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BOCCONI UNIVERSITY, KNOWLEDGE THAT MATTERS

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Demography, artificial intelligence, rising inequality, geopolitical crisis, the revolution in rights, all point to a demise of the world we have inherited. Bocconi researchers, alumnae and alumni look at these trends to manage

THE SOCIETY OF THE FUTURE


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The future takes shape

Knowledge of the past is an aid to understanding the present and guiding the future. The famous quote by Thucydides, a fifth-century BC Greek historian, acquires a whole new meaning that goes beyond the boundaries of history and reaches all fields of social sciences today, in the age of big data. Today, data amassed in the past, whether about macroeconomics or elections, consumer habits or demographics, is the sustainable fuel of every researcher and policy maker who wants to understand the reality around us and identify the ways, of legal but also cultural nature, to steer indispensable changes.

Thinking about demography, for example, and specifically about Italy, data analysis shows us an aging Italy, an Italy in which new births (400,000, a record low) do not balance for deaths (700,000). An Italy that needs more immigrants-workers as well as new families. An Italy that needs to adjust the course of the demographic ship through innovative or best-practice inspired policies. An Italy, though, where limited public resources make it necessary that change begins from the economy, from businesses that have to roll out more welfare-related initiatives, including more support to families. A new vision that can have an impact on inequality and ensure integration of immigrants as well as inclusion of new Italians. We need a new pact between all actors of the economic system: foundations, organizations and civil society. And it is precisely this pact that we want to support and present at Pact4Future, the international forum that Bocconi is organizing with Corriere della Sera from March 25 to 28: 4 days, 9 events, over 80 speakers. We will showcase best practices, meet visionary scientists and entrepreneurs, activists and artists who use creativity to change the world. We will talk about a shared future between Europe and Africa, dive into the oceans and fly into space because the Blue and Space Economy will increasingly provide sustainability for the planet. We will meet refugees who have been able to change their fate and those who helped them do so. We will look at the future through the lens of the past and with a social science approach. We invite you to join us in this alliance and play a part in the change needed to build a more inclusive and sustainable future for all.

Francesco Billari
Rector

Changed b

Bocconi women who have challenged stereotypes and changed their own futures. Women who, on March 8, told their stories on the Bocconi stage for the launch of the 'Changed by Women' project: an event and a book to inspire, a mentorship program to give advice, a roadshow in which to discuss together and a Women Fund to support female students

THE PROJECT Started with a book telling 99 extraordinary stories of Bocconian women, tied to a fundraiser, the 'Changed by Women' project will continue throughout the year with a series of events and a mentorship program

THE VIDEO A DJ set, two TED talks and three moments of discussion between women from very different paths. As well as drinks toasts and lots of photos all together. In this playlist all the highlights of the Changed by Women event

THE PHOTO GALLERY It was an evening of music and stories that played out on the stage of the Bocconi aula magna. Here is a link to photos of the event, which also featured a DJ set by Elasi, a Bocconian singer and producer

THE WOMEN FUND Inspiring and advising, but also supporting: the Bocconi Women Fund's fundraising campaign continues. To support the next generation of female students

THE ROADSHOW The 99 of Changed by Women will also feature as ambassadors with a series of meetings around the world. Here is the Bocconi Alumni Community calendar to keep an eye on them

by women

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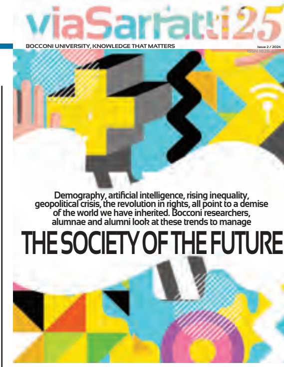

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POPULATION

by Letizia Mencarini, Roberto Barbieri, Guido Alfani,
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Nicolò Cavalli, Nicoletta Balbo, Arnstein Aassve

A world that travels at different speeds

India's population has surpassed that of China, which is decreasing, while African countries are increasing rapidly: in 2050 Nigeria will be the third most populous country in the world and the population of the African continent will be a quarter of the world total. In this scenario of profound changes, it is difficult to think that the new demographic variables will not have geopolitical impacts

by Letizia Mencarini @

LETIZIA MENCARINI
Full Professor
of Demography,
Bocconi University

In 2023, two momentous events took place. The first concerns India, which has become the most populous country in the world with one billion and 429 million inhabitants, surpassing China by a few million and sailing fast towards the goal of one and a half billion. The second concerns China, which has reached the peak of its growth, starting to decline. Two billionaire giants numerically similar, but with a profoundly different structure and demographic future. China, with a very low average fertility rate of around one child per woman, is heading not only towards an inexorable decline in population, but also towards rapid aging. India, on the other hand, has only recently reached a replacement fertility level, i.e. just over two, and will see its population continue to grow inertially by more than 200 million between now and 2050, when it will

reach the peak of its workforce: 800 million people of working age. This is exactly as many as China has today, as it declines after the 2011 peak.
The divergent demographic destinies of India and China are just one example of the world's unequal and turbulent demographics. This context sees the co-existence of countries that have completed their demographic transition (the decline in mortality followed by the decline in fertility) for more than half a century with countries where the transition has only just begun. Demographically "mature" populations are numerically stagnant, or in decline, and progressively aging; those furthest back in the transition are still growing fast and are very young. Convergence is still a long way off, both in mortality, with 20 more years of average life expectancy in the former than in the latter, but above all in fertility.
And it is precisely on fertility levels that the numerical and structural change in the population depends most. South Korea, as well as Singapore, Hong Kong and Taiwan, have reached a record of not even one child on average per woman, They will follow the fate of demographically "mature" places such as Japan, where fertility has been very low for decades, the population is declining at a rate of 0.7% per year - which means a loss of over 22 million inhabitants equal to 18% of the total population by 2050 - and the aging of the population is fast and inevitable (already almost 30% of the population is over 65 years old).
At the other end of the spectrum, Niger has a record average number of children, close to seven per woman, half of its population under the age of 15 (and only 3% over the age of 65), is growing at a rate of 3% per year, and will see its population double by 2050. A destiny shared with other countries in the area, such as Mali, Mauritania, but also the Democratic Republic of Congo and Somalia.
The different pace of population growth in different areas of the world is changing the relative weight of populations. In 1950 the world had only 2.5 billion inhabitants and among the ten most populous countries in the world, led by China, which then had just over half a billion inhabitants, there were three European countries (Russia, the United Kingdom and even Italy) and no African countries. Today, when we have exceeded a total of eight billion, there are no longer European countries among the most numerous, but there is an African country, Nigeria with 218 million inhabitants. In 2050, in the face of a probable increase in world population of 1.7 billion inhabitants, the ranking of the ten most populous countries in the world will include three African countries. Nigeria with over half a billion inhabitants will take third place after the Asian giants at the expense of the United States, but the Democratic Republic of Congo with over 400 million inhabitants and Ethiopia with over 300 will also enter the ranking.
Such a change in the ranking in fact means an ever smaller relative weight in terms of population for the Western world and for Europe in particular. If we look at the trend by continents, in 1950 the African population represented just over 9% of the world's population; today it represents twice as much and in 2050 it will reach a quarter of the world's population (and will continue its run even beyond). Asia, now at almost 60%, will account for a little more than half of the world's population in 2050, similar to where it stood in 1950. The Americas will fall slightly, from 13 to 12 percent. Europe, on the other hand, which had 22% of world population 1950, today is at 9.3% and in 2050 it will be at 7.4% (if anything, it has increased slightly only due to international migration and certainly not to national birth rates). The current European Union, equal to 5.6% of the world's population, will lose one point between now and 2050.
Certainly, in today's world, "numbers are no longer power", as was considered in the preparation of national armies centuries ago, but neither can we think that demographic change at such different speeds will have no geopolitical impact. Countries that are still demographically vibrant have an abundance of young people to educate and include in the labor market, while rich countries in demographic decline fear the generous welfare threatened by the strong growth of the elderly and the marked decrease in the number of young people. What will be the relationship between the different areas of the planet, engaged in such different challenges? Will changing geodemographics weigh on international political arrangements? A few pairs of opposing numbers referring to 1950 and 2050 can make us reflect on future international balances in a couple of decades: China was 45% larger than India in 1950 and will be 15% smaller a century later; the northern shore of the Mediterranean (i.e. Southern Europe) had twice the population of North Africa and will be two-thirds smaller a century later; the United States was five times more populous than neighboring Mexico and will be only a little more than twice as populous; the United States had one and a half times the population of Russia and will be three times as numerous; Japan was a quarter of India in 1950 and will be only one seventeenth in 2050. And we could go on ■

THE CENTRE

The Carlo F. Dondena Centre for Research on Social Dynamics and Public Policy is an international centre for applied research based on an interdisciplinary approach to the analysis of Population and Social Dynamics, Politics and Institutions, Taxation and the Welfare State and Health and Society. Its researchers develop and adopt innovative analytical methods to understand and evaluate complex relationships and changes over time. The Centre's work is organized into three Research Areas (Population and Social Dynamics, Welfare State and Taxation, Politics and Institutions) and two Labs (AXA Research Lab on Gender Equality, SI Lab - Social Inclusion Lab)

This is not a society for young people, women and foreigners

Vulnerabilities increase where these three disadvantage factors meet, explains Roberto Barbieri, alumnus and general manager of Oxfam Italy. And in an Italy that shows no signs of reversing the trend, social problems will become deeper

by Camillo Papini@

There have always been divisions within Italian society, only today they are deeper and make their way faster. But above all, when these fractures cross, the fault line sharpens. "Growing phenomena of vulnerability emerge precisely where there are intersections of multiple factors of disadvantage, where divisions meet,"clarifies Roberto Barbieri, CEO of Oxfam Italia, an international NGO that presented its annual report on inequality at the World Economic Forum 2024 in Davos. In everyday life, for example, there are three categories that are particularly affected, according to the Bocconi University alumnus with a degree in Economics and Social Sciences (DES): young people, women and foreigners. In the world of work, they are affected by factors such as the proliferation of atypical fixed-term contracts and low wages. Young people in particular face the prospect of retiring with the contributory system and receiving more modest pensions than those who preceded them. On the other hand, with regard to women and families, we must also consider the lower resilience of the social aid network which, in turn, is accompanied by deficient policies for reconciling family and work and endemic under-investment in social infrastructure. As for foreigners, there has always been little attention to social and work inclusion. All these factors "unfortunately make it probable that a future society will have problems that are deeper and have wider repercussions than today," Barbieri points out. He cites two more phenomena in a country that, moreover, shows no signs of reversing the trend. The first is that more and more young people do not feel motivated either to study or to work (the so-called NEETs, Not in education, employment or training); the second is that children born in Italy into families with few starting resources are more likely to remain in underprivileged conditions for most of their life. Simply put, the social elevator is broken. So, again according to the CEO of Oxfam Italy, it is true that all these are global trends, but it is equally true that the Italian peninsula has recovered only weakly from the latest crises. "In fact, it has never recovered," Barbieri reiterates, "because various elements weigh

ROBERTO BARBIERI is Director General of Oxfam Italy. A graduate of the Economic and Social Disciplines (DES) program at Bocconi University in Milan, he has also worked for Unicef, consulting firms, local authorities and Italian third sector organizations.

heavily, such as the loss of competitiveness of the overall system, the absence of a national industrial policy, jobs with low added value and low wages (such as in services), as well as a decreased progressivity of the tax system."

If these are some of the causes that divide Italian society, their intersections follow paths of variable geometry. The growing phenomenon of the working poor, for example, affects many citizens across the board, including the middle class. In the long run, pensioners who are less well-off will not be able to help their children and grandchildren as they once did. For its part, the non-profit organization, which has been active for over 80 years and is present in more than 85 countries around the world, has presented the Equality Agenda (www.oxfamitalia.org/report-inequality) and is launching the petition La Grande Ricchezza (www.oxfamitalia.org/ lagrandericchezza) to introduce a European wealth tax on large wealth, as one of the possible answers. The objective is to improve the fairness of the tax system and provide financing for health, education and the fight against climate change (affecting only assets of 5.4 million euros or more, owned by the richest 0.1% of the Italian population). How are the issues of inequality received in Davos? "They are now perceived as unavoidable corrections to certain mechanisms," Barbieri replies. "There is a growing conviction that all companies, and especially large economic and financial groups, must respect the rights of workers in their supply chain. And by rights, I mean everyone, from the quality of work to a living wage" ■

Why does wealth not defeat poverty?

Similarly to what happened during the dawn of capitalism, we are witnessing a widening of the gap between the one-percenters and the less well-off. But since inequality reflects the political organization of society, we must ask ourselves where we are going and what direction our societies should take

by Guido Alfani @

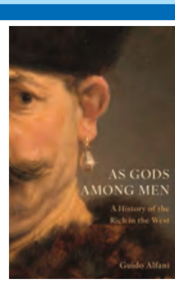
Today rich societies are, from the point of view of the availability of material resources, way richer than any other society in the past. Unfortunately, however, this statement makes sense only if it is referred to the average of the population (that is, to measures such as per capita GDP). If we look at the most recent statistics about the prevalence of poverty in OECD countries, almost everywhere in 2022 the poverty rate was over 10%. The Unites States, one of the richest countries in the OECD club, stood out for a poverty rate of 18%.
How can great wealth and widespread poverty coexist, in the United States and elsewhere? The answer lies in the distribution of income and wealth - in fact, it must be clarified that the poverty rate is an intrinsically distributive concept, as it consists of the share of population with an income which is less than half than median income. This characteristic can sometimes lead to paradoxical results, but for today's societies there is no doubt about the proper interpretation of this indicator, since other measures, such as absolute poverty, confirm the persistence of poverty in rich societies. In recent years, in many countries the situation has even worsened, for example in Italy, where the National Institute of Statistics (ISTAT) estimated that in 2022 8.3% of families were in a condition of absolute poverty (that is, they did not earn an income sufficient to purchase a minimally acceptable basket of goods and services), with a marked increase compared to 7.7% in 2021. At the other extreme, in the same period most OECD countries saw the income share of the richest grow, or at most remain stable.
The combination of increase in the income and/or wealth share going to the most affluent with increase in poverty (absolute and/or relative) is not at all rare in the history of the West. On the contrary, during the early modern period we have evidence that this might have been the norm, so that on the eve of the French Revolution of 1789, in many areas of Continental Europe a large part of the population could not have

GUIDO ALFANI
Full professor of Economic history, Bocconi University

survived poverty without receiving regular support, in the form of public or private charity, while an even larger part of the population risked falling into a condition of absolute poverty at each and every crisis, thus experiencing a situation of constant incertitude carrying heavy human and psychological consequences. Simultaneously, income and wealth inequality increased to unprecedented levels, without any signs of stopping.
Another aspect to be highlighted is that during the early modern period, these tendencies were found both in the regions of Continental Europe (especially in the North) which were enjoying a phase of relatively quick economic growth, and in the regions (especially in the South) that instead were facing a long phase of stagnation. In other words, the historical evidence does not in any way suggest that the improvement in the average conditions of the population - that is, an increase in per capita GDP - automatically leads to a reduction in the incidence of poverty. Similarly, history does not in any way suggest that the increase in inequality is simply a collateral effect of economic growth.
The point, then, is that in any human society, today as in the past, the distribution of economic resources mirrors, first of all, the way in which society is organized. At the end of the early modern period, the high polarization between a large number of poor on one side, and a small economic élite able to concentrate a large share of total wealth in their hands on the other (the one-percenters of the time probably owned more than half the overall wealth) reflected a structurally unequal society, formally divided into orders with different rights and juridical status, where the humblest strata basically depended upon the goodwill of the rich. It is still a matter of discussion whether the French Revolution was triggered by growing economic inequality, but what is certain is that, from the very beginning, it was a revolt against the established social order. The "égalité" demanded by revolutionaries was, first of all, an equality of rights, not a demand for economic equality.
Nevertheless, in the situation that today characterizes many among the richest countries in the world, with persistent, widespread and even growing poverty, a large share of the population in need of public help (a percentage regularly expanded by the succession of crises of various kind), growing concentration of income and wealth, and the suspicion that economic and political power are steadily intertwined - so that there is suspicion that the actual access of citizens to government institutions has become somewhat unequal - it is worth asking: what kind of social organization are we heading towards? And what will the medium - and long-term consequences be? ■

THE BOOK

Wealth is, rather obviously, a sign of inequality. Guido Alfani, of Bocconi's Department of Social and Political Sciences, has described the evolution of social inequalities and of the attitudes of common people towards the rich over the last 1,000 years. Alfani's book, "*As Gods Among Men*", published by Princeton University Press, won significant acclaim on international media and is now available in Europe after its release in the US at the end of 2023



What the pandemic has taught us about poverty reduction

There are several policy lessons coming from the recent past which cannot be ignored for the future. In the US, the poverty-reducing measure of the expanded Child Tax Credit, now unfortunately reversed, points to considering the cumulative effects of poverty along the effects that economic hardship has on people at every point in time

by Zachary Parolin @

When the Covid-19 pandemic brought labour markets across Europe and the United States to a standstill in 2020, poverty rates threatened to rise. In the US, however, the federal government offered unprecedented economic relief that not only prevented an increase in poverty, but actually managed to cut child poverty in half in 2021, achieving the lowest child poverty rate in the country's modern history. Recently, however, the U.S. Census Bureau revealed that much of that progress was lost in 2022: child poverty rates increased dramatically from 2021 to 2022, climbing back to their pre-Covid levels. What lessons should policymakers in the US have learned from Covid-19 for maintaining low poverty rates moving forward? In my new book, *Poverty in the Pandemic: Policy Lessons from Covid-19*, I emphasize ten of such lessons, a couple of which I preview here.

First, if the U.S. wishes to get back to its record-low child poverty rates, it should return to the policy that made it possible: the expanded Child Tax Credit (CTC) which in 2021 provided cash payments to nearly all families with children regardless of their parents' employment status. The consequences of the temporary CTC expansion were vast: it immediately cut monthly child poverty rates by around one-third, contributed massively to the record-low child poverty rate in 2021, temporarily brought the U.S. child poverty rate in line with Germany's, had the American welfare state cutting child poverty at the rate of Norway, cut food

ZACHARY PAROLIN
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hardship among families with children by around one-fourth, had no meaningful short-run consequences for employment, and increased low-income families' consumption at child care centers and grocery stores.

Despite a record-low poverty rate in 2021, however, low-income families still struggled mightily during the pandemic, emphasizing a second takeaway: reducing point-in-time poverty rates, while an important policy achievement, is far different from eliminating the disadvantages associated with cumulative poverty exposure. Poverty is not merely a point-in-time state, but an economic condition that, once experienced, often lingers throughout one's life, inflicting costs that range from poorer health conditions to reduced long-run economic opportunities. This was never more evident than at the onset of the pandemic.

At the start of 2020, the average Black adult who was in poverty had also spent 57% of their childhood in poverty, compared to 20% for the average white adult in poverty. These disparate experiences of poverty, accumulating from birth onward, contributed directly to racial/ethnic disparities in health and employment outcomes at the onset of the Covid-19 pandemic. Cumulative exposure to poverty from childhood through the onset of the pandemic helps to explain why adults in the highest-poverty counties in the U.S. had a Covid-related death rate nearly twice that of adults in the lowest-poverty counties, equivalent to the

gaps in death rates between Germany and Romania in the European Union.

The policy response thus cannot stop at reducing current economic hardship, but also must focus on proactively narrowing long-run disparities in economic opportunity. This includes, as one example, better monitoring of federal education funds to ensure that they are more appropriately used to offset pandemic-induced learning disparities. In my book, I document several other policy lessons emerging from the pandemic which can reduce economic disparities moving forward. The Covid-19 pandemic offered many lessons for improving economic well-being in the U.S. beyond the pandemic. We witnessed the menacing consequences of poverty, but also the enormous power and capability of the state to reduce poverty and improve well-being among households going through difficult times. To not apply these lessons moving forward would go to the detriment of all those who happen to experience life as low-income residents in America ■

THE ERC GRANT

The European Research Council (ERC) has assigned a Starting Grant to Zachary Parolin, Assistant Professor at Bocconi Department of Social and Political Sciences, to take a fresh look at poverty. His project (ExpPov - The Experience of Poverty in the Post-Industrial Economy) has the ambition to reset the field's understanding of the social mechanisms through which poverty is experienced and reproduced.

The flight of the honest

Migrants tend to be more honest than those who stay in their places of origin. As a result, those countries are deprived of social capital, with negative effects on productivity, growth and the quality of institutions

by Massimo Anelli @

Discussion of the impact that emigration has on places of origin often focuses on the concept of "Brain Drain". The departure of so many young people with university education and the consequent loss of their contribution to the productivity of their countries of origin is a very strong concern in countries subject to high emigration, starting with Italy. Brain migration impoverishes some areas of the world and enriches others.

However, it is important to consider that migrants tend to "select" themselves not only on the basis of their education or skills. We know that migrants tend to be more entrepreneurial, more open to political change, and have different demographic preferences than those who stay in their place of origin.

A recent study I wrote with Tommaso Colussi and Andrea Ichino shows that those who emigrate tend to be more honest than those who stay in their place of origin.

This empirical evidence has been developed thanks to the study of a very particular historical phenomenon. In fact, demographers have long detected the phenomenon of falsification of dates of birth in various countries around the world. Even in Italy until the 1950s (when doctors assisting births in hospitals began to directly certify the date of birth), in some places more than others, some parents of babies born in December decided to declare the birth to the institutions only on the first of January. Parents declared a false date of birth in order to influence a better placement of their children according to age in areas such as education, sports and enlistment in the army (compulsory in Italy until 1985). In addition, the postponement of the date of birth to January could be aimed at delaying the child's entry into adulthood, also influencing the timing for marriage or the end of the children's contribution to the family economy in a mostly rural era.

This phenomenon gave rise for many decades to an unnatural decrease in births registered in the last month of the year and a corresponding abnormal increase in registrations in the first week of January, and has made it possible to exploit local variations in registered births as an indicator of honesty. In fact, it has been shown that citizens who emigrate are less likely to have a false birth certificate than those who remain in their territory of origin.

MASSIMO ANELLI
Associate Professor of Public finance, Bocconi University

Therefore, it seems that honest people are more likely to migrate. In the long run, this produces changes in the average level of honesty of a territory and is correlated with lower levels of human capital, productivity and earnings growth.

In particular, the great migration of the last century from the south to the north of Italy has substantially changed the degree of honesty of areas of the country as the degree of honesty, measured by this probability of falsification of the date of birth, of those who moved to the north is statistically higher than the degree of those who remained in the south.

It is also interesting that not all areas of southern Italy have suffered the flight of honest people. Some areas experienced a major loss in terms of honesty, while others had no losses at all. Thanks to this variation, it is possible to study to what extent the loss of honesty is correlated with institutional and economic performance indices of different cities in the South.

The data show that the decrease in honesty is significantly correlated with a lower quality of the political class. In particular, mayors and other elected officials of a municipality that has suffered a stronger exodus are also more likely to be chosen from among those who have falsified their date of birth. In this regard, if honesty is measured in terms of accuracy in civil records, elected officials almost perfectly reflect the

LEGGI L'ARTICOLO IN ITALIANO

THE PAPER

Rule Breaking, Honesty, and Migration, by Massimo Anelli, Tommaso Colussi, and Andrea Ichino

honesty of their constituents. In addition, municipalities that have suffered a more serious flight of honest people are also more likely to be dissolved due to serious wrongdoing such as corruption or even involvement in organized crime. In terms of economic performance, the flight of honest people correlates with significantly lower values of education, income growth, business value added and labor productivity. In conclusion, the phenomenon of the "flight of the honest" leads to an impoverishment of social capital and average honesty in places with high emigration, which in turn can have a strong negative impact on the productivity of these same places. At the same time, the flight of honest people could at least partly explain geographical differences in the degree of respect for the rules and civic sense between different areas of Italy and the world. Therefore, the areas where the "flight of the honest" has been most intense seem to be most at risk of being stuck in a vicious circle of a weak propensity to respect the rules and a growing propensity to emigrate among citizens with a greater sense of civic duty ■

Occupational downgrading puts me

Immigrants tend to be overqualified for the low-skilled, high-risk jobs they tend to take. A research study shows that this fact increases the risk of mental disorders

CARLO DEVILLANOVA
Associate Professor of Economics, Bocconi University

by Carlo Devillanova @

One of the avowed pillars of the EU's common migration policy is the ability to attract talent and skills that are capable of contributing to the dynamism of our economies. At the moment, this objective clearly contrasts with the difficulties of integrating foreign-born workers into labor markets, although major differences between European countries still remain. Ample empirical evidence demonstrates how immigrants tend to be employed in precarious and low-skilled jobs, often working in poorly regulated sectors and doing high-risk tasks (so called 3-D jobs - Dirty, Dangerous, and Demanding, as per Moyce and Schenker, 2018). An aspect immediately worth noting is that this phenomenon does not correspond to lower skill levels for immigrant workers. In fact, the data indicate that many of them suffer from significant occupational de-skilling in their jobs in the destination country, compared to the work they used to do in the country of origin (labeled occupational downgrading), resulting in high rates of overqualification, with respect to education and, more generally, the skills acquired. This phenomenon is even more marked for immigrants who do not possess the legal requirements to reside and/or work in Europe and who, therefore, cannot have their formal qualifications recognized.
The direct economic costs of underutilizing the skills of the immigrant workforce are well known. The literature has also investigated how occupational downgrading can also lead to negative consequences in terms of psychological well-being, which add to the psychosomatic stress factors associated with 3-D jobs, something that negatively affects the prospects of integration in the labor

market and, more generally, the social fabric of the host country.
From an empirical point of view, these links have been extensively studied for the native population. Indeed, recent studies show how the loss of employment status has a causal impact on the mental health of workers in general, a result that can

ntal health at risk

be reasonably extended to immigrant workers. However, data on employment trajectories are scant for migrant labor and the available evidence focuses on the correlation between mental distress and occupational overqualification in the destination country, assuming that the latter is caused by occupational downgrading upon arrival in the destination country. Furthermore, there are no studies on the relevance of the phenomenon for irregularly residing immigrants.

In a recent study, together with Anna Spada and Cristina Franco, I used the precious dataset of NAGA, an association of volunteers working for the social protection and health care assistance and advancement of rights of foreigners and of Roma and Sinti populations (www.naga.it). These data allowed us to construct an exact measure of occupational downgrading and correlate it with the medical diagnosis reported. Furthermore, the sample allowed us to look at the experience of undocumented immigrants. The results demonstrate that immigrant workers who experience occupational downgrading have a considerably higher risk of suffering from psychological disorders.

The above highlights the importance of considering the impact that migration policies in their entirety, including restrictions on entry and integration policies in the labor market, have on the health of migrants. In particular, during he periods of irregularity which frequently characterize migratory paths, the barriers to accessing the job market have consequences on mental well-being of migrants which add to all the other stress factors to which these individuals are constantly exposed. These factors risk contributing to widening social inequalities between natives and immigrants, as well as reducing the potential contribution of the latter to the dynamism of our economies ■

The pandemic of the future could be silent

"It's time to choose in which direction national health systems should go. The future is not rosy and we need imagination to rethink it", says Francesca Colombo, alumna and head of the Health Division of the OECD. A future where the development of AI could help, but which could also see the arrival of new types of health emergencies

by Camillo Papini @

There was Covid and there will be other health emergencies, perhaps less serious but probably more frequent. Added to this are economic and geopolitical crises, which drain resources from government budgets, while a balance still needs to be found in introducing new digital technologies in the management of national health systems. This is why today the Italian and international health care sectors find themselves at a turning point: "We need to understand which fundamental services we must concentrate our resources on the near future, considering a global context in which, above all, the

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population tends to increasingly age, the demand for quality health services grows, and the contribution of technology, which is certainly positive, however entails greater costs”, states **Francesca Colombo**, head of the Health Division of OECD, the organization that brings together 27 of the world’s advanced economies and has among its objectives precisely the rethinking of current economic models that are experiencing stress or difficulty.

Overall, therefore, the public budgets of OECD countries recorded an average health care outlay equal to 15.5% of total public expenditure in 2021, up compared to 14% in 2011, with the particular case of Italy going against the trend with 12.4% in 2021 down from 13.2% in 2011. In 2022, health care costs accounted for 9.2% of GDP on average in OECD countries, and 9% in Italy, again according to OECD data.

“The post-Covid spending trend sees on the one hand a contraction as a consequence of the return to normality”, underlines Colombo, who graduated in Economics and Management from Bocconi University, «but also new costs and further expenses that end up having an impact, such as those dictated by international conflicts that divert available financial resources. For these reasons, it is time to choose which direction health care should take, which path society itself wants to take about health systems. The future is not rosy and imagination is needed to rethink health care and maximize its benefits.”

However, “the prospect is to guarantee better performing services to a population that has better life prospects than in the past and more personalized assistance, so-called precision medicine, in a sector where private provision of health can be a complement to the public one, as long as it does not create inequalities in access to services, their quality and the quality of assistance of medical personnel, whose homogeneous presence on the territory is another important challenge”, says the OECD official. «However, the question mark remains on whether, for example by aiming for greater customization, we risk losing economies of scale, and, despite preventive cost-benefit evaluation, new technologies could lead to a growth in costs that casts doubt on their net benefits.” In short, we foresee an evolving scenario in which AI is introduced and, if it is well managed according to responsible and ethical use, could bring important benefits. Just a few examples include the optimization of clinical procedures, the acceleration of research and development, greater accuracy of diagnoses, without forgetting the reduction of duplication and waste.

What types of more frequent health crises should we get used to? “The hope is they won’t be as serious as Covid”, concludes Colombo, «but the next emergencies will not be triggered exclusively by pathogenic elements but also, for example, by resistance to antibiotics, the so-called silent pandemic, or to climate change which, among other things, causes peaks in temperatures that are hazardous for various segments of the population.” ■

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Top-down policies don't work very well

Concerted action with social actors is needed for the entire family support system to produce results from a demographic point of view. Furthermore, good welfare policies in private companies exist, but they are still too few

by Nicolò Cavalli @

The need of an effective social governance, i.e., a principle of concerted coordination among social actors, becomes apparent when the governmental approach, relying on political command and the power of the law, begins to falter. In Italy, few arenas make the failure of the principle of government more glaringly apparent than in the area of the policies meant to support fertility and parents. Year after year, different governments have experimented with an efflorescence of initiatives aimed at offering the correct policy mix to support young adults and new households, with the ultimate goal of fostering the ever-low birth rates recorded in the country in recent decades. Over time, these initiatives have included the so-called Baby Bonus (bonus bebè) introduced in 2013, the Family Act of 2016, the 2017 strengthening of maternity and paternity leaves, with incentives for fathers to take longer parental leaves, the Nursery Bonus in 2018, as well as several attempts at extending these policies in the aftermath of Covid-19. Nevertheless, Italian fertility has kept decreasing, reaching the record low of 393,333 new births in 2022, when, for the first year in history, fewer than 400,000 babies were born. ISTAT, Italy's national statistics agency forecasts that, by 2050, the country's population will decline by about 5 million, shrinking to 45.8 million people by 2080.

ISTAT forecasts, which for the first time have incorporated qualitative expert opinions following an important recent methodological update in the Institute's population projections, underscores the structural and long-term nature of this demographic change. Against this backdrop, even the new set of policies most recently announced by Prime Minister Giorgia Meloni with the explicit objective of increasing fertility, are highly likely to miss their intended mark. As noted by lavoce.info, these measures are likely to be underfunded and too narrow in scope, as they target mainly higher-order births (families with 2 or more children) without addressing the broader need for universalistic services and structural reforms. Higher fertility is desirable not only because demography ultimately governs the long-run economic dynamics of a country, but also, and possibly mainly, because transitioning towards parenthood still remains key in people's desires and life goals. Instead, the young (and less young) in Italy today struggle to achieve their own family goals, in ways that are deeply affecting the country's future population makeup.

Given the inadequacies of government policies to reverse this trend, ever more frequently, a phenomenon is observed, with social actors organizing themselves to provide the needed support in people's lives. Initiatives by firms to support families are becoming more common: among these, Barilla extended the paternity

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THE EVENT

On April 5, Bocconi University partners up with A2A to present a research report on fertility and corporate welfare in Italy. This event will represent the first step towards the involvement of a larger number companies towards developing and adopting a research-backed, comprehensive set of corporate policies in support of employees who are already parents, or who would like to have children. This incipient partnership enriches Bocconi not only in promoting the study of fertility and parenthood, but also in devising solutions and policies to close the gaps in welfare services that are negatively affecting Italy's future.

leave to 12 full-pay weeks, showcasing a commitment to gender equity and support for new parents. Kellogg Italia focuses on supporting employees through for exemple treatments for fertility and menopause, offering paid leave and flexible working arrangements without requiring medical certificates, respecting privacy. Crédit Agricole Italia is subsidizing nursery fees for employees' toddlers, addressing a crucial period for children and parents. Such initiatives illustrate a shift towards creating more inclusive and supportive work environments, emphasizing the importance of parental support in enhancing employee well-being and equality. Italian companies have historically lagged behind other countries in corporate welfare; therefore, these steps are more than welcome towards closing the long-standing service gap with respect to children, parents and parents to be. At the same time, an ever-deeper attention of researchers is needed at this juncture, to fully understand the effects of these policies within and beyond these first movers, and to keep the alert high on the need of universalistic solutions to support the difficult life course transitions and the fulfilment of family ideals experienced by the young, the unemployed and the underemployed, as well as those living the deprived areas of the country ■

Disability is a family issue

The mental and physical health of parents, the primary caregivers of a child with disability, is often affected by their child's condition. Especially if families are left alone to deal with disability and without support in managing a complex care system

by Nicoletta Balbo @

Disability is a condition that not only limits the life of the person affected, but also disrupts that of all the members of the family household, creating a multiplier effect of disadvantage. When disability affects a minor, parents are the first in line to be affected, since they are the main caregivers of the child or young person. This is true in general, but it takes a starker relevance in a context like the Italian one, characterized by a family-based welfare system, where the family is considered the provider of first resort for the welfare of all its members, especially in case of illness. This is accompanied by an increasingly family-centered health and care system, where the key role of the family in the diagnostic, medical and care path of minors with disabilities is acknowledged. Such a care system should enhance the informative and "directing" role of the family, and at the same time offer adequate support to the latter, with the idea that the well-being of the child with disabilities also passes through the well-being of all the other family members, primarily parents and siblings.
Unfortunately, this support is insufficient, and what happens is that families are left alone to deal with and manage their child's disability, which inevitably becomes a source of disadvantage for all family members, capable of having effects on the lives of parents and siblings even in the long term, changing their life paths. One of the ways in which a child's disability affects the lives of parents is through the effect it has on the mental and physical health of the mother and father.
In a recent study published in the *European Journal of Public Health*, my colleague Danilo Bolano (Dondena Centre) and I showed how a child's disability has a negative effect on the mental health, self-reported health and general well-being of parents. This study was conducted using data from the annual ISTAT "Aspects of Daily Life" survey for 2018 and 2019, based on a representative sample of approximately 7,000 families, of which about 6% declared they had a child who had limitations in carrying out their daily living activities.
The negative effects on health, and in particular on mental health, are particularly strong for mothers, who, as main caregivers, dedicate much of their energy and time to caring for their child with disabilities, abdicating their career and free time in a quasi-normative perspective of self-sacrifice.
Within a gender system that sees the mother as primarily responsible for the care of family children, the presence of a child with disability only increases the burden of care for the mother, inevitably making her more vulnerable to stress, fear of the future and stigma.
In addition to gender inequalities, there are also important differences that depend on the socio-economic status of the parents. Less educated mothers and fathers are more exposed to the negative effects on health that are consequence of their child's disability, probably both because they have fewer economic resources essential to cover the higher medical and welfare care costs, and to cope with a single-income family situation, and because they have fewer cultural resources to navigate a very complex school and care bureaucracy ■

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THE ERC GRANT

Nicoletta Balbo obtained a €1.5mln ERC Starting Grant from the European Research Council (ERC) to study the effects of child disability on family members, such as parents, siblings, and grandparents. While the recent approach to disability seeks to understand how disabling conditions are influenced by the individual's social environment, Balbo's project FRAILIFE (Child Disability and Family Life) adopts the symmetrical approach and looks at the reverse relationship: how the individual's social environment (the family first of all) is affected by his or her disabling conditions.

Trust that can be trusted

There is social trust and institutional trust. And if the former is more stable to external shocks, the latter is more sensitive to them. The two can also diverge, as during the pandemic, when mistrust in US institutions towards emergency management corresponded to an increase in social trust

by Arnstein Aassve @

Does people's trust change during turbulent times? Certainly, with a pandemic, soaring cost of living, and geopolitical tensions, that would be reasonable. But when making judgements about trust during turbulent times, one should keep in mind that trust comes in two versions: social trust (also termed generalized trust), and, institutional trust. The first refers to how people trust other people in their society without necessarily knowing them personally. The second refers to the confidence that people have in various institutions under the assumption that they will have had some exposure or knowledge of those institutions. These two trust measures behave very differently. Social trust differs hugely across countries, but is rather stable over time. Trust in institutions also differ across countries, but are way more volatile over time. This shouldn't be surprising, as the two measures capture different concepts. Social trust is a strong proxy of the social cohesion of a society, whereas institutional (dis)trust relates to (dis)content with respect to the institutions that people have to deal with. In other words, in turbulent times, institutional trust changes a great deal - whereas social trust remains stable.

But institutional trust does not always change in the direction you might expect. For instance, during the very first lockdown of the COVID pandemic, institutional trust was at a record high - including Italy. In fact, as Giuseppe Conte, the Italian prime minister at the time, ordered a complete lockdown of pretty much all public services, institutional trust shot up. This is a well-documented phenomenon known as the rally-around-the-flag syndrome. In face of crisis or war, there tends to be an immediate increase in government support. There are numerous examples. For instance, ratings of George W. Bush skyrocketed immediately after the 9/11 attacks in New York. However, this effect is typically short-lived. Data from the "Working, Living and Covid-19 (WLC)", a five round longitudinal survey implemented by EUROFOUND for all 27 EU countries during the pandemic demonstrates a universal increase in governmental support during the first lockdown, which then declined sharply with the subsequent waves of the pandemic.

There are other interesting facets of institutional trust. For instance, not all institutions are the same obviously. One would think that trust in the government might be different from the trust you might have in the health system, for instance, or your trust in the judicial system or the European

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Social and political trust diverge during a crisis, by Arnstein Aassve, Tommaso Capezzone, Nicolò Cavalli, Pierluigi Conzo and Chen Peng

parliament for that matter. Intuitively one would expect trust to differ across various kinds of institutions. But it turns out that levels of trust in these institutions are extremely correlated. That is, in periods where trust in the government is low, trust tends to be low fir the other kinds of institutions, too. This says a great deal about how citizens think about institutions: if you have low trust in one type of institution, then you tend to distrust all other institutions, too.

What about social trust? This measure is a lot less sensitive to external shocks, but there is also here a correlation with institutional trust. On average, whenever social trust is strong, there is also higher trust in institutions. However, in face of shared threats, such as the pandemic, social trust and institutional trust may in fact diverge. A recent three-wave panel survey implemented in the US during the Covid-19 crisis leading up to the last presidential elections, shows that negative perceptions of pandemic management brought about a decline in institutional trust that was followed by a parallel increase in social trust. This feature was particularly pronounced among government supporters (i.e. Republicans), who, confronted with Covid-19 challenges, experienced a substantial erosion of institutional trust. At the same time, the same government supporters experienced a notable rise in social trust. As government supporters attributed more responsibility for the crisis to their political leader, institutional trust was supplanted by social trust. Disenchanted voters, feeling let down by institutions, sought support in society instead ■

JOBS AND WORKERS

by Tito Boeri, Rossella Cappetta, Emanuele Borgonovo and Alberto Grando, Giulia Giupponi, Beatrice Bauer, Colin MacArthur and Heather Yang, Marco Ceresa, Maurizio Del Conte, Alexia Delfino

What the worker of tomorrow will be like

Aging of working population, feminization of the workforce, technological change. These are the three main forces that will shape the world of jobs and the society of the future according to Tito Boeri, professor and director of the Bocconi Department of Economics

by Valentina Gatti @

TITO BOERI
Head of the Economics Department, Full Professor of Labor economics, Bocconi University

The aging of the workforce reflects the aging of the general population, the postponement of the retirement age, and the increase in life expectancy. According to forecasts by the World Health Organization (WHO), in 2030 one in six people will be at least 60 years old, since by 2030 the share of the population aged 60 and over will increase from 1 billion (2020 data) to 1.4 billion. By 2050, the global population of people aged 60 and over is expected to double to 2.1 billion. In particular, the number of people aged 80 or older is expected to triple between 2020 and 2050, reaching 426 million people. Average life expectancy has risen by more than 40 years, from 32 years in 1900 to 73 years in 2020, according to WHO data. An increase that will also bring with it a postponement in the retirement age, especially in the nine OECD countries (including Italy) that link the legal retirement age with life expectancy.

All these factors have led to an increase in workers aged over 55. In the OECD area, the employment rate of workers aged 55-64 reached 64% in the second quarter of 2023, more than 8% with respect to a decade ago.

In this regard, **Tito Boeri**, Full Professor of Labor economics at Bocconi University, explains: "This entails a change in the organization of work. Older workers can train young people because the communication skills of the former improve over time. On the other hand, over time they gradually lose ability in terms of speed of execution, as well as in the carrying out of manual and demanding work."

The shrinking of the young workforce also lies at the root of the lack of workers that companies lament. Suffice it to say that according to estimates by the World Economic Forum, by 2030 talent shortage will translate into 85 million people less at work; this means that around $8.5 trillion in potential annual revenue will go unrealized.

"The demographic decline will also have repercussions on creativity. The great discoveries that led to the Nobel Prizes date back to their youth. Having fewer young people means reducing a country's innovation rate", warns the Bocconi economist.

Furthermore, a high number of elderly people and a low number of young people puts the pension and health care systems at risk due to increased expenses and decreased fiscal revenues for the state. In the study entitled "Funding the Future: The Impact of Population Ageing on Revenues across Levels of Government", the OECD predicts that the aging of the population is expected to lead to a decline of up to 8% in general government revenues. "Immigration can make an important contribution in terms of demographics and financing of social security systems," Boeri remarks.

Another major trend will be the progressive feminization of the world of work, with the entry of an ever-increasing number of women. "In some countries, such as the Nordic economies, we have almost attained gender parity in employment rates; in other countries, like Italy, we lag seriously behind", admits Boeri. According to what is reported in the Global Gender Gap Report, to date no country in the world has achieved full gender equality. The overall gender gap score for the 146 countries included in the 2023 report is 68.4%, an improvement of 0.3% compared to 2022.

The progressive feminization of the workforce will lead to a growing adoption of flexible and smart working methods by companies in the future. Also because remote work is here to stay. "We will move towards hybrid work, with 3+2 or 2+3 workweek schedules, toiling from home and at the office. It is also necessary to strengthen contributions for lower wage levels, because this is likely to increase the bargaining power of women in the family household, together with policies that reconcile employment responsibilities with parental duties through an extension of the paternity leave. It would also be useful to incentivize fathers to take parental leave."

A third major trend in the world of employment is technological innovation, driven primarily by digitalization and artificial intelligence. A widespread fear is that the latter "will steal people's jobs". In this regard, Boeri concludes: "The history of humanity is dotted with technological pessimism, but if we look at the data, the end of work has never materialized. On the contrary, in many countries we are at historic highs in terms of employment rates. However, artificial intelligence poses new challenges. In some areas, such as economic research or medical research, it is complementary to people's work. In other areas, it can replace human labor. Let's think about the work of movie dubbers, with whom I recently spoke in preparation for the Trento International Economics Festival, which this year will have at its center the challenges posed by artificial intelligence" ■

Jobs should be beautiful

We are witnessing a historical transformation in the role of work and we have the responsibility to manage it. Management can design jobs that are beautiful for people and productive for businesses and communities

by Rossella Cappetta @

We talk badly about work. Regardless of what the data shows, we recklessly feed the myth of people escaping from work ('great resignation', 'quiet quitting', 'southworking', to name a few recently coined terms). Managers often feed the reactionary and self-absolving myth of flight from work by superficially claiming that people are leaving their jobs because they want a life made of sitting on couches and lounging on South American beaches. This way, we let ourselves off the hook about the quality of the jobs we have provided so far and we avoid the effort of redesigning better jobs. Conversely, work is a matter of human identity. We are, therefore, certainly responsible for ensuring decent jobs for all. But we should also design jobs that people can fall in love with, life-saving jobs à la Levi, work that people can identify with and that contributes to their growth.

We act on work with insufficient tools. The tools we continue to use are the same as they ever were: economic incentives and labor law provisions. These, certainly useful and relevant, are no longer enough. We are not going to solve the issue by continuing to consider work as an indistinct set of activities that a person repeats to fill 40 or 35 hours a week of their lives and obtain a salary. This undifferentiated job position can provide protection but not foster reskilling.

To redevelop jobs, we need the tools offered by management. And alongside public policies and regulations we need company policies. And we need companies, which are the places where work happens every day. And where jobs can and must be redeveloped.

Dealing with the quality of work means acting on its characterizing but forgotten elements that have now taken an urgent dimension: the characteristics of work tasks (discretion, variety, interdependence with other jobs, integrability and measurability of results); the place and time of carrying out the activities; the

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required skills and continuous job training; access to information and participation in decisions; corporate welfare support.

Quality jobs must generate meaningful results; they must be characterized by variety and richness of the activities to be carried out, by discretion regarding the methods of achieving results, by availability of the information necessary to make decisions; they must also contribute to people's sociability needs. And this applies to in-person work at the office or shop floor, but it should apply even more to remote work, which is (and we must always remember this) at greater risk of trivialization and variability. Quality jobs require a broad and solid wealth of skills and, therefore, cannot do without mass training courses deriving from the synergy between company policies and active government employment policies. Quality work must be carried out in conditions that guarantee physical safety and well-being for the person. And, therefore, they must be supported by a broad set of corporate welfare policies that respond to different needs throughout a person's life (from parental leave to nursery school, health care, etc.).

However, the need to move from monolithic and generic work to multidimensional and specific jobs opens up new and even more complex questions. In the past we had asked for formalized HR systems precisely to overcome the discretion in the way bosses treated employees in a company. Today the desire to consider the diversity of jobs and individual life stories and expectations challenges the need for unity and standardization of systems. HR systems have been complemented by D&I practices. And this means that while we design quality jobs, we must pay attention to the specific conditions of the people who will carry them out. But we must also ensure that the differentiated response to people's expectations does not call into question conditions of equity (we have already had examples in the past of solutions designed to consider

the specific needs of jobs and people, which have then turned into quasi-segregation, viz. the prevalence of part-time work for women and possibly similar effects for remote working).
In short, the transformations of recent years ruthlessly highlight the fragility of work without quality and challenge us managers. Now is the time to respond by using economic, juridical and organizational tools together to protect jobs and design their beauty, and do so in a fair and sustainable way. Because, as Wenders reminds us in his latest movie, now is now. And next time, it will be much too late ■

The arrival of AI in the company is less of a scare for white collars

Research shows that, despite differences in perception, employees and managers are still less worried about losing their jobs than blue collars. This is particularly true if they work in family companies

by Emanuele Borgonovo and Alberto Grando @

Artificial intelligence is creating a revolution in the way we and our companies work. Industrial investment in AI on the rise, with companies hoping to use it to gain competitive advantage. More than one authoritative source highlights the risk that artificial intelligence could lead robots to replace people in repetitive and routine jobs. The risk of losing your job, especially when you are at an advanced stage of your career, is certainly among the most feared socially. In our work with Chiarini and Venturini, we address the issue of the perception of job loss among employees working in qualified positions, so-called white collars, in Italian manufacturing companies. This work differs from previous studies which have mainly focused on perception of the risk of losing one's job among so-called blue-collar workers. The research question also concerned what factors may amplify or decrease the perception of AI risk, such as age, department, position in the company's organizational chart and size of the company. Among the variables, "department" was associated to the type of work and the degree of repetitiveness of the task performed. Quantitative analysis was accompanied by qualitative analysis through the collection of comments from respondents to a questionnaire. These were divided into two groups: optimists, i.e. those who underestimate AI risk, and pessimists, i.e. those who overestimate it.

In light of the analysis conducted on the optimistic and pessimistic respondents, three interpretative perspectives were identified that can be associated with the results of quantitative analysis. The first

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refers to the trust that employees place in the company and its top management (summarized in "Sense of trust"), something that occurs when the company has a history of resilience that has managed to unite the fate of the company and that of its workers, as well as engages in communication and transparency regarding the main choices made by the organization.
The second is linked to family-type governance systems (summarized in "Family-run business"), mainly found in small and medium-sized companies, in which values and personnel management methods expressed through deep relationships that last over time seem to strengthen the sense of belonging of employees, giving greater assurance regarding continuity and stability of employment. The third refers instead to the content of the specific job of the respondent (summarized in "Job content richness"), from which it emerges that carrying out non-repetitive tasks, often based on attributes of creativity and strong relationships with other company stakeholders, mitigates the perception of risk, while on the contrary, it is strengthened if the person performs functions or processes in which routine and repetitiveness prevail.
What emerges from the study, in its quantitative and qualitative components, testifies to the non-uniqueness of perception regarding the advent of Industry 4.0 technologies in manufacturing companies and, in particular, the effect of investments in AI.
Compared to the extensive literature on the impact of technology on wage workers, salaried employees and managers seem less concerned about the threat posed by automation and AI in their companies. However, the perception of the risk of losing one's job differs significantly depending on the functions and activities performed, their content, the size of the company, and the nature of the environment established in the company organization. Particularly notable is that a lower perception of risk prevails in family-owned companies, where the employment relation is perceived as a relationship of mutual trust, with a human component that goes beyond the mere carrying out of a series of tasks ■

THE PAPER

Do automation and AI impact on job reduction? A study on perceived risk of losing job among white-collars in the Italian manufacturing companies, by Chiarini, Grando, Venturini, Borgonovo

The right protection from shocks

Unemployment insurance or short-time employment? Is it better to protect workers or jobs? The answer may lie in the complementarity of the two policy responses

by Giulia Giupponi @

When it comes to labor markets, the policy response to the pandemic crisis has been unprecedented in scale, yet markedly divergent in nature on the two sides of the Atlantic. The US relied extensively on unemployment insurance, insuring workers against the cost of job loss. European countries, instead, prioritized preserving existing employment through short-time work. These polar strategies led to 12 percent of the US working-age population being on unemployment insurance in April 2020, and 16 percent of the European labor force being put on short-time work at the same moment in time, despite both having operational schemes working both ways. When facing large economic shocks, should governments insure workers or guarantee jobs?

Short-time employment is a subsidy for reducing the hours of work in firms during temporary shocks. It enables employers to reduce employees' working hours instead of resorting to layoffs. Employees are compensated by the government for earnings lost due to hours not worked. In contrast, unemployment insurance offers temporary subsidies to laid-off workers. Thus, while both programs mitigate labor market shocks, they differ in one fundamental way: short-time work aims to preserve jobs; unemployment insurance intends to protect workers from the risks associated with job loss.

Short-time work schemes are primarily intended to minimize job reductions. From a macro standpoint, countries that made extensively used short-time work during the pandemic witnessed smaller declines in employment. The opposite is true for unemployment insurance. Although this evidence is only correlational, it echoes a growing body of research showing that short-time work indeed saved jobs during the Great Recession. In both crises, the program proved to be an expedient way of preserving employment and mitigating the social costs of layoffs,

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a feat that unemployment insurance alone cannot achieve.

In practice, though, short-time work and unemployment insurance cater to different types of workers. In Germany, where both schemes coexist, unemployment insurance recipients tend to be younger, haver lower earnings, and are reliant on a weaker safety net than recipients of short-time work. Consequently, despite short-time work's added benefit of preserving jobs, those most in need may slip through its protective net.

Short-time work and unemployment insurance are not without costs. Both require fiscal disbursement, which grows larger as workers and firms exploit the scheme beyond what is strictly necessary. Such opportunistic behavior, known as moral hazard, ultimately determines the total fiscal cost for the government of providing a dollar in transfers going to an unemployed person versus a worker on short-time work. Evidence from Switzerland and Italy during the Great Recession suggests that the total fiscal cost of short-time work is lower than that of unemployment insurance, primarily because the former, by preserving employment, reduces resort to and cost of the latter.

Besides fiscal costs, policymakers must also consider the economic costs of social insurance. One concern that loomed large during the pandemic was that short-time work, by maintaining workers' ties to their existing employers, may have delayed their reallocation to more productive employment

THE PAPER

Should We Insure Workers or Jobs During Recessions?,
by Giulia Giupponi, Camille Landais and Alice Lapeyre

relationships and slowed down the recovery. Whilst evidence from the Great Recession suggests that reallocation costs were smaller than dreaded, it is hard to speculate about their scope in the pandemic. The pandemic crisis has underscored the pivotal role of timeliness and outreach for effective government intervention. While several countries managed to successfully provide timely support through new, temporary schemes, a priority going forward is to reassess the optimal policy toolkit to address labor market shocks. What should governments do? The policy debate tends to frame short-time work and unemployment insurance as alternative, mutually exclusive strategies to respond to economic shocks. In fact, far from being substitutes, the two have high potential to be complementary. They offer protection to different types of workers, exhibit strong fiscal complementarities, and tend to perform best in response to different shocks: short-time work is an effective way to respond to temporary shocks, whereas unemployment insurance can be more efficient and economically less costly when shocks are persistent. Incorporating both programs into the policy toolkit is likely to be the most effective strategy to respond to future labor market shocks ■

Youth seeking more balance

In the world of jobs, the new generations are more likely to demand work-life balance. Although they tend to focus too much on their own needs, theirs is a voice that companies will have to learn to listen to if they want to attract talent

by Beatrice Bauer @

Today Gallup research points out that the way people are managed affects the well-being and engagement of employees four times more than the work environment, even if investments were made to make it more attractive. It is precisely managing new generations that puts organizations in great difficulty because of their pressing requests for greater respect of their needs about combining working life with private existence.

Traditionally, management of new hires had never given great attention to the professional and personal needs of young people entering the corporate world for their first jobs, something that was mostly considered a period of silent training to be endured with asceticism and sacrifice.

Thus, if today in the selection interview the first thing a young person asks is to be reassured about the possibility of harmoniously integrating the demands of the job with their own private life, for example, by asking for an adequate number of days off to devote to free time, the human resources manager is rarely interested in continuing the interview, as they do not consider that person useful to the company. To the contrary, Marco Serra, who has more than 30 years of experience in the selection and management of talented people in Italy and abroad, believes that it is now essential for every company to give greater attention to the well-being of its own people, particularly if it wants to attract new generations. For Marco Serra, understanding this radical change in young people's motivations is not easy, since it requires careful listening and a real interest in people who approach the world of work with little care for company rules and equipped with social skills skewed by relationships mostly occurring on social media.

Laura Baruffaldi, author of the book *Leading Millennials* (Egea), addresses the topic of work-life balance in courses dedicated to issues of self-management that are considered fundamental by new generations, but are difficult for companies to manage. In fact, rather than saying work-life balance (a fair balance based on a rigid separation between time and energy devoted to work, and time devoted to leisure and private life), today we talk about work-life integration, that is, the ability to synergistically unite in a more fluid way professional activities and personal needs.

Observing the Generation Z and Millennial participants of her course, the professor notes their greater sensitivity and desire for this type of integration, "but it is as if they are unable to obtain it

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SDA Bocconi Associate Professor of Practice

and in reality they don't even know how to defend it in practice. It is mostly a statement of principle or a demand for a right." In essence, young people seem to have a low awareness of their real needs, and, at the same time, due to a rather narcissistic vision of their personal priorities, have a poor understanding of the reciprocity required by the work environment to achieve these objectives.

In reality, the desire to achieve a less neurotic and stressful work life is the desire (it would be more correct to say the real need) of all employees, GenZ or boomers, bosses or new hires. Stress is the problem that has most damaged workers' health and company performance in recent years. A third of young people between 16 and 24 are psychologically stressed and there has been a doubling of the incidence of depression in the last ten years. The surprising aspect, considering the different generations in a company, is that only the youngest have had the strength to forcefully demand greater attention to employees' well-being. A radical rethink will therefore be necessary on the part of managers to ensure that supervisors who have experienced continuous acceleration over the years and accepted an increasingly lower quality of life, understand the need to promote or at least accept a better work-life balance for people new on the job. It is foreseeable that today's talented youth will leave their mark on the organization of work, unlike what happened in the past, when they were asked to quiescently adapt to the company's requests.

In the struggle of organizations to attract talented people, the management of these aspects amounts to a true cultural revolution. Unfortunately, in recent years Italy has not favored a radical change in the management of its human capital in general and young people in particular, and has lost more than 30,000 young talents a year who have left the country to seek professional advancement. Among the youth that remains in Italy, a particularly high proportion of them, 15%, are NEETs (Not in Education, Employment or Training), i.e. they do not work nor study, compared to 5% in Northern Europe. If we want to avoid the disengagement of younger generations, the biggest cultural change required from corporate executives will have to making the transition from a transactional view of the employment relationship - I pay you and you do as you're told - to a deeper psychological connection with people, one which looks at offering a meaningful experience on the job based on professional and personal growth. Will they manage to? ■

What if artificial intelligence is the creative one?

Thanks to modern Large Language Models, recent tests show that AI is able to generate as many ideas as experienced designers. Its development, therefore, will have an impact on what to design and how to do it

by Colin MacArthur and Heather Yang @

Recently, we interviewed a roundtable of leaders in product design about AI. One said, “AI won’t change anything. Our job stays the same, just the stuff we use is different.” Another shot back, “AI will change everything.” Who’s right?

AI isn’t new. Computers have used algorithms (sets of instructions) to solve hard problems for years. As people and businesses started using computers more, they put more data in them. The internet made digital business and the algorithms behind them widespread and useful. Computers and algorithms have taken over more tasks from people over time, showing some basic artificial intelligence.

What’s new now? Computers can do more thanks to better technology and recent programming innovations. “Large language models” (LLMs) can understand human questions and answer in sensible paragraphs. They make mistakes, but many are better than humans at answering questions and summarizing texts. Businesses are using LLMs to automate customer support and help their staff find information faster. Some companies even use them to write texts for ads and websites.

In the past, creative industry leaders often thought their work couldn’t be done by computers. They believed making decisions about products was too tricky for computers. But as these marketing tasks show, it’s not quite that simple.

LLMs speed up parts of the design process that humans normally do. They can come up with many ideas and solutions at once. Recent tests show they can generate

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LEGGI L'ARTICOLO IN ITALIANO

as many ideas as skilled designers. Though designers still need to refine their ideas, they need fewer people to come up with the same number of ideas.

Also, these models will change the products designers work on. Making computers easy to use was a real challenge in the 1980s and 90s. Now, we're in a similar time for LLM-based products. Games, apps, medical devices, kitchen appliances, and electrical infrastructure may all use these models to make decisions or give information to users. Designers need to make these products meet peoples' needs, even as the technology underneath them changes.

Old ways of designing products are still important but need tweaking. Understanding customers is still key, but companies need to ask them new questions as people's preferences change with AI. Making prototypes and testing products will change too: designers may use LLMs to simulate other LLMs. Ultimately, designers will have to steer users away from LLM's weaknesses, while preserving their flexibility and strengths.

These models may even challenge what good digital design means. They aren't deterministic. Asking ChatGPT the same thing twice may get different answers. And they aren't transparent. It's hard to be certain about how they work inside and why. This is contrary to modern design principles, which focus on predictability and transparency. In the past, if the user couldn't predict what the system could do, and understand how it worked, designers were doing a bad job. Now, designers need to get users ready for unpredictability and uncertainty – or both designers and users will lose out on the benefits of LLMs.

In short, AI won't change everything for design, but it also won't change nothing. Although LLMs are the continuation of many years of work, they pose new challenges to both how design happens, and what needs to be designed ■

Professional updating is vital

Marco Ceresa (CEO of Randstad Italia and Bocconi alumnus) outlines the factors that will influence the professions of tomorrow, from the growing importance of work-life balance to the advent of artificial intelligence. A challenge for people, but also for companies

by Andrea Costa @

By 2027, 23% of jobs will have changed. According to the latest report on the future of employment released by the World Economic Forum, within three years there will be 69 million new jobs, while 83 million will be eliminated. "But the biggest change taking place today is how people, especially younger generations, perceive work and careers", comments **Marco Ceresa**, who graduated in Business Administration from Bocconi in 1986 and is now Group CEO of Randstad Italia, which he himself started over 20 years ago. According to Randstad's Workmonitor 2024 research, in fact, rather than a career as an end in itself or a higher salary, what is sought today is a better balance between life and work. "Today the connection between the company and its human resources is, let's say, utilitarian".

➜ What is changing?

Today no one expects to work in the same company for all their lives, and relationships with the company are therefore based on very concrete considerations. The sense of belonging is now increasingly fleeting and it is no longer acceptable to devote an exorbitant amount of time to work. We saw it in the latest edition of the Workmonitor research that Randstad conducted around the world: 60% of interviewees consider private life more important than their profession, and in the scale of priorities the balance between time spent at work and time for oneself is as important as one's salary and more important than anything else including one's career. The growing polarization of earnings between those who earn ever more and all the others who find it increasingly difficult to defend their standards of living also contributes to this chasm between employees and the companies they work for.

MARCO CERESA
Alumnus Bocconi, Group Ceo of Randstad Italia

➜ Are there other important trends underway?

There are many, but I would single out three in particular. First of all, the world is increasingly permeable: until a few years ago expats were relatively few and belonged to a global elite, while today it is increasingly normal to go to work in other countries because job opportunities are increasingly designed with an international organization of work in mind. Second, useful skills change so quickly that it requires continuous efforts at professional updating to avoid being left out. The third "megatrend" I see is a consequence of the fact that there are fewer young people (at least in rich countries) and this has profoundly changed the relationship between company and employees.

Let me explain better: those who are young now saw their parents identify a lot with their companies, but these did not hesitate to get rid of them once the time came. It's not only that they feel stronger with employers because they are fewer in number, but also that young people are more wary.

➜ How will work change with the increasingly intensive use of artificial intelligence in the company?

I go back to what I said before about the need to always keep up with the times, to continually

invest in oneself so as not to be marginalized by employment trends. Artificial intelligence is and will be a great help for certain professional profiles, but it will evidently make others disappear. After all, this has been the case with every major technological breakthrough. The lower segments of the workforce will not be heavily affected, in my opinion. And not even the highest paid segments, as long as they continue to update their skills. The problem will be for the middle segment, where I see the greatest risk in perspective. The polarization I was talking about is also due to this.

➜ ***We have talked so far about people. How are companies changing?***

Companies tend to conform to two models. Some essentially look for high-potential employees, to whom they give a lot and from whom they expect even more if possible. It is clear that these are very competitive environments in which the "grow or leave" rule applies. Then there are companies that try to establish a constant dialogue with their human resources in order to have a shared picture of the strengths and limitations of each individual, trying to avoid the formation of unrealistic expectations but giving everyone the opportunity to reach their maximum potential. These are truly inclusive companies, a very fashionable word today but not always corresponding to reality.

➜ ***Is inclusivity the new challenge for companies?***

This is certainly one of the challenges, but I also see a stronger demand for integrity, at all levels. Also on this front it must be said that sometimes we only make cosmetic interventions or repeat fashionable slogans without conviction, but the trend is unmistakable. This may be due to the fact that companies feel more influenced by the public than in the past, but in the end this is not very important. The important thing is that improper or unethical behavior is no longer tolerated, and this applies to whether we are talking about senior managers or ordinary employees ■

With increasingly flexible work, the

New work time arrangements and forms require new forms of management and new protections. And therefore, also new forms of labor relations and union organizations

MAURIZIO DEL CONTE
Full Professor of Labor Law, Bocconi University

by Maurizio Del Conte @

The last century saw the birth and flourishing of labor law, as a response to the emergence of the modern enterprise, transformed by the second industrial revolution. Work under the direction of the entrepreneur quickly became the social-typical model of reference, capable of representing the new class of workers. But in the transition to the new millennium, that company and those workers have undergone a profound mutation, making it necessary to rethink the rights and protections of those who work. The extraordinary acceleration of change brought about by competing exogenous factors such as globalization, the digital revolution, the pandemic and geopolitical crises has called into question elements that were once considered staples of subordinate work. With the progressive virtualization of a company's physical spaces, difficulties in reconstructing the sense of community and belonging is a common experience. The relationship between management and employees has been affected in its most consolidated balances. The new paradigms of modulation of time, space and the very object of work performance require a redesign of the models of work organization. This does not mean giving in to an anarchic conception of the enterprise, which is fertile ground for the rise of new forms of labor exploitation, especially among a firm's weakest components. On the contrary, the transfer to workers of shares of responsibility in the management of time and ways of working and the loosening of spatial-temporal control over performance presuppose greater attention to the personal dimension of the worker. Technological innovations put the integrity of workers' privacy at risk, with the need to constantly update regulatory

and technological tools to guarantee the confidentiality of sensitive data. The health of those who work is also exposed to new risk factors, as demonstrated by the worrying spread of new diseases related to forms of ubiquitous work. On the other hand, in order to achieve the goal of more valuable work, it is necessary to build a system of

old stakes are of little use

mass vocational training to ensure that all workers are equal to the new responsibilities with which they are invested and that the unemployed are effectively helped in building a wealth of useful skills. In this scenario, trade union relations will be able to have new openings for involvement, but only if new forms and tools of expression are found. Only in this way will capable and representative unions and employer representatives be able to create a collective bargaining context capable of accompanying this change without trauma, redrawing the map of work in a substantially different way from how we have known it until now. The structure of working hours and remuneration as a rigid function of the time spent in the factory or in the office struggle to respond to the demands that come from organizational models that are increasingly oriented towards evaluating results. Traditional institutions such as overtime, holidays, time off, sick leave and everything that has been built around presence in the workplace need to be redesigned. If workers are going to be less and less tied to a predefined schedule, it will be necessary to identify a different metric of work. In this perspective, collective agreements will have to be able to identify new parameters for the enhancement of work.

The challenge is to build a system of rules and services that can provide effective responses to the protection needs arising from new forms of work organization. Participation, welfare, health, lifelong learning and tools to effectively overcome employment discontinuities are the main axes around which the new network of labor protections will have to be built ■

Reskilling is the key

According to a survey by the World Economic Forum, around the world in 2027 42% of jobs will involve automation. The competitiveness of workers will therefore increasingly depend on training that brings them up to date with the new needs of the market. For this to happen, however, they need to grasp its usefulness

by Alexia Delfino @

In an era defined by rapid technological advancements and evolving job landscapes, reskilling has emerged as a crucial strategy for individuals to adapt and thrive. Across countries, the need to reskill workers has become increasingly urgent as traditional job roles evolve, new industries emerge, and automation reshapes the workforce. Reskilling refers to the process of learning new skills to meet the demands of changing industries and job roles. Reskilling aims at becoming equipped with the competencies needed to remain relevant and competitive in the workforce of tomorrow, enabling transitions from occupations in decline to growing ones. One of the primary drivers of the reskilling imperative is the rise of automation and artificial intelligence. While these technologies bring unprecedented opportunities for efficiency and innovation, they also disrupt traditional job roles, making some skills obsolete while creating demand for new ones. According to respondents to the “Future of Jobs” survey by the World Economic Forum (2023), 42% of work tasks will be automated by 2027. The Covid-19 pandemic has further underscored the importance of reskilling. As industries adapt to remote work and new ways of operating, workers must be equipped with the digital

skills and resilience needed to navigate these changes successfully.
All over the world governments, businesses, educational institutions, and non-profit organizations are actively investing in reskilling programs. For example, in the United States, the "TechHire" initiative aimed to train workers for high-demand technology jobs through partnerships between employers, training providers, and local governments. In Europe, the 2020 "European Skills Agenda" is a five-year plan to help individuals and businesses develop more and better skills for the jobs of the future. In Singapore, the SkillsFuture initiative offers a wide range of training courses and subsidies to help individuals develop skills relevant to future job roles. In Australia, tens of thousands of fee-free technical and further education training slots are offered to priority groups for courses in industry sectors with skill shortages or growth areas. These examples illustrate the diverse range of reskilling programs and partnerships that are meant to help individuals adapt to the changing demands of the global economy.
However, this burgeoning array of reskilling initiatives may not be sufficient to foster widespread participation. What if workers are unwilling to be reskilled? Eurostat surveys from 2022 reveal that merely one in ten adults in the European Union have participated in job-related training, formal or informal, in the last month. Workers commonly mention time constraints, financial limitations, or lack of access to educational resources as the main barriers from pursuing training. There may be other less observable, but equally important obstacles to reskilling. Workers may not be aware of what careers are in-demand and how reskilling may help them reap these opportunities. Moreover, cultural and psychological attitudes towards learning can vary widely, influencing people's willingness to invest in acquiring new skills. In settings where program quality varies, such as Italy, pessimistic expectations about the returns to training may further discourage engagement.
In an ongoing project in Italy involving more than 1000 unemployed jobseekers, Garnero, Inferrera, Leonardi Sadun and I find that limited information about program effectiveness and/or labor market returns from reskilling substantially contribute to workers' reluctance to be reskilled. This underscores the necessity for reskilling initiatives to be complemented by tailored information campaigns and individual counselling to increase potential beneficiaries' awareness regarding the benefits of reskilling and the effectiveness of different programs. More broadly, our project also highlights the need for policy makers and training providers to get to know their potential participants better, and grasp what preferences, beliefs and perceptions may stop them from embracing reskilling as a pathway to success in an ever-changing world ■

ALEXIA DELFINO
Assistant Professor of Economics, Bocconi University

POLITICS

by Massimo Morelli, Livio Di Lonardo, Brunello Rosa, Justin O. Frosini, Farian Sabahi

The antidote against sovereignism

All eyes are on the elections in the EU and especially in the US, where a Trump presidency would lead to disengagement from America's geopolitical commitments, explains Massimo Morelli. Bringing voters in favor of the EU to the polls is the real weapon against nationalism, but we need to project a scenario of hope in Europe to do so

by Michele Chicco @

MASSIMO MORELLI
Full Professor of Political science and economics, Bocconi University

The disengagement of the United States and the fragility of the European Union put at risk the balance of power achieved with the end of the Cold War. 2024 is a watershed year: "If there is a triumph of sovereignism, the rules of geopolitics will be rewritten", underlines **Massimo Morelli**, professor of Political Science and Economics at Bocconi University. The antidote to the populist drift is the participation of disillusioned voters: "But to convince them we need to create a scenario of hope that brings us closer to the United States of Europe."

➜ *Europe and the United States will bring much of the West to the polls. What is at stake?*

What matters are US elections, because in Europe it can only get worse: either things remain as they are now, with a coalition that has good intentions but little decision-making capacity, or we will be moving towards greater protection of national sovereignties. In the United States, however, there is greater uncertainty due to the differences that exist between Joe Biden and Donald Trump, but as in Europe change would be only downwards. With Trump, global cooperation will become more difficult because his populism has two distinctive characteristics: the greater protectionism of America First and what we call disengagement, the progressive distancing from the problems of international relations. There is a risk that the system we have known up to now, with Western democracies dominating in terms of values and economics, may be over.

➜ *Why is the international structure that has dominated the world since the end of the Cold War at risk?*

It may happen because the leaders who have the best chances of being elected are going in the direction of a system more centered on the idea of the nation. The intentions of the populist leaders of the Western superpowers automatically play into the hands of the BRICS which, thanks to the bloc's enlargement that took place this year, have seen their weight increase: they now represent 40% of the world population and generate more than 35% of global GDP. All this is obviously to the advantage of those who want to increase their share of geopolitical power: China and Russia.

➜ *The two powers behind tensions in Ukraine and Taiwan.*

As long as the United States and Europe support Ukraine's effort, the conflict will continue, even if the border moves by only a few meters. But if international cooperation weakens, there is a lower likelihood that support for Ukraine will continue. Putin understands this very well; he has always been in favor of populists out of convenience: it is not out of sympathy that he directly or indirectly backed Trump and the various European sovereignists, but because he knows that in a weaker geopolitical scenario the resolve of the West in supporting Ukraine may falter, leading to a peace treaty that would establish the border where the line of conflict is today.

➜ *And Taiwan?*

The January elections did not change much: the party supportive of independence, which is also full of economic interests, won. They will not go for independence if it means being invaded or bombed by China, because there is the risk that the United States would not come to their rescue. With Trump's victory, however, Taiwan could become a problem from 2025 onward, especially if the United States will have achieved technological autonomy, because sovereign disengagement could push China to attack. But I don't think this is an imminent danger.

➜ *The other heated front is war in the Middle East, with an explosion of violence between Israel and Palestine.*

It is not a new problem and past episodes have always ended when the United States decided to force Israel to stop. That's how it will end this time too. This will not bring a resolution to the conflict, let's be clear: it will always be about negotiating a prolonged ceasefire, because in that context there can never be a solution unless a more moderate leadership comes to the fore on both sides. And at the moment there are no moderate leaders: neither Netanyahu, nor absolutely Hamas.

➜ *What role can the European Union play on the international stage?*

Europe's ability to influence global politics is increasingly poor because there is a lack of coordination between member states. In recent years, especially with Covid, there have been some initiatives for greater cooperation, but today the political scenario is going in another direction. And on the other hand, this seems to be the, hopefully temporary, the will of the citizens. In June, a surprise could come if there is mass participation of Europe's supporters at the polls: if I were the political leader of a pro-EU party I would push very hard on electoral mobilization to change the trend in favor of nationalism.

➜ *Political participation is the antidote to the populism and sovereignism?*

Yes, participation of those who are now bystanders requires creating a scenario of hope. If you go to vote, you do so because you believe that Europe can achieve something, especially about the problems we face that are global in nature: it's a paradox that there is widespread thinking that the solution to the climate crisis, current wars and the artificial intelligence revolution can be national sovereignty. To reverse this trend, leaders must speak to European citizens, not simply national voters, about the defense of the environment and common spending policies.

➜ *It is not easy to get the 27 EU countries to agree on common spending.*

During the election campaign, a European unemployment benefit should be proposed, with specific policies to solve the problem by drawing on common funds. Frugal countries are likely to be more flexible when it comes to directly supporting people and not governments. A policy that finances unemployment benefits can accelerate the process of creating a European identity and increase trust in EU institutions, reducing the distance between European institutions and citizens, especially felt by the less well-off. These would be small steps of integration towards the distant dream of the United States of Europe, to which we are still nowhere near ■

Dissent-proof green policies

The transition towards sustainability requires careful management of the distributional effects of environmental measures, as demonstrated by the political discontent generated by the Area B low-emission zone of the City of Milan. This is because environmental costs tend to be regressive with respect to income

by Livio Di Lonardo @

The existential threat of climate change is increasingly tangible. Faced with the dramatic impacts of global warming manifesting themselves with ever greater frequency and impact, we need to counter this threat, and this represents a formidable challenge on two main fronts: technological and political. While much has been written about the difficulty of transitioning towards a more sustainable economic model, drastically reducing our dependence on fossil fuels, the potential political backlash is perhaps more problematic for achieving these goals.
One of the main problems associated with many environmental policies is that they tend to generate significant costs for citizens here and now, while benefits tend to manifest themselves only at a later time. Another critical, and possibly even more problematic, aspect of these policies is they are often regressive in nature. In fact, the costs tend to be distributed unequally, weighing more heavily on the weaker sections of the population. The misalignment between the distribution of costs and benefits can generate discontent, making it difficult to create political support around such measures.
In Italy, Milan, one of the cities having the worst air quality in the EU, has experienced such difficulties after the introduction of Area B, a low-emission traffic zone covering 72% of the City of Milan, and 97% of the Milanese population. Announced by the Mayor Sala in July 2018, and implemented starting from February 2019, Area B has banned the circulation of diesel cars and particularly polluting gasoline-fueled cars, especially affecting owners of

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older vehicles. A measure which, by effectively forcing owners of a polluting car to buy a new one or change mode of transportation, has engendered strong political opposition, especially from the League, whose representatives have often lambasted the negative impact it has on less affluent groups.

In a study recently published in the *American Political Science Review*, with my colleagues Italo Colantone, Yotam Margalit and Marco Percoco, I analyzed the impact of the introduction of Area B on the voting choices of Milanese citizens.

During the research, we acquired information through a survey on a sample of approximately 1,000 residents of Area B in Milan. Then we compared the voting choices and political opinions of two distinct groups: the first group made of individuals who owned vehicles subject to the driving ban, while the second group consists of people with cars not affected by the restriction.

The results indicate that citizens directly affected by the traffic restriction policy were more likely than to to vote for the League in the following European elections. The change in voting behavior did not result from outright hostility to environmentalism, but rather from disappointment stemming from the unequal distribution of costs of Area B.

Furthermore, those who had received some form of compensation from the municipality did not demonstrate the same level of political dissent. These results highlight the crucial importance of considering the distributional consequences of environmental policies. Distributing costs equitably and providing easy access to compensation measures can help reduce opposition to the introduction of new green measures, and improve their long-term sustainability. The careful management of green policies is essential to build lasting public consensus and guide the transition towards a more sustainable future ■

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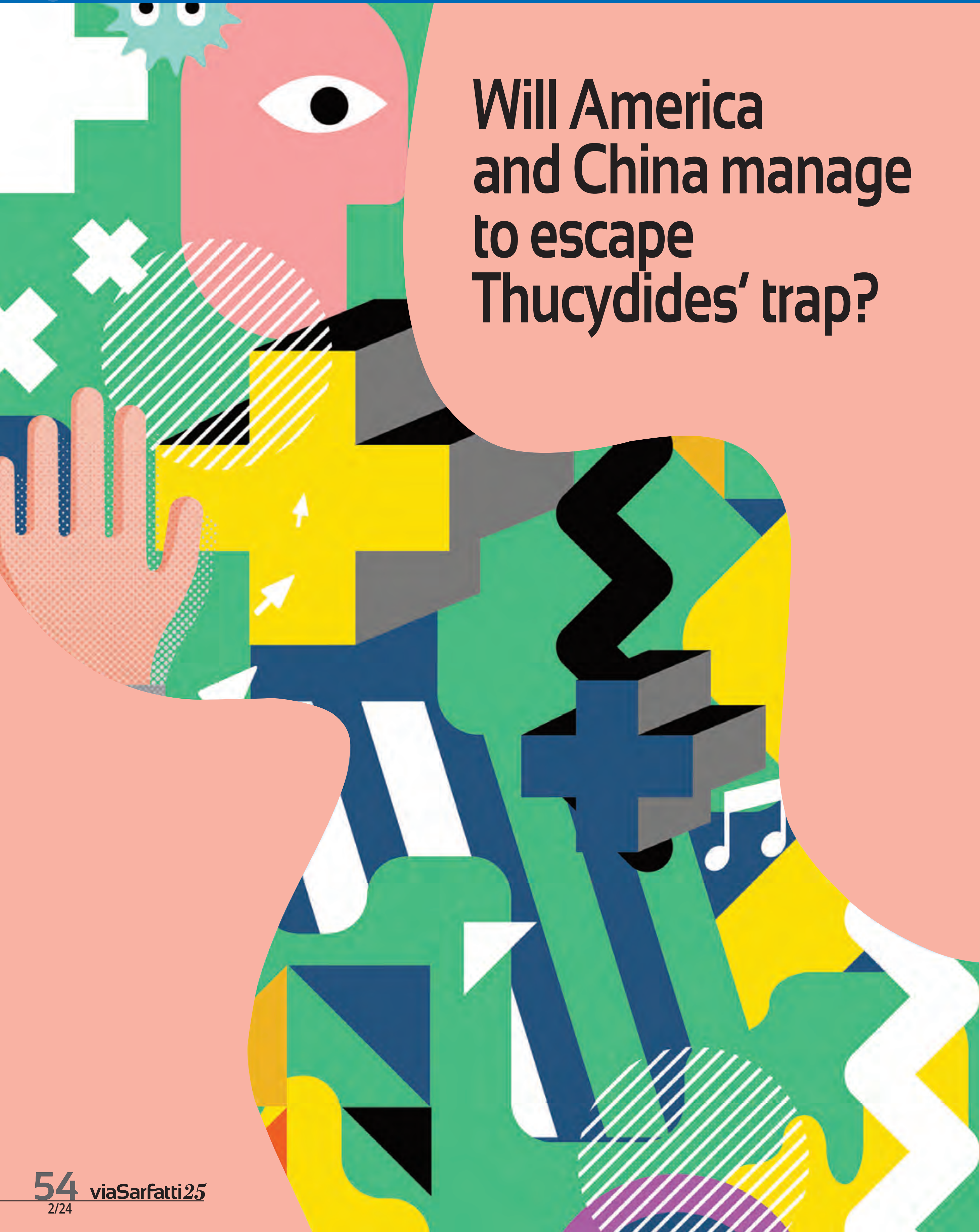
THE PAPER

The Political Consequences of Green Policies: Evidence from Italy, by Italo Colantone, Livio Di Lonardo, Yotam Margalit and Marco Percoco



Will America and China manage to escape Thucydides' trap?

A cold war between the US and PRC is already underway, with the two great powers engaged in a trade war that could escalate into military conflict. Geopolitical polarization is leading to the friendshoring of supply chains, stagflation and reduction of the global growth potential

by Brunello Rosa @

BRUNELLO ROSA
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Geopolitical developments have been at the forefront of public attention over the last few years. The overarching theme is the decoupling between the incumbent global hegemon (the USA), and the rising power (China), which is challenging the global order that has been in place since the end of World War II. The rivalry between the US and China is played on several turfs, in particular on trade, technology, and global supply chains.

The trade war has resulted in a series of tariffs, sanctions, additional duties and barriers to trade that have led to the beginning of a process of deglobalization or slowbalization for the first time since the 1970s, when the current phase of globalization started. The tech war is being fought on a number of battlegrounds, including in big data, artificial intelligence, quantum computing, chip production and cyberwarfare. The fragmentation of global value chains has resulted in the overhaul of existing supply chains and the creation of new trade routes, both maritime and terrestrial.

Graham Allison, Harvard professor and policy advisor to several US presidents, has wondered whether the US and China will be able to "escape Thucydides's trap," i.e. the open conflict that almost inevitably erupts when an incumbent power is challenged by, and therefore fears, a rising one. In twelve out of the sixteen historical episodes analyzed by Allison, the two major rival powers of the day proved unable to avoid the trap in which Sparta and Athens first fell into. Whether America and China will follow a different fate remains an open and fraught question.

But while hot war, i.e. direct military confrontation between the US and the PRC, cannot be ruled out in the not-too-distant future, a new Cold War is already unfolding between the two countries, dubbed Cold War 2. This confrontation is leading to a decoupling between the two world's superpowers. The ensuing polarization of the world is leaving four regions of the global economy vulnerable to becoming terrain for proxy wars. These regions are: Central and Eastern Europe, the Middle East, Latin America, and Africa.

Unfortunately, in each of the areas cited above, conflicts have already emerged: the war between Russia and Ukraine in Eastern Europe; the military escalation in Gaza and the Red Sea in the Middle East; the epidemic of military coups in Africa's Sahel (Burkina Faso, Mali, Gabon, etc.); territorial disputes in Latin America (for example between Venezuela and Guyana) as well as domestic instability in countries like Ecuador.

What are the economic consequences of these geopolitical developments? A polarized world, characterized by deglobalization and balkanization of global supply chains, with the erection physical and non-physical barriers to trade and immigration, is a world in which the growth potential of any economic activity is severely diminished.

In a polarized world of this kind, the best strategy to react to these phenomena is the friendshoring of economic activities. With tariffs and barriers to trade, this will also be a world in which prices of goods and services will be higher than they were previously. Especially considered the public and private actors are also simultaneously committed to the costly transitions in the digital, energy, and environmental realms.

At the same time, the workforce is demanding higher compensation to offset not just the higher prices of the last few years, but also recoup part of the purchasing power lost to capital owners and managers in the last few decades, when the share of national income going to profits, rents and interests increased to the detriment of the share going to wages and salaries.

A world in which potential growth is lower and price inflation is higher is one that is inherently stagflationary. Monetary policy can only partly avert the consequences of this. The largest role will be left to governments, and their fiscal and regulatory responses ■

The illusion of speaking for the people

By leveraging the idea of a 'majority' under the spell of elites deemed corrupt, populist parties tend to deny pluralism. And in the resulting centralization of power, the Constitution is transformed from a constraint on power into a bulwark against future assaults by the enemies of the people, as it happened in Hungary

by Justin O. Frosini @

Populism is antithetical to pluralism. Populism identifies the 'majority' as one homogenous 'true people' in opposition to a 'corrupt elite', and when populist governments seek to implement the 'true people's' common will, they upset the vertical and horizontal relationships between branches of government. A populist's approach to democracy is generally majoritarian and illiberal, seeking to ignore, deny or suppress pluralism. This exaltation of a 'true people' creates the central tension between populism and the protection of diversity and pluralism enshrined in the constitutional systems of European Member States. Certainly, each populist party interacts in its own way with the respective country's constitution. However, different variants of populism share common elements that contribute to the formation of an alternative constitutional imagery that is used to create and enhance unchecked decision-making power by the ruling majority. From a comparative perspective, this translates into a common trend towards the centralization of power.
Centralization can be both horizontal and vertical and, when pursued by populists, it has the following features: it is pragmatic, subtle and functional towards charismatic leadership. Horizontal centralization is pursued differently depending on whether populist majorities are large enough to amend the constitution or not. If they do have a large enough majority, populists will not miss this opportunity to change the constitution (this is the path Orbán followed in Hungary after his landslide victory in 2010), but if they don't have a sufficient majority they will implement their policies through changes to ordinary laws and unwritten rules. This is how the PiS government in Poland between 2015-2023 managed to tame the judiciary and its National High Council, as well as capture the Constitutional Court.

JUSTIN O. FROSINI
Associate Professor of Public law, Bocconi University

Vertical centralization is pursued by populists through the advocacy of sovereignism which, in EU Member States, basically consists of a pushback against supra-national political power. One could assume that multi-level governance is antithetical to sovereignty-based populism, however the pushback is very subtle because populists pragmatically want 'the best of both worlds'. In fact, populists never explicitly request to withdraw from the EU, but prefer to adopt measures that constantly push the boundaries in favor of the nation. Again Poland (under PiS) and Hungary are prime examples.
So, having considered all the above, what role does the constitution have in the populists' pursuit of centralization? First of all, the constitution is transformed from a constraint on power into a 'last bastion' against future assaults by the enemies of the true people. An example of this is Article 3 of the Ninth Amendment to the Hungarian Constitution which protects a child's right to identify with their gender at birth and have an upbringing based on Hungary's constitutional identity and Christian culture. Second, the constitution puts limits to

external interference, especially that of the EU, with respect to domestic executive power. The Torubarov Case on refugee status in Hungary is a good example of this. Third, by means of constitutional entrenchment, the constitution limits the role of ordinary courts and reserves the power of adjudication to a (captured) constitutional court (again Orbán's Hungary is an example of this). One can thus draw the conclusion that populist governments have undoubtedly had an adverse impact on the democratic resilience of constitutional systems of the Member States of the European Union. Indeed, as Timothy Garton Ash recently pointed out, even if liberal democrats return to power (as recently occurred in Poland), they will have to 'resist the temptation of simply turning the tables, installing their own partisan loyalists instead of the other lot' without properly restoring liberal democracy. Of course, this is no easy feat because constitutional changes carried out by populists imply that the constitutional system may resist attempts to revert populist changes, making 'democratic restoration' an extremely arduous task ■

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Without considering its complexity and diversity, this part of the world cannot be understood

A region very uneven in economic and social terms, and with regard to the condition of women. As in Iran and Afghanistan, neighboring countries, where the consideration for female education is poles apart. And where, moreover, the present represents a step backwards compared to the past, if you look at gender rights

by Farian Sabahi @

Complexity and diversity are the keys to decipher the Middle East and North Africa, i.e. the area of the world that extends from Morocco to the West, to Pakistan to the East. It is a highly uneven region in economic, religious and social terms. By way of example, from a macroeconomic point of view, Qatar is among the countries with the highest GDP per capita in the world, occupying fourth position with a value of $89,417 according to the 2023 projections of the International Monetary Fund. With only $1,017 per capita, the situation in Yemen is diametrically opposite. A country which, following the Arab Spring of 2011-2012, managed to oust President Ali Abdallah Saleh, but due to the takeover of the capital Sanaa by the Houthis (Shiite Muslims belonging to the Zaydi sect), the country was subsequently bombed several times after March 2015, by a coalition led by Saudi Arabia and the United Arab Emirates (both Sunni Muslim regimes). Also the societies of the MENA region are far from homogeneous, especially when it comes to the condition of women. In the case of Yemen, in the aftermath of the Arab Spring several legislative proposals were put forward during the National Dialogue Conference aimed at pacifying the different factions. The aim was to outlaw the marriage of girls and guarantee housing for divorcees, but these bills were shelved due to the war unleashed by the Saudis in 2015. Still on the subject of women and diversity, the case of Iran and Afghanistan is emblematic: two neighboring countries where female education is poles apart; if the Taliban regime prevents Afghan girls from attending school, the Islamic Republic of Iran enforces compulsory primary education for every child for duration of six years. Males and females attend separate institutions until completion of first-level schooling, after which classes are of mixed gender in universities, as established by Reza Shah Pahlavi at the time of the inauguration of the University of Tehran in 1935. Today, Iranian women represent two thirds of universities' first-year students and two thirds of their graduates. Young women, like their male peers, prefer scientific degrees, aware of the fact that a STEM education gives greater ease of finding a well-paid job in either the public or private sector, at home and abroad.

These two countries - Iran and Afghanistan - are also emblematic of how the present can represent a step backwards in terms of rights compared to the past. Before the khomeinist drift taken by the 1979

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revolution, Iran had in fact undertaken a path - albeit from above and limited to urban centers and the bourgeoisie - to guarantee greater rights to women. After the return of Ayatollah Khomeini to Tehran on February 1, 1979, some of these rights were canceled and it was made mandatory for women to cover their hair with a veil. Mutatis mutandis, in 2006, when the Western coalition was still present in Afghanistan, the Kabul parliament boasted the highest percentage of women in the region (25.9%). But the withdrawal of US troops in August 2021, the Taliban regained power and set themselves to prevent Afghan women from studying, working and participating in political life. In light of these brief considerations, in order to understand the Middle East a multidisciplinary methodology, which considers economics, history, politics and other disciplines, is essential. Not least it needs to consider religion, because this is an area in which, despite the presence of numerous faiths, Islam is the dominant religion and there is no separation between religious power and state power. The Muslim religion is a tradition subject to markedly different interpretations, some of which may conflict with the respect for human rights. In fact, throughout the Middle East and North Africa, being a woman means being discriminated against by the legal system and patriarchal social structures. For this reason, an effective way to help young women from these countries is to provide scholarships and a visa system that can facilitate their acquiring skills in our universities. By way of example, we can remember the great Iranian mathematician Maryam Mirzakhani (1977-2017) who was awarded the Fields medal for her work, the most celebrated prize of the discipline ■

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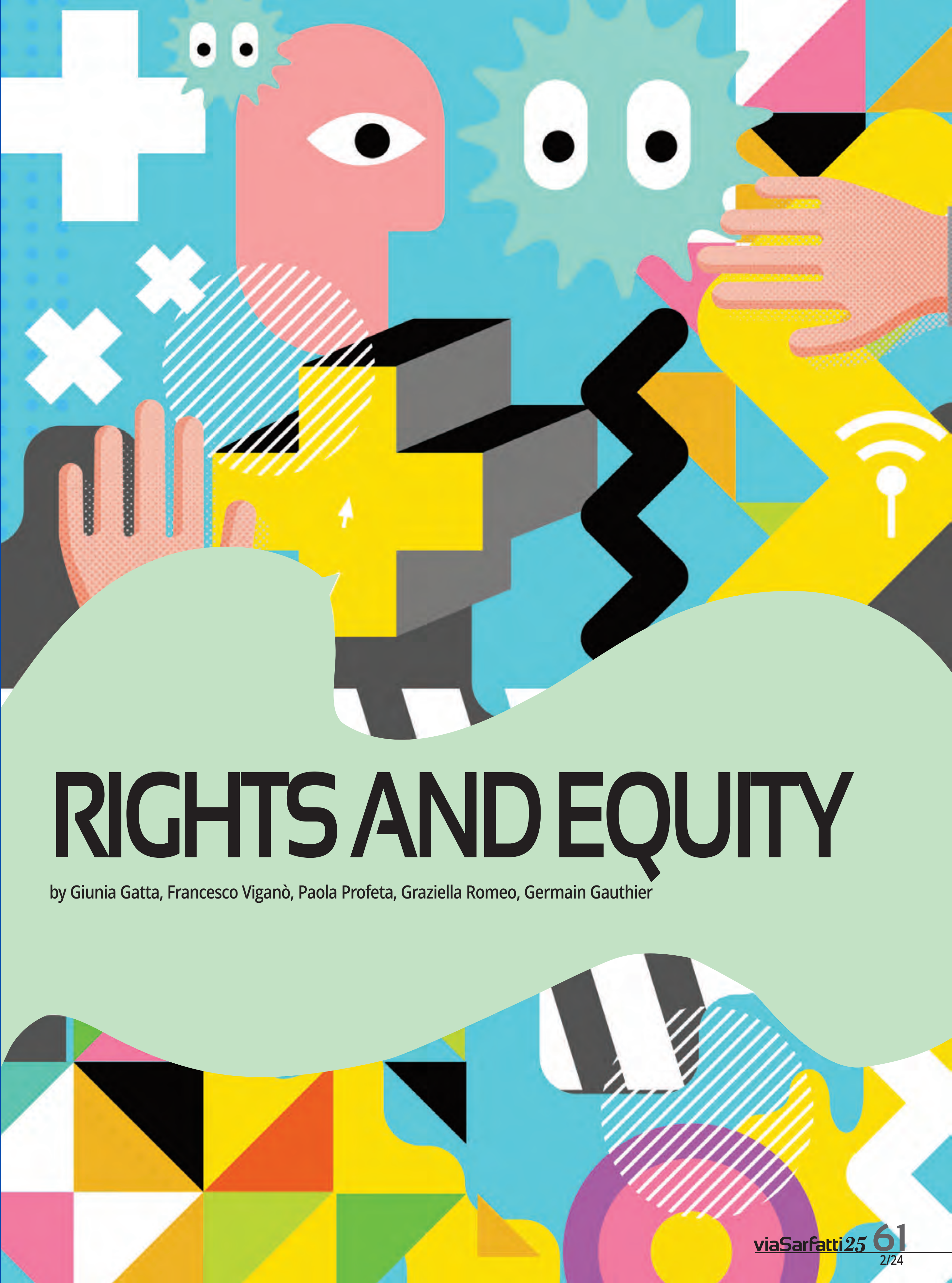

RIGHTS AND EQUITY

by Giunia Gatta, Francesco Viganò, Paola Profeta, Graziella Romeo, Germain Gauthier

Challenges to social inclusion

In a society that is becoming ever more inclusive, protecting rights more strongly faces resistance to change and backlashes. We face three major challenges

by Giunia Gatta @

Enormous steps forward have been taken, even just in the last five or ten years, when it comes to rights.

We can see this from small things in our daily lives. Presenting an all-male panel of experts on any subject nowadays would not go unnoticed and uncriticized. All-gender restrooms are becoming the norm, and so is trying to modify sexist language in a more inclusive direction. Commercials are increasingly defying prejudices and stereotypes, rather than reinforcing them.

More generally, gender has been "mainstreamed" in most international organizations. This means that there will not be necessarily a specific office to deal with gender issues, but rather that it is the task of everybody to pay attention to the different repercussions of certain policies on different genders. Similarly, policymakers in diverse societies

are more and more often thinking about the race-specific effects that some of the policies they propose might have.
Data scientists around the world are becoming increasingly aware that economic indices ought to be disaggregated by gender and race, so that we have a more accurate description not just of the state of a whole community, but specifically of the different identities within that community.
What according to some has become a public space where "you can't say anything anymore" to me looks like a public space where efforts are being made not to discriminate, offend, and yield to stereotypes. But the resistance and backlash against change are real, and become visible in the astonishing figures about femicides and violence against women, LGBTQIA+ individuals, and ethnic minorities all over the world. We should also remember that economic deprivation is a major roadblock on the way of many individuals towards full enjoyment of their rights: for many around the world, and in our cities, it is nearly impossible to protest against discriminatory work environments, lest their livelihoods are jeopardized. Are rights you cannot claim, rights whose infringement you cannot denounce because you cannot afford to lose that job, or because you cannot expose your undocumented status to the authorities, still rights? Aren't human rights the baseline beneath which no human should have to go?
The three challenges I see ahead for rights are: the backlash against established rights, the erosion of legitimacy stemming from systematically and arbitrarily excluding whole categories, and the extension of rights beyond the borders of existing liberal democracies.
There is backlash against the expansion of rights to women, LGBTQIA+ individuals, and ethnic minorities, especially among those who had been privileged by a more exclusive distribution of rights. This backlash has led to political wins for populist movements and right-wing parties, which in turn have started to restrict some rights (cases in point

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are the overturning of Roe v. Wade, the Supreme Court decision legalizing abortion at federal level in the United States, or the limitation of parental rights of same-sex couples in Italy).
The language of rights itself is under threat and is losing legitimacy. Countries where rights are most established appear to look for excuses to limit the rights of non-citizens and of anyone who find themselves outside their borders. Countries who had prided themselves on being the cradles of liberalism and boasted about their democratic credentials now suggest that those values they had promoted as universal in fact only apply to their citizens. But what does this look like from the outside? Citizens of autocratic, or institutionally weak countries (many former European colonies), who knock at the doors of wealthy and politically stable countries find that those doors won't open for them, making citizenship in Western democracies - as Joseph Carens vividly puts it - "the modern equivalent of feudal class privilege, an inherited status that greatly enhances one's life chances."
The third challenge is a form of solidarity that might support precisely these citizens of politically weaker countries to improve the enjoyment of rights. This is of course a delicate enterprise, in the wake of several military interventions in the last couple of decades, which have generally left the countries where the intervention was carried out arguably worse off than they were before regarding human rights. But transnational advocacy networks, composed of international agencies, nongovernmental organizations, some government officials, and other activists, can be quite effective in negotiating increasingly better terms for silenced individuals or groups.
These challenges require the political and intellectual commitment of anyone who cares about rights and their defense. No outcome is predetermined and cynicism and despair are the best allies of those who do not regard the enjoyment and expansion of rights favorably ■

Defending democracy from the dictatorship of the majority

Many post-war constitutions have established independent judicial review, such as the Constitutional Court in Italy, to protect rights and freedoms from political interference. While the law is an expression of the general will, it is not the will of all, and minorities are at risk of seeing their rights curbed by governments abusing their power, as currently happens in illiberal democracies by Francesco Viganò @

What is the relationship between rights and democracy? It comes naturally to imagine that democracy is the natural place where individual rights and freedoms are protected and valued. However, contemporary history increasingly often puts us face to face with so-called "illiberal democracies": regimes legitimized by the popular vote which enjoy broad consensus in society's various strata, but at the same time pursue policies that are highly restrictive of people's individual rights. Even freedom of expression is in many cases under attack in these countries: newspapers and television channels critical of the regime are closed with the approval of compliant courts; opposition leaders are regularly accused and convicted for crimes of opinion, or for spreading "fake news".
Naturally, in these contexts minority groups are the most vulnerable: non-conformist young people, ethnic, linguistic and religious minorities, people of sexual orientation or gender identity that are not those of the majority. And also foreigners, inmates, people suffering from mental ailments.
The reality, unfortunately, is that democracy does not necessarily guarantee the protection of rights and freedoms. After all, the basic rule of democracy is the will of the majority, expressed through electoral processes. But the majority can easily tyrannize, if it approves laws that reduce and sometimes eliminate the rights of single individuals, in the name of an alleged common good.
It is no coincidence, moreover, that in modern history dictatorships have often originated not from military coups or violent revolutions, but from free elections. These were governments legitimized by the popular vote which took on the task of suppressing freedoms and rights, through laws regularly approved in parliament. They thus afforded themselves the conditions to permanently remain in power, ultimately outlawing any form of opposition.
Precisely to avoid these scenarios, from the Second World War onwards many European Constitutions - the Italian one foremost - have established constitutional courts, entrusting them with the task of safeguarding the freedoms and rights of people,

FRANCESCO VIGANÒ Full Professor of Constitutional law, Bocconi University, and judge of the Italian Constitutional Court

especially those less represented at a political level. The protection of the rights of these people cannot remain entrusted to the law alone, because the law is the expression of the majority; and the risk to be avoided is precisely that the majority abuses of its power to the detriment of minorities. Exactly for this reason the protection of everyone's rights has been entrusted to courts that are independent from political power and are not answerable to voters, but only to the Constitution. Justices have the duty to protect rights even against the decisions of the majority.
Of course, all the freedoms and rights recognized by the Constitution can, under certain conditions, be legitimately limited by laws approved by Parliament, to safeguard other individual or collective interests. In these cases, the Constitutional Court must acknowledge that political power has room for maneuver to identify a sustainable trade-off between individual rights and the public interest. But it is up to the Court to set the limits that are insurmountable by the legislator, beyond which the power of the majority ceases, so that a minimum protection of the rights for every person is always guaranteed.
Also because, upon closer inspection, the intransigent defense of fundamental freedoms by the Constitutional Court - starting with the freedom of expression - is the very condition for guaranteeing that a democracy continues to prosper, and does not become a corrupted form, gradually turning into a tyranny. Without freedom, it is impossible to criticize those in power; and those in office would be increasingly induced to abuse their power, also through the systematic exclusion of political opponents from political competition through more or less legal means.
Ultimately, the essential task of the rights and freedoms recognized by the Constitution is precisely this: to guarantee the conditions that give today's minorities the concrete possibility of becoming tomorrow's majorities. And so, the very idea of "illiberal" democracy is truly a contradiction in terms. When a democracy no longer respects people's fundamental freedoms, it has perhaps already ceased to be a real democracy ■

The quiet revolution left unfinished

The World Economic Forum has calculated that, at this pace, it will take 131 years to achieve complete equality between men and women in the world. In Italy, where the female employment rate is the lowest in Europe, cultural factors weigh heavily in putting women behind

by Paola Profeta @

The transformation of the role of women represents the biggest change achieved in our societies in the last century. Advances in the sphere of rights - starting from the right to vote - have been accompanied by profound changes in the economy and society, putting nations on the long path towards gender equality. Women left the domestic household and began to invest in their education, became workers and employees, entered the professions and positions of power. A veritable social revolution.
Claudia Goldin, 2023 Nobel Prize for Economics, speaks of a "quiet revolution", because it makes no noise, but proceeds and advances slowly and steadily. Goldin also explains that this revolution occurred in different phases and not always in a linear way, and was also influenced by technological improvements, for example the introduction of the contraceptive pill which allowed women to plan fertility choices, also in relation to employment.
But it is also an unfinished revolution. Gender equality has not yet been achieved in any country in the world, particularly in the spheres of economic opportunity and political representation. According to the World Economic Forum, it will take 131 years to achieve equality between men and women in the world, if we continue at the slow pace that has characterized recent decades. Considering the economic dimension alone, the years of waiting become a staggering 169.
How is our society changing and what can we expect regarding equality between men and women in the coming years?
Women are now more educated than men. Even in Italy - second-to-last country in Europe in terms of the overall number of college graduates, followed only by Romania - there are more young women than men getting their degrees today. In 1950, women were 25% of graduates, today they are almost 60%. But they continue to trail behind in the STEM (Science Technology Engineering Mathematics) disciplines that are important for the jobs of the future. Today in Europe only 16% of STEM jobs are held by women.
At work, only one woman in two is employed in Italy, which has the lowest female employment rate in the EU. When working, women face greater obstacles than men in the progression of their careers and receive lower earnings. Motherhood leads to losses in employment and wages estimated at around 33%. The low employment rate represents the equilibrium of a market in which statistical discrimination penalizes female labor. Yet even the fertility rate is at its lowest in Italy, pointing to the fact that in a changing society work and children are no longer alternative choices as in the past.
Cultural factors remain at the roots of the differences observed. Even today, more than 50% of Italians think that young children will suffer if their mothers work. In Sweden the corresponding proportion is 15%, in France and Germany around 30% (World Values Survey). Regarding jobs, 25% of Italians think that if work is scarce, men should have precedence over women, while in Sweden the corresponding figure does not even reach 3%. The culture that imposes a rigid division of gender roles originates in the family: Italian working women dedicate two hours and 55 minutes more per day than men to unpaid work (care and domestic work). In a recent study (Fanelli and Profeta, 2020) we showed that women who share care work and domestic work in a more

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Dean for Diversity, Inclusion and Sustainability, Full Professor of public economics, Director of the AXA Research Lab on Gender Equality

THE LAB

Bocconi's AXA Research Lab on Gender Equality carries out theoretical and empirical high-quality research with a strong policy impact adopting an interdisciplinary approach based on quantitative analysis. Its aim is to promote women's empowerment by issuing policy recommendations based on this research. The Lab's work spans all areas of gender economics, gender policies, and gender diversity management.

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balanced way with their partners are more likely to have a child after three years while continuing to work full time. The change starts from a more balanced allocation of time between men and women. Signs of change in this direction are coming from the new generations, reinforced by the spread of new forms of organization of work based on the flexibility of time and space. After the experience made with the pandemic, remote working has remained the prevalent form of work. Flexibility appeals to young people, both men and women. Whether this will help with a better sharing of roles between men and women - at home and at work - remains to be seen, but in a changing society this is a positive sign for gender equality (Angelici and Profeta, 2023) ■

Immigration, a mirror of global inequalities

Despite this, economic reasons are not listed among the conditions for access to asylum or other forms of international protection. Legal admission to the EU for low-skilled economic migrants (non-asylum seekers) is often conditional on the signing of an employment contract prior to arrival. Yet, this influx of workers could be strategically employed by the EU's economic system

by Graziella Romeo @

GRAZIELLA ROMEO Associate Professor of Comparative public law, Bocconi University

In an interconnected world, immigration is both a testament to human pursuit of improved life conditions and a catalyst for societal transformation. As we grapple with the complex tapestry of global migration, it becomes evident that the issue extends far beyond the mere movement of people; it is inherently tied to questions of equality and justice.

The contemporary discourse on mass migration often revolves around economic concerns, national security, and cultural preservation. While these are critical aspects, they overshadow an alternative narrative on migration - one that sees it as the manifestation of global inequalities, often inherited from colonization or unequal commercial relationships.

One key facet of this discussion is precisely the unequal distribution of resources and opportunities. While immigrants seek refuge or economic prosperity, the current European framework is ill-equipped to address the challenges of economic migration. The migrant crisis is frequently addressed as the consequence of international political instability and humanitarian crises, sidelining economic migration as a less explored topic. Economic reasons are not listed within the conditions for access to asylum or other forms of international protection. Legal admission for lower-skilled economic migrants (non-asylum seekers) in the EU is often contingent on a pre-arrival work contract, hindering the possibility of mass migration being understood as an influx of workers that the EU economic system can then strategically deploy. Several reasons explain why this is the case, including Member States' authority to decide the volumes of admission of third-country nationals coming to their territory to seek work, as explicitly stated by Art. 79.5 TFEU.

EU policy in the field of work-related migration primarily focuses on attracting highly skilled workers. While this is an important policy goal, it falls short in addressing the issue of lower-skilled economic migration, mainly driven by the pursuit of better life opportunities..

In 2022, 9.93 million non-EU citizens were employed in the EU labour market, out of 193.5 million persons aged from 20 to 64, corresponding to 5.1% of the total (source: Eurostat). Data from the EU Commission, available on its website, reveal that migrants are overrepresented in sectors such as accommodation and food service, administrative and support service, domestic work, and construction, while being underrepresented in professional, scientific and technical activities, education, human health and social work activities. These figures underscore that lower-skilled migration is an important European issue.

One significant obstacle to perceiving large-scale economic migration as a European concern is the anti-immigrant sentiment fuelled by political parties that challenge the EU's cosmopolitan aspirations. Any European political initiative in these matters must contend with the pervasive narrative that immigration poses a threat to national identity. There is no shortage of studies, however, explaining how immigration is, among other things, an economic opportunity - one that some States may need in the future to sustain their welfare system or boost their economies.

Ultimately, the immigration debate should transcend divisive rhetoric and embrace an informed understanding of its implications. By addressing the root causes of inequality and fostering inclusivity, we can transform the narrative surrounding immigration into one that not only acknowledges its challenges but also celebrates the resilience and contributions of those seeking a better life on unfamiliar shores ■

The impact of #MeToo on sex crimes

Looking at the data on late filings for gender violence, which doubled between 2010 and 2020 in various US cities, and relating it to the number of direct reports to the police, a doubly positive result emerges from the movement that brought millions of women to the streets

by Germain Gauthier @

In October 2017, the Me Too movement led millions of women worldwide to protest against sexual violence. Enthusiastic commentators portrayed the movement as a game-changer in the history of women's rights. Others, more skeptical, raised concerns about false allegations, backlash effects, and socioeconomic and racial divides. Still today, the public debate remains lively and unsettled, with some suggesting the movement's advocates have gone too far.

This may seem surprising. After all, isn't quantifying the impact of the Me Too movement a straightforward endeavor? Simply look at the number of police reports for sex crimes before and after #MeToo went viral on social media. If we see an increase, the movement successfully increased reporting by victims. But as often, things are (much) more complicated than that.

In particular, there is one severe complication: most crimes are heavily underreported to the police. Criminologists refer to the share of crimes that are neither reported to nor recorded by law enforcement agencies as the dark figure of crime, and national surveys indicate this figure is particularly large for sex crimes. This means that, at any point in time, the number of complaints filed to the police for crimes is the product of (i) the offenders' probability of committing a crime and (ii) the victims' probability of reporting this crime. If both decisions vary over time, then reported crimes become very hard to interpret. For instance, in theory, if the Me Too movement successfully encouraged victims of sexual violence to report to the police and successfully deterred sexual offenses, the trend in reported sex crimes could remain entirely flat.

GERMAIN GAUTHIER
Assistant Professor of Diversity and global policy,
Bocconi University

To say anything meaningful about the movement's impact, we thus need a way to separate offender from victim decisions over time. One way of doing so is to look at delayed reports. More than 50% of sex crimes are reported with a delay to the police. The data shows that complaints can occur days, months, years, and sometimes decades after the crime happened. If #MeToo has successfully increased reporting to the police by victims, we would see an increase in delayed reports for sex crimes that were committed before #MeToo. For these period of time, the number of crimes committed remains fixed and is unaffected by the Me Too movement. By looking at delayed reports, we are thus focusing solely on the decision of victims to report the incident to the police, and whether this decision has changed following #MeToo's sudden mediatization.

When conducting this exercise, the data unambiguously suggests that the Me Too movement had a positive impact and increased the probability that victims reported. In New York City, Los Angeles, Seattle, and Cincinnati, delayed reports of sex crimes more than doubled between 2010 and 2020. The increase was particularly large after #MeToo went viral. If sex crimes had remained

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stable, we would also expect direct sex crime reports to have increased by a similar amount. Yet, they increased far less. This suggests that sex crimes decreased over the decade, particularly so after #MeToo's mediatization. In other words, the Me Too movement killed two birds with one stone: it jointly empowered victims of sex crimes and deterred sexual offenders.

Of course, beyond the Me Too movement, our societies still have a long way to go to eliminate sexual and gender-based violence. Looking ahead, these results imply that social movements and public awareness campaigns have an essential role to play in shaping the public's opinion on sexual violence, its severity, and the right of victims to see justice served ■

THE PAPER

Measuring Crime Reporting and Incidence: Method and Application to #MeToo, by Germain Gauthier

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Gabriele Galateri di Genola, Presidente The Human Safety Net
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Greta Privitera, Giornalista Corriere della Sera
Paola Profeta, Professoressa ordinaria di Public economics, Prorettrice per la Diversità, Inclusione e Sostenibilità della Bocconi, Direttrice dell'AXA Research Lab on Gender Equality
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Enrico Vita, Amministratore Delegato Amplifon

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Francesco Billari, Professore ordinario di Demografia e Rettore Università Bocconi
Alessio Boni, Attore
Tom Dannat, Founder and CEO di Street Child
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Intervengono:

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Daniele Manca, Vicedirettore Corriere della Sera
Costanza Musso, Amministratore Delegato Marco Antonio Grendi dal 1828
Francesca Pasinelli, Consigliere Delegato Fondazione Telethon
Lara Ponti, Amministratore Delegato Ponti
Giovanni Sandri, Managing Director, Head of Southern Europe - Italia, Iberia, Grecia e Israele Blackrock
Steven Shiel, Vice President Global Public Affairs L'Oréal
Massimo Sideri, Inviato ed Editorialista Corriere della Sera Direttore scientifico Rcs Academy Innovation
Marinella Soldi, Presidente RAI
Gianmario Verona, Professore ordinario di Management Università Bocconi e Presidente Human Technopole
Marino Zerial, Direttore Humane Technopole

Università Bocconi | Aula Magna
Via G. Roentgen, 1 | ore 20:30

Intervengono:

Allen Blue, Co-founder LinkedIn
Alberto Cartasegna, Co-fondatore Miscusi Family
Mario Corti, Senior Partner di KPMG Italia
Stefania Di Bartolomeo, CEO e Fondatrice di Physis Investment
Ditonellapiaga, Cantautrice e Musicista
Daniele Manca, Vicedirettore Corriere della Sera
Davide Oldani, Chef
Francesca Rossi, AI Ethics Global Leader IBM
Adama Sanneh, Co-fondatore e Amministratore Delegato Moleskine Foundation
Roberta Ventura, Fondatrice di SEP the brand
Gianmario Verona, Presidente Human Technopole e Professore Università Bocconi

PLANET 28/03
Sala Buzzati
Via Balzan, 3 | ore 15:00

Intervengono:

Michel Beneventi, Amministratore Delegato Gruppo San Pellegrino
Ariela Caglio, Professoressa associata di Management accounting Università Bocconi
Olivier Elamine, CEO Alstria
Francesca Gambarini, Giornalista L'Economia del Corriere della Sera
Sanda Ojambo, Assistant Secretary-General, United Nations Global Compact
Anna Puccio, Managing Director B Lab Italia
Simeon Rose, Creative Director at Faith In Nature
Vincent Stanley, One of Patagonia's original employees, co-founded Our Footprint, company's in-house philosopher
Thomas Trienbacher, Community Investment & Impact Manager Alperia
Paolo Vidali, Filofoso

Università Bocconi | Aula Magna
Via G. Roentgen, 1 | ore 20:30

Intervengono:

Sofia Bonicalza, Biologa conservazionista
Roberta Boscolo, Climate & Energy Science Officer World Meteorological Organization
Valentina Bosetti, Professoressa ordinaria di Climate change economics Università Bocconi
Simonetta Di Pippo, Professor of practice di Space Economy e Direttrice dello Space Economy Evolution Lab di SDA Bocconi
Riccardo Farina, Partnership manager The Ocean Cleanup
Francesca Gambarini, Giornalista L'Economia del Corriere della Sera
Filippo Grandi, Alto Commissario UNHCR
Julien Groues, Country Manager, EMEA SOUTH AWS
Michael López-Alegria, Chief Astronaut for Axiom Space
Camilla Mendini/Carotilla, Divulgatrice e Imprenditrice sostenibile
Stefano Pogutz, Professor of practice di Corporate Sustainability presso SDA Bocconi
Luca Rossettini, Fondatore e Amministratore Delegato D-Orbit
Brent Sherwood, President, BS Consults, Inc,
Massimo Sideri, Editorialista Corriere della Sera
Walter Villadei, Colonnello dell'Aeronautica, militare membro spedizione Axiom 3

EDUCATIONAL PARTNER: INTESA SANPAOLO

PARTNER: a2a LIFE COMPANY, aws, eng, Henkel, KPMG

INSPIRING PARTNER: B Lab

CORRIERE DELLA SERA

La libertà delle idee

INNOVATION

by Silvia Candiani, Nicoletta Corrocher, by Rafael Jiménez Durán,
Deborah Raccagni, Lorenzo Diaferia

Today technology is at the heart of everything

Shifting from a supportive to a fundamental role, IT is at the center of all business models today, transforming all goods and services, even those that are not strictly digital. Silvia Candiani, vice president of Telco and Media at Microsoft and president of the Bocconi Alumni Community, talks about how AI, cloud and open ecosystems are changing the lives of businesses and users

by Michele Chicco @

She has been working at the frontier of innovation for years, seeing closely how digital technology evolved in her fifteen years spent at the top of Microsoft. Today, Silvia Candiani is vice president of Telco and Media of the Seattle-based company, and she can distinguish between passing fads and real revolutions, such as artificial intelligence and the cloud. “Today there is always a software heart in every hardware component: the world needs technological infrastructures that are able to satisfy this huge demand for computing power,” she says. A Bocconi alumna, since 2020 she has led the community of alumnae and alumni with the aim of contributing to the growth of the social impact made by the university in the world.

➜ How has the world of technology changed from your point of view?

The most important difference is that today technology is at the center of everything: if before it had a supportive role, today it is the basis of business models. Let’s just think about artificial intelligence, which has turned into a fundamental tool for defining a company’s competitive strategy. In ten years the IT market has increased tenfold and we are only at the beginning: all products are

LEGGI L'ARTICOLO IN ITALIANO

software products, even in the automotive sector nearly 30% of value added is given by the technology on board of the car. A transformation that is taking place for all goods that are not strictly digital and which allows technology to guide the path to success of other industrial sectors.

➜ *Artificial intelligence is nothing new in technology, but in recent months the evolution of algorithms has been impressive. Is the future mapped out?*

The increase in productivity that artificial intelligence leads to is truly impressive: it does not shift a company's margins, but it changes the development of its products. This is why I think it won't be meteoric: it's a fundamental technology. The use of these artificial intelligence models began 20-30 years ago, by now computing power has grown significantly stronger than in the past, allowing for very complex reasoning. And the whole thing is done quickly, so as to process data in real time.

➜ *AI is therefore here to stay.*

It is a long-term trend. We are seeing very rapid adoption by companies: all companies have AI projects and more than 35% have already prepared their first implementations. There is a curiosity in companies to see the impact of AI on customer care and the development of new products for customers, who are prepared, precisely because of the mass adoption by people AI is currently experiencing.

➜ *A technology with less appeal than AI, but equally revolutionary, is the cloud.*

The cloud gives the great capacity of being able to work on data easily. The transition to the cloud already started a few years ago, with a series of strong reasons leading many companies to make that choice. The development of artificial intelligence has accelerated the movement even further because AI lives in the cloud: being able to have applications and data always at your disposal enables you to fully benefit from artificial intelligence and the integration with native cloud applications becomes very simple.

SILVIA CANDIANI
Vice President of telco and media at Microsoft, President of the Bocconi Alumni Community

➜ *Open ecosystems are another great innovation accelerator.*

It is our mission as Microsoft to be an open platform on which applications can run that make life easier for users. The maximum impact occurs when the ecosystem integrates, when all the companies that operate on the basis of the same platform are growing to bring added value to those using it. We have done several studies: for every euro of turnover we generate, there is a return of 8-9 euros for the ecosystem of our partners. When this mechanism works, the level of innovation and competitiveness benefiting customers is much higher.

➜ *An open ecosystem also helps the development of startups. How do you see the European scenario?*

There was great support from governments which helped it take off. Then if we compare ourselves to the United States and Asia, the level of maturity is still low because the bar continues to rise, especially in Silicon Valley where the funds to support innovation are more sizable. The fortune of European startups is being able to benefit from the rules of the Single Market, with millions of potential consumers. It seems to me that we are proceeding on the right path.

➜ *Beyond AI and the cloud, what do you expect will have a disruptive impact on technology in the future?*

There are great expectations for quantum computing which will be able to significantly increase computing capacity, so much so as to develop very important applications also for science. In all these innovations we need to look at how the technology will evolve long term to be able to make investments, not simply think to what will happen in a few years' time.

➜ *In addition to sitting on the frontier of innovation, since 2020 you have led the Bocconi Alumni community which numbers 140,000 former Bocconi students around the world.*

The goal is to create value for the alumni community: we work with the university to be able to create opportunities for continuous learning and remain connected to Bocconi. And it is also an opportunity for alumnae and alumni to give back what they received from the institution, with scholarships, donations and mentorships that allow them to support merit. There is a symbiosis between the university and the alumni community that makes us all bearers of Bocconi values in society. Through the roles we have in companies and civil society we can multiply the impact of the university on the world, also with initiatives related to social inclusion and gender equality ■

Our life shaped by digital platforms

From interpersonal communication to entertainment, from retailing to the job market, the digital age has transformed all kinds of social interactions, democratizing access to knowledge and increasing consumer variety. However, policymakers need to address abuses of market power, infringements of privacy, and employment downgrading that Big Tech can be responsible for

by Nicoletta Corrocher @

First and foremost, new technologies have broken down time and geographic barriers to communication, allowing people to interact in real-time across the globe. Innovations such as email, instant messaging apps, and social media, introduced by tech giants such as Meta, Google, Microsoft, and TikTok, have allowed an increasing number of people to easily connect and share content. At the same time, the development of search engines has facilitated access to information and knowledge. While all these phenomena have empowered individuals and led to the emergence of communities of interest, they have also raised increasing concerns about the spread of fake news and misinformation, requiring the development of digital literacy skills to assess the authenticity of online content. At the same time, individuals have found themselves constantly connected and in search of online approval, which has led to mental health issues such as depression and anxiety, especially among the younger generations.

The second major area of change for consumers is commerce/shopping. E-commerce has revolutionized the way goods and services are traded around the world, expanding variety and consumer choice, increasing competition, and driving down prices. Consumers can shop from anywhere at any time, a trend that has been fuelled by the proliferation of mobile commerce, which has blurred the line between physical retailing and online presence, making the multichannel strategy particularly profitable for sellers. This revolution has had a significant impact on the relationship between merchants and consumers, as the latter have become more informed, more demanding of personalized experiences, and more willing to engage and share their activities with other users on social networks. Thus, e-commerce has given consumers access to information, the ability to shop on multiple devices, and the ability to share their experiences with others, which has completely changed their expectations and the way they shop. Despite the benefits brought to consumers, the abuse of dominant market position by large e-commerce platforms and the consequent reduction of competition in digital markets require greater oversight from policymakers.

NICOLETTA CORROCHER
Lecturer of Internet technologies, Bocconi University

Finally, digital technologies and platforms have radically transformed the world of work. The rise of the gig economy has opened employment opportunities for many individuals who can offer their skills and services online, but it has also raised important challenges about the nature of the employment relationship, which has shifted from the traditional full-time, secure job contract to an economy of free contractors performing contingent, part-time, and temporary work, typically with lesser health, disability, or pension benefits. Moreover, remote working and flexible work arrangements encouraged by the pandemic, have since become a reality in many contexts, made possible by technological advances in relevant platforms. In the future, important challenges will arise from the diffusion of AI and more generally of advanced technologies (big data, robotics, etc.), which are becoming majorly facilitating tools in the working environment, but whose management requires the development of new skills, which could lead to job displacement for many.

Online platforms are proving to be key intermediaries in the flow of information and services, facilitating all types of interaction. Over time, their diffusion and use for manifold purposes - from entertainment to communication, from commerce to travel, from finding a job to making friends - have increased significantly, with benefits spread throughout society. However, this overarching phenomenon has raised significant concerns that are bound to shape future

interactions in digital markets. On the one hand, as more information and content are shared online, there is the growing need to balance the convenience of using digital platforms with the protection of personal data. On the other hand, trends towards the concentration of market power in the digital economy, with a few dominant players taking the lead across various industries, could be detrimental to consumer welfare and should be closely monitored by policymakers and market authorities ■

THE MASTER OF SCIENCE

Innovation is the engine of growth and a priority for governments, top companies, and newly established firms. Innovation and technological evolution shape competitive forces and change industries, affect our lives and modify societal structures. The Master of Science in Economics and Management of Innovation and Technology builds a foundational understanding of the process of innovation from a micro and macro perspective, providing analytical skills, decision-making abilities and a problem-solving attitude.

The toxicity threshold

On the one hand, platforms and their algorithms appear to accommodate the presence of hateful content in users' feeds; on the other hand, online platforms have moderated toxic content from the beginning, even before steep fines were introduced. Perhaps a profitable strategy for them lies in the middle

by Rafael Jiménez Durán @

LEGGI L'ARTICOLO IN ITALIANO

The pen is mightier than the sword, but it can be just as double-edged. And, just like a pen, social media can be both a tool for empowerment and a weapon for harm. The same technology that helped mobilize the Arab Spring protesters also hosts content that last year harassed one-third of American adults.

This dual role begs the question of how to preserve the beneficial uses of social media while minimizing the spread of hate speech, misinformation, and other harmful content. A starting point to answer this question is to follow the money and ask whether platforms have incentives to expose users to harmful content. As we will see, the answer to this question is not so straightforward.

Take the case of hate speech, harassment, and offensive speech - hereafter referred to as "toxic" content, for lack of a better term. On one hand, there are reasons to believe that profit-driven social media companies want to minimize this type of content. After all, one of the properties of toxic speech is that it undermines the public good of inclusion, because it is likely to reduce the willingness of some individuals to converse with others. And fewer online conversations mean less money for platforms. Besides, advertisers have boycotted social media companies, and regulators have fined them, over their failure to remove toxic speech.

On the other hand, industry insiders who know how social media algorithms work have voiced opposite concerns. Frances Haugen - Facebook's whistleblower - has put forward the view that platforms seeking to optimize engagement will prioritize hateful, polarizing content.

At first glance, the evidence seems on the side of insiders. An experiment asking social media users to install a browser extension that hid toxic content from their feeds reduced their engagement with the surviving content. This lower engagement translated into fewer ad impressions and clicks, likely lowering ad revenue. Moreover, users who were exposed to less toxic content also posted less toxic content subsequently, supporting the long-held hypothesis

RAFAEL JIMÉNEZ DURÁN
Assistant Professor of Economics, Bocconi University

that toxicity is contagious. These pieces of evidence suggest the presence of a tradeoff for online platforms: they must tolerate a measure of decrease in user engagement to curtail the spread of toxicity. But are platforms just fulfilling users' willingness to see toxicity on their feeds? Not necessarily. They may result from a perverse incentive partly driven by the popular advertising-based business model. In particular, optimizing for user engagement may be tangential to - or even at odds with - optimizing user wellbeing. Paradoxically, exposing users to toxic content on social media can harm them while simultaneously increasing the time they spend on the platform or the number of posts they consume. For example, users might dislike encountering offensive posts, but once they see them, they might wish to investigate more, read the comment section, and even participate in the discussion. An algorithm optimizing for engagement (to maximize advertising revenue) would respond to these signals by further exposing users to toxic content, even if users would rather not see it.

Based on this evidence, it may be tempting to conclude that platforms lack incentives to moderate content, removing too few posts or accounts that violate their terms of service. However, this conclusion would fail to explain why platforms have moderated content since their inception, before advertiser boycotts or regulatory fines. Just directing the Wayback Machine to SixDegrees.com in 1998 reveals that this ancestor of modern social media websites had terms of service that closely mimicked the rules of its descendants. And experimental and quasi-experimental evidence confirm that content moderation can increase user engagement.

How can these seemingly contradictory pieces of evidence coexist with one another? It may very well be - to be confirmed by future research - that a profitable strategy is to allow presence of toxic content and show users that some of it is being punished. After all, behavioral economics has shown that the demand for punishing wrongdoing is deeply rooted in our psyche ■

THE PAPER

The Economics of Content Moderation: Theory and Experimental Evidence from Hate Speech on Twitter, by Rafael Jiménez-Durán

Shopping in 2030: how AI and IoT will redefine the customer experience

An imaginary purchase of sunglasses is the opportunity to reflect on how technology is rapidly changing the experience of consumers

by Deborah Raccagni @

It's 2030 and Becky wants to buy new sunglasses. "Hi Alexa, I'd like new sunglasses. Which ones do you recommend?". Today in Italy, 30.6% of internet users already use a virtual assistant like Alexa or Google Assistant every week (meltwater2024). Alexa, analyzing her owner's preferences, style and budget, suggests different options worn by top influencers and shows them to her on her smart TV. Becky puts on her smart glasses (the growth of these devices is expected to go from $5.66 million in 2022 to $12.40 million by 2030) and navigates through virtual showcases projected on the walls in her room. An AI-based chatbot provides her with information on various models' features, prices and customer reviews. Juniper Research points to an increase in the global spending for chatbots, from $12 million (2023) to $72 million (2028), so that by 2026, it's estimated that more than 150 million voice assistants will be in use the US. Choosing is difficult, because Becky is unsure about the comfort of the models proposed and goes to a physical store to try on some of the sunglasses.

Once she crosses the store's threshold, she is greeted by a personalized atmosphere with scents and music of her favorite genre. A sales employee, thanks to facial recognition, identifies her and offers her a tablet with a selection of sunglasses based on her preferences, analyzed using the data collected by Alexa in the morning and sent to the store in real time. The global facial recognition market will grow at a CAGR (compound annual growth rate) of 14.6% between 2023 and 2032, to reach $19.3 million. Becky approaches a smart mirror. By framing her face, the mirror shows her in real time how different models look on her (Virtual Try On). She can change color and style with a simple wave of the hand or with a voice command. (The global virtual fitting room market was $3.78 million in 2022 and is expected to grow at a CAGR of 24.1% from 2023 to 2030).

DEBORAH RACCAGNI
Lecturer of Digital marketing, Bocconi University

Finally, Becky finds the model that wears great and decides to add her own personal touch. In a dedicated area of the store, she can engrave her own initials on the arms of the glasses, or add a pendant or an image. A 3D printing service even allows you to create customized frames. 66% of US consumers say they are more inclined to purchase from a brand that offers personalized recommendations (Gartner). Becky, enthusiastic about the resulting product, decides to purchase it. Payment takes place securely and transparently via blockchain; she can choose to pay by cryptocurrency or traditional currency, using her smartphone or a wearable device. Thanks to the blockchain, Becky has the peace of mind of knowing about the ethical sourcing of products, the history of each item, from production to distribution, guaranteeing it comes from trusted sources. The global blockchain market is expected to reach $163 million by 2029, with a CAGR of 68.4% in the 2022-2029 period (LinkedIn).

She chooses same-day home delivery, taking advantage of the unified channel-endless aisle approach. The package arrives in a recyclable container, demonstrating the brand's commitment to sustainability. Becky is satisfied with her purchase. Her satisfaction is not limited to the product itself; she knows she can also benefit from after-sales assistance via an intelligent chatbot or a video call with an expert. You can choose to sign up for an extended warranty or protection plan online with a simple click from the app or e-commerce site. By 2030, e-commerce in Italy will treble, reaching €157 million (ICE-Amazon). Becky's purchasing process is just one example of how technology will transform the shopping experience. Consumers will become active protagonists, immersed in a fluid, personalized and interactive journey that will lead them to an informed and satisfying purchase of the desired product. A journey transformed by the magic of data, AI, VR/AR, blockchain and IoT ■

A lot of hype but also a lot of doubts

With the arrival of ChatGPT and alike, the world has been divided between sensationalist praise and catastrophic rhetoric. But if we want to clarify the real positive or negative impacts of this momentous transformation, we need to tone it down and look at the data

by Lorenzo Diaferia @

Since Open AI presented ChatGPT, public opinion and companies have been hit by a wave of debates, sensationalist slogans, catastrophic proclamations and facile generalizations that have made approaching this already complex phenomenon absolutely confusing.

After an initial phase of understandable enthusiasm for the novelty and performance of generative systems, public opinion was immediately captured by a new 'catastrophic' rhetoric, which sees in AI, especially generative AI, an almost existential threat to humanity. The emblem of this position is the open letter published in early 2023 by the Future of Life Institute, which called for a moratorium on the development of AI systems more powerful than GPT4. In the months that followed, there was no shortage of new outbursts of great enthusiasm, corresponding to the release of new ChatGPT features, the launch of similar products on the market by competitors, and truly enormous rounds of investment raising by AI startups. The storm continues, however, because these moments of overwhelming optimism driven by the narrative of technology vendors, which emphasizes the revolutionary economic and social effects of Generative AI, have been interspersed with other worrying signals. One above all in terms of media reach, is the resignation of Goeffrey Hinton, one of the fathers of modern AI and winner of the Turing Prize, from his position at Google in order to be able to express himself more freely on the social risks that AI poses. Again, there are worrying signs in terms of reactions in the labor market, such as the 118-day

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strike called by the Hollywood Actors Guild, which, among other issues, obtained a promise of protection against the risks of AI for the category. To these elements we add a detail: it is natural for knowledgeable insiders to be careful in their the use of some terms typical of the AI context such as 'intelligence', 'learning', 'neural' networks, or 'hallucinations', but those who do not work in AI per se may interpret them quite differently.

At a time of great expansion of access to many capabilities of AI systems, this risks leading to a further exacerbation of ultra-positive or fearfully skeptical rhetoric.

So, what considerations can we make, to date, on the work impacts of AI to help us navigate such an articulated debate?

A key point is related to a careful reading that must be conducted in the face of the first numbers on the quantitative impacts of the adoption of generative tools on some typical kinds of work. For example, tools that support coding to varying degrees have been tested in different contexts. Although the positive impacts reported by users are widely present, several surveys have also shown that those who use these tools tend, even in the presence of great confidence in their output, to produce code with greater security issues. Similarly, a study conducted by Harvard Business School in

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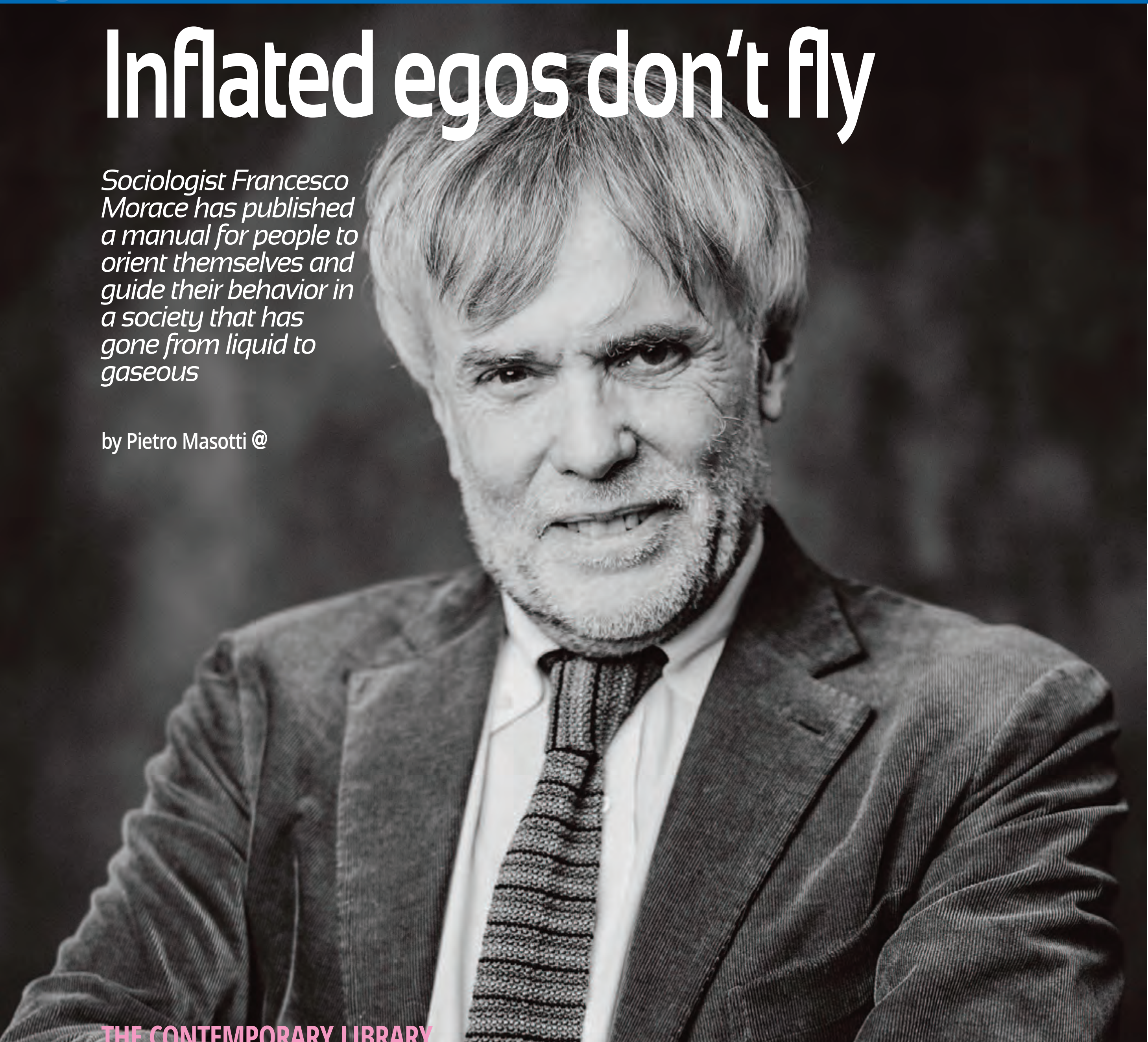
THE COURSE

The course 'Artificial Intelligence generativa: ridisegnare il business nella digital era' from SDA Bocconi (in Italian) provides the theoretical foundations of the algorithms underlying Generative AI in order to understand their applications in companies.

partnership with The Boston Consulting Group tested the use of ChatGPT on about 700 business consultants. The results, which were positive at an aggregate level, nevertheless highlighted points of attention in terms of non-homogeneous impacts on different classes of consultants, with those already performing better impacted less, and greater exposure to errors in the case of less well-defined tasks.

As a result, drawing conclusions about the actual impact of new generative AI tools on the world of work, society, and business processes is particularly complex. However, in order to combat the temptation to be carried away by a positive or negative dialectic at any cost, it is essential to interpret in a rational way the first evidence that emerges from the cases of actual adoption, without uncritically espousing one position or another. Only then can we put ourselves in a position to formulate appropriate strategies of accompaniment, response, and possible mitigation of potential negative impacts ■



Inflated egos don't fly

Sociologist Francesco Morace has published a manual for people to orient themselves and guide their behavior in a society that has gone from liquid to gaseous

by Pietro Masotti @

THE CONTEMPORARY LIBRARY

DOMANI È OGGI

Is there no hope for the demographic winter in Italy? Despair not, because demography is not destiny, but a science that allows us not only to read the great changes in the world around us, but above all to act so as to govern them. In 'Domani è oggi' (Egea, 2023, 144 pp., €16.50, in Italian), Francesco Billari invites us to observe possible scenarios with a demographic approach, suitable for understanding how today's political, economic and social decisions can influence the future of Italy.

SENZA ETÀ

If you have ever wondered what generations think about each other, you can find an answer in a book. In "Senza età – Come generazioni diverse coesistono e insieme creano valore", Diego Martone shares an accurate snapshot of the Silent Generation, Baby Boomers, Generation X, Millennials and Generation Z, investigating their peculiarities, differences (not only in socio-economic terms but also of values) and above all their opinions and mutual relations (Egea, 2022, 160 pp., €18.50, in Italian).

STATI UNITI D'EUROPA

The European Union is a unique case in history: states that decide - freely - to cede sovereignty to a political entity and share matters of government that were for centuries a national prerogative. Gianluca Passarelli in "Stati Uniti d'Europa" (Egea, 2024, 168 pp., €18.50, in Italian) reconstructs its bumpy events with an approach that is at once historical, cultural and political, combining great informative skills with the ability to reconnect the most topical issues to roots that go back into the past.

It was 1999 when Polish sociologist Zygmunt Bauman captured the reality of the end of the millennium with the successful definition of "liquid society". Not a long time has passed since then, however the changes that have occurred are so many and of such magnitude, from the advent of digital to the pandemic, that that definition needs to be updated. **Francesco Morace**, sociologist and founder of the Future Concept Lab, has done so in his book *Modernità Gassosa* (Gaseous Modernity, Egea, 2023, 130 pages, €16.50), where he documents and describes the change in physical state that society has undergone by evaporating, due to social media which have made society take the traits of volatility and elusiveness. "Every aspect of our existence, from work to relationships, presents the traits of a progressive pulverization," explains Morace. "Progress and above all digital technology have dramatically increased the range of choices available to us and this makes us feel free like never before. But at the same time being under the gaze of others subjects us to a social pressure hitherto unseen and everything has become more random and uncertain. To this scenario must be added the effects of the pandemic, which contributed to an increase in the feeling of risk, as well as wars and climate change. Enough, in short, to throw newer generations (and not only them) into panic, who are in fact much more focused on the present than on the future."

➜ *Therefore, if to survive in the liquid society you needed to learn to swim, or at least you needed to float, in this aerial dimension humans are asked to fly. Isn't this a feat beyond our capabilities?*

Not if we understand that we cannot do it alone and have to rely on the tools that technology and community are capable of providing us. The paradox of this era is what I represented with the image of the inflated balloon: in this new gaseous reality, the simplest way to get off the ground may seem to be to inflate yourself, feeding your ego and trying to guide the own destiny. It doesn't work because, to continue the metaphor, a hot air balloon doesn't really fly, it uses the air mass passively. Instead we really have to learn how to govern and direct our flight.

➜ *Your book aims to be a pilot's manual for learning to maneuver in some specific contexts by appropriating techniques and metaphors from nature or aerospace engineering. Can you clarify with an example?*

FRANCESCO MORACE
Sociologist and founder of the Future Concept Lab

One of the traits of gaseous modernity is evaporation. Work is evaporating: many are losing control of their business, of creativity, even of job hierarchies if we think of the riders being controlled by an algorithm. Information, democracy and relationships also are evaporating. Addressing this problem seriously means recovering the value of lightness not as irresponsibility but as the ability to rise up to see things from above, tracing maps of the terrain where one moves and charting new paths. The flight technique I suggest is that of the glider, which develops a flight plan with clarity and responsibility without confusing freedom with the absence of constraints and obstacles.

➜ *The charm of flying is being able to see farther, beyond the boundaries visible from the ground. Is this the promise that lies at the end of the learning journey?*

There is nothing freer than flying. While navigation still has limits and constraints, in the air there is such a vast open space that it is more difficult to orient yourself and you risk getting lost. It is the problem of new generations, who have technologies, intelligence and possibilities at their disposal like no other generation in history, and who yet feel the ground falling under their feet. It is the state that I describe in the book as "suspension" and to deal with it I suggest taking the example of hang gliding. In fact, to fly with a hang glider you need muscle training, technical preparation and careful observation of the surrounding context, from the terrain to the winds. We deluded ourselves that modernity meant we could do everything with minimal effort. On the contrary, we must study more and train with dedication because the existing context does not naturally favor us.

➜ *In a more random dimension, it is more difficult to build businesses and careers*..

It's easier to have good ideas, but harder to implement them. Especially in Italy, the part that hampers us as an economic system is not so much linked to a dearth of creativity and brilliant startups, but to inefficient execution, which is instead effectively done north of the

SOTTO ASSEDIO

Looking at the images of refugee landings or listening to political statements, Italy would appear to be under siege. However, the perspective changes if we look at the phenomenon through the lens of data: considering the ratio of refugees to inhabitants, Italy is below the EU average. Which in turn does not even come close to the number of asylum seekers received by countries in the south of the world. To shed light on the subject, Maurizio Ambrosini has published "Sotto assedio" (Egea, 2023, 160 pp., €16.50, in Italian).

SORVEGLIATI E CONTENTI

With digital transformation, everything becomes a digital ecosystem and an international security challenge. Everything slips into the Internet of Things, composed of algorithms and devious mechanisms. Emerging technologies, information technology and artificial intelligence extend the scope of threats to people and entire societies. How much more must intelligence and intelligence services do to better understand these technologies? And how much do people have to do to defend themselves against them? Marco Santarelli discusses this in 'Sorvegliati e contenti' (Egea, 2023, 128 pp., €16, in Italian).

INSPIRED BY DATA

This book by Giuseppe Mayer (BUP, 2024, 264 pp. €34,90) is an exploration of the transformative potential of Artificial Intelligence, and in particular generative AI, across the corporate communications landscape. It provides practical guidance on how to use these technologies as tools while emphasizing the irreplaceable value of human creativity, empathy, and responsibility. Unlike past technological shifts that focused on efficiency, AI is opening new creative frontiers.

Alps or even better across the Ocean. An idea is not a project. To become a project it must be studied in depth, tested and possibly fail, something which is still difficult to accept in a country like ours.

➜ Every individual needs to learn how to fly, you say. Reality, although evaporating, nevertheless mandates that the destiny of one is linked to the destiny of all. How should the same flight techniques be transferred to institutions, families, and society at large?

Organizations are made of individuals, and today individuals count more than ever. For a long time in history, social classes counted more than individual subjectivities, but today the uniqueness of each person has greater relevance and recognition. It is no coincidence that many of the new movements for rights and freedoms, from MeToo to Black Lives Matter, arise from the negative experiences suffered by an individual. It is equally true, however, that the individual alone doesn't go anywhere. The image that came to mind to represent this bond is that of the flock of birds, where there is no individual who guides and commands, but there is a collective intelligence, a shared leadership, which passes from one individual to another and allows the community to move in the sky by creating unpredictable trajectories that disorientate and ward off predators. Here, today the relationship between individuality, subjectivity and community is regulated by the extent to which we know how to empathize with others without resorting to classical hierarchies.

➜ Does technology, and in particular Artificial Intelligence, offer a common language or is it a common enemy?

The risk I see is that, in the gaseous dimension, new technologies can creep in in a subtle way, without those who assimilate them being aware of it. This is a problem because, as things currently stand, new technologies are in the hands of very few people or companies that govern the algorithms. It is almost like a sect of followers which however now involves all the inhabitants of the planet. We cannot think that everyone is equipped to understand and dominate technologies, we must therefore govern them with another strategy, that of the hummingbird, which flies while remaining still and, unique among birds, also in reverse, extracting nectar and pollinating flowers with speed, dexterity and creativity, thus generating re-creative, non-programmable, inspirational innovation.

➜ Creativity and aesthetics, which in the volume are represented by the butterfly, emerge as the values that will once again enable human beings to maintain "the responsibility of imagining the future"

The technocratic, algorithmic world almost seems to have expelled beauty from its horizon. Aesthetics, on the other hand, comes from the Greek word estesis which indicates a shared feeling, which perhaps does not solve problems, but it is a virtue that can be recognized by everyone, and generates harmony and produces new beauty. I do not believe, like Dostoevsky wrote, that beauty will save the world, but that the world must save beauty because it stimulates the emotions and helps our brain, which is first of all emotional, to learn and materialize concepts ■

THE BOOK

With the onset of social media and the dominance of digital technology, the liquid society has become gaseous. So is argued in the essay *Modernità gassosa* (Egea, 2023, 130 pages, €16.50, in Italian) by sociologist Francesco Morace and founder of the Future Concept Lab, who suggests we should look at the flying techniques of gliders, but also of butterflies and of hummingbirds, to dominate volatility, recover balance and reclaim the future, while maintaining the human creativity that distinguishes us from machines and other living beings.

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SMETTO QUANDO VOGLIO

The dynamics of the labour market changed before and after Covid. From not engaging more than strictly necessary, to the acquisition of know-how without new hires, from stubborn silence in the face of critical situations to avoid any form of healthy conflict, through to quiet firing. In 'Smetto quando voglio' (Egea, 2024, 154 pp., €18, in Italian), Paolo Iacci summarises the main changes taking place in a simple and easily readable way.

ALLA RICERCA DEL BUON MANAGEMENT

How must a company organise and structure itself in order to compete today? What must those responsible for leading an organisation, whatever its nature and size, know? How can the day-to-day and long-term management of a company or a public administration be optimised by accompanying them in the right way? This is explained by Alfonso Fuggetta in 'Alla ricerca del buon management' (Egea, 2024, 228 pp., €24.90) through the description of methods, dynamics and experiences of real company life.

UN BEL LAVORO

What does a 'good job' mean today? How do we create quality jobs that generate value and make room for the ambitions and dreams of each individual? How do we concretely construct the idea of 'beautiful' jobs? Will technological innovation be an enemy or an ally? Alfonso Fuggetta tries to answer these and many other questions in 'Un bel lavoro - Ridare significato e valore a ciò che facciamo' (Egea, 2023, pp. 136, €16, in Italian).


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