plan to phase out dependency on Russian fossil fuels, named REPowerEU. This program builds on the legal construction of Next Generation EU (NGEU), the recovery plan adopted in the aftermath of the pandemic to address the social and economic consequences of Covid-19. In Italy, it is known as the National Recovery and Resilience Plan (PNRR, the Italian acronym). On the one hand, Next Generation EU involves the issuance of massive common debt by the EU and on the other hand, the distribution of the proceeds provided to the Member States in the form of loans and grants, conditioned on the national implementation of reforms and investments. Next Generation EU is an example of solidarity among Member States as the distribution criteria favors countries most affected by the consequences of the pandemic.

NGEU was built on the legal and political premise to be a temporary and one-off measure. However, since its introduction, commentators have wondered whether the NGEU would have been more of a blueprint for further actions. In this regard, the political willingness of the Member States is divergent. Following the Russian aggression in Ukraine, some Member States immediately called for additional Eurobonds to face hardship caused by the energy crisis, while others rejected this proposal.

The REPowerEU is a compromise between these opposite views. On the one hand, it does not involve the issuance of additional common debt. On the other, it builds on the architecture of NGEU, updating it in view of including new energy targets. Specifically, REPowerEU modifies the Regulation establishing the Recovery and Resilience Facility (the Facility) which is the largest spending program of NGEU, receiving up to 90% of the NGEU funds. Indeed, the Facility is the real innovative tool that links the disbursement of funds upon the achievement of milestones and targets, following a rewarding logic.

So far, the Facility has proved to be a well-functioning instrument to deliver on urgent

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priorities of the EU and a well-suited tool to address emerging needs. To tackle the new challenges, REPowerEU performs two different actions. First, it pools additional resources to the Facility. Second, it adds a REPowerEU chapter to the Recovery and Resilience Plans.

Firstly, new resources to finance REPowerEU will come from the auctioning of allowance of the Emission Trading System (ETS), up to 20 billion euro. This amount will be distributed in the form of grants to the Member States. Second, REPowerEU unlocks unspent loans under NGEU. So far, some Member States requested support under the Facility only in the form of grants. This explains why there are currently unspent loan money within the Facility. REPowerEU mobilizes these resources. Moreover, under REPowerEU, Member States may request the transfer of the national allocation of cohesion funds and Brexit Adjustment funds to the Facility to be used for energy targets.

Secondly, Member States willing to receive additional financing under the Facility are invited to update their National Recovery and Resilience Plan, including a REPowerEU chapter. This chapter must illustrate new reforms and investments, or the scale up of reforms and green investments already included in the RRP. REPowerEU chapters must explain how they contribute to increasing the resilience of the EU energy infrastructure by decreasing dependency on fossil fuels and diversifying energy supply at Union level. Upon the satisfactory achievement of the REPowerEU targets and milestones, resources are distributed to the Member States.

The adoption of REPowerEU is very significant and symbolic. It shows that since the outbreak of the pandemic, the EU has radically changed its approach in facing common challenges. It is now clear that the EU may deliver more than Member States on their own. The new approach is much more solidarity oriented as resources will be once again distributed and favors States worst hit by the energy crisis. Indeed, the REPowerEU distribution criteria considers Member States energy dependency rate and the share of fossil fuels in gross inland energy consumption. As said, REPowerEU builds on the Recovery and Resilience Facility thus proving that the Facility is a well-functioning mechanism for common expenditure dedicated to strategic needs. In conclusion, although less ambitious than NGEU, REPowerEU confirms the need of the EU to provide itself with a permanent fiscal space to react asymmetric shocks in a solidaristic way. ■

THE ARTICLE

REPowerEU: a European Fiscal Space Beyond the Pandemic by Rosalba Famà

Last call for the future

How can the EU bridge the technological gap that separates it from the US and China, while leveraging its own skills and values? Carlo Purassanta, vice president of ION, addresses the issue in his book 'The Decisive Leap', which contains a suggestion for governments: involve companies in defining development strategies for hi-tech industries

by Emanuele Elli @

The fourth digital revolution, based on Big Data and Artificial Intelligence, is accelerating exponentially, driven by technologies and innovations that mostly come from China and the US. For now, the EU is trudging in the rear, held back by prudence, bureaucracy and slowness, to the point it now seems condemned to the role of spectator. Not all, however, is lost. The Old Continent still has the chance to recover the lost ground.
Carlo Purassanta, formerly an IBM executive, then CEO of Microsoft Italy and Microsoft France, and today Executive Vice President of ION, explains how to do it in his book *Lo slancio decisivo* (A Crucial Impetus), published by Egea. He argues that the next decade will be decisive to re-orient Europe's industrial destiny towards the new frontiers of technological development. Because the future is going to materialize, whether the EU takes part in it or not, but the values of our Continent could certainly make it more inclusive and sustainable.

CARLO PURASSANTA An engineering graduate from Polytechnic of Milan, Carlo Purassanta was manager at IBM for 15 years before moving to Microsoft and becoming the president of the company for Italy and France. He is currently Executive Vice President of ION, a European software engineering group, and an investor in hi-tech sectors.

➜ *The premise for Europe's restart is carved in the prologue of your volume: "We must make peace with technology". Did you often have this perception of ostracism towards technology during your mandates as CEO in Europe?*

Yes, very obviously. But not only in Italy, also in France and Southern Europe in general. Behind this attitude, I believe, there is frustration with the fact that digital technology is not developed by us and for this reason there is a prudent tendency to delay its adoption to first verify its 360-degree impact. This approach is not wrong as such, but takes way too much time and we are off of the right pace on innovation. We have already seen how radical industrial revolutions, such as the digital tech shift, operate: a century ago, around electricity, not only production was reorganized but all of industry, geography, urban planning, and finally society. Data today is a factor of this caliber, and in a hyperscale world, whoever starts building value on data first acquires a competitive advantage that is then difficult to bridge.

➜ *Yet you outline for Europe a short horizon to fill this gap: ten years, perhaps five.*

It took IBM 50 years to become hegemonic in its industry; Microsoft and Apple, born in the 1970s, did it in thirty, Google or Amazon in fifteen, TikTok did it in three. Today, by making the right choices, it only takes a couple of years to become an industry leader. Europe has the skills, best practices and can draw on a technology that is already "ready to use", so the goal is attainable, it is not utopian endeavor.

➜ *However, Europe has different industrial traditions, more linked to vertical skills and less to services. Where to start from?*

For me the frontier of innovation is in manufacturing industries and the great opportunity for Europe is to be found right here. We have to infuse the new business models with our values, reinterpreting the "vertical" excellence that we have consolidated over a century to ensure it remains such also in a digital world. Over the next ten years, the giants who have developed horizontal technology will want to become hegemonic in various sectors. Do we want to wait for Amazon to teach us how to build a bank, Apple how to build a health care system, or Google on how to build autonomous vehicles?

➜ *How much of this redemption is possible without going through the creation of a major company exerting global hegemony? Successful firms of this caliber are lacking in Europe*

This is our weak point. There are no hegemonic companies in Europe, while both the US and China have at least 5 or 6 in various industries. Americans and Chinese have models of value construction that favor the creation of corporate behemoths, on the contrary we in Europe have a culture and an industrial policy that prevent us from growing beyond a certain scale, in addition to the fact that there are 27 countries and that, whatever innovation is proposed, one must conquer every single country's heart, one at a time. And yet, we have know-how in many sectors, big players in every industry, we have culture, educated youth, university and research; if there were agreement on the objectives on which to focus investments, we could create a positive asymmetry similar to what happened in the past, in Israel or Silicon Valley, to provide two examples.

➜ *How should EU policy change in this regard?*

First of all, reaction times should change. You can't find out now, for example, that Facebook has too much influence over people's opinions. The problem of social responsibility has been known for years, yet still today Telecom and the like must have a regular license to act in telecommunications while no one knows why Twitter of Facebook do not need one, with associated rules and responsibilities, to operate as a social network. But, in addition to fast decision-making, I believe that the way of conceiving relationships between companies and institutions must change. In 2013, when I returned to Italy as CEO of Microsoft, I naively thought that the Italian government would immediately call me to establish a dialogue. But nothing happened. There were meetings related to technical aspects, but never a high-level discussion on development models or mutual needs there should be an understanding of. As if the companies are too biased to participate in the debate about policymaking. In my opinion, however, it would be the responsibility of a government to convene technology companies, as well as other strategic industries from energy to health, and turn those working groups into permanent task forces that elaborate a common strategy suggesting what should be done and how to do it in every country or at the EU level.

➜ *You dedicate a long letter to young people on these issues. Your book, however, speaks above all to the generation that holds the levers of power today*

Today's ruling class can either make major mistakes or lead us towards the solution. The best way to make the right decisions is to open up to dialog, not to shut it down. The pyramidal model that has dominated companies for 50 years is now outdated and continuing to think of companies this way is like wanting to drive a car while looking in the rearview mirror. On the contrary, flat organizations must be favored, aware that everyone has knowledge, not only those at the top but those who are around them, and those that are involved with the key activities of the organization, thus at the heart of the value chain. We need to draw from everyone, and above all from young people who are the consumers of the future.

➜ *In a chapter on the frontiers of ethics you write that "for digital players, the discussion soon won't be about what are the activities they do to comply with existing rules, but rather what are the businesses they should decide not to enter". How did you behave in this respect at Microsoft or IBM and what perspectives do you see on this issue in the long term?*

In both the companies I led, the sense of ethics was profound, the rules were particularly strict and for this reason certain businesses were rejected. The question I ask, however, is another: is it normal for these issues to be the responsibility of companies? This scares me a little. For this reason, in the book I propose a solution similar to the one identified by the French government with the Sapin II Law, which oversees the governance of anti-corruption processes in companies: a highly competent team is created, which carries out audits in companies, assessing their maturity on certain parameters and indicating the aspects to be corrected and those to be sanctioned. While carrying out this activity, however, the same team interrogates companies to learn in what direction they are moving, so that in the next audit the verification parameters are increased and updated. Therefore, positive models are crystallized, becoming a shared asset and a benchmark that pushes the entire industrial system to move in that direction. The same thing should happen to AI at the European level. Public powers shouldn't tell companies exactly what to do or how to do it, but how they should position themselves in a virtuous circle of continuous improvement.

➜ *This should also help remember that the real goal of the digital revolution, and more generally of technology, is to improve the quality of life and not just the economic system*

This is why I argue that Europe does indeed have a chance to be a world leader. Because from the point of view of philosophical values, its contribution is so important, that Europe deserves to become a vehicle for knowledge for the creation of new business standards for the future, in order to make them more equitable, inclusive and sustainable.

➜ *What role do you see yourself in in the next decade?*

After two American multinationals, I wanted to dedicate myself to a European company, and I chose ION Group, that helps companies use data and algorithms to change the way they make decisions and transform their operating models. In the meantime, I am always happy to share ideas and perspectives about innovation with other companies and with governments, all those who are willing to understand how these digital models work. It is the theme that I know best and that I am most passionate about.

➜ *Would you accept if they offered you the post of commissioner to guide the Italian or European digital transformation?*

Now is not the time. But in the next decades who knows! ■

THE BOOK

The EU leading the digital revolution? It is not a utopia according to Carlo Purassanta, vice president of ION and author of A Crucial Impetus (*Lo slancio decisivo*. Il decennio determinante per il nostro destino industriale, Egea, pp. 216, €19.90). Drawing from examples and case stories from his experience as a manager at the helm of hi-tech multinationals in various countries, Purassanta illustrates the different ways in which Europe could use the extraordinary resources and deep values at its disposal, to overcome the disadvantage accumulated with respect to America and China, and transform its industrial fabric and produce new forms of prosperity in the next decade. Above all, Europe's role is crucial to transform progress into truly collective well-being.


MARK LEONARD
L’era della non-pace
Perché la connettività porta al conflitto
Prefazione di Marta Dassù
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