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**Donatella Strangio & Giuseppe Sancetta (Eds.), *Italy in a European Context: Research in Business, Economics, and the Environment*, Palgrave Macmillan, 2015, 218 pp. \$114 Hardcover.**

By Nicola CUCARI <sup>†</sup>

**Abstract.** Contributing to support the diffusion of an European culture and sense of citizenship. This is the aim of the book “Italy in a European Context: Research in Business, Economics, and the Environment” edited by Donatella Strangio & Giuseppe Sancetta. It is a collection of scholarly articles that cover the main issues related to role of Italy offering different perspectives ranging from economics and management, among others. It is a good read not only for students and scholars with a specific interest in the subject, but also for the institutions willing to reflect on the various issues surrounding the book. The authors contributing to this handbook are leading scholars conducting research on different fields. In fact, one of the main strengths of the book is the variety of perspectives offered by its chapters. After an introduction by the editors, the book is structured into two parts. The first section helps in understanding the critical role played by EU economic policies and aspects that concern political and social inequality. The second section of the book focuses on issues concerning counterfeiting, finance and environment.

**Keywords.** Economic history, Monetary policy, Environmental economics, Political economy, Counterfeiting, Operating risk, Business management, Energy efficiency, Green economy, Climate change.

**JEL.** A10, A33, E40, N20, O10, O20, M20, M38.

## Book review

The economic growth is one of the most controversial issues of the economic history of the world and, in today’s globalized and knowledge-driven society, the world is in a race between discovering and implementing ways to improve the human condition and the seemingly complexity and scale of global problems. Everyone has a part to play in this challenging race and this book, edited by Donatella Strangio & Giuseppe Sancetta, proves a useful tool for this purpose. The objectives of this study are laudable: contributing to support the diffusion of an European culture and sense of citizenship. In fact, the book has an interdisciplinary focus and include works from management, finance, marketing, economics, and related areas reflecting the breadth of different approaches to economics and entrepreneurship research.

The book moves from a current research project of the EuroSapienza Research Center<sup>1</sup> whose aim is to investigate the role of Italy in pursuing the EU five targets by 2020:

<sup>†</sup> Sapienza University of Rome, Department of Management, Via del Castro Laurenziano 9, Rome, Italy.

☎. 06.49766243

✉. nicola.cucari@uniroma1.it

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- The increase in both the employment level and in R&D/innovation expenditures;
- The energetic measures of climate change;
- The reduction of school drop-out rate;
- The counter actions against poverty and social exclusion;
- The counter actions against social exclusion.

The added value of the book is to be found right in the multidisciplinary and cross-sectoral nature of the individual original and interesting contributions in various fields. In this sense, the book is perfectly in line with the cross-cutting nature that characterizes the Horizon 2020 program. It is worth emphasizing that the European Council reiterated firmly that “it is important that you make the best possible use of EU instruments” such as Horizon 2020 because it “provides direct stimulus to the economy and secures our science and technology base and industrial competitiveness for the future, promising a smarter, sustainable and more inclusive society blackberries”<sup>ii</sup>.

Therefore, analyze the role of Italy in a European context, which is the title of the book, is very interesting. This book consists of two parts which provide to the reader a complete overview of the different topics related to the role of Italy. The first section (Economic and Social Policies) includes four chapters investigating EU economic policies and aspects regarding political and social inequalities, adopting the described approach. The second section (Business and Environment) is based on five chapters whose objective is to investigate entrepreneurial policies and the environmental. Below shows a brief review of each chapter.

Chapter one (The Italian Monetary policy in perspectives: lessons from monetary history of Italy before EMU, written by M. Rota and D. Strangio) contributes to the better understanding of the past times by studying the cyclical behavior of monetary policy and business cycle in Italy since 1960 to the start of Euro currency area. The authors use tools and methods of the standard empirical macroeconomics adding the beneficial perspective of the historical facts. Aim of the work is to discuss in what extent the Italian monetary policy has responded to adverse economic cycles before EMU and during the crisis. The results indicate that in the first phase monetary policy appears to react inversely to the economic cycle, i.e. the behavior is anti-cyclical or counter-cyclical while after 1973 the monetary policy is accommodating to the extent it follows the economic cycle. These findings reflect the institutional changes in the monetary policy management that occurred in many European countries in the last 40 years following the changes in the economic theory behind the behavior of policy makers. As for Italy, the study confirms both the sunset of the traditional Keynesian approach since about the early 1970s and the resurgence of the new monetary orthodoxy based on fixed rules aimed at enhancing central banks credibility. This last result is in line with consolidated evidence that financial intermediaries are assuming a dramatic pro-cyclical behavior in the last years (Égert & Sutherland, 2014) similarly to what the authors find in the case of Italy after 1973.

The authors of the second chapter E. Ambrosetti & A. Paparusso (Immigration Policies in the EU: failure or success? Evidences from Italy) are wondering if :i) are immigration policies in Italy restrictive? ii) and if so, is this restrictiveness in part ascribable to the securitization of EU immigration policy? iii) what is the role played by Italian immigration policies among other factors, such as economic and demographic factors, in determining migration inflows in Italy?

The chapter aims to evaluate the effectiveness of immigration policies, considering both the “policy failure” and “securitization” approaches (Boswell & Geddes, 2011) because electing one or the other approach would not be entirely correct to obtain an objective analysis of the immigration policies in the EU context. The study focuses on Italy, as one of the EU member states with the

largest migration inflows, during the period 1990-2013. The results show a weak correlation between immigration policies, migrants stock, migration inflows, percentage of immigrants over total population and immigration rate. A slight increase of the overall policy index is accompanied by a little increase in the number of foreign residents. In conclusion, despite the immigration policies have become more restrictive over time, the number of immigrants has increased. The authors underline that immigration policies in Italy have become more restrictive during the observed period because of EU rules aiming at the management of its external borders; on the other hand, these are not effective because of economic and demographic factors that lead the governments to be less restrictive using several amnesties (ageing population and labour marked shortages are in fact the main factors behind the large immigration rate recorded in Italy during the last two decades). The authors launch a specific admonition: to consider structural and institutional factors not least of populist government strategies otherwise “states will have to cope with many unexpected and unintended consequences” (pag.45).

The chapter 3 (Income inequality in Italy: tendencies and policy implications written by M. Franzini & M. Reitano) addresses the issue of income inequality. In particular, the authors highlight that Italy is one of the EU countries where disposable income inequality is at its height and they make a distinction between redistributive and “predistributive” policies. From chapter come to light that market process are important not only for the height of income inequality but also for its trend and its characteristics. This is especially true as far as the labour market is concerned. Market processes have been the main responsible of the worsening of inequalities in Italy and in several other countries as well as of the increasing concentration of income in the hands of the few at the top of the distribution. Furthermore, the relative point of view to “predistribution” is interesting because it should be an essential component of new and more effective strategy to curb inequalities also with reference of a new set of rules on corporate governance (pag. 69).

The last chapter of the first section (Digital Inequality in Italy and Europe written by D. Di Gioacchino, A. Lotti & S. Tedeschi) is focused on how Information and communication technologies contribute to the development of new skills. While the recently researches has focused on inequality in access (the digital divide), the authors pay attention to inequality in use among individuals who have access to the Internet. After a series of correlation analyzes between digital skills and activities (i.e. communication, information, civic and political participation, learning, etc), using the data from Eurostat Community Survey on ICT Usage for 28 member states of the European Union and a data set available from 2013, the authors argue that a various Internet use by different groups in society may aggravate the disparities. There is a serious risk that the Internet, in highly stratified (unequal) societies, could reinforce existing socio-economic disparities. For this reason, a set of coordinated measures capable of addressing the multiple causes of digital inequality are required in line with seven pillars of the Digital Agenda for Europe.

The purpose of chapter 5 (Fashion firms and counterfeiting: causes and actions, written by A. Pastore & L. Cesareo) is : i) to investigate what are the main causes underlying counterfeiting, from original brands' perspective; ii) how companies are managing consumer complicity and 'anti big business' sentiments; iii) to understand how businesses are monitoring the 'weak links', i.e. supply and distribution chains, personnel formation and incurred costs, of a comprehensive brand protection / anti-counterfeiting framework. The analysis is carried out by juxtaposing the existing literature with the original brands' point of view, gathered through 18 in-depth interviews with brand protection/intellectual property

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managers of luxury and non-luxury firms. The main results are that: i) consumer complicity is, in the firms' viewpoint, a main determinant of counterfeiting that must be fought through the buildup of consumer awareness; ii) it endorsed how the supply and distribution networks, including the new virtual distribution channels, must be closely monitored; iii) counterfeiting remains a priority for firms in terms of resources allocated, moreover in times of economic crisis. The authors hope that, disseminating executive viewpoints on the topic and systematizing the empirical evidence, they can offer more comprehensive understanding of the opportunities that firms addressing counterfeiting have in the protection of their intellectual property rights and provide some guidance to firms addressing the challenges posed by the phenomenon.

In a global competitive environment, it takes on even greater importance to keep under control the level of firm risk and specifically operating risk. It is important to rely on different models and tools of risk analysis and in this sense it is important, as well as interesting, the chapter 6 (Bottom up approach risk in a financial and managerial perspective, written by A. Renzi, G. Sancetta & B. Orlando). The chapter is based on a revision of the CAPM (Capital Asset Pricing Model), which is the main tool used by financial analysts to estimate the risk-return profile of a single stock. The proposed revision of the CAPM is founded on the idea that the unlevered systematic risk of a single firm can be analyzed in terms of the function of its structural characteristics and environmental volatility. Specifically, the authors find that, according to firm characteristics, a very important key factor of the unlevered beta during a period of investment growth is the correlation between the fixed costs and contribution margin. When the value of this correlation increases (decreases), the unlevered beta decreases (increases). Finally, the analysis shows how to measure the opportunity cost (in terms of greater risk) and to determine whether to invest or to maintain the existing structure.

Chapter 7 is the first of three chapter devoted to environment. This chapter (European Economic Development and the Environment written by L. Mocarrelli) starts off from a very precise consideration, namely that both in antiquity and in the modern era, numerous studies have irrefutably shown that the life of civilizations is greatly influenced by climatic changes. For example, some have hypothesized that one of the reasons why the West developed earlier than the East is precisely that Europe has suffered less from natural disasters (Jones, 1981). The reality shows that Europe has enjoyed and continues to enjoy a position of great advantage relative to other parts of the world as regards the environment and share of resources. This allows to state that "nature is not simply a backdrop to human activity, but plays an active role in the course of history". In fact, after a review of data and events detailed and very clear, the author concludes by mentioning two important developments: the first is a strongly backed political incentive to return to "pre-industrial" sources of energy, obviously using very different technological means; The second is the exploitation of the environment for tourism which means, not only creating protected areas and parks but also saving stratified realities such as the countries, which vary not only in landscape, but also culture, traditions, wine and food and so on.

The chapter 8 (The multiple effects of energy efficiency on green economy written by M. Boccacci Mariani) discusses the relevant aspect of green economy as the main way to go out of the global economic crisis of recent years considering possible technological solutions and the experience of market-based instruments. The author emphasizes that the concept of "green economy" not replaces the concept of sustainable development, but it has a greater awareness that the achievement of sustainability should be based both on the obtainment of a

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compatibility (e.g. social or environmental) and obtaining an economic advantage. In this regard, the green economy has an economic and social value. A major challenge facing Europe is to energy efficiency, “concept that can be difficult to define since it can mean different things to different people” (pag.180). National Governments have a variety of policies designed to improve energy efficiency in all end use sectors e several are the benefits derived from it. The author ranks the benefits depending on the three dimensions of sustainability: the society, the economy and the environment, with a direct (for example health improvements) or an indirect outcome (for example consumer surplus and lower energy prices). These benefits can match well the aspirations of the concepts of green economy and sustainable development and exhibit many of the characteristics that governments are looking for to achieve strategies of green growth

The last chapter written by Alessandra De Rose and Maria Rita Testa (Climate change and reproductive intentions in Europe) has the purpose to investigate the effects of environmental conditions on human reproductive behavior in the highest industrialized countries. The empirical analysis is based on the Eurobarometer surveys carried out in 2011 in the 27 EU countries and the analytical sample consists of 8278 people aged 20 to 45 who answered the question on fertility intentions. The results show that the relation between concerns about climate change and fertility intentions was found to be positive (contrary to the hypothesis) and there was not any relevant difference in this relation between the more and less educated people and finally there was not any statistically significant association detected at country level. These findings reinforce the idea that the reproductive decision-making process is rather complex.

This book challenges the reader to think critically about different issues from Monetary Policy to Digital Inequality, from counterfeiting and finance to environment. That being said, the book is written in a comprehensible and clear manner with few inconsequential errors. I am confident that the book will serve as an important vehicle to help academics, professionals, researchers, and policymakers, working in the research of economics and entrepreneurship. Overall, Italy in a European Context: Research in Business, Economics, and the Environment is a very interesting reference book that is valuable for all scholars interested in the field as well as those approaching the subject for the first time.

### Notes

<sup>i</sup> EuroSapienza is the Research Centre for European Studies, International and Development which is based in the Faculty of Economics, University of Rome "La Sapienza." EuroSapienza is representative of Italian institutions and research centers in the European Association of Development Research and Training Institutes - EADI. EuroSapienza is "Sapienza University Focal Point" for Implementing, disseminating and mainstreaming the objectives, policy agenda and program of work of the Convention on Biological Diversity. EuroSapienza is a member of "The International University Network on Cultural and Biological Diversity - IUNCBD". EuroSapienza IUNCBD and are active members of "UNEP Global Universities Partnership on Environment and Sustainability (GUPES)"

<sup>ii</sup> Commissioner for Research, Innovation and Science Maire Geoghegan-Quinn expressed in this way.

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