

viaSarfatti 25

BOCCONI UNIVERSITY, KNOWLEDGE THAT MATTERS

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Mentor, we want you

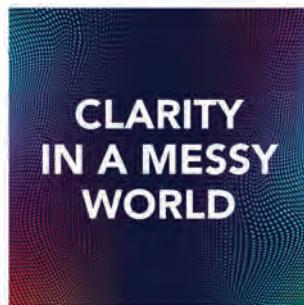
Everyone would like to have one to guide them when making fundamental decisions about their professional life. Thanks to the CEO Connect program, Bocconi students can count on the help of 30 CEOs. Here is a guide to mentors and mentees

Bocconi Podcasts

MUCH MORE THAN WORDS

Bocconi podcasts enable listeners to go deeper and learn more about topics that really matter, in order to get inspired and gain new perspectives on relevant issues. Another way to fulfill our mission of spreading knowledge around the world.

Welcome to our podcasts.



What are the causes behind the most puzzling issues of our time? This series of talks shines a light on solutions for this chaotic world, in order to gain clarity thanks to the experience of guest experts interviewed by David W. Callahan.

Everybody tells a story. But nobody tells it as we do. This podcast series collects facts and reports from ViaSarfatti25, Bocconi University's magazine. Listen to what professors and researchers have to say about the big topics in the fields of business, management, data science and politics.

Bocconi University's Rector Gianmario Verona meets top executives in the frontline in facing the challenges of the digital century. Bite-sized talks with plenty of insights. Stay tuned!

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VIDEO

Executive chat with Wintour and Enninful



Digital transformation, sustainability, diversity - some of the major trends and disruptions impacting the media and creative industries are discussed by Anna Wintour and Edward Enninful (Condé Nast) in a conversation with Rector Gianmario Verona.

Future World, the playlist



Five masterclass videos on the megatrends impacting our lives. Future World is an initiative promoted with *Financial Times*, partner with Bocconi for [FtxBocconi challenge](#).

Think digital, act sustainable

The 1984 described in the novel of the same name by George Orwell could arrive in 2024. To say this, last May, was **Brad Smith**, President of Microsoft, who will inaugurate Bocconi's 120th academic year on December 2. Referring to Artificial Intelligence, he said that "if we don't put in place laws that will protect people in the future, we will find that technology is moving forward and it will be very difficult to catch up." Smith, a lawyer, at the company founded by Bill Gates, and led today by Satya Nadella, has responsibility for a team of 1,500 business, legal and corporate affairs professionals located in 54 countries and operating in more than 120 countries, and focuses on key issues straddling technology and society such as cybersecurity, privacy, Artificial Intelligence, environmental sustainability, human rights, immigration and philanthropy. In the digital century, where ESG issues seem to be finally becoming a priority and not just a passing fad, questioning the ethical limits of technology so as to guide it to help us protect humans, society and the environment in which we live, should be a mantra for everyone: managers, scientists, policy makers, teachers. It is wrong, however, to think, and of

course Smith does not make this mistake, that technology should be stopped. Technology, and with it its most advanced frontier today represented by Artificial Intelligence, must be developed to meet our needs, which are increasingly growing and solutions to them must be sustainable in a world that today is not so from the environmental and inequality points of view.

On the rise is not only the temperature of the Earth because of CO2 emissions that we are not able to reduce, but also the gap between rich and poor, north and south of the world. Artificial Intelligence, using the enormous amount of data that the digital century has made available to us, must help us act in a sustainable way. To do this, we need to focus on multidisciplinary skills that are slowly making their way into the Italian education system and to attain a shared goal in a world that, as Prime Minister Mario Draghi has said, needs multilateral guidance.

Gianmario Verona,
Rector



BRAD SMITH

In his recent bestselling book, coauthored with Microsoft's Carol Ann Browne, *Tools and Weapons: The Promise and the Peril of the Digital Age*, Smith, Microsoft's president and vice chair, urges the tech sector to assume more responsibility and calls for governments to move faster to address the challenges that new technologies are creating.

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VIEWPOINTS

by Paolo Tonato



**29 new professors
have arrived at Bocconi
from all over the world
for the new
academic year.
Among them,
6 in senior positions.
Get to know them
in this photo gallery**

The year of records



What arrives in the West are mostly images of a war-torn country, yet Afghanistan has a strong cultural tradition based on a passion for poetry and oral narration. This was where Selene Biffi, a Bocconi graduate, created a school for storytellers, the Qessa Academy. To give young people a future in a country where being young is not valued

by Camillo Papini @

Everyone is offered a cup of tea and some naan bread. This kind of welcome is always present even in the poorest villages, though Afghanistan is far removed from the idea of peace and serenity. At least this is how the rest of the world knows it today. The country has been at war since 1978 and there are entire generations who have never experienced a day of peace. Yet this is the hospitality that Selene Biffi, a Bocconi alumna and social entrepreneur from the province of Monza and Brianza, encountered when she first went to the South Asian country about 12 years ago. From that moment on, a process began of overturning many Western beliefs, along with the discovery of a culture that often ends up in the background in international reports. Biffi met a population that cultivates a passion for poetry and oral narratives and that has retained an appreciation for art and beauty. One time, "I thought I couldn't even go inside a house," Biffi tells *viaSarfatti25*. "An elders meeting was taking place, or so I understood. I thought it would not be respectful of local customs for a woman to walk into a room full of men only. But actually they were there waiting for me. They were welcoming me."

Selene Biffi lived in both Italy and Kabul until last July when, not by choice, she had to leave Afghanistan. Over the years, however, she has had many opportunities to live not only in the capital but also to travel to rural areas and more remote villages. She began her adventure in Afghanistan as a volunteer to create a manual designed for young people in the most disadvantaged areas. "It had to be a text capable of transferring basic concepts in practical form, from hygiene to food safety," recalls Biffi. Then she wrote the book, *The Teacher from Kabul*, about her experience in Afghanistan (Sperling & Kupfer, 2014). One of her most important projects was to open the Qessa Academy, a school for storytellers that aimed to preserve and promote the oral heritage, while using stories themselves to create job opportunities and local development. Free courses in storytelling, theater, English and development cooperation were offered to unemployed young people between 18 and 25 years old. The school continued the national oral tradition where stories are not simple fairy tales but have multiple dimensions, hiding different teachings between the lines: "Each story begins with 'There was, there was not' to emphasize that the audience is free to interpret what they hear and decide what meaning to give to the story. It's not like the beginning of Western fairy tales with 'Once upon a time,'" as if faced with a sort of fact," explains Biffi. "The

SELENE BIFFI
Born in 1982, she is a social entrepreneur who graduated from Bocconi University in 2005 with a degree in International Economics and Management (DIEM program). She then completed a Master in Humanitarian Action in Dublin and is currently completing another Master at Cambridge University. She has collaborated with various international organizations and launched several social startups related to education and local development. Regarding her time at university, she admits that she did not attend classroom lectures much, but "I worked hard to build my own curriculum, to fill it with as many experiences as possible in the sectors I was interested in. I recommend today's young people do this: get on-the-field experience, start digital and non-digital projects, launch social startups." Her first initiative? Youth Action for Change, a non-profit organization that launched in 2005 with a budget of only €150, to promote online training for young people in 130 countries around the world.

fable of The Porcelain Goat, for example, is actually about what it means to be cunning, while The Merchant and the Parrot focuses on the concept of freedom."

The storytelling school, started thanks to the Rolex Awards for Enterprise, struggled at first, with mixed classes. But it soon needed to implement admissions tests to deal with a higher number of applications every year. After a while, classes have become for women only, due to a greater influx of requests from young women, reflecting a change in the times. Graduating students include teachers and others who have gone on to work at local radio and television stations. But in Biffi's personal memories, one student in particular made a big impression. "When she came to the school for the first time, she saw me and a 60-year-old Afghan man. She later confessed to me that she believed the Western girl was the secretary and the man was the director, thinking that the foreign woman was probably doing a job that any Afghan girl would have had," says Biffi. "When she realized she had the roles reversed, she decided to enroll in the school. She was the only girl to graduate that first year of classes."

In this school for storytellers, oral tradition rhymes with education, in a country tormented by civil conflicts and external invasions, but where traditional culture, and poetry in particular, has always played a central role. When drafting the Constitution for example in the early 2000s, "the whole Parliament stopped to read poems every time an agreement was not found between the politicians," continues Biffi. "The Afghan oral tradition has distant historical roots and, in the past, itinerant storytellers held a high social status. Then there was a decline of the oral tradition that began with the Soviet invasion" in 1979.

In recent months, Biffi has worked to get about 20 Afghans out of the country, including some of her former students, who were saved thanks to an S for Selene written on their hands. If she were asked to tell a story summarizing the legacy she has been left with after so many years in Afghanistan, "I would describe the scene with a young student I met during the school's first year. When the project launched, several people came to visit me and the students, interested in learning more about why these students had chosen to attend the school, what their dreams were, what they were learning. Everyone gave the same answers more or less," says Biffi. "One day, a student stood up and replied, 'Yes, here I learn traditional stories and write new ones, I study English and am being educated so I can find a job. But that's not what I'm going to take away from my school experience. I live in a country where being young is not valued. In this school, I've been taught how to trust myself, and now I'm no longer afraid to stand up and say what I think.' ■

The teacher

LEGGI L'ARTICOLO IN ITALIANO 

Rolex Awards Reto Albertalli



from Kabul

viaSarfatti 25  5/21



Mentorship: instructions for use

PODCAST

The role of the mentor has been established for centuries in such fields as the arts and craftsmanship. But only more recently have business people and scholars recognized the vital role mentors can play in the business world. A role now established as an important figure in company HR, career development and counselling programs and in guiding budding entrepreneurs and startppers. And in this particular moment mentors can play an important role in helping rediscover motivation and confidence after the difficult years of the Covid pandemic. In this episode of *Story Scanner* podcast, professor **Vincenzo Perrone** gives insight into the importance of mentoring, the ideal characteristics of a good mentor and the essence of a positive mentor-mentee relationship. **Luca Colombo**, Country Director Facebook Italy, and **Bernadette Bevacqua**, President & CEO Henkel Italia, talk about their experiences of mentorship in the business world and give some tips to mentees.



Mentoring is not just a word or an organizational role, or one of those fleeting managerial fads periodically imported from overseas. Since its origins, it has always been a myth. A Homeric myth to be precise. A myth that speaks of personal growth and relationships, which can still help us today to better interpret a process that, to be useful, must be conducted with care. In the *Odyssey*, Mentor is a dear and old friend of Ulysses. The latter trusts him so much that he entrusts him with the care of his home and his interests and above all his son, Telemachus, who the hero leaves for many years for the Trojan war, along with his mother Penelope. The first quality of mentors (with a lowercase M) is therefore that of being a person worthy of trust, not just an expert. Because they know how to be loyal, because they share the values and protect the interests of those who hand over what is most valuable, namely the head, heart and future of another human being. And because they have to honor the commitment they have made, with constancy. This role cannot be accepted lightly and more than just a little spare time and focus must be dedicated. Mentees could be disappointed and it would be a waste of time for both of them.



In the most important parts of the poem, Mentor, with a capital M, is replaced by the goddess Athena who takes on his form. She is the protector of Ulysses and the Greeks, and careful to support and advise even Telemachus when he needs it. It is truly interesting that Mentor is actually a woman and a goddess. Because the essence of a relationship based on commitment is caring for another person. To be successful in caring, men too must make room for the feminine side they have within themselves. Indeed, the enemies of a good mentorship are the narcissistic and testosterone-fueled egocentrism typical of highly successful men or women who think of themselves as a model, with such a force capable of

The relationship between mentors and mentees is a two-way street: they both receive and give advice to make their relationship as functional and emotional as possible. Mentors, which have mythological origins, should follow some simple rules to succeed in their task, putting their ego aside. Mentees, however, must know how to establish a relationship. This is why, to break the ice, we asked 14 Bocconi Master of Science students to prepare questions for 26 CEOs participating in the new CEO Connect - Your Executive Mentor program

VINCENZO PERRONE
Full professor
of Business
Organization, teaches
Leadership and
Managerial Skills,
Bocconi University



crushing rather than inspiring the other person. Or the inability to recognize and manage one's own emotions and those of others that characterize any human relationship with meaning and even more so one that has the aim of stimulating an individual's personal and professional growth. In mentoring, as in all other forms of counseling, the relationship is as important as the content that is exchanged. And it shouldn't be hard to be a passionate and active listener to what the other has to say. By delaying judgment and taking time before suggesting answers and solutions that mentees should be assisted in finding by themselves, in order to foster autonomy and not dependence.

How to Be a Good Mentor

→ ***The foundation of a good mentoring relationship is mutual trust***

You should never agree to be a mentor if unsure about being able to deliver on the promise of focus, presence and advice

→ ***The first enemy of a good mentor is an ego***

You should be able to inspire without pressuring, suggest without inhibiting, educate without commanding. A slight dose of humility and a strong sense of humor will be of great help

→ ***In mentoring, the relationship is the content***

Everything is filtered through the relationship. This is why the dynamics of identity and affective attachment between the two parties is also important and must be monitored. The relationship must be a safe space for both parties. What happens in the relationship must not contradict what you are trying to teach. Both sides must want to get together

→ ***Mentors receive as much from the relationship as mentees***

The relationship is an exchange in which experience meets the freshness of a new outlook on the world and is enriched by it. Because of this, curiosity, openness to experience and listening skills are essential to being a good mentor

→ ***Out of Athena/Mentor's three gifts, wisdom, practicality and political acumen, the third is especially important to mentees***

Learning to build a map of power in situations to intervene by being able to understand the role of the different actors, their interests and the tactics of influence that could best work on them is a valuable art that mentors should be able to teach mentees

→ ***Mentors should remember that the future belongs to mentees***

It helps mentors to imagine this relationship as an opportunity to transfer a legacy that is more moral and spiritual than one made up of skills. A gift that the other uses to change the world as the mentor would have liked to do. However, it is not the mentor's responsibility if this does not happen, but rather the mentee's



THE PROGRAM/1

Bocconi Mentoring Program connects young Bocconi professionals (Mentors), working in top companies, with last year MSc and Law students (Mentees).

The goddess Athena has three fundamental attributes: she is the divinity of wisdom (it is no coincidence that Hesiod says she was born from the head of Zeus), as well as war and all the arts and business. These are three useful indications for interpreting the role of today's mentors. Indeed, mentors should offer three gifts to their mentees: wisdom, political acumen and practicality in transforming reality. The first is a gift that arises from the different experiences between the two. Mentors have already experienced much of what mentees might encounter. This is why they can teach them that mixture of intelligence and prudence that we call wisdom, which is needed especially when issues are complex and must be interpreted correctly. However, that experience can be a dangerous gift because, by definition, it arises from a consideration of the past. The world facing mentees may not necessarily be similar to the one mentors have already seen. This is why the relationship must be a relationship of exchange and alliance. Where experience is exploited but so is the youthful courage to overturn tables and visions while exploring the future. This is also why mentors should expect to change and learn something from mentees if they want to be successful. They should take advantage of the freshness of a new outlook that is different from their own, as well as the chance to recognize the limitations of the models experience has consolidated in interpreting a world that is actually fluid and changing. Mentors have typically experienced more battles than their mentees. They know how to distinguish friends from foes and they especially know that professional technical knowledge alone is not enough to achieve one's goals in the complex reality of a company. It is necessary to know how to influence others by building power bases and using the right tactics depending on the situation and participants. This is what is intended as political acumen. It is a skill that is not taught at school, but must be developed in a relationship such as that with a mentor. Finally, there is practicality. Mentors should encourage mentees to apply their skills to a specific activity and with a defined goal. You learn by listening but even more when doing so under the shrewd guidance of a teacher. That way, change is more than just cognitive or emotional, it is what it should always be: changing oneself, in a positive relationship with others, to change the world around us for the better. ■

CEO Connect - Your Executive Mentor

Thanks to the new CEO Connect - Your Executive Mentor program, 30 Bocconi students enrolled in the second year of an MSc program will soon meet their mentors, who will help them become more aware of their professional aspirations.

One student will be assigned to each of the 30 CEOs who joined the program with the spirit of sharing, through discussion, a part of their professional success to guide their mentee on the path to achieving their goals. At their disposal they will have four meetings that each pair can decide how best to plan and use.

"The exceptional nature of this program lies in the quality of the mentors: all CEOs who, in a true perspective of giving back and generational solidarity, have chosen to take on the role of mentor for our students," explains **Gianmario Verona**, Rector of Bocconi. "A feature that unites them is the experience in contemporary companies that look at current issues of digital transformation and sustainability with a particular attention. A specific sensitivity of this generation of CEOs but also of Generation Z, who look at the world and their professional future with the eyes of true visionaries."

"The mentorship experiences I have had over time and the great value I have received from them for my professional and personal growth, have led me to be a staunch supporter of all forms of mentoring," says **Luca Colombo**, Country Director Facebook Italia, who, with Bocconi, has developed CEO Connect. "For this reason, in recent years, both at Facebook and externally, we have worked to develop and implement programs that favor the transfer of knowledge and experience and that could have a concrete impact on the growth of the people involved. I am therefore excited to be part of this initiative that offers talented students at Bocconi the opportunity to interact with various mentors when entering the world of work and receive valuable suggestions and indications on their career path and professional development."

"Mentorship is one of the most important opportunities for those who are approaching the job market, especially in a time of such important changes," explains **Antonella Carù**, Dean of the Graduate School. "The program we are launching represents a

unique opportunity for our students, achievable thanks to the commitment and proximity to Bocconi of a group of extraordinary leaders who have decided to make themselves available to our students. I am sure that for the 30 students who will participate, the experience will be an extremely enriching one, but I am equally sure that it will also inspire the leaders involved."

The companies participating in CEO Connect include: Amplifon, Barclays, Be | Shaping the Future Italy, BNL, Danone, DAZN, Digital Magics, Dynamo Academy, Dyson, Facebook, Fastweb, Ferrero, Henkel Italy, Houlihan Lokey, Jakala, JP Morgan, KIKO, Mars Italia, McKinsey, Mondelēz, Nestlé Italia, Oliver Wyman, René Caovilla, Saint Laurent, SC Johnson, Spotify, UBS Europe SE, Italy Branch, VMLY&R Italy, Vodafone.



THE PROGRAM/2

Powered by alumni for other alumni: this is Bocconi Alumni Mentoring. Alumni mentors provide know-how and time, giving advice on career paths.



CLAUDIO COLUCCI
China MIM

→ *Is there any trustworthy person you turn to for advice when you have to face extremely complex challenges? Does this person belong to your work environment or to your informal network?*

Enrico Chiapparoli
Barclays

I have a network of a few selected persons I seek advice from. Some belong to my work environment and some are from my informal network, as different views always provide for a more thorough analysis of a complex situation. In the end, for the final choice, it is always my wife I seek advice from.

Enrico Vita
Amplifon

I regularly engage with close friends and former colleagues: their outside-in views are very revealing both in ordinary and extraordinary circumstances. Besides this, I constantly seek dialogue with my team. Each and every member of the Amplifon Leadership Team is a highly talented and passionate leader: so exchanging views with them, always working as a team, is something I always rely on.



Fabrizio Gavelli
Danone

The best career advice I was given was 'when you feel too much in your comfort zone, it's time to change assignments.' Staying in your comfort zone means to give in to habit, to stop asking questions, looking for new ways and accepting new challenges. In other



words, to stop growing as a person and as a professional, to stop moving forward. Which in many cases also means going backwards. The worst is 'think short-term, think salary increase.' My professional choices have always been guided by a long-term goal, the ambition to bring my passions and values into my daily work. And I am happy to see that the younger generation increasingly sees work as an opportunity to develop their talents and interests and not just as a chance to earn a career: I believe this is the winning choice.

Elena Goitini
BNL

By nature and because of my background, I am open to dialogue and especially listening, as I consider both essential occasions for analysis of professional and personal situations. In my life, I have always taken advice into careful



CAMÉLIA CAGNOLI
Finance

→ *What is the best piece of career advice you were ever given and what is the worst?*



consideration, which has also been an opportunity to reflect before taking action. Maybe that's why I struggle to define good or bad advice. Through my choices, first in my studies and then in my work and career, I was able to experience how useful my family's advice has been - and today it is more valuable than ever. They have always pushed me to be fearless when pursuing ambitions and dreams and to not be afraid of change, because changing means opening up to new opportunities. It means being smart, flexible, alive.



COVER STORY

LEONARDO D'ONGHIA
Double Degree with
Keio University, Tokyo

→ *How do you picture the CEO of the future? What qualities are most important to have?*



Veronica Diquattro
DAZN

This is an important question that deserves consideration, going beyond the role and mere definitions. It should focus on substance, especially in a time of constant change characterized by new challenges and different ways of dealing with them. One of the most important challenges of our time is to manage uncertainties and a CEO must be able to do this by understanding the situation, the context and the people. And, since definite and absolute competencies no longer exist, it is essential to have an open mind, to be open to debate and to sharing ideas, projects and objectives. In a context where technology is already a fundamental element for businesses and the market, the CEO of the future must know how to understand, adopt and use it to the fullest, placing the human factor at the center, enhancing the skills of individuals, with a focus on diversification and inclusion to increasingly foster innovation. In fact, the human factor is and will always remain an essential element for the success of any company.



Marco Gay
Digital Magic

When thinking about the role that the CEO of a company must have, especially today, the evolution of everyone – from startups to large businesses – must be remembered. This refers not only to intrinsic change in business models but also changes in a company's social role. CEOs must increasingly have soft skills, i.e. the ability to integrate vertical and transversal skills. They must cultivate leadership, therefore the ability to guide and inspire their team to achieve objectives that are not simply business-specific, but that also have a positive impact on the company's ecosystem. They must therefore have a double focus, both on shareholders, the natural beneficiaries of business, and stakeholders, to develop all areas of the company.



Alberto Calcagno
Fastweb



Constantly train the muscles of ambition, courage and contamination with others. These are my tips to a young graduate entering the world of work. Be ambitious by setting increasingly challenging goals with the aim of improving each day. Be entrepreneurs of themselves and always have courage in the decisions they will make inside and outside the company. Be as open as possible and available to learn new things, to be positively contaminated by other people. These are in fact the skills that will make the most difference and that will be crucial for the company's growth, whether small or large. Because only in this way will the future really be in their hands.

WALTER MULÈ
Economics and Management of Governments and International Organizations

→ *If you could go back in time, what would you recommend to a recent graduate as a first job? Going to a startup or a big firm?*



Paolo Rigamonti
Mars Italia



I believe what really matters is the quality of the experience, the opportunity to learn and be supported in your personal development, so important at the beginning of the career as well as for growth and progress in the future. So in this respect the culture of the company is something to consider and I look at it in two ways:

- the company's values and principles resonate to me, I see a fit with who I am
- the company culture is putting people leadership at the center: personal development, engagement, health and wellbeing, inclusivity

These are the key ingredients in my personal opinion. Plus, never forgetting that passion, engagement, willingness and learning agility/curiosity are the essential drivers for starting a brilliant career!



RAFAEL PINTRO SCHMITT
Economic and Social Sciences

→ *What is the hardest part of being a CEO?
At times do you wish you'd chosen a different career?*

Alessandro D'Este
Ferrero

The most difficult moments were those of inconsistency between the objectives assigned and the resources available, those of multiple constraints that led to a blocking situation, those that put my people in a critical situation, struggling, with probable defeat. Instead, when faced with pressures that could have compromised my values, I had no difficulty in choosing the right path, paying for this choice personally. No regrets in these (rare) cases. I looked in the mirror, gathered my strength and started over, with more determination. I believe that the ability to ask yourself questions and have doubts is essential to effectively carry out the task of leading complex organizations. Many times, I have wondered if another career would have been more correct. As many times, I have concluded that this is the job that I like, which fulfills me and probably suits me best.



Matteo de Brabant
Jakala

The pandemic accelerated a number of trends that were already changing, starting with a greater acceptance of a different way of working and living. There is more awareness of different issues, more balance between professional and personal lives, we can express ourselves with greater freedom. A Bocconi education provides many opportunities. Young people who enter the world of work must pursue their dreams, do their best in business and generate value, while never abandoning their true selves.



Massimo Giordano
McKinsey & Company

The talents of the future will be professionals with highly qualified technical skills, especially in those areas that are driving the current transformation: digitalization and sustainability. Experts in advanced analytics, digital marketing and renewable energy will be among the most in-demand profiles on the market, so it will be important to develop those skills. However, we should not forget that qualities such as the ability to evolve and innovate, to change and adapt to a world in constant evolution will be truly rewarding. In this sense, a profile that combines scientific and humanistic disciplines, hard and soft skills, can make a real difference in the new world of work.



JEAN OBEID
Cyber Risk Strategy and Governance

→ *What are the skills (soft and hard) that new graduates must obtain in order to succeed when they enter the job market after the pandemic?*



THE PROGRAM/3

The B4i - Bocconi for Innovation accelerator also has its own mentoring program provided by entrepreneurs and managers with specific professional experience.



COVER STORY

FRANCESCO TOTI Economic and Social Sciences

→ *If you were a university student again, what mistakes would you avoid making?*



Bernadette Bevacqua Henkel Italy

I would definitely study abroad and I'd focus on working at a non-profit in an area I'm interested in (i.e. diversity).

Matteo Manfredi Houlihan Lokey

I think there are two things I would recommend, although I do not necessarily define them as 'mistakes.' First, try to understand which kind of job you would like to do. Your professional life will be driven also by the opportunities coming to you, but it's equally important to think about what would be your desired path in the professional environment. Second, enjoy your time at university, where you can choose which subjects you want to study. It's not going to be the last chance to enhance your 'intellectual capital,' but it's a very important moment to do so, in line with the first point above and regardless of any other constraints.



Francesco Cardinali JP Morgan

A successful career is a long-term path, rarely linear, during which mistakes may well occur. Dealing with mistakes promptly and with transparency is key: acknowledging them, understanding the root causes and the consequences, as well as apologizing are all important steps for the individual and the organization. Also, in an organization like ours based on teamwork and leadership, finger pointing is not an option. Mistakes become valuable opportunities to learn, adapt and grow.



Cristina Scocchia KIKO

Mistakes are a part of any learning process. I don't think anyone likes making mistakes, I certainly don't, but the only productive thing you can do with mistakes is to learn from them. They are also a sign you are trying to expand



your own horizons, which is always a state of mind to be in. Expertise allows us to avoid mistakes, but expertise is a product of repetition, not of learning. Learning demands mistakes from us and from others, it is an expression of us continuously trying to evolve above and beyond our comfort zone. So I try not to be too hard on myself or on my team over mistakes, but I do make sure I understand them well to avoid making the same mistakes in the future.

TIAGO GUARDÃO Finance



→ *How do you deal with mistakes (your own and other people's)?*

ALESSANDRA PITACCIO
Economics and
Management in Arts,
Culture, Media and
Entertainment

→ *How do you balance your intense work life with your personal one?*



Silvia Bagliani Mondelez

First of all, I believe it is important to be clear on your priorities and to be honest in identifying how much you can stretch in terms of career and family. Decisions become less stressful when we are clear on what matters most for us. Mondelez International has always had a strong commitment to creating an inclusive work environment providing enough flexibility to be a supportive and involved parent. This has always allowed me to be present for my family's most important moments, while managing my work in a more flexible way when needed. Also a great team at work and a good organization at home, with a trusted helper, have made it possible to enjoy a fulfilling career and a wonderful family.



Serena Porcari Dynamo Academy

Some would argue CEO work-life balance is an absolute myth, well it may be. I believe it is a matter of trying, failing, continuous learning and eventually succeeding. It is all about pursuing what makes you feel truly yourself, at work and at home. Of course, that means being able to manage the expectations others may have of you or you feel others have. Yet, being honest with ourselves is the way to handle this balance. I do not believe in pre-fixed rules, or pre-established percentages of time allocated to one or the other. I will therefore share what I have experienced works for me, for the time being, which I can summarize in two points. First: flexibility. Organizing work is certainly very important, yet you should always be able to deal with the unexpected and re-organize your professional and personal life around it. Allowing yourself flexibility immediately translates into granting flexibility to your people, building a team where the other players are committed to results, not only processes, and everyone is able to prioritize and re-prioritize according to shifting needs at work and at home. Second: support systems, both in personal life as well as at work. You need to be able to delegate tasks, have people take responsibility and generate a solid network so that there is always someone able to intervene to be of help and no one, including yourself, feels left alone. All right, these are my coping strategies, always curious to learn more about how others try to be on top of their game.



Marco Travaglia, Nestlè

Already today (and more so as the years go by) changes in the market and input coming from the outside world need to be seized immediately and mixed together in a different way to build something new. I love music and I would compare the work of a CEO to that of a music arranger: both figures build their ideas by creatively interpreting external input with the aim of devising something that does not yet exist in the eyes of others. For this reason, CEOs today must have great listening skills and the ability to connect with the outside world. They also need to be ready to pick up and interpret the great ecosystem of signals that surrounds us and transform it into an innovative business vision in line with developments in the market. But not only that: just as music arrangers bring together the sounds, notes and different instruments of an orchestra to compose a score that works, CEOs must be able to listen with interest to the voices, needs and points of view of employees by observing everything that happens within the company to build an environment open to dialogue and an exchange of ideas that will naturally lead to better decisions. Being curious and knowing how to listen are the two special qualities that characterize the work of CEOs today. Knowing how to make decisions and how to guide the company are two other equally important special qualities that result from listening and observing everything that happens both inside and outside the company.



MARIA CHIARA BRICOLI

Economia e legislazione per l'impresa

→ *Of course with this kind of role, one of the qualities a CEO is currently required to have is to always keep up with the times. So in your opinion, what added value can CEOs actually bring to a business today and in particular, in the future, what specific qualities will they have to have in order to be increasingly successful?*



Giovanni Pietro Viani Oliver Wyman

As we ease back into the new normal, graduates entering the job market need to embrace the new balance between the virtual and the in-person working reality, which is certainly here to stay. To this end they must enhance their soft skill set, on top of their technical knowledge. Flexibility, spontaneity, and discipline will be key to setting the foundations of a thriving career, and so will the ability to work well on virtual and physical teams, and at the same time to self-organize and progress in an autonomous way. Success will be based on open and effective personal interactions, the ability to listen and cooperate, and leverage every opportunity to spend time together in person. This will accelerate a creative process allowing the team to generate innovative and breakthrough ideas that rarely emerge in virtual settings.





COVER STORY

Edoardo Caovilla René Caovilla



Today I would certainly aim to study hard and participate in a study abroad experience. The world is polarizing and markets are and will increasingly be almost exclusively rooted in the US and China. Visiting Silicon Valley is a must because the innovations that change the world are created there and it is where the importance of substance over form can be learned.

The world is going in a specific direction with fewer objects and more experiences, it's better to share than to possess, ethical values matter more than material recognition. I would certainly learn Chinese, in addition to English and Spanish, as other languages are practically doomed. I would always look for a way to connect the culture of all kinds we have in Italy with the rest of the world that loves and envies us, but without being bewitched and rendered inert by its beauty. The best of today is expressed between 16-17 and 30 years later ... it is a consequence of it. Good luck!

Lorenzo Potecchi SC Johnson

While looking at this question my first thoughts were: Maybe I'm not sure if I would choose the FMCG sector again but besides that, I still believe it's a fantastic sector that has developed incredibly over these many years and it is still flourishing. When I look at my career steps, I think I was really lucky with the opportunities I had and there is really nothing I would do differently. I started up in Sales in the lower level of the ladder managing the emerging stores of the early '90s (the hypermarkets), and I had the chance to go through various positions in Sales, Trade Marketing and Marketing (in that order) which helped me build strong skills in the commercial sector. I lived in different towns always getting out of my comfort zone, I had local and regional roles in Europe, as well as experience in different sectors (Non-Food and Food) and worked for a truly American multinational and a big Swiss multinational, so always humble yet hungry.



FRANCESCA SOFIA COCCO International Management

→ *Businesses are what we study when we're at university. Today your case study is me. As my mentor, how would you set up our 'work' together?*



Riccardo Mulone UBS

'If you can dream it, you can do it.' - Walt Disney



A process based on dialogue and trust that can help you bring out your talents and develop professional and other skills, that will accompany you to and in the world of work. I will be ready to answer your questions by sharing practical examples from business and times during my working life to teach you to think 'outside the box,' but above all to pass on my passion and determination that can be the key to success for the new adventure awaiting you. Last but not least, I hope to remain a point of reference and inspiration even after your final placement in the world of work: your future successes and achievements will be a source of pride for me as well!

Federica Tremolada Spotify

In this program I don't see a CEO on one side and a student on the other. I see two people first, one with more experience in the working world than the other, who must first get to know and trust each other. Therefore, I would like to understand who my mentee really is, on a human, temperamental and personal level, and then start to address

issues related to their career and professional future. This seems to me to be the best way to start a sincere, transparent, and trusting dialogue. At the center of the discussion, then, I would put the theme of 'passion.'

Understanding what you really like, what is the real driving force behind your ambition, even going through anecdotes and the exchange of personal experiences, and never denying the difficulties experienced along the entire path of growth.

ANN-CHRISTIN HOLL Economics and Management of Governments and International Organizations

→ *How would you start your career today if you could do it all over again?*





Aldo Bisio Vodafone

I have always believed in building professional relationships that are above all authentic, but also profoundly human. Based on mutual trust and even more on the ability to learn from one another. Having a network of relationships is important. Not so much 'to have privileged access,' but to improve yourself and get a different perspective on things. This is where the value of your personal network lies: in its multiplicity and not in its uniformity. Don't look to create your own 'fanbase,' but seek out and seize opportunities for a mutual, honest exchange of experiences and ideas. This will enable you to build strong networks over time, where you will be called on to contribute much but you will gain even more.



Luca Colombo Facebook

Building and maintaining a network is considered by many a quality and a virtue. While some people have a more natural tendency to nurture and develop contacts, others may need a more structured approach to it. Regardless of one's strengths and aptitudes, it is indisputable that connecting with others generates value, both in personal contexts and even more so in business.



In my opinion, some basic elements and steps for building and maintaining a network are as follows:

- 1) Define well your objectives and choose accordingly the people with whom you want to build a connection.
- 2) Dedicate attention and time to build and nurture your relationships. This will require planning ahead and should not be considered a spare time activity.
- 3) Follow up and do not think that an initial contact or meeting is sufficient. Checking in with your network of contacts is as important as meeting up with them.

In summary, it is crucial not to neglect the importance of these activities, planning them carefully and devoting enough energy and time to ensure that they become a key lever for one's personal and professional development.

CANSU SUT Economic and Social Sciences

→ *As a mentor, what would be your advice for building and maintaining a network?*



TOMAS NOVAK International Management

→ *Sometimes, when I look at the careers of successful leaders, it seems like they were meant to be in their positions already from the beginning. How was it in your case? Have you always strived to be a CEO or did you choose this path later?*

Francesca Bellettini Saint Laurent

Since I was young, I have dreamt of leading a company and I was profoundly lucky as I always had the best support from my family, who encouraged me to follow my dreams and work hard to achieve them. It is important not to be impatient in building your career. Ambition should never push you to compromise over ethical values nor to take shortcuts. Feed your curiosity and keep alive the willingness to learn from others. This will allow you to continue to improve and grow. Never stop finding occasions to learn in your life from every experience. Build your future every day, with hard work, dedication, passion, and above all, belief and optimism.



VIDEO

The **CEO Connect** initiative was the focus of the first live broadcast of Snacknews Live, the Bocconi and *Corriere della Sera* partnership. Rector Giannario Verona, Facebook Country Manager Luca Colombo and *Corriere* Deputy Editor Daniele Manca discussing the initiative.





So the country can

Matteo Del Fante, CEO and General Manager of Poste Italiane, Bocconi Alumnus of the Year 2021, talks about how he developed digital transformation at a company with a 160-year history in the midst of the pandemic. Pragmatism, leaner business models, team spirit and the words of Adriano Olivetti as his inspiration

by Emanuele Elli [@](#)

Making its platform available for the vaccination campaign against Covid19 is the most recent act of a transformation process that is leading Poste Italiane to combine traditional services with those of a tech company capable of propelling a large part of the country. The role it has played throughout the pandemic emergency is among the reasons that convinced the Bocconi Alumni Community, led by **Silvia Candiani**, to name the CEO and General Manager of Poste Italiane, **Matteo Del Fante**, Alumnus of the Year. A 1992 Bocconi graduate in Political Economy, in four years Del Fante has made the company he leads an international success story thanks to the speed of innovation and the evolution of the skills of its people.

→ **How do you manage innovation and digital transformation at a company that has almost 160 years of history and is the top employer in the country?**

I'm particularly pleased to answer this question because, in terms of size and distribution, Poste Italiane is a scaled-down version of the country. So the transformation of Poste offers interesting ideas for the country's digital transformation. Digital transformation is certainly complex, but it is essential for a company like Poste Italiane, with its history, its size and its multiple businesses, in a global scenario in which digitalization in the economy and way of life is fast-moving and irreversible. The pandemic proved this, because forcing millions of people to stay home facilitated the explosion of eCommerce, especially in Italy, where millions of new eShoppers were won over and the spread of digital payments was accelerated. We anticipated this, renovating our logistics and technological infrastructure early. And this transformation will continue within the framework of

our new 2024 Sustain & Innovate business plan. The pervasiveness of technology and the continuous evolution of the digital market have almost completely bridged the gap between business projects and technology projects. This made us realize that Poste Italiane, the most physical company in the country in terms of presence and employees, should also become a tech company.

→ **The IT planning horizon has changed from several years to a few months. What organizational changes has this new context brought about?**

An adaptive approach was needed that exploits test and learn methodologies and rapid prototyping, towards a leaner and more agile model. The watchword has been pragmatism. Primarily with the progressive adoption of a new approach that natively guarantees flexibility, quality and security, using the cloud as a strategic and technological accelerator. In addition, services and data can be reused transversally by the various businesses of the company, to focus action on the customer. To allow all this, strong governance has been implemented with centralization of the companies in the group's technology departments, placing operations under the same organization in order to ensure coherent action and greater traction. Today, the department that leads the company's digital transformation has around 8,000 people. These choices have steered massive investments that have led to the accumulation of a stock of technologies and knowledge that are available to the country.

→ **What leverage did you use as a manager to promote this transition? Human resources, organization, marketing...**

change with us





ALUMNUS OF THE YEAR

Me and my Bocconi

A 54-year-old Florence native, married and with two children, Matteo Del Fante is CEO and General Manager of Poste Italiane. His career began at JP Morgan even before graduating with honors from Bocconi in Political Economy. "Initially, I thought I wanted to study economics at a foreign university and become an economist," Del Fante recalls. "I was also offered a Fullbright scholarship for a PhD in the United States, but I turned it down after accepting an internship at JP Morgan in London. That was my sliding door. Working at an investment bank was a very important training ground which also allowed me to learn more about the dossiers that the Italian government submitted to the bank through the Ministry of Economy and Finance. From there my career as a manager at Treasury subsidiary enterprises began." Thus, the position of Director General in Cassa Depositi e Prestiti was followed by a position at Terna as General Manager and, starting in 2017, at Poste Italiane. However, Bocconi's imprint remains intact. "The Bocconi lesson that I always carry with me is undoubtedly its culture of merit," says Del Fante. "In those classrooms I was taught that merit is the only unit of measurement to use to assess the value of students and people. The merit of those who know how to be committed, learn, participate, all without shortcuts, and which becomes indispensable when taking on management roles at companies providing services for the collective interest."



All these kinds of leverage have proved invaluable to concretely translate a constant tension for innovation. In particular, I aimed to strengthen team spirit, which is today generating the excellent results we are achieving. Poste Italiane would not be the great company it is if it weren't for the commitment and dedication of all 125,000 employees, each in their own role. It's also very important to mention the working method. Our North Star is Adriano Olivetti's motto: "Bold management in planning, meticulousness in execution, unrelenting against obstacles."

→ ***In short, widespread presence throughout the territory was accompanied by a similar "digital proximity" which brought services closer to people. How do these two sides, a more traditional one and one that is more avant-garde, coexist today?***

At Poste Italiane, tradition and innovation are

perfectly integrated. The network of offices that offers postal and financial services every day to millions of residents throughout Italy and the mail carriers who deliver correspondence and an increasing number of eCommerce parcels: these are the two traditional expressions of the corporate 'physicality.' They coexist with digital services, apps, paytech and fintech...

→ ...the role of the SPID digital identity provider...

Exactly. In this regard, I would like to take this opportunity to mention that we are the leading Italian provider, with over 20 million registered digital identities, 15 million of which are SPIDs that were enabled during the months of the pandemic. More than 80% of these 20 million SPIDs were issued by post offices. I'm convinced that the company draws strength precisely from its pervasiveness, from its 12,800 post offices. Only companies that maintain their physical presence throughout the territory can play an active role in the country's digitization. Because the digital divide is not only geographic but also intergenerational, and it will continue for many years. It will therefore not be possible without physical infrastructure. Not least, without such a widespread physical network, we would not even be able to collect and manage the savings of Italians, who have always contributed to the country's development and competitiveness thanks to the construction of public works and infrastructure networks.

→ What considerations resulted in the idea of making the Poste digital platform available to the vaccination campaign?

Since the beginning of the pandemic, Poste Italiane has shown it supports residents and plays a social role in the country: it has never stopped, guaranteeing all essential services. This includes services relating to the distribution of vaccines provided by our SDA express courier, which has so far delivered about 20 million doses to Italian regional governments. We therefore decided to offer our technological agility to institutions to promote the national vaccination campaign and we were commissioned to create a platform for vaccine bookings and data collection to be made available to the regions. Our technological infrastructure allows vaccinations to be booked online, through the call center or through Postamat ATMs and PDAs supplied to mail carriers. Poste Italiane thus contributed significantly to the vaccination campaign, especially here in Milan and Lombardy. It was also an opportunity for me to give back a part of what I received from my Alma Mater and the city that welcomed me so many years ago as a student. ■

“
Your contribution does not end with my graduation. I want to support new scholarships so that other young people, like me, can embark this incredible journey. I want to give back what I have received.

Gloria TAMBURRINO

2018/2019 BOCCONI ALUMNI SCHOLARSHIP BENEFICIARY. SHE GRADUATED IN 2021.

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Research above all

A love for economics, born late and cultivated through interdisciplinary studies. Jérôme Adda, Professor in the Department of Economics and Dean for Research at Bocconi University, talks about himself to viaSarfatti25. And, speaking of research, he recalls the important contribution in the fight against Covid 19 produced by the researchers of Bocconi's Covid Crisis Lab since the beginning of the pandemic

by Camillo Papini @

Economics was not his first calling. With a degree in biochemistry, for **Jérôme Adda**, Professor in the Department of Economics and Dean for Research at Bocconi University, the vocation for economic science came later, at the time of pursuing a PhD. Fascinated by the poster of a program in the field and against everyone's opinion, he decides to take a Master in Economics.

→ **Thus you began your journey on the road to economics**

I found it fascinating that one could describe and try to understand human behavior in a formal way. Having said that, my way into economics was really tortuous. As an Assistant Professor in London, I had a dual appointment in Economics and in Epidemiology for many years. I learned what interdisciplinarity meant, how rewarding and complicated it can be. Academic disciplines can be very different in terms of approaches, language and methods even if they try to describe the same phenomenon. One has to learn the language of the other discipline to engage with it.

→ **How do you see research at Bocconi during the Covid Crisis?**

In the last two years, research on Covid19 has been a frontline field and many researchers redoubled their efforts working both on their own topics and on Covid19, to contribute rapidly and achieve more results in the fight against the virus. Bocconi, and its researchers, were particularly committed, creating already in May 2020 the Covid Crisis Lab, a multidisciplinary research laboratory that has involved all Bocconi departments and research centers. More than 40 researchers have engaged in research projects

JÉRÔME ADDA
Family Economics, Labor Economics and Health Economics are some of the issues Jérôme Adda has investigated most in depth. His principal contributions have been on the effect of public policies on health behavior, the analysis of the spread of diseases, the links between income and health, the role of human capital on career choices and wage growth over the life-cycle. Adda earned his PhD in Economics at the University of Paris (Sorbonne), after studying Biology at AgroParisTech and Economics and Statistics at ENSAE (École nationale de la statistique et de l'administration économique) in Paris. He is a professor of Economics at Bocconi University since 2014. Before that, he was a professor at the European University Institute (Florence), as well as a Professor at University College London. He was a managing editor for the Review of Economic Studies, from 2013 to 2017, and again in 2021.

in four thematic areas - health; society; economics, finance and firms; and legal issues. And Bocconi researchers have published numerous studies in leading scientific journals, giving their contribution to policy makers engaged in making important decisions for the lives of citizens and nations. I started studying epidemics before Covid19 and now I've an ongoing study about epidemics in relation to individual behavior.

But we live in a digital era and, even more so when we are in an emergency, we are urged to communicate fast. So the risk is to communicate results to the public before they have been validated and before there is consensus about them. A confusing communication can decrease people's trust in scientific advice, because they see researchers arguing. However, arguing is part of the generating process of scientific advancement. Researchers never agree at first but, in the end, many disagreements become agreements.

→ **Do you think the scientific community produced confusing communication about Covid19?**

I think research needs time to build a consensus but in the last two years, given the urgency, the temptation was to draw conclusions and give advice after just a few weeks. Time is important. Normally, two or three years are needed to probe results, to produce answers. I understand the will to be useful for society, but there is also a longer-term issue that is society's trust in science. This is an important capital and eroding that is very dangerous for our profession but also for society in general. An example is the medical and policy

LEGGI L'ARTICOLO IN ITALIANO





debate about the usefulness of masks that came about early in the crisis. At the start, there was genuine uncertainty of how efficient such a policy could be, especially at the popular level. This debate was perceived by the wider public as a sign that scientists could not be trusted, and it created confusion and undermined subsequent policies.

→ **How does Bocconi University support research? And you as Dean for Research?**

Bocconi is a research university - it produces impactful knowledge that it then brings into the classroom. The condition to do so is to create the right environment, made up of skills but also of services, in order to attract the best researchers. We have succeeded in creating the right ecosystem and the data confirm this. Every year we attract new professors from all over the world (this year as many as 25) and the number of our ERC grants, the most important European research funding, is constantly growing. To date, we have hosted as many as 40 projects.

The final goal is to encourage research, good quality studies, because quality makes the difference in research and also allows Bocconi to compete with the most renowned universities in the world. In this way Bocconi stays at the top of global university rankings, of which research makes up around 70-80% of the total scores. This year, despite the crisis, we published the highest number of A+ articles ever. This is a fantastic achievement, and it speaks to the quality of our faculty. As Dean, and as Research Committee (ReCo)

Chairman, together with the University we try to provide organization, services and the right incentives to make people more productive in the right way. We also provide funds to start studies, essentially for juniors. They can have more difficulties, than seniors, to find the first budget to kick off their work. ■

The nine roads of Bocconi research

A quantitative approach and use of Big Data and Artificial Intelligence: this is how researchers at the university create knowledge that matters. As the Directors of the research centers tell us here

by Davide Ripamonti @



PODCAST

There is now light at the end of the Covid19 pandemic tunnel as we benefit, thanks to research, from greater understanding of the virus and from vaccines and improved models of care and treatment. This episode of *StoryScanner* looks at what we have learnt, the role of research and how we can be better equipped to face future pandemics. **Jérôme Adda**, Dean for Research, talks about the importance of research and science in the last 18 months and of his studies looking into comparative cost-effectiveness analysis of public policies during Covid19 and other epidemics. **Aleksandra Torbica**, Director of CERGAS Bocconi and special advisor to the Chair of the WHO Regional Office for Europe's Pan-European Commission on Health and Sustainable Development talks about the main findings and recommendations of the Commission's report *Drawing light from the pandemic: a new strategy for Health and Sustainable Development*.





STEFANO BAIA CURIONI, ASK

The center that promotes culture

The ASK Bocconi research centre and its role in supporting a wide-ranging and varied sector, which needs study, method and management to fully express its potential

They are one of our country's most important assets, but at times are underdeveloped due to policies that are not always far-sighted. All aspects of Italian and international art and culture are included in the research areas of the [ASK Center \(Art, Science and Knowledge\)](#). It was founded at Bocconi University in 2004 to further the knowledge of the artistic sectors and cultural industries through the study of cultural policies, management of institutions and the cultural economy.

"We generally deal with the whole spectrum of issues concerning cultural heritage," says **Stefano Baia Curioni**, Associate Professor in the Bocconi Department of Social and Political Sciences and Director of the ASK Center, "essentially referring to three departments at the University: the Department of Social and Political Sciences, especially regarding cultural policies, the Department of Management, for aspects of governance, and the Department of Legal Studies, for more specific issues such as intellectual property for instance. While also consulting external input when the need arises. One thing that distinguishes ASK is that its various sides are connected by an interest in issues rather than disciplines. ASK Center projects are focused on five areas in particular," continues the Director: "Art markets, contemporary art production and institutions; policies and management of cultural heritage, institutions and events; industry dynamics and creativity studies in publishing, cinema, music and new media; management of intellectual property rights for art, culture and the knowledge society; and history of art markets and institutions."

The ASK Center has collaborated on many important projects over the years, from designing the Museum of Ancient Ships in Pisa, to a project for the renovation of Palazzo Reale in Milan, to feasibility studies for a

museum of contemporary art also in the Lombardy capital. The project ASK is currently involved in is a particularly challenging one. It concerns defining the planning dossier for initiatives in Brescia and Bergamo through 2023, the year for which they have been named Capitals of Culture. "We have defined the concept of the operation," says Baia Curioni, "and we are establishing a working methodology that aims to make culture a tool to activate and regenerate these territories, not only in terms of tourist attractiveness but also awareness of an understanding of the areas. The challenge to be met today is to grow together, not only as producers of culture, but in order to consolidate internal cohesion and allow the two cities to become more connected." ■



STEFANO BAIA CURIONI
Associate Professor of Economic History
and History of Economic Thought,
Department of Social and Political
Sciences, Bocconi University



DONATO MSCIANDARO, BAFFI CAREFIN

Multidisciplinarity as a way of being

The Baffi Carefin Center involves seven Bocconi departments, has over 100 affiliates, and produces applied research in finance, insurance and central banking for academia, financial institutions and corporations

Markets, finance and rules, these are the three buzzwords of the Baffi Carefin research center on banking and financial regulation. In the various research units that compose this sprawling center, legality and banks, financial markets and pensions, the international economy and sovereign wealth funds, the blockchain and much else are being studied. The [Baffi Carefin Center for Applied Research on International Markets, Banking, Finance and Regulation](#) was born in 2015 from the merger of the two pre-existing research centers that had been founded in the mid-1980s by Mario Monti and Roberto Ruozzi, respectively. It has one great strength, says **Donato Masciandaro**, Full Professor at the Bocconi Department of Economics, who has directed it since 2018: "By its very nature, the Center was born multidisciplinary, thus meeting the indications contained in the University's Strategy Plan, which says that research produced at Bocconi should embrace several disciplines."

"The research output of Baffi Carefin is applied research", continues the Director, "and our interlocutors are academia, institutions, banks and businesses. A fundamental concept is that we do not only want to produce research, we also want to disseminate it." The type of research that has an actual impact on reality and which, as Masciandaro is keen to point out, is absolutely independent, but also able to attract external funding because it affects companies and institutions. "The quality of our research has international standing," continues Masciandaro, "but interlocutors can also be Italian." Baffi Carefin's research activity is communicated externally through participation in grant



competitions, debates and conferences with academics, policymakers and professionals, or through the production of annual reports, as is the case for the Sovereign Investment Lab which analyzes the performance of sovereign investment funds. It is also capable of attracting funding from donors, as in the case, for example, of the CLEAN (Crime, Law and Economic Analysis) research unit, which is supported by an anonymous donor.

Baffi Carefin involves seven departments of the University for a total of 108 research affiliates, and is divided into 13 research units, each of which deals with financial markets, banking and regulation from a specific perspective. In addition to the two already mentioned, there is the Analysis in Pension Economics Unit, the Asset and Risk Management Unit that deals with asset and risk management, while intermediation and financial stability are the fields of action of the Banking, Finance and Regulation Unit. Then there are the Financial Education Unit, the Global-ID Unit which studies the effects and challenges of financial globalization, and the Monetary Innovation, New Technology and Society Unit that deals with cryptocurrencies. The Insurance Market Observatory

Unit covers communication strategies and customer care in insurance companies, the Moneta Unit deals with monetary regulation and financial sustainability, while applied research in investment banking is the subject explored by the Investment Banking and Structured Finance Unit. The Law and Economic Studies Research Unit delves into the economic theory of law, and finally, the Pericles research unit studies the historical evolution of monetary and financial systems. Each research unit has at least one director and the various units often interact with each other in joint projects. ■

DONATO MSCIANDARO
Full Professor of Economics,
Intesa Sanpaolo Chair
in Economics of Financial Regulation,
Department of Finance, Bocconi University



IGOR PRUENSTER, BIDSA

A center at the leading edge

BIDSA supports the training of students and junior researchers in fields where the use of advanced tools in statistics, applied mathematics, econometrics and computer science is essential

BIDSA (the Bocconi Institute for Data Science and Analytics) is one of Bocconi's most recently established research centers. It operates in the field of Data Science, a discipline that is at the intersection of statistics, computer science and specific application domains, which has recently become a truly international phenomenon. BIDSA was founded in 2016 with an interdisciplinary focus, with the involvement of seven departments of the. It promotes and conducts theoretical and applied research that addresses challenging issues arising from the analysis of large-scale datasets and the modeling of the underlying complex phenomena. BIDSA also supports students and PhD candidates starting research projects in disciplinary areas where the use of advanced tools of statistics, applied mathematics and computer science is essential.

“One of our primary objectives,” says **Igor Pruenster**, Full Professor in the Department of Decision Sciences and Director of BIDSA, “is to train a new generation of data scientists who will work in academia and industry.” The IGIER-BIDSA Visiting Students initiative is a part of this and Pruenster strongly believes in the project. “Every year we select 40-50 Master of Science students with a strong interest in research and each of them is supported by a mentor from the Centers with the task of guiding them in their academic and professional careers.”

BIDSA currently has 73 Fellows and Affiliates. Four units have recently been set up: the Artificial Intelligence Lab (ArtLab); the Bayesian Learning Lab (BayesLab); Data and Marketing Insights (DMI); and the Blockchain Initiative. “With the creation of these units, our interdisciplinary community can aggregate into smaller groups around specific research topics by combining an effective vertical model with BIDSA’s horizontal model,” explains Pruenster. “This has benefits in terms of cutting-edge research and participation in targeted projects: for instance, BayesLab has joined

IGOR PRUENSTER
Full Professor of Statistics,
Department of Decision Sciences,
Bocconi University



an international research network with institutions such as Duke University, UCLA, UT Austin and the University of Washington.”

The Center’s high scientific profile is testified by the presence of numerous BIDSA Affiliates on the boards of leading journals in data science and prominent roles held in many scientific associations. Equally significant is the large number of grants obtained from leading international organizations. “In particular, through BIDSA, funding was obtained from the European Research Council (ERC) in the ‘Physical Sciences and Engineering’ sector, a first for Bocconi,” says the Director.

Pruenster also points out another aspect that is a great resource for the entire Bocconi community: “BIDSA has purchased a high-performance server that is available to all its members, but also to unaffiliated faculty and students, for conducting computationally intensive research. It is clear that computational component will be increasingly central in all research fields and BIDSA is at the vanguard on this front.” ■



ALEKSANDRA TORBICA, CERGAS

Target: healthcare

Founded over 40 years ago, CERGAS is one of Bocconi's historic research centers. It still focuses on health management, like at the beginning, but it is projected into the future

CERGAS (the Center for Research on Health and Social Care Management) was established in 1978 - the same year as the foundation of the Italian National Health Service - with the aim of conducting basic and applied research in health management. "We have never abandoned this focus, but over the past 40 years we have broadened the horizons of our research to include international contexts. Health economics, health and social policy have been added to health management," explains **Aleksandra Torbica**, Associate Professor in the Department of Social and Political Sciences and Director of CERGAS since 2017. "Rigorous from a methodological point of view and focused on practical issues, in recent years our research has generated innovation in the scientific communities of reference and in the functioning of health systems in the real world." Torbica is very keen to point out this connection and impact with the real world. "The goal is to carry out relevant research at an international level, while in Italy CERGAS has long been the privileged partner of many public and private health institutions and organizations."

CERGAS has around 45 affiliates, 20% of which are professors from the University faculty. There are also several observatories, including: OASI (Observatory on Healthcare Organizations and Policies in Italy); OSFAR (Pharmaceutical Observatory); OLTC (Observatory on Long Term Care) and OCPS (Observatory on Privately Financed Health Consumption). "Each observatory continuously monitors several fundamental issues," says the Director, "and also produces research, reports and publications. To give an example, one of our research center's key actions is the OASI Report that has been produced every year since 2000. It observes, analyzes and evaluates the functioning of the health service at various levels, from local organizations up to the Ministry. The OASI Report is then presented to a wide-ranging audience of academics, policy makers and other people working in the sector as part of a conference organized at the University, which attracts an average of more than 1,000 participants every

ALEKSANDRA TORBICA
Associate Professor
of Health Economic
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year." There are also analyses making comparisons with the health systems of other countries, "which represent a way to get involved at the international level and avoid being self-referential," says Torbica. One of CERGAS's relatively new areas of activity is that of Global Health, the area of study, research and practice that prioritizes improving the health and functioning of health systems in low- and middle-income contexts. "During my term I would like to increasingly expand this line of research, as I believe we must make our skills available to contribute to achieving equity in health for all people around the world," continues Aleksandra Torbica. "I am very proud that CERGAS has already taken the first important steps in this field of research and has obtained significant recognition, including, for instance, important funding from internationally prestigious institutions such as the Bill & Melinda Gates Foundation." ■



PAOLA CILLO, SDA BOCCONI RESEARCH DIVISION

How we try to anticipate the needs of companies

The SDA Bocconi Research Division, directed by Paola Cillo, seeks not only to respond to the contingent needs of companies and institutions but to anticipate them. A difficult and stimulating challenge

A special kind of research, the kind that not only knows how to respond to companies' needs but tries to anticipate them. "What we carry out at the [Claudio Demattè Corporate and Financial Institutions Research Division of SDA Bocconi](#)," explains

Director **Paola Cillo**, Associate Professor at the Department of Management & Technology at Bocconi University, "is rigorous frontier research capable of foreseeing issues that will become relevant for companies and institutions in the medium- to long term. It is a difficult task but also a stimulating challenge." This is wide-ranging research effort that also has another quality, inter-functionality: "Another goal of the Division is to act as a link among the various transversal skills that exist between Bocconi University and SDA Bocconi School of Management", continues Cillo. The Claudio Demattè Corporate and Financial Institutions Research Division contains 12 Labs, "Like the Sustainability Lab, for example, which is multidisciplinary by nature and, thanks to the varied and multiple



skills of our faculty, helps companies, international organizations, and public and governmental institutions rethink their future in light of the global challenges looming on environmental and societal issues".

The See Lab and the Devo Lab are two other instances of the frontier research that characterizes the division: "The first is devoted to the Space Economy, and brings together economic, managerial and strategic expertise, as well as engineers and scientists, to investigate the application of space technologies to the business world", Paola Cillo continues, "while the Devo Lab is dedicated to the issue of digital transformation, which has dominated the last 15 years and has accelerated due the effects of the pandemic. The Devo Lab, in particular, focuses on the impact of digital-driven innovation on the Italian economy and on Italian organizations."

Finally, there is another aspect that testifies to the significance of the research activities undertaken by the SDA Research Division: "Our research also has the task of feeding the management training programs of Bocconi's business school," says Paola Cillo, "and this further confirms how important it is for the methodology to be rigorous and at the same time relevant for solving the business problems of companies whose managers attend our classes." ■

PAOLA CILLO
Associate Professor of Management,
Department of Management and Technology, Bocconi University



MARCO BONETTI, DONDENA CENTER

Studying social dynamics

Public policy, sociology, demography and welfare are the main areas of investigation of the Dondena Research Center directed by Marco Bonetti

The [Carlo F. Dondena Center on Social Dynamics and Public Policy](#), is cross-disciplinary research hub due to the variety of topics covered, which mainly (but not exclusively) refer to the Bocconi Department of Social and Political Sciences. The Center, as **Marco Bonetti**, Full Professor of Statistics and Dondena's Director since the end of 2014, is keen to emphasize, "has grown a lot in these 15 years, both in terms in terms of the number of researchers and sources of funding, and for the quality of the research output, which has enabled us to earn a strong international reputation."

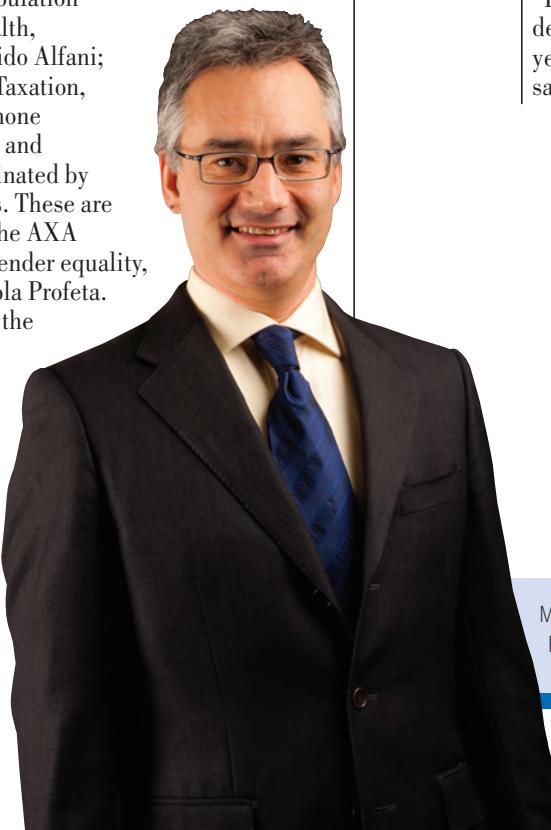
The Dondena research center was founded in 2006 through a donation by Dr. Alberto Dondena, and currently has about 60 affiliates. Since then, thanks to the fundamental input of its first director and current President Francesco Billari, the aim of the Center has been to promote, coordinate and conduct research on social dynamics, with an emphasis on medium and long-term processes and comparative analyses, often following an interdisciplinary approach. The Center is currently divided into three research areas: Population Dynamics and Health, coordinated by Guido Alfani; Welfare State and Taxation, coordinated by Simone Ghislandi; Politics and Institutions, coordinated by Catherine De Vries. These are supplemented by the AXA Research Lab on gender equality, coordinated by Paola Profeta. The researchers of the

Dondena Center belong to subject areas such as demography, epidemiology, sociology, public economics, economic history, statistics, and political science. Currently, the main areas of

activity are: population dynamics (from health to historical demography, to economic and social history, to sociology); the study of the development and effects of government intervention on economic and social variables (from taxation to pensions, health systems, migration); collective decision-making processes and social interactions (institutions, elections, corruption, redistribution, and transparency); and issues associated with gender equality (which cuts across all previous research areas).

Research grants that are fueling publications in top level international journals (the most important goal for the institution) include those from the European Research Council (ERC), the body of the European Union that funds frontier research activities in EU member states and associated countries: "Six projects funded by as many individual ERC grants are currently underway at Dondena. These projects are led by Arnstein Aassve, Guido Alfani, Francesco Billari, Catherine De Vries, Alessia Melegaro, and Tamas Vonyo, respectively," continues Bonetti.

"However, many other research projects are being developed at the Center, and we expect the next 15 years will bring ever greater results and satisfaction." ■



MARCO BONETTI
Full Professor of Statistics, Department of Social and Political Sciences, Bocconi University

MARCO PERCOCO, GREEN

Being sustainable with energy

Energy, environment and sustainability are the research topics of the center directed by Marco Percoco, also author of the study behind the candidacy of Milan as host of Olympic games

If the Milan-Cortina combination won in the competition for the assignment of the 2026 Winter Olympic Games, it is partly thanks to Bocconi. Or, better, thanks to [GREEN \(Research Center on geography, natural resources, energy, environment and networks\)](#), whose *Assessment of the territorial economic impact of the Milan-Cortina 2026 Olympics and Paralympics* was part of the winning dossier presented by the organizers to the International Olympic Committee. GREEN was born in 2018 from the merger of CERTET and IEFE, absorbing their vast competences at national, European and international level. Its mission is to conduct and promote research at the intersection of the spatial analysis of socio-economic phenomena with climate change, transport, environmental policy and the analysis of energy markets.

The Center now has about 50 affiliates from the departments of Economics, Finance, Social and Political Sciences and Legal Studies, plus some external contributions, in particular from partnerships with the Sant'Anna School of Pisa, the University of Rome Tor Vergata, the University of Milan and the University of Venice. "Alongside more classic themes such as transport economics, environmental economics, and energy, two new areas of our research have recently emerged," says **Marco Percoco**, Associate Professor at the Department of Social and political sciences and director of Green, "those of sustainable finance and environmental law. To go into a little more detail," continues Percoco, "in the area of economic geography and local governance we deal with the spatial analysis of socio-economic phenomena and the evaluation of local public policies; in that of economics and environmental policy our attention

is focused above all on climate change; another very important area is that of the economic analysis of sectors such as transport, energy, telecommunications, water services and solid urban services; finally, there is the area of circular green and ESG Finance, the analysis of the relationship between sustainability and finance."

Five observatories have been created within the Center: The Observatory on public procurement and sustainability; the Green Economy Observatory; the Smart City Observatory; the Renewable Gas Observatory; and Sur Lab, Sustainable Urban Regeneration Lab.

"In the next few years in particular, we will focus on the theme of sustainable cities and real estate markets", continues Marco Percoco, "but also on the very delicate and current one of sustainable mobility and investments in infrastructure intended to support it". ■



MARCO PERCOCO
Associate Professor of Policy Analysis and Evaluation,
Department of Social and Political Sciences,
Bocconi University



THE PROFESSOR

STEFANO BRESCHI, ICRIOS

Innovation is in our DNA

The Research Center led by Stefano Breschi confirms its leadership on the topics of technology and development. And it's packed with European accolades, including an ERC Advanced Grant

Under its old name of CESPRI, this center was the first at Bocconi to take on projects with a European dimension on innovation issues. Now, after broadening its topic areas over the years, it has become [ICRIOS \(The Invernizzi Center for Research on Innovation, Organization, Strategy and Entrepreneurship\)](#) and continues its vocation in the study and research on topics such as innovation, technology, and research and development, to which the areas of strategy, organization and entrepreneurship have been added.

"This is a rather composite research center, but it refers only to the Department of Management & Technology," explains **Stefano Breschi**, Full Professor at Bocconi University and director of ICRIOS. "It covers different topics, but they all fall in the broader sphere of management."



STEFANO BRESCHI
Full Professor of Empirical Methods
for Innovation Strategies,
Department of Management and Technology,
Bocconi University

"The Center benefits from funds disbursed by the Invernizzi Foundation, while other resources are found through participation in European and, to a lesser extent, national tenders," continues the director. "We want to produce knowledge that has an impact on society and citizens, and we allocate resources above all to support projects that combine originality and methodological rigor, but which also aim to respond to relevant socio-economic problems," continues Breschi.

Its research is then disseminated through publication ("in 2020 we published 44 papers, three of which in range A + and 12 in range A") and workshops. But the numbers also testify that ICRIOS is an international reference point in terms of innovation, organization, strategy, and entrepreneurship. "In the five-year period 2016-2020, the center obtained funding for two projects of significant national interest (Prin) and eight projects within the European H2020 Program", continues Breschi, "while in 2020 it coordinated 29 national and international research initiatives, of which six financed by the European Union. Also in 2020, we landed two projects in Horizon 2020, the European Framework Program for research and innovation of the European Commission, plus four European MSCA projects, for the training and mobility of young researchers. Furthermore, at the beginning of 2021, one of our affiliates, Alfonso Gambardella, director of the Management & Technology Department, was awarded an Advanced Grant from the European Research Council, the most important European research support body."

An initiative of which Breschi is particularly proud is that of the Seed Grants: "Thanks to the support of the Invernizzi Foundation, we have set up start-up grants that support the research of the younger generation as protagonists of the scientific development of the future."

Icrios can currently boast around 40 Fellows, for the most part scholars within the University. ■

NICOLA GENNAIOLI, IGIER

The grants collectors

Born in 1990, the Innocenzo Gasparini Institute for Economic Research has won over 20 ERCs. One of its objectives is to bring students closer to research

With about 20 ERC Grants (Starting, Consolidator or Advanced) received, [IGIER \(Innocenzo Gasparini Institute for Economic Research\)](#) has made a decisive contribution over the years toward establishing Bocconi as one of the top European institutions by number of scholars who have obtained ERC grants in the SH1 panel (Economics, Finance, and Management). “Our research center,” says **Nicola Gennaioli**, full professor at the Finance Department of Bocconi University and director of IGIER, “aims to facilitate the interaction between the economists who work in the different departments here at Bocconi, and in particular Economics, Finance, Social and Political Sciences, and Decision Sciences.” This interaction is designed to facilitate the exchange of ideas and scientific production, both theoretical and empirical, in all fields of the economy. But not only. Because IGIER also has an eye for young talents who attend the Master of Science programs in economics and finance, as Gennaioli explains: “My predecessor Maristella Botticini created a program, in collaboration with another research center of the University, BIDSA, which is called the IGIER - BIDSA Visiting Students initiative. It selects a number of deserving students who are then supported by a teacher-mentor and involved in research activities. There are many applicants, and we ask



candidates to write a real essay in which they explain their interests. This is an initiative that enriches both the students and the professors involved.”

IGIER’s research can be divided into four main strands: Applied Microeconomics, Economic Theory, Finance, Macroeconomics. The research activity is disseminated through various channels: that of publication in quality journals, for example. But also, by the organization of events in novel ways. “We organize interdisciplinary seminars on topics, for example, of economic policy, finance, and labor economics. These events create common ground for us to discuss. Then there are the IGIER Policy Seminars, mini-conferences in which we talk about important socio-economic issues and the policy options to better address them, from demographic dynamics, to the growing inequality in income distribution, to school reform, up to architecture of European integration. These events,” continues Gennaioli, “always have a scientific slant but with an application focus, often with the involvement of policy makers. There is also a further dissemination and comparison tool, namely the organization of real conferences extended over a couple of days, but the difficulty in creating a profitable online interaction has unfortunately reduced this type of activity in the last year and a half.”

IGIER, which was created in 1990, currently has about 70 affiliates. ■

NICOLA GENNAIOLI
Full Professor of Psychology, Economic Analysis
and Behavioral Finance, Department of Finance
Bocconi University

How to attract men into jobs historically performed predominantly by women, such as those in health, education and social services? They are all areas destined to grow which will undergo the highest percentage growth in employment in the coming years. The answer is in an experiment

by Alexia Delfino @

Across OECD countries, historically female-dominated occupations in healthcare, education and social services have been growing and are expected to grow even more in the future. In the US, nurse practitioners, occupational therapy assistants and home health care aides are among the ten occupations with the highest expected percent change of employment between 2019 and 2029.

Yet, the share of men in these occupations has barely changed since 1970s, despite a decline in manufacturing's share of employment and of participation of men in the labor force. The share of employment in manufacturing in the US fell from 29.7 to 12.7 percent between 1968 and 2008, and the labor force participation of men declined from 80 percent to 70 percent over the same period. Why don't men enter into female-dominated occupations? Understanding the barriers to men's entry in these fields is important to help workers in declining industries move towards new opportunities. To answer this question, I designed and ran a large-scale field experiment to bring into a controlled-setting a real-world policy that aims at increasing gender diversity in female-dominated jobs. I embed the experiment within the UK-wide recruitment program for social workers, where I observe applications as well as hiring and on-the-job outcomes over two years for candidates of both genders. This allows me to say whether - and how - bringing more men into female-dominated jobs is

Male pink-coll

good for employers and whether this has spillovers on women's choices.

The design manipulates the content of recruitment messages to potential applicants for the job along two dimensions: perceived gender share and expected returns to ability. The former manipulation shows a photograph of a current worker, who could be (in a randomized way) a man or a woman. The latter discloses information of past performance among workers in the job.

I find that increasing expected returns to ability attracts 15% more applications by men. The incoming pool of applicants is better on observable characteristics and gets more job offers. When followed on the job for over two years, men attracted to apply by higher expected returns to ability consistently perform better and are not more likely to leave vis-à-vis men with lower expected returns to ability.

Increasing the perceived share of men in the job does not have an impact on men's applications, which is a surprising null result. Adverts portraying people of the same gender are a key ingredient of most policy proposals trying to attract men to teaching or nursing. For instance, in 2002 the Oregon Center for Nursing tried to appeal to young men by launching the notorious "Are you man enough to be a nurse?" recruitment campaign, which portray a line-up of masculine men engaged in a variety of extreme sports. A more realistic representation of male nurses is also one of the pillars of the biggest recruitment drive in the history of the UK National Health System. My results suggest that the gender composition of portrayed actors might not matter as much as was thought.

What about spillovers on women? I find that women are insensitive to information provision on average, but they are less likely to apply and are more likely to quit the job when they believe that there are more male social workers in the job (i.e. when they received a male photograph). However, the drop-out is concentrated among the least talented women, and thus it has a positive impact on the average quality of the pool of female workers.

Taken together, these findings suggest that breaking informational barriers to men's entry in female-dominated jobs might increase gender diversity and improve overall workforce quality in a gender-neutral



THE PAPER

Breaking gender barriers: experimental evidence on men in pink-collar jobs, by Alexia Delfino

Dear workers

way. This yields an optimistic message for policy. Both the stigma associated with working in a female occupation and men's perceptions of their returns to ability have been central in the debate around the conversion of unemployed men into service jobs. The two have different policy implications. The femaleness associated with some occupations may be difficult to modify and changes in gender composition take time. While people can be monetarily compensated or compositional changes can be accelerated through quotas, uncertain or incorrect expectations can be more cheaply tackled through information provision and incentives, for example through low-cost organizational practices that recognize good performance. ■





Among the most visible effects of the pandemic on public organizations is certainly the unprecedented spread of smart working and its variants that some use as synonyms, including teleworking, working from home, remote working and lean working. Although the first experiences of remote work supported by ICT in public offices began over thirty years ago, in most OECD countries this innovation never really took off. Save for a few exceptions, before the pandemic smart working was typically considered an experimental working mode, reserved for groups of public employees who encountered mobility problems for various reasons, or as a welfare tool that allowed a better work-life balance. We know from various studies what the critical issues are for teleworkers, for example the potential isolation that many of us experienced in the pandemic phase. We also know how non-teleworkers perceived negatively the fact of not having the right or not having access to remote working, leading to higher turnover rates and lower professional satisfaction. However, we did not know much about the relational aspects between teleworkers and non-teleworkers.

A study conducted together with Nicola Bellé and Maria Cucciniello by means of an experiment showed there was a marked resentment on the part of non-teleworkers towards colleagues who carried out their activities in smart working. The subsequent exploration allowed us to understand the reasons for this resentment, which offer useful insights even in a post-emergency phase when it is possible to imagine that in the public administration and beyond, it will be difficult to return to the previous situation. Although scaled down, smart working is expected to be part of the range of options of an increasingly modular



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employment relation that undermines the unity of time and space that has characterized bureaucratic organizations and their control methods.

In light of the results, the reasons underlying the resistance to teleworkers do not have much to do with the perception of organizational injustice or an increase in workload due to the physical absence of some colleagues. Rather, the main reasons are to be found in the alteration of the dynamics in a collective space that includes both those who are in the office and those who work remotely.

Among the critical issues encountered that it is important to consider is the tension between the greater personal flexibility guaranteed by remote working methods and the flexibility of office activities. In fact, it has been found that processes that cannot be planned in advance, such as unexpected cases or decisions that require high levels of discretion and improvisation, are likely to be managed less effectively if there isn't the informal exchange between colleagues that is normally facilitated from face-to-face communication. Furthermore, collective learning within an office or organizational unit risks being frozen and the organization reduced to the sum of individual skills. Finally, also from the point of view of socialization, the work-life balance is altered not only in the case of those who stay at home but also for those who no longer find the same kind of human exchange in the office.

The implications that can be drawn certainly include the fact of analyzing and designing activities and relationships by considering both those who are in the office and those who work remotely as a single entity rather than as two separate groups. ■

To smart work or not to smart

The pandemic has accelerated the spread of smart working. An experiment shows that it is a mistake to think of teleworkers and non-teleworkers as separate. We need to redesign professional employment as a single entity

by Valentina Mele @



work? That is not the question



THE COURSE

Lavoro agile nella PA: verso una nuova gestione dei dipendenti pubblici (in Italian) aims to help innovate the systems of planning, work monitoring and staff performance evaluation



THE PAPER

Thanks, but no thanks. Preferences towards teleworking colleagues in public organizations
by Valentina Mele, Nicola Bellé, Maria Cucciniello



How a child leads to a permanent gender gap

The phenomenon is known as 'child penalty' and quantifies the long-term cost that mothers have to pay 15 years after birth in terms of lost income, earning 20% less than the child's father. The study on the case of Italy

by Alessandra Casarico @

The birth of a child represents a turning point in women's working careers and is still one of the main factors contributing to the gender gap in employment and pay. The term child penalty is often used to indicate the cost of the birth of a child on the labor market. It measures the loss in terms of labor income that mothers suffer following the birth of a child when compared to the fathers, or with women without children who share the same characteristics, for example in terms of age, skills and wages. Even in Scandinavian countries, which usually excel in the international rankings on gender equality, mothers pay a long-term penalty (15 years after birth) of more than 20% in terms of lower earnings after birth with respect to fathers. In Austria, Germany, the United Kingdom, the United States and Spain, the income loss is even greater.

Italy is no exception. In a research work with Salvatore Lattanzio we obtained an estimate of the child penalty 15 years after the birth of the child based on a sample of INPS data on employees in the private sector between 1985 and 2018. We identified all instances of maternity leave and estimated the trajectories of the annual wages of the mothers in the five years preceding and in the fifteen following the year of



ALESSANDRA CASARICO
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the first leave. To understand the impact of motherhood, we compared them with the trajectories of wages of comparable childless female workers.

What we find is that 15 years after birth, mothers' annual wages rose 57% less than those of childless women. The collapse is very strong in the immediacy of birth, but the gap that opens then never really closes later in life. It is higher for female workers who take long-term leave, earn low wages, and less than 30 years old at the time of motherhood.

Why are female workers' incomes no longer aligned with those of non-mothers after maternity leaves? The result could depend on a change in the hours or weeks worked, or - for the same job offer - on lower weekly wages: mothers could move to companies that pay less, perhaps in exchange for greater flexibility or proximity to work, or alternatively, occupy less profitable professional positions within the same company. Our analysis shows that 68% of the child penalty is attributable to fewer weeks worked in a year. 20% is explained by the transition to part-time work schedule, while 12% is attributable to lower full-time equivalent weekly wages. It is therefore the reduction in the labor supply of mothers that largely contributes to the penalty in annual income. A penalty that does not consider the exit of mothers from the labor market: the overall measure of how much motherhood affects the female employment and earnings should also take into account that women with children have labor market exit rates that are 12% higher than non-mothers 15 years after birth.

The work income penalty linked to the birth of a child captures several aspects. It can reflect the preferences of mothers who wish to spend more time with their children and thus reduce the time spent at work. It can capture the difficulties of reconciling work and family duties in the absence of child nursery and day care services, or the lack of sharing the workload of child rearing



THE PAPER

Behind the child penalty: understanding what contributes to the labour market costs of motherhood by Alessandra Casarico, Salvatore Lattanzio



THE COURSE

Gender equality and women's empowerment are the apex of the growing process of valuing diversity in its multiple dimensions. The Diversity & Inclusion Management course (in Italian) delves into the issue

ment cut in the mother's salary



THE BOOK

Despite formal commitments made by the United Nations and the European Commission to improve gender imbalances, progress towards gender equality in the labour market and in decision-making positions in the economy and politics has progressed at a discouragingly slow pace in recent decades. *Parità di genere e politiche pubbliche* by Paola Profeta (Università Bocconi Editore, 2021, 256 pp. €26, in Italian) offers a careful comparative analysis of gender policies in Europe.



within families. In fact, we find that the size of the penalty is greater in regions where the availability of child care services is less. It can point out stereotypes and social norms according to which mothers should be the mainly or solely responsible for the care of their children. Income loss relative to non-mothers, as well as transition to non-work are greatest in areas of the country where a more conservative gender culture prevails. Lastly, it may depend on the characteristics of the companies for which mothers work: female employment tends to be concentrated in companies that pay all workers less on average. ■





The post Covid period could create a snowball effect with a sudden increase in non-performing loans. Banks today are better equipped to curb a new mass of NPLs but it will test the bankers' ability to combine different strategies effectively

by Brunella Bruno @



Avalanche risk

In recent years, the issue of impaired loans or non-performing loans (NPLs) has been the subject of great interest on the part of European authorities. The “macro” relevance of the phenomenon is an element of novelty compared to a problem traditionally limited to the level of the individual bank. In fact, banking technique teaches that the management of impaired loans is the last phase of a process that begins with the credit investigation activity, therefore even before the granting of credit and the assumption of risk by the bank. This phase, however, should be unusual in character, since the credits are normally repaid within the time and manner provided for in the contract.

On the contrary, what made the issue of NPLs the subject of institutional debate was the abnormal dimension of the phenomenon: in 2016, the large European banks under the supervision of the ECB held approximately one trillion euros of non-performing loans, a figure equal to approximately 9% of GDP and 6% of euro area loans. Of this amount, one third was held by Italian banks. As is known, a healthy banking system is a precondition for ensuring effectiveness in the transmission of monetary policy impulses and efficiency in the allocation of resources. In a highly interconnected system, the presence of high volumes of NPLs is a source of multiple threats, including the fact that a bank crisis can have devastating effects on the entire banking system and on an entire economy. In recent years, the countermeasures to safeguard the stability of banks and businesses have been numerous and various in kind, in the awareness that the solution to the NPL problem had to be composite. The banks were asked to strengthen, according to predefined guidelines, the methods of managing,



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classifying, and adjusting loans. At the institutional level, steps were taken to make the judicial recovery of credits more efficient. The conditions have been created to develop a secondary market aimed at a faster disposal of impaired positions. The result is that, in March 2020, the volume of NPLs held by banks in the euro area almost halved compared to the previously mentioned value and the share of non-performing loans on the total fell to 3%.

The pandemic has once again brought attention to the issue of non-performing loans. The risk, feared by the ECB itself, is that NPLs could reach volumes even higher than those recorded in the recent past. The fear is motivated not only by the economic recession but also by the potential undesirable effects of some measures implemented since spring 2020 to support banks and debtors. The moratorium in particular could favor a culture of non-payment even among healthy debtors or make the monitoring and classification of risk carried out by banks more difficult, with the result that, once the measure has been completed, banks could face a sudden increase in impaired loans (avalanche effect). From an initial analysis by the EBA on the use of moratoriums, a situation emerges in some ways less worrying than expected, at least in terms of the ability of banks to monitor, reclassify and set aside resources in the face of increased expected losses. Obviously, there remains the warning to monitor credit risk in all its phases, from the granting to the management of impaired positions. In the latter regard, there are many strategies, and they depend on the characteristics not only of the loans, but also of the banks. Internal solutions can be combined with others in which recovery is entrusted to specialized companies, without excluding the extreme case of the sale of individual positions or entire portfolios. Costs and recovery times will be different, as will the impact on bank balance sheets. The banker's challenge will lie in combining the different strategies effectively, without being forced to accept sub-optimal solutions.



THE COURSE

SDA Bocconi's *La giusta valutazione del merito creditizio* course (in Italian) combines financial, legal and regulatory expertise with the aim of building an effective credit assessment process.



Giving the right value to bad loans

Marco Grimaldi, Bocconi alumnus and manager at Arrow Global, outlines the future of the sector saying that not everything is bad because "valuing a credit means selling it at a good price, that is, giving value to the good that is left in a company"

by Emanuele Elli @

In the career of a manager, it's not often that you can say "I saw this sector being born." However, when it comes to non-performing loans (NPLs), Marco Grimaldi's CV speaks for itself. A Bocconi graduate, the finance executive now oversees the Portfolio Management of the Arrow Global Group in Italy and, among other things, manages investments in distressed Italian loans. "In fact, already in 1997, during my first job in London after graduating from Bocconi, I was working in securitization, a sector that in Italy was not yet regulated by a law. Back in my home country, I found I was one of the few NPL experts, an area contiguous to securitization which was in the process of becoming more and more strategic, and not only for banks."

→ **A young market that has already changed a lot over the years: can you provide a quick summary?**

To get an idea of the changes, just look at Italy's rather paradigmatic history over the last thirteen years. Following the 2008 crisis, thanks to the abundance of liquidity and a banking system that targeted volumes rather than assessing creditworthiness, Italy had come to accumulate over €300 billion of non-performing loans, the highest number in Europe. It wasn't a good record. NPLs piled up in the financial statements of institutions for many reasons, not least the practice of handing creditors to the legal office at the first sign of hardship, the long timeframe of the courts, the lack of a market for investors. The economic crisis led banks to sell these credits on the financial market. Since then specialized operators have come into being and the scenario has changed: procedures and management times have shortened, a varied and competitive market has been created around loans, and some bad debts have been turned around. The amount of NPLs was thus reduced to the current value of €120-130 billion. Add to that the action of the government which, through a mechanism of public guarantees (GACS), has encouraged the movement of large amounts of credit. All this, however, was happening before Covid.

→ **What future awaits this market?**

We all expect new growth in NPLs. However, the banking system seems much better prepared today to deal with the



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48 years old, is Head of
Portfolio Management of
the Arrow Global Group in
Italy. After graduating from
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Administration (with a
thesis on "Securitization on
the Euromarket") he
worked at the ABN AMRO
Bank in Milan and London
dealing with corporate
finance and securitization.
He was then managing
director at Dresdner
Kleinwort Wasserstein (later
Commerzbank) in principal
finance and securitization
and, from 2009, then
managed the bad bank of
the Commerzbank group.

"Coming from Southern
Italy, the first time I set foot
in Via Sarfatti I was 17 and
very anxious about my
performance," recalls the
manager. "The environment
and organization at
Bocconi, however, won me
over immediately precisely
because they made
studying easier, providing
the right kind of input,
encouragement and
necessary access to firms
and public organizations.
They were formative years
especially from a personal
point of view, because they

taught me an open-
mindedness that I find
essential to interpreting
today's market signals and
also for creating a network
of professionals I'm still in
touch with."

situation. Compared to fifteen years ago, the institutions are more solid, better capitalized, with more trained professionals on the subject. Legal proceedings have also been shortened. In addition, there is an overall EU guidance that coordinates public interventions in all countries to cope with the post-pandemic crisis. That has activated funds, guarantees and moratoriums, and these are non-short-term solutions that can help companies overcome difficulties and therefore facilitate the resolution of certain credit defaults. In short, I do not expect a major adverse impact like that of the 2007-2008 economic crisis, but rather a mixed picture in the various sectors.

→ **Which industries are suffering the greatest?**

Those that the pandemic hit the hardest, namely tourism, transport and, in part, also real estate, which underlies many loans. Here too, however, things are changing and real estate, which had always been a separate market, is now intrinsic to securitization and therefore has become more liquid and more amenable to transactions. On the contrary, the sectors that will be the first to emerge from the crisis will be those where entrepreneurs are capable of embracing new technologies, meet ESG requirements more quickly and return to full productivity.

→ **Behind an NPL there is often a company in crisis. From your point of view, what is your idea of the difficulties faced by entrepreneurs?**

As Arrow, we invest mainly in single name companies, i.e. businesses that are facing pre-bankruptcy proceedings, so I am very familiar with the subject. The production stoppage was a serious and an objective problem for almost everyone. Sometimes, however, we find ourselves faced with entrepreneurs who are struggling because they are short-sighted, not open to dialogue and not very competent in managerial culture. This is why I believe that the first antidote to any crisis is to spread economic culture by providing training at every company level, starting with young and very young people who are interested in the world of credit and finance in general. Understanding how a crisis arises or how it spreads from the real world to the financial one must be a subject of study at school before university, because many entrepreneurs may not start from there.

→ **Without NPLs, specialized operators like you would be out of work...**

(laughs) Unfortunately, the body of non-performing loans in Italy is so bulky that it will be decades before we run into this risk. Anyway, working on NPLs also has a noble and important goal. Being able to value a credit means being able to sell it at a good price, which means giving value to the good that is left in a company or property, by putting wealth and skills back into circulation, with benefits to the entire banking system and entrepreneurial community, and thus to the whole real economy. ■



FUTURE WORLD

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- | Barbara Bucner - Global Managing Director of Climate Policy Initiative
- | Timothy Garton Ash - Professor of European Studies at Oxford University



Appointments of outside CEOs pose a paradox. A third of all CEOs are hired from outside, often with the idea of transforming the company. Yet, on average, these outsiders underperform relative to inside CEOs that have been promoted from within and company. A study with Thomas Keil (University of Zurich) and Stevo Pavicevic (Frankfurt School of Finance and Management) sought to uncover when and why outside CEOs underperform. Our analysis of 1,275 CEO appointments in publicly listed US companies during 2001–2014 reveals that, contrary to received wisdom, neither the length of the new CEOs' experience in executive positions nor the breadth of their experience across different companies explain the performance differences.

Rather, our analysis suggests that it is the fit of the corporate backgrounds of the hired CEOs and the organizational characteristics of the hiring companies, such as their industry focus, size and life-cycle stage, that drives performance. We found that post-succession company performance declines with a misfit between the CEO's corporate background and the company's organizational characteristics. Misfit makes it challenging



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for the CEO to grasp organizational problems, and so the CEO tends to pursue unsuitable courses of action that may have worked well in previous posts, but are ineffective in the new position. This was apparent in the case of William D. Perez who was brought in to lead Nike after spending a long career at S.C. Johnson, a privately held family company that produces household cleaning supplies. Nike's chairman commented that Perez "could not make the transition from the household products industry to head the world's largest athletic-shoe company... It was too much of a difference in industries, too much a difference in companies, too much a difference in brands and too much a difference in culture". Outside CEOs suffer more from misfit because their initial lack of familiarity and social embeddedness reinforce their disadvantage compared to inside CEOs who can more quickly adapt to the new responsibilities in a familiar setting.

The loneliness of the people at the top coming from outside

A third of new CEOs are hired outside the company despite the fact that on average their performance is lower than those who reach the top by internal promotion. A study shows that the reasons are to be found in the misalignment between the backgrounds and organizational characteristics of the company

by Dovev Lavie @

Most importantly, we found that the main explanation for the underperformance of outside CEOs has little to do with their qualifications or background. Instead, it can be ascribed to negative sentiment that is rooted in a socio-cognitive bias of the company's stakeholders, such as board members, employees, business partners, analysts, and the media. Our content analysis of press items as well as the analysis of employees' ratings, analysts' recommendations, and executives' stock selling around the time of CEO appointment suggests that these stakeholders scrutinize the CEO, may withdraw their support and actively resist the CEO's decisions, which can damage the company's reputation and undermine its performance. Whereas inside CEOs can leverage their organizational familiarity and social embeddedness in the company to fend off or at least manage the consequences of this negative sentiment, outside CEOs face greater challenges. For example, following Perez's appointment, "Wall Street was surprised by the choice since Perez... [who] was viewed as something of a gamble". Nike's managers refused to accept Perez's leadership, and employees resisted Perez's attempts to change Nike's strategy, as analyst John Shanley



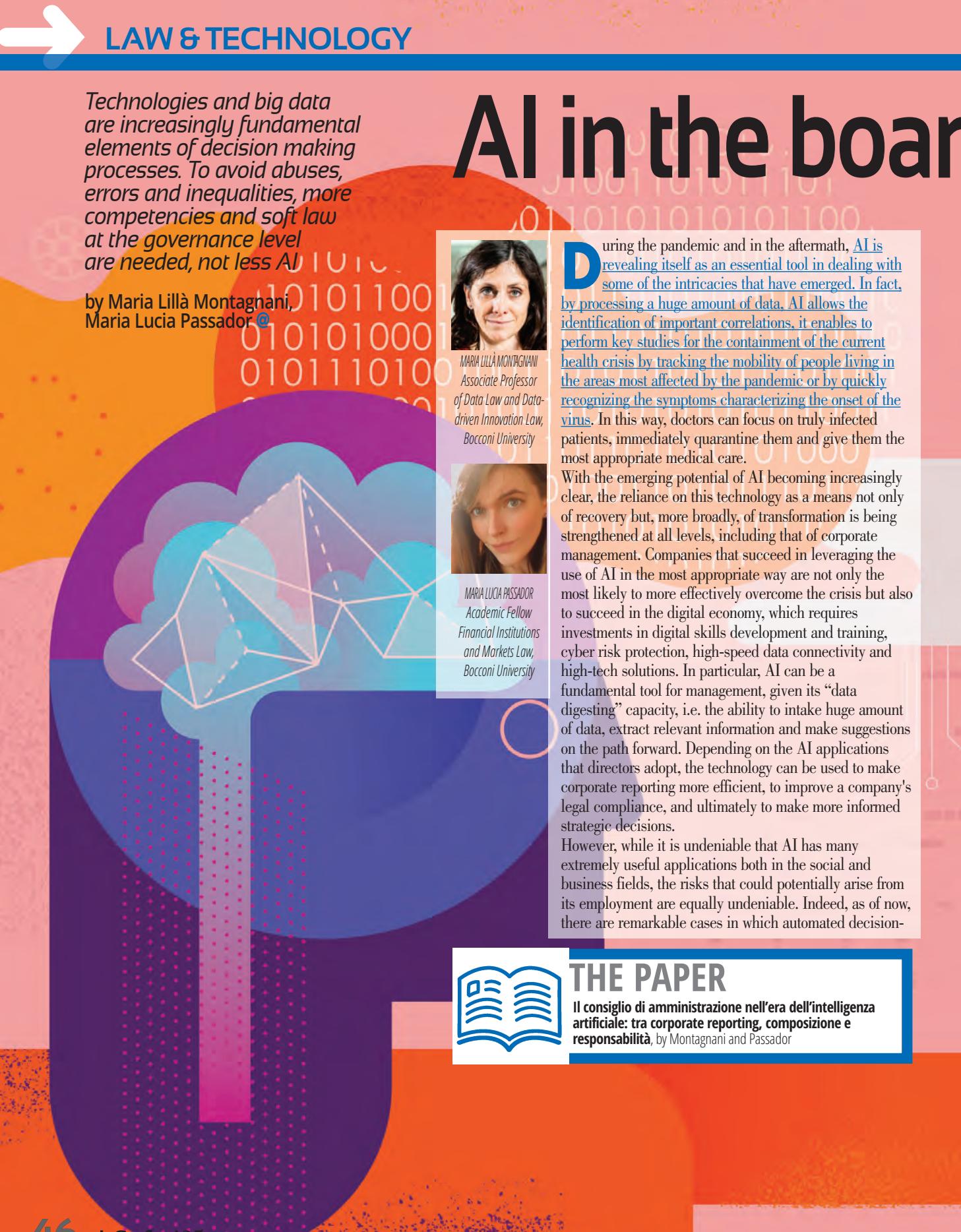
THE PAPER

When do outside CEOs underperform? From a CEO-centric to a stakeholder-centric perspective of post-succession performance, by Thomas Keil, Dovov Lavie and Stevo Pavicević

reflected: "Perez was a rare outsider in the Nike house and had a different idea about how to move shoes". Resistance to Perez also transpired among Nike's executives. As Jeffrey Sonnenfeld revealed: "Anything he was asking, anything he was looking at, was upsetting the two co-presidents". Nike's board also distanced itself from Perez, as Knight noted: "...the board decided that the company could be better managed with a [CEO] who has...credibility among employees, customers and consumers."

While outside appointments pose unique challenges, we conclude that appointing outside CEOs can pay off when their background fits the company's characteristics, and the hiring board takes actions to manage potential negative sentiment by stakeholders. This requires adaptation of established onboarding practices. ■





Technologies and big data are increasingly fundamental elements of decision making processes. To avoid abuses, errors and inequalities, more competencies and soft law at the governance level are needed, not less AI

by Maria Lillà Montagnani,
Maria Lucia Passador @

AI in the board



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During the pandemic and in the aftermath, AI is revealing itself as an essential tool in dealing with some of the intricacies that have emerged. In fact, by processing a huge amount of data, AI allows the identification of important correlations, it enables to perform key studies for the containment of the current health crisis by tracking the mobility of people living in the areas most affected by the pandemic or by quickly recognizing the symptoms characterizing the onset of the virus. In this way, doctors can focus on truly infected patients, immediately quarantine them and give them the most appropriate medical care.

With the emerging potential of AI becoming increasingly clear, the reliance on this technology as a means not only of recovery but, more broadly, of transformation is being strengthened at all levels, including that of corporate management. Companies that succeed in leveraging the use of AI in the most appropriate way are not only the most likely to more effectively overcome the crisis but also to succeed in the digital economy, which requires investments in digital skills development and training, cyber risk protection, high-speed data connectivity and high-tech solutions. In particular, AI can be a fundamental tool for management, given its “data digesting” capacity, i.e. the ability to intake huge amount of data, extract relevant information and make suggestions on the path forward. Depending on the AI applications that directors adopt, the technology can be used to make corporate reporting more efficient, to improve a company's legal compliance, and ultimately to make more informed strategic decisions.

However, while it is undeniable that AI has many extremely useful applications both in the social and business fields, the risks that could potentially arise from its employment are equally undeniable. Indeed, as of now, there are remarkable cases in which automated decision-



THE PAPER

Il consiglio di amministrazione nell'era dell'intelligenza artificiale: tra corporate reporting, composizione e responsabilità, by Montagnani and Passador



boardroom



THE PAPER

Toward an enhanced level of corporate governance: tech committees as a game changer for the board of directors
by Maria Lillà Montagnani and Maria Lucia Passador

making - implemented through AI - resulted in discriminatory decisions in a wide range of areas, from employment law to the allocation of subsidies, from adjudication processes to criminal law. In the case where AI is used by managers, there is some concern about the risk of them relying on the AI's indications without being able to understand its reasoning, thus becoming mere executors - since understanding the AI reasoning is a fairly complicated task. In fact, one of the main issues of AI in all sectors is that of its "opacity", which makes impossible to understand how AI achieves its outcome. This in turn raises another question about who is going to be liable when an AI-driven decision harms the company and its shareholders. If the AI is unexplainable, and directors slavishly follow its suggestions, are they still to be considered responsible for the result of their conduct? To profitably bring AI into the boardroom, the use of AI applications must be governed in a way that minimizes the risks that can result from their use. First, this means developing the skills to deal with AI applications by increasing diversity within boards and including those with technology expertise. Second, this entails the adoption of tech committees - or, if a company already has a risk committee, the expansion of its purposes to incorporate AI oversight. Such a committee should be vested with functions like assessing the proper use of information disseminated, identifying key business risks, reviewing reports periodically submitted about the AI system, monitoring the adequacy and effectiveness of the chosen IA system, and assessing that precise area of expertise, i.e., "technology," at its fullest.

In conclusion, best practices for the use of AI by boards need to be developed, and this should be done at the soft law level, through corporate governance codes for their greater pliability, flexibility and role as a laboratory for solutions to be tested. ■



THE BOOK

Artificial intelligence can be used within the board of directors to achieve leaner and more efficient strategic decisions and to guide decision-making. *Il ruolo dell'intelligenza artificiale nel funzionamento dei consigli di amministrazione delle società per azioni*, by Maria Lillà Montagnani (Egea, 2021, 166 pp., €24, in Italian) explores the potentialities and risks that directors are called to face as a result of the entry of AI in the boardroom.





Tax reform to reduce CO₂

A study shows that it is precisely the polluting companies that pay the lowest taxes, because they take advantage of the tax shield of debt financing. For this reason, when designing policies to reduce carbon, governments should consider the whole system of corporate taxation

by Luigi Iovino, Thorsten Martin
and Julien Sauvagnat @

Carbon emissions constitute a classic example of negative externality. Economic theory suggests that the optimal solution is to impose a global carbon tax or an equivalent quantity capping mechanism such as a cap-and-trade market. However, currently only 20% of global carbon emissions are covered by such climate change regulation (World Bank, 2018), and carbon prices in these regions are typically well below the estimated social cost. Even in the absence of an explicit tax on carbon emissions, it may still be the case that existing corporate taxation schemes contain an implicit tax on polluting firms. We find that this is not the case. In fact, the opposite is true: 'dirty' firms pay on average lower taxes. We reach this conclusion by relating corporate taxes to firms' carbon intensity in the U.S. from 2003 until 2019.

In particular, we find that 1 ton of carbon is associated with 4-7 USD of lower taxes. This "carbon bias" of corporate taxation, our analysis shows, is attributable to the tax shield from debt financing: Since interest expenses are tax deductible, debt financing creates a tax shield lowering firms' tax burdens. We find that dirty firms benefit relatively more from this tax shield.



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In fact, when we compute the hypothetical taxes that firms would have to pay in the absence of the tax shield, we do not find any significant relation with carbon intensity.

Our findings beg the question of why polluting firms benefit more from interest deductions. The reason is that dirty firms tend to have a higher leverage, while interest rates appear not to be systematically related to carbon intensity.

In fact, the relation between carbon intensity and leverage fully accounts for the carbon bias in taxes. This higher leverage of dirty firms is in turn related to their higher asset tangibility. Indeed, we find that companies with more tangible assets have higher carbon emissions, and that asset tangibility stands out as the main driver of the negative association between taxes and carbon intensity.

In terms of economic significance, we find that the aggregate implicit carbon subsidies associated with the existing U.S. corporate taxation scheme range around 30 billion USD per year, an amount of similar magnitude to the revenues that governments worldwide raise from existing carbon pricing. Our analysis emphasizes, therefore, the importance of keeping in



mind the unintended consequences on carbon emissions when reforming corporate taxation systems. To quantify the effects of corporate taxes on emissions as well as to study the implications, for emissions and macroeconomic variables, of alternative tax systems, we build a general-equilibrium model with levered firms and carbon emissions. As emphasized by existing theories of financial frictions, firms' ability to borrow likely depends on the available collateral (e.g., tangible capital), which ameliorates the asymmetric information problems of outside investors. Consistent with these theories and with the empirical evidence, we posit that firms' leverage depends on the amount of tangible capital they own.

We use the model to simulate the effects of a reform that eliminates the tax shield of debt. When interest expenses can no longer be deducted, firms face higher



THE PAPER

Corporate taxation and carbon emissions, by Luigi Iovino, Thorsten Martin and Julien Sauvagnat



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cost of capital, thus, they scale down their production capacity, reducing output and emissions. The model provides estimates of both aggregate and sectoral effects of the proposed tax reform. In particular, we show that output in this economy is 2.5% lower. This reduction in aggregate output is accompanied by a decrease in total carbon emissions of 4.5%.

The fall in emissions is much larger than the fall in output exactly because the tax shield of debt favors more polluting sectors. Its removal, therefore, causes a larger contraction in production and emissions of dirty sectors. To conclude, our research highlights that, when designing policies to reduce carbon, governments should consider the entire corporate taxation system since tax reforms, which are seemingly unrelated to the environment, can in fact play a significant role in reducing emissions. ■



THE COURSE

SDA Bocconi's Sustainability strategy and governance course (in Italian) provides tools for integrating sustainability into companies and implementing a strategic plan guided by ESG criteria



Relations between two states (or between a governing group and an opposition group within a state) is peaceful if the distribution of the peace surplus is acceptable by both. Within a state, it is typically the distribution of political power that determines whether an opposition group feels excluded or sufficiently included in the distribution of the peace surplus. In case of conflict, the expected outcome depends instead on the relative military power of the opposition group with respect to the governing group. Thus, the comparison of the distributions of these two types of power determines the incentives to challenge the status quo with a potentially violent dispute. In *A Theory of Power Wars* - which I wrote with Helios Herrera and Salvatore Nunnari and which was recently published on the *Quarterly Journal of Political Science* - we show that the higher the mismatch between military and political power, the greater the risk of conflict and the greater its expected duration.

The key observation is that the groups' political power is persistent in peace (because institutions are inertial and difficult to change), whereas a war is a catalyst for change both in military and in political power, due to the opportunity for a winner to destroy the loser's military capacity and change



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institutions to its advantage. Hence, the incentive to start a conflict is not only influenced by the mismatch between the two relative powers but also motivated by the potential changes in both powers that could be induced by the war's outcome. In our two-period model, the outcome of a first-period war can either be a decisive victory by one of the two antagonists or yield a partial shift of powers in favor of the (partial) winner. In this latter case, the interaction continues in a second period, where players can decide to accept the distribution of the peace-time surplus determined by the new institutional status quo without fighting or to start a second war (which, this time, will be decisive for sure). We show that, indeed, not only the initial power mismatch, but also the expectation of the effects of a partial victory on the future mismatch matter for conflict onset and for conflict duration. The results extend to a model

by Massimo Morelli @

The greater the mismatch between military power and political power, the greater the risk of conflict and the longer its expected duration. A theory of struggle for power that is valid both if the contenders are two different states and if the conflict is internal

It's all the

where we allow bargaining on the distribution of resources in the first period for the following reason: the evolution of military and political powers and their future use in case of an indecisive war cannot be contracted ex-ante. Yemen is a case where the elimination of conflict incentives is made particularly hard by the contemporaneous presence of multiple challenges: Having to face a challenge by the Houthis in the north and a secessionist challenge by the Southern Transition Council in the south, the government is made weaker on each front and unable to make concessions to one without upsetting the other. Hence, avoiding the mismatch on both sides would be close to impossible. This combination of bargaining difficulties that perpetuate and



THE PAPER

A Theory of power wars, by Helios Herrera, Massimo Morelli and Salvatore Nunnari

exacerbate the mismatches makes the Yemen case an unfortunate showcase for why mismatches can persist and wars can be hard to stop.

Understanding that, in reality, the mismatch between military and political powers is more important than the balance of power debate focusing on a one dimensional notion of power should be important not only in international and national relations, but also, potentially, in other subfields of political economic studies. ■



mismatch's fault



Double edged sword

Rules that criminalize the humiliation of victims of terrorism can strengthen human dignity or undermine the very foundations of democracy. In order not to turn them into a debacle for democracy itself, politicians and judges need to be more aware of them

by Chiara Graziani @

It has been exactly 20 years since the 9/11 attacks took place in the United States. From that moment on, the struggle against international terrorism has been a key point of political agendas all over the world. Up to the present, counter-terrorism laws have been continuously debated, adopted and amended in order to try to ensure the safety of citizens and, above all, the survival of the state community. Among counter-terrorism measures, some are targeted against so-called terrorist speech. In other words, such legal tools criminalize statements – in all forms, included online – that directly or indirectly incite or encourage the commission of terrorist acts, including by glorifying terrorist attacks of the past. If one looks at countries of the European Union (EU) it will be evident as, in the last two decades, almost all criminal codes were amended either to



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introduce ex novo provisions sanctioning incitement, apology, even glorification of (international) terrorism or to harshen already existing ones. For instance, in Italy, art. 414 of the Criminal Code was amended in 2015 to increase penalties if apology of terrorism is committed through information technology tools. The criminalization of terrorist statements may trigger tension between the need to protect security and the freedom to express one's (political, religious) thoughts. There have been many cases in which courts were called to draw the line between "terrorist speech" and the legitimate expression of one's (even "extreme") ideologies.

To this already complex background, another point should be added. In some countries - a minority, at least considering the EU member states - criminal law provisions punishing terrorist

speech explicitly cover cases where the victims of terrorist acts (or their relatives) are humiliated.

These norms provide for higher sanctions for humiliation than for “ordinary” terrorist speech. For example, this happens in Spain (art. 578 of the Spanish Criminal Code) and in Lithuania (art. 250 of the Lithuanian Criminal Code).

The explicit inclusion of victims’ humiliation in the drafting of anti-terrorist speech norms is undoubtedly conceived as a way to protect victims’ dignity. It is well-known that human dignity is a value that grounds post-WWII constitutionalism and has been defined as the “source” of any rights and freedoms that contemporary constitutions enshrine.

Therefore, ad hoc provisions making the humiliation of victims a criminal offence should be

praised as a way to enhance a basic value of contemporary democracies and, at least *prima facie*, might be recommended as “good practice”. However, a risk may lurk behind, i.e. they might be used (or, rather, abused) in order to make the repression of speech easier. In other words, public authorities may mischievously allege that certain statements violate dignity of terrorist victims, just to curb freedom of expression. And the fact that human dignity, such a basic value, is called into play, may make objection to such allegations very hard. This is especially likely to happen in so-called uncertain or illiberal democracies, where anti-terrorism policies often hide strategies to silence political dissent. In such a scenario, the very aim of anti-humiliation provisions would be frustrated and, consequently, human dignity would be overridden.

This is why norms criminalizing the humiliation of terrorist victims are double-edged swords: either they can boost human dignity or they can end up undermining the very basis of democracy. This risk exists, indeed, with many counter-terrorism measures, and the awareness of policy-makers as well as judges should be raised in that regard. Ultimately, laws that we use to prevent threats to democracy must not be turned into a way for democracy to harm itself. ■



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A high-magnification scanning electron micrograph (SEM) of COVID-19 virus particles. The particles are spherical and feature a prominent, irregular, and somewhat jagged spike protein layer on their surface. The spikes are colored in a bright yellow/orange hue, while the underlying viral membrane is a darker, mottled grey. The background is a soft-focus, out-of-focus image of more virus particles, creating a sense of depth and density.

COVID19

Research by

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ARNSTEIN AASSVE, LETIZIA MENCARINI AND NICOLÒ CAVALLI

An uneven blow to fertility across developed countries

At the beginning of 2020, commentators in the popular press were fiercely divided between those forecasting a baby boom after the Covid19 lockdown and those predicting a sharp fertility fall. Now, a paper published in *PNAS* by four Bocconi scholars (Arnstein Aassve, Letizia Mencarini, Nicolò Cavalli, and Samuel Plach), plus Seth Sanders from Cornell University, highlights a more nuanced picture.

Newly released data on fertility rates in 22 high-income countries accounting for around one third of the COVID cases worldwide reveal large heterogeneity: once past trends are taken into account, the Covid19 effect is significantly negative in seven countries (Italy, Hungary, Spain, Portugal, Belgium, Austria, and Singapore), negative, but not in a statistically significant way, in six countries (France, United States, Israel, Japan, Czech Republic, and Iceland), and positive, but not significant, in the remaining nine (Slovenia, South Korea, Norway, Denmark, Finland, Sweden, Germany, the Netherlands, and Switzerland).

The effect is particularly strong for Italy, where there is a 9.1% decline from the trend, and similarly strong effects hurt Hungary (-8.5%), Spain (-8.4%), and Portugal (-6.6%). Taken at face value, fertility rates appear to be on the fall in 18 countries out of 22 (the exceptions being Denmark, Finland, Germany, and the Netherlands). "But data include confounding factors such as pre-dating trends and seasonality", explains Professor **Arnstein Aassve**, a demographer and lead author of the study, "and only seven countries show a significant decline beyond that predicted by past trends."

The authors warn that "currently available data offer information on the first wave of Covid19 and thus only a glimpse into the overall decline during the pandemic. Since birth effects start to be felt in November 2020 and we have data up to November 2020/March 2021 according to the country, we estimate conception rates during the first lockdown (up to April/June) and we cannot capture potential effects of the second and third waves." Data, though, provides insights into various stages of the first wave. In France and Spain, for instance, a recovery is observed in March 2021, referring to conceptions in June 2020. For these countries, June 2020 marked the point when the first wave of the pandemic subsided and might consequently reflect a rebound following postponement during the very first months of the outbreak. For other countries, such as Italy, evidence was not available when



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the study was written, but recent data released by the National Institute of Statistics (ISTAT) seem to highlight the same pattern.

Preliminary explanations for the heterogeneous effects of the pandemic may be provided. "The particularly strong effect in Italy may be due to the fact that it was the first Western country to be hit and the worst affected, while others had some time to brace themselves for the pandemic impact," says Prof. Aassve. "The heterogeneity shown by our study," concludes Professor **Letizia Mencarini**, another Bocconi demographer, "confirms that reproduction in developed countries is the result of couples' long-term planning. When people perceive the future as more uncertain, like after a shock such as the pandemic, they postpone their choices."

VINCENZO GALASSO The pandemic's cost

The lockdown policy has left its strongest marks on young people and children, as any parent or teacher can tell you. From this observation, **Vincenzo Galasso**, Professor of Public Economics, started investigating the policy choices of the Italian government during the pandemic and their consequences on young people. Was it really right to shut down schools and what will be the long-term effects of that decision? What kind of job market are young Italians looking at in the post-Covid phase? How should we use the EU recovery funds to bring the Italian school system back to the European level? The analysis of these issues is collected in the book *Gioventù smarrita* (Egea), which contains an explicit criticism of what happened in the hardest months of the pandemic.

"The Italian narrative of the emergency was false, useless and dangerous", summarizes Galasso. "False because it indicated young people as infectors and the elderly as victims despite the data showing that the main places of infection were hospitals and nursing homes and certainly not schools. Useless because it was proven that young people were already among the most careful in following the health rules, unlike other age groups. And dangerous



THE PAPER

Early assessment of the relationship between the Covid19 pandemic and births in high-income countries, by Arnstein Aassve, Nicolò Cavalli, Letizia Mencarini, Samuel Plach, and Seth Sanders

AMELIA COMPAGNI, ORIANA CIANI, SIMONE GHISLANDI

Regions. A comparison starting from their differences and arriving at their strengths

More coordination between Italian regions means greater sharing of data and health practices to react quickly and efficiently to the next potential virus crisis. This coordination function can be entrusted to the central state, in order not only to encourage dialogue between regions but also and in the first place to decide which standards each territorial body must comply with in the event of an emergency. "The system that needs to be built must be fast and efficient. Among the main objectives to be achieved is the one of overcoming tensions between regions and the central government, at least those that can be resolved more quickly. This is not a proposal that wants to go back to the past of a centralized National Health Service. In fact, bureaucracy and homologation are to be avoided, because regional differences are useful for comparing and improving the entire national system", says **Amelia Compagni**, Department of Social and Political Sciences and CERGAS, Bocconi University. She has recently written *Corona-regionalism? Differences in regional responses to Covid19 in Italy*, a paper that analyzes how the five regions of Lombardy, Venetia, Emilia-Romagna, Umbria and Apulia responded to the pandemic emergency from February to May 2020. Compagni co-wrote the paper together with Oriana Ciani (CERGAS, SDA Bocconi), Simone Ghislandi (CERGAS, Bocconi University) and Iris Bosa (University of Edinburgh), Adriana Castelli (University of York), Michele

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Castelli (Newcastle University), Matteo M. Galizzi (London School of Economics and Political Science), Matteo Garofano (Local Health Authority of Parma), Margherita Giannoni (University of Perugia), Giorgia Marini (Sapienza University of Rome) and Milena Vainieri (Sant'Anna School of Advanced Studies). The study, already published in the journal *Health Policy*, is in fact the result of the work carried out by a larger pool of Italian researchers who, in turn, are part of the European Health Policy Group.

"A valid response to a pandemic like the coronavirus cannot be improvised," says Compagni. "Each region gave a different response in the first phase of the pandemic, because each region had its own health organization and structure that had been set up over time. Levels of managerial skills also differed. The presence of coordination can ensure greater ability to react, while maintaining flexibility at the local level".



THE PAPER

Corona-regionalism? Differences in regional responses to Covid19 in Italy by Iris Bosa, Adriana Castelli, Michele Castelli, Oriana Ciani, Amelia Compagni, Matteo M. Galizzi, Matteo Garofano, Simone Ghislandi, Margherita Giannoni, Giorgia Marini and Milena Vainieri

? It's the young who had to bare the cost

because it did not consider the damage it would inflict on a delicate demographic by closing schools for a longer time than in any other country".

The suspension of in-person teaching activities is at the center of a chapter where the correlations between that policy choice and other social variables are analyzed. For example, Galasso finds an inverse correlation between lockdown and



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female employment: where labor participation is higher, school closures have been shorter, and vice versa. "But we also hypothesize a relationship with the PISA tests carried out on 15-year-olds: the countries that have the best results are the ones where it was decided to close for a shorter time, while in nations where mathematical preparation was already found lacking, more prolonged shutdowns went into effect, as if education had been accorded less importance", says the professor.

The repercussions on the world of work are inevitable, such as, for example, the scarring effect, according to which young people who enter the labor market after a recession are locked into lower wages and fewer rights for the rest of their careers. But the damage can also be measured in terms of non-renewed short-term contracts or by the impossibility of creating a network of professional relationships. Are we still in time to find remedy for this? "Thinking about Next Generation EU funds", replies Galasso, "we propose changes to combat early school leaving and academic dropping out. For example, we envisage the introduction of the role of school facilitator, who has the task of recovering the 15-year-olds who have left high school".



THE BOOK

Italy is not a country for young people, even less so during the Coronavirus. It is an 'old' country that forgets to help young people build a future. Moreover, with Covid, young people have been portrayed as virus spreaders. But young people, as Vincenzo Galasso points out in *Giovenità Smarrita* (Egea, 2021, 168 pp., €16, in Italian) will bear the scars of the pandemic for longer than anyone else. In school drop-outs, educational poverty and labor insecurities, Covid has exacerbated existing structural problems.





COVID19

PAOLA MARIANI

EU cohesion can be strengthened by the principle of health solidarity

To what extent does an emergency situation allow member states of the European Union to restrict, on their own initiative, exports not only to third countries but especially to other EU countries? The question is more concrete and topical than ever, given that the uncertainty due to the Covid variants persists. Already during the early phase of the pandemic, Italy and Spain were the first to face a shortage of Personal Protective Equipment (PPE) while France and Germany blocked their exports. Restrictions were also placed on exports to non-EU countries. In the latter case, however, the law requires that it is the European Union that decides the rules and methods of implementing the trade restriction. Conversely, in the case of intra-EU trade, by making use of the derogations allowed by the Treaty, in situations of health emergency, individual EU states can autonomously impose restrictions on exports. This creates the risk of unilateral and uncoordinated actions in what is an integrated market. For this reason, the paper *The EU Market in Times of a Global State of Emergency: Internal and External Trade Barriers in the Age of Pandemics* by **Paola Mariani**, Associate Professor of EU Private International Law at Bocconi University, suggests that the restrictions on trade that member countries adopt in emergency situations should also be put under the control and coordination of Brussels, by applying the principle of health solidarity.

In fact, according to the paper based on a comparative study of EU regulations and the rules of individual states (EU and non-EU), published in the journal *Legal Issues of Economic Integration*, the consolidated interpretation that health is solely the responsibility of national states must be reconsidered. In its place, the principle of health solidarity that goes beyond the prerogatives of individual nations should be accepted and developed. "The European Union has a broader and more organic vision of the



THE PAPER

The EU market in times of a global state of emergency: internal and external trade barriers in the age of pandemics by Paola Mariani

individual Member State both in terms of the equitable distribution of PPE and, among other things, of vaccines," explains Mariani. "Furthermore, whenever export restrictions are decided upon, there is a risk of retaliation in trade. And production of PPE, drugs and vaccines takes place through supply chains located in various countries, both within and outside the EU". Therefore, as it is impossible to exclude a priori new coronavirus emergency situations, according to Mariani it is of central importance to reassess the role of the EU on suspensions of the free movement of goods in health emergency situations affecting intra-EU trade.



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MARCO ONADO

Banks: after Covid, the challenge is to

The Italian banking system has been able to meet the demand for loans coming from companies during the recent pandemic. Banks, thanks in part to guaranteed public loans, have not been part of the Covid problem and, indeed, have played a crucial role in the restart of the country's economy. Now, however, there is another challenge that needs to be faced: knowing how to select and support those companies that stand out for their innovative potential, in order to intercept and feed the new post-emergency dynamism. Only in this way will Italy be able to emerge from the so-called Great Financial Crisis, whose legacy is yet to be determined, if we broaden the analysis to all of the eurozone and take a medium-term perspective.

FRANCESCO MUCCIARELLI

Extraordinary loans, what effect on competition and bankruptcies?

Many of the emergency measures implemented during the acute phase of the pandemic will show their (positive or negative) effects in the long term. The choice of postponing the coming into force of the Codice della Crisi di impresa e di insolvenza (Code of Business Crisis and Insolvency, which radically modifies the structure of the bankruptcy law, is also linked to the situation deriving from the pandemic but allows for inevitable repercussions on the legal discipline of bankruptcy proceedings, also in relation to Decree 118/2021 which applies to the matter as well. The topic is at the center of the most recent legal scholarship of

Francesco Mucciarelli, Professor of Criminal Law, and continues in the wake of the articles already devoted to examining Italian government decrees issued in 2020 to regulate loan grants to and tackle crisis in firms.

"These measures had to strike a balance between two needs: to intervene quickly to inject liquidity into the business system and at the same time prevent companies from accessing these government subsidies in a fraudulent way," summarizes Mucciarelli. Finding the right balance is very important: the absence of efficient control mechanisms can have distorting effects on the lending market and competition, allowing entrepreneurs with less scruples to acquire illegal positions of competitive



THE PAPER

I reati fallimentari nello scenario della pandemia,
by Francesco Mucciarelli

advantage, damaging the entire economic system. "Ensuring fair competition is a fundamental principle in any market system", explains the professor. "All the more so in an emergency context in which, faced with the paralysis of production and markets, a Keynesian-style solution was adopted, in this case in the form of injecting liquidity into businesses through forms of public guarantee on bank loans. In a nutshell, the solution adopted in many of these measures consisted in setting the parameters of access to government subsidies, entrusting control to a later stage of the process." It will soon be a question of verifying the outcome of these checks and whether there were effects on fraudulent behavior that may hide corporate crime. "By analyzing the data, for example, we will be able to know how many companies could really ensure business continuity, as required by the decree setting requirements to access financing. In view of the crisis, the legislator in fact allowed entrepreneurs to declare they were a viable business not based on 2020 financial statements but on accounts for fiscal year closing on 31.12. 2019. If, in a few years, should any of these companies go bankrupt, that will be decisive in evaluating the correctness of their statements to obtain credit reprieve."

support innovation in companies

"The necessary commitment is twofold: banks must focus their attention on the territory while SMEs are required to push their degree of innovation decisively", explains **Marco Onado**, Bocconi University Department of Finance, who has written "Italian banks, the legacy of the Global Financial Crisis and the Covid19 pandemic: so far so good", together with Alfredo Macchiati, Simone Negro and Luigi Stammati of Oxera Consulting.

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The greatest returns yet to be reaped, in terms of labor productivity growth, could concern, for example, health care, construction, ICT and retail, but the fundamental condition is that an efficient allocation of credit is ensured, according to the authors of the paper. However, the shadows of the past place a



THE PAPER

Italian banks, the legacy of the global financial crisis and the Covid19 pandemic: so far so good by Onado, Macchiati, Negro e Stammati

burden on the ability of the Italian banking system to succeed, considering first of all the absence of consolidated relationships between companies and individual banks, given the Italian corporate habit of opening various lines of credit with different institutions, and also instances of non-transparent credit management.

"Today, I don't think that the risk of the so-called zombie companies, which remained on the market only thanks to loans, is so high anymore," continues Onado. "Nor do I think we should wait for the end of the banking concentration process which we are currently witnessing in Italy. In general, the structure of our banking system is the one we have now. If anything, it is important to continue to support the fourth wave of capitalism, considering the scarce presence in our economic fabric of large companies, which are often synonymous with innovation", concludes Onado. "The role of public institutions? For example, upstream in the credit market, a targeted policy of the Bank of Italy could better support local banks".

FRANCESCO PAOLO PATTI

Medical liability, open questions pending

There are still no jurisprudential decisions on damages caused by the pandemic. A discipline as broad as that is only partially explored, especially if you think of the dimensions of a crisis such as that of Covid19. In the health sector, for example, many are considering legal action because they believe that they did not receive adequate care for themselves or their family members, in hospitals or nursing homes for the elderly. Furthermore, patients with different pathologies who could not receive suitable treatments should not be omitted. Even if this type of lawsuit against doctors, nurses and health facilities presents many difficulties, "the risk is of a prolonged slowdown of the judicial system if a high number of disputes is initiated", explains **Francesco Paolo Patti**, Associate Professor of Private Law at Bocconi University. "To reduce this danger, the need has arisen to formulate special norms, including the proposal to consider the partial exemption of liability for healthcare personnel", adds Patti who wrote *Responsabilità medica e pandemia da Covid19*, in the collections of essays *Biopolitica, pandemia e democrazia: rule of law nella società digitale - vol. 3: Pandemie e tecnologie: l'impatto su processi, scuola e medicina* ("Medical liability and the Covid19

PIERO STANIG AND GIANMARCO DANIELE The lockdown? It wasn't in the plans

Right from the cover, *Fallimento lockdown* (Lockdown Failure), the new Egea book by **Piero Stanig**, who teaches political science, co-authored with economist **Gianmarco Daniele**, expresses the conclusions reached by the two experts. "We are neither biologists nor epidemiologists, so ours is not a judgment on the medical and health aspects of managing the pandemic," explains Stanig. "We have critically evaluated and read the policy choices implemented and the outline of restrictive measures, media campaigns or the upholding of individual rights during the emergency". The study starts

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from the consideration that, despite what was believed during this pandemic, it was not a completely unexpected event, so much so that every country has a pandemic plan that is always ready. Yet, at the outbreak of the Covid19 epidemic, many governments, including the Italian one, completely departed from it. "The first analysis we carried out was precisely the study of these plans, which had the advantage of being very clear because they were written not in an emergency context", reveals the professor. "In these programs, every indication regarding the phases of the



the first court rulings

*pandemic", in the book *Biopolitics, pandemics and democracy: rule of law in the digital society - vol. 3: Pandemics and technologies: the impact on processes, schools and medicine*).*

At the basis of this proposal are the objective organizational shortcomings and the absence of guidelines so that doctors and nurses did not know at first how to manage a pandemic of the same severity as that of Covid. On the other hand, "it would be less justifiable to provide for the same exemption for health and care facilities, considering the health protocols that had already been in place internally and internationally", continues the Associate Professor of Private Law. "For doctors, the hypothesis of gross negligence remains, while the civil liability of hospitals is the pivot for any disputes in this case". Overall,



therefore, the current legislation is capable of adapting to the exceptional nature of Covid, without having to resort to ad hoc legal discipline.

In parallel, however, the idea has also arisen of introducing laws that provide for the possibility of compensation for damage caused by coronavirus, a matter which also has a similar precedent in the case of infected blood transfusions. But even the procedures in the latter case have encountered organizational and management problems, to which is added the difficulty of establishing satisfactory compensation measures, given the lack of homogeneity with respect to the damage inflicted by a pandemic that has caused so much death and suffering.

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pandemic, its severity, the policies to be implemented, is analyzed individually, evaluating costs and benefits and considering its sustainability from every point of view. Perhaps the Italian one was not the best plan, but some, like the British one which seems to have been adopted by Sweden too, were well made. They respected, in particular, some fundamental principles, such as those of proportionality, precaution and flexibility, which alone make clear the difference with

what was implemented instead. With the lockdown, conversely, an approach prevailed according to which the virus had to be stopped at any cost, thus giving way to a rhetoric of sacrifice as a value in itself. As if the greater the sacrifices, the greater the benefits, when instead it would have been necessary to think of more efficient, less expensive and impactful solutions, which could have obtained the same result". In short, the historical reading returns to a context in which many decisions seem to have sprung from instinctive and irrational reactions rather than from real strategy: the red zones imposed after seeing the trains being stormed at the Milan Central Station, the recommendations of the Red Cross considered more important than the guiding principles of Western governments' plans drawn up in the previous twenty years. "I consider this to be a necessary operation, not so much to give pass judgment on anyone, but to avoid the danger that these bad political habits keep circulating," says Stanig.



THE BOOK

"This is not a book about pandemics. We are neither biologists nor epidemiologists: our field of expertise has to do with assessing the quality of decision-making and the efficiency and effectiveness of policy solutions, and not with the details of public health policies. This is a book about lockdowns and the associated restrictive measures". This is how Piero Stanig and Gianmarco Daniele present their *Fallimento Lockdown* (Egea, 2021, 216 pp., €17.50).





If the US and China qu

Hypercompetition between the two great powers, exacerbated by the rare earth elements issue, risks being a disadvantage for the fight against climate change, emphasizes author Sophia Kalantzakos in her volume China and the Geopolitics of Rare Earths

by Jennifer Clark @

Sophia Kalantzakos' scholarship focuses on how the climate crisis impacts global power politics. Her book *China and the Geopolitics of Rare Earths*, (Oxford University Press, 2018/2021 and now available in Italian from Università Bocconi Editore) focuses on resource competition between the major industrial nations (US, EU, Japan) and China. In this interview with Via Sarfatti25, Kalantzakos warns that the era of hyper-competition particularly between the US and China will negatively impact efforts to effectively act on the climate crisis. Sophia Kalantzakos is Global Distinguished Professor of Environmental Studies and Public Policy at New York University and a long-term affiliate at NYU Abu Dhabi.

→ **What are “rare earths” and why are they important?**

Even though the seventeen rare earth elements can be found in different locations, what makes them “rare” is that it has not always made economic sense to mine them because they are often found in very low concentrations. Rare earths are important because they are essential inputs in high tech, renewable, and defense applications. When I wrote the book in 2018, China controlled 97% of the production of the minerals and dominated the entire supply chain. What shocked me then was that the major industrial nations had not realized that they had become so dependent on China for these inputs. The thought that prevailed, at the time, was that somehow globalization and trade would guarantee uninterrupted access to rare earths. It's a bit ironic to have held that belief because there was ample evidence to the contrary with the precursor of oil, which was not even as geographically concentrated as rare earths minerals.

→ **How did governments first become aware of their dependency on China for these strategic minerals?**

In 2010 there was a geopolitical dispute between Japan

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and China because of a maritime incident in the disputed waters near the Senkaku Islands (or the Diaoyu Islands according to China) in the East China Sea. As a result, China briefly and unofficially embargoed the shipments of rare earths to Japan, which was a big customer. It was the first time that China had used a strategic resource to leverage a geopolitical dispute. Up until then, China had intentionally kept a low profile. Its main goal was to grow its economy and was working within international institutions to develop an expertise in order to partake in the global system. 2010 perhaps constituted an “aha” moment for China’s competitors who woke up to the realization that they were almost entirely dependent on the PRC for these materials.

→ **What was your goal in writing “China and the Geopolitics of Rare Earths”?**

Major industrial nations huffed and puffed after the 2010 incident, but never seriously addressed nor did they resolve the issue. When prices for these minerals corrected themselves, they chose to believe that things had gone back to “normal.” In my book, I wanted to raise the question of whether or not industrial nations had actually learned anything from the rare earth crisis. This is a very central question considering that the entire world now professes to be moving into the direction of decarbonization and digitalization, without having given enough thought to or been able to implement comprehensive strategies about how to ensure access to these inputs. The assumption was that global trade would remain uninterrupted. However, now that we experienced the trade wars between the US and China as well as the pandemic, we see that we should question whether that assumption was in fact correct. For the longest time there was a sense that the 2010 incident was a mere blip. And I was insisting that it wasn't.

→ **What is your take on what is happening in Afghanistan in terms of “rare earth” minerals?**

I don't believe that things are going to change in the

arrel, the planet suffers



rare earths space because of Afghanistan. I wouldn't even put Afghanistan on the table right now.

Alarmism about rare earths in Afghanistan is part of a campaign to hype geopolitical tension and is meant to chastise the US for pulling out. The logic of this claim is "We (the US) left Afghanistan and now China is going to get ahead of us there too." Afterall, you need to have a security concern to maintain forces in a place. China is generally careful about "moving in" to anywhere. It hasn't been that kind of a power.

→ **If concerns about China grabbing rare earth minerals in Afghanistan are mainly hype, what are some of the other misconceptions about rare earths that we can shoot down?**

With the exception of 2010, where the embargo was unofficial and short lived, China has not really weaponized these elements. But China is a rising power. Actually, it has already risen. The PRC would like to excel and become a leader in the decarbonization space. The usual suspects - the OECD countries, US, Europe, Japan - are accustomed to being the front runners, and now China is giving everyone a run for their money.

The problem today is that there is a growing narrative (pushed by the United States) according to which the world is once again bipolar and that the fight is one between political systems: democracy versus autocracy. Thus, access to critical minerals and the push to decarbonize because of the climate crisis are unfolding against the backdrop of fraught geopolitics. This constitutes a big problem because both decarbonization and digitalization are at the heart of the major global economic and industrial shifts currently underway. So suddenly, the minerals have become targets of geopolitical dispute. This is why I originally wrote the book in 2018 and updated it in 2021 (in English and Italian), because I foresaw that people were underestimating the problem.

→ **Why is it a problem to have the view of a bipolar world right now?**

The climate crisis seems to be the most urgent and comprehensive threat we face today. It's the greatest threat to our global commons and impacts everything: our food supply, our consumption, socio-economic relations, biodiversity, even the way that we build our infrastructure. The world needs to work together to solve this. Bipolar competition, in the way that it's unfolding, has exacerbated tensions and distracts focus from the climate crisis. We can't be fighting about everything else, and then say "that we cooperate and discuss the climate crisis," because the climate crisis is everything; it's an existential threat.

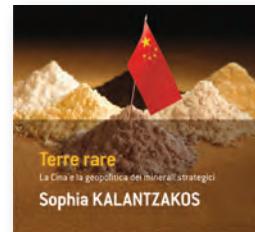
→ **What have we not learned since 2010? What should the US and Europe be doing?**

I think two things are happening. The first is, post-



THE BOOK

Rare earths are vital for production and are difficult and expensive to extract. Since the 1990s, China has managed to gain control of about 97% of the rare earths industry through low-cost production, high export duties and supply restrictions. But the Chinese monopoly on these minerals only came to the centre of international attention after China "unofficially" blocked exports to Japan, the US and Europe, as Sophia Kalantzakos recounts in *Terre rare* (Ube, 2021, 288 pp., €28, in Italian).



EDIZIONI

pandemic it is now clear that we need to build supply chain resilience especially in a world where global supply chains are indispensable. When factories closed in Asia, people in the United States were fighting over things like toilet paper and masks. Even today there are still considerable shortages on a wide range of commodities resulting in major shipping delays and must be pre-ordered.

So building resilience in the supply chains and creating alternatives, were lessons not learned then although they are now a major pre-occupation for both the EU and the US.

The second thing that's happening is that the United States is now securitizing this issue as it has chosen to adopt a bipolar and adversarial logic in its relations with the PRC. The logic is that "China is the main rival, we oppose the autocracy of China, we will not let China become the global leader in the decarbonization and high-tech space and therefore, we need to desinicize supply chains."

In Europe, both the rhetoric and policy are different. Europe is not saying "we want to decouple from China." What the Europeans are doing is building resilience, creating new networks of interdependence. They have invited Asian companies to Europe providing them incentives to invest and have launched important initiatives such as the European Battery Alliance and the European Raw Materials Alliance.

In the end, we cannot urgently decarbonize by trying to replicate supply chains. That will take too long, it's too costly, and it's not efficient. And it won't help us do what we are trying to do, which is to decarbonize in 10 years. Time is of the essence and we need to work within the real parameters of the problem that we have created. ■



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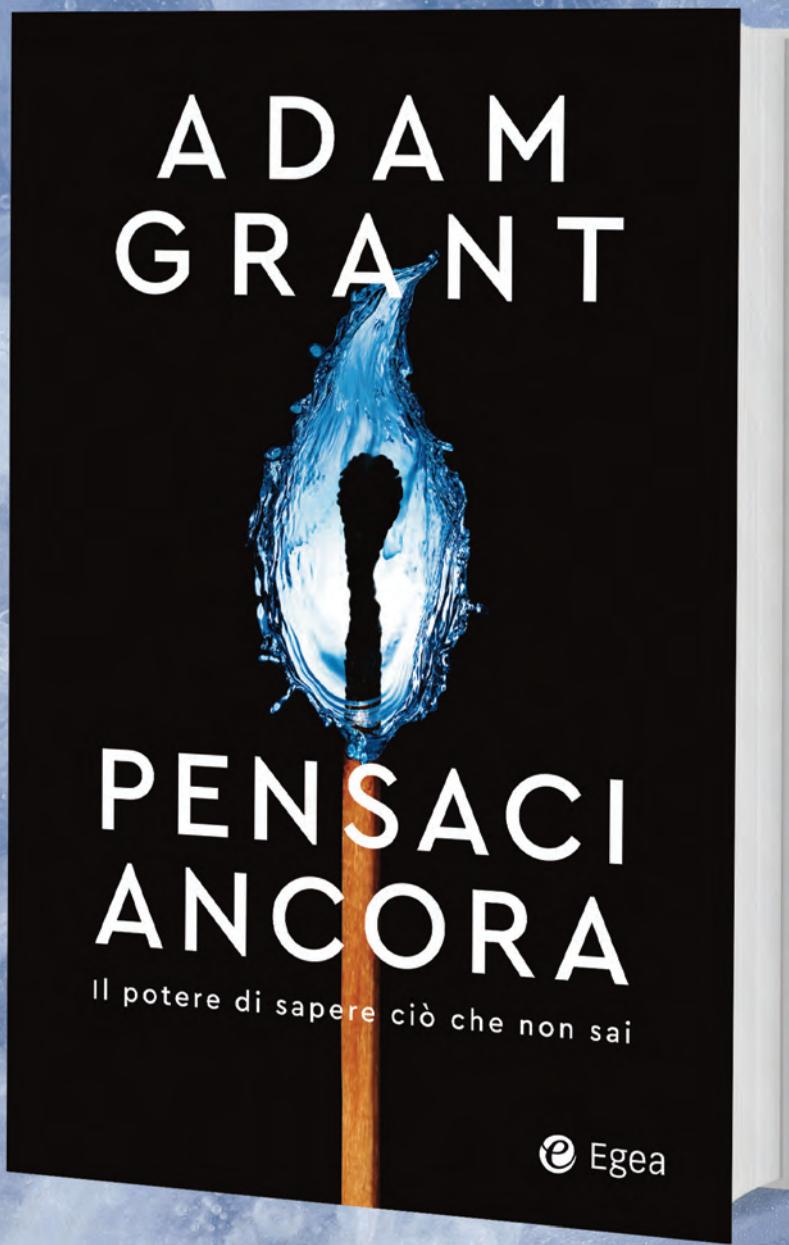
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