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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

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Abstract. “Italy in a European context” moved from a current research project of the EuroSapienza Research Center’s. The book adopts a multidisciplinary standpoint. Each single chapter investigates the role of Italy in pursuing the EU five targets by 2020 that are: the increase both of employment level and of R&D/ innovation expenditures, the energetic measures of climate change, the reduction of school drop-out rate and the counter actions against poverty and social exclusion. This work is divided into nine chapters and two sections. The first section is based on four chapters whose objective is to investigate EU economic policies and aspects that concern political and social inequality. The second section is based on five chapters whose objective is to investigate EU economic policies and aspects concerning business and environment.

Keywords. Economic History, Monetary Policy, Environmental Economics, Political Economy, Business, Management.

JEL. E40, N20, O21, M20, M30.

Book Review

This book edited by Donatella Strangio & Giuseppe Sancetta moves from a current research project of the EuroSapienza Research Center that adopts a multidisciplinary standpoint. The aim of this project is to investigate the role of Italy in pursuing the EU five targets by 2020, they are: 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 and the counter actions against poverty and social exclusion. Horizon 2020 has been defined as the biggest EU Research and Innovation programme ever with nearly €80 billion of funding available over 7 years (2014 to 2020) and its goal is to drive economic growth and create jobs. The political class recognizes that research is an investment in our future and so puts it at the heart of the EU’s blueprint for smart, sustainable and inclusive growth. In this sense, this book is written by a combination of researches that deal with different fields and each of them is an original contribution to its specific research theme. What makes this book different from all traditional ones, is the variety of perspectives it adopts to investigate the EU five target themes and, in this sense, it can capture a wide audience of readers, not only academics. This

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volume is divided into nine chapters and two sections. The first section is based on four chapters whose objective is to investigate EU economic policies and aspects that concern political and social inequalities.

Chapter one (The Italian Monetary policy in perspectives: lessons from monetary history of Italy before EMU, written by M. Rota and D. Strangio) deals with the interesting theme of the evolution of the Italian monetary policy after World War II. This essay is part of the strand of literature that deals with analyzing the functioning of the European Monetary System (EMS) (see Eichengreen & Wyplosz 1993, Eichengreen & Razo-Garcia 2006). In this sense, the authors found three original stages in which instruments, targets and effectiveness varied under the advocacy of international context and European Integration. The Italian monetary policy is characterized by a pro-cyclical behavior dismissing the anti-cyclical role covered under the Bretton Woods system, since 1971. The reasons of this ineffectiveness are strictly connected to the difficulty in reconciling the domestic targets with the European economic and political integration for what concerns the level of growth and employment.

Chapter two (Immigration Policies in the EU: failure or success? Evidences from Italy, written by E. Ambrosetti & A. Paparusso) is focused, in the first part, on an empirical analysis of the effectiveness of immigration policies in Italy also if these can be considered restrictive. In the second part they explore how the immigration policies have an impact on immigration flow. The authors focused this innovative analysis in the period from 1990-2013 which is characterized by the largest inflow of migrants of the other countries in the EU. They assume that immigration policy follows two different methodologies: first the study and the analysis of the legal texts, second by using measures of policy outcome. The authors adopt the first methodology since the legal texts are publicly available; they are compared through ad hoc indicators.

The income inequality in Italy is the topic of chapter three written by M. Franzini & M. Reitano (Income inequality in Italy: tendencies and policy implications). There was a sharp increase in the early nineties and then stabilized. The consequence of this was a change in the income distribution. The objective of this interesting chapter is to analyze these changes and to make a comparison with other countries of the EU. In particular they study, make a distinction between redistributive and “predistributive” policies, the tendency both of market income inequality and top income share to grow. They found that the latter are more necessary given the tendency of market income.

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 the strong impact that information and communication technologies have in the terms of know-how, creating jobs, greater efficiency in access to services but also in terms of participatory democracy. All these aspects will inevitably take the policy maker more responsible. The problem is that, within countries but also within individuals, access to internet is not equally distributed. In this innovative chapter, the authors argue that the goal for the policy maker should be to focus on solving the problem of inequality on the use of the internet among individuals, in more advanced countries. In particular, the empirical analysis is focused on reworking data on Internet penetration but also on the use of the internet and its relationship with individuals' characteristics.

The second section is based on five chapters whose objective is to investigate EU economic policies and aspects concerning business and environment.

As regards chapter five (Fashion firms and counterfeiting: causes and actions, written by A. Pastore & L. Cesareo) this focuses, through a qualitative analysis, on how healthy companies perceive counterfeiting phenomenon and in particular what

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measures they carry out to manage it. This very interesting qualitative analysis is based on both an overview of the existing literature and through a series of 18 interviews with companies operating and not operating in the world of luxury. In this analysis a sample of companies operating in specific sectors that, because of counterfeiting, suffered the greatest losses at European level in the past few years, was selected. The analysis shows that, in a global world, with low legislative enforcement, two factors of counterfeiting are the complicity of consumers and anti-big business attitudes. The firms, to address these critical issues, should create a brand protection/anti-counterfeiting framework through which “they must supervise the weak links, i.e. supply and distribution chains’ monitoring personnel formation as well”.

From a different point of view, chapter six (A Bottom up approach risk in a financial and managerial perspective, written by A. Renzi, G. Sancetta & B. Orlando) deals, first, with a bottom up conceptual framework applied to private firms and second to study the relationship between managerial choices and firm exposition to the systematic risk. In particular this interesting framework considers, from a theoretical point of view, a financial and managerial perspective in conducting a managerial analysis with beta coefficient. This coefficient is used to evaluate the correlation between systemic risk and firm’s structure. For this reason, the authors use a model revision of the CAPM (Capital Asset Pricing Model), which is the most used by the analysts in order to estimate the risk – return profile of a single stock. This version of the CAPM model is based on the idea that, the so called systematic risk for a firm, is a function of its endogenous variables and of the environmental volatility. This kind of approach leads to two important results: first the adoption of this widely used model to the risk return analysis of unlisted firms, second is the analysis that highlights the link between the dynamics of unlevered systematic risk and the managerial choices within the corporate structure.

The last three chapters deal with a very topical and strategic subject as that of the environment.

L. Mocarelli (European Economic Development and the Environment) focuses, in this seventh chapter, on the importance of the role of the environment in the development of European economy starting from the pre-industrial times to the present. The first part of the chapter analyzes the link between natural resources, weather and economic development and in particular to the agricultural sector. After showing these complex relationship the author tries to understand whether there is a correlation between the best environmental conditions in Europe and its early development. The second part addresses the important issue concerning the relationship between environment and resources in the light of the strong increase of the population in the XX century. The third part of the chapter is devoted to analyze not only the environmental problems in Europe but also the development opportunities offered by a careful assessment of the environment.

Chapter eight (The multiple effects of energy efficiency on green economy written by M. Boccacci Mariani) focuses on the new strategies carried out by the European Union, in order to reduce its energy inefficiency due mainly to the recent economic crisis, from increased dependence on energy imports and also to climate change. According to the data available, today 20% of energy in the EU continues to be wasted. In this sense, the green economy is considered by many economists as the strongest tool to get out of this global economic crisis. In this way, the EU can and must find tools to reduce, especially using all the economic policy instruments available, like Energy Management System, at all different level of government and society .In the chapter the author discusses, clearly and systematically, the relevant aspects of this problem considering possible solutions.

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The impact in terms of deterioration of well-being of the world population due to the continued deterioration of environmental conditions is analyzed in this last chapter (Climate change and reproductive intentions in Europe written by A. De Rose & M.R. Testa). The loss of livelihood may be an instrument to encourage emigration as well as being an obstacle for having children. People should behave more responsibly in response to climate change. The purpose of this innovative work is to analyze the effects of environmental conditions on human reproductive behavior, in the countries with the highest rates of industrialization. The authors discuss the hypothesis that individuals who fear for an unhealthy environment tend to delay or even worse to give up on having children. The consequence of these effects could be further fertility reduction or limited recovery in the years to come.

I can conclude that the multi-focal standpoint also reflects the nature and the scope of the EuroSapienza Research Center, whose goal is to build a cross-disciplinary and innovative knowledge. The book contributes to support the diffusion of a European culture and sense of citizenship. In fact, it attempts to overcome the skepticism toward political institutions, due to the enduring economic crisis, analyzing the impact of all economic policy measure of the EU to exit from the negative cycle.

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