

# Bollettino



**TRUST** — Trust is an essential element of contemporary society, because it helps us to overcome obstacles and build a stronger economy.

**1-18**



# Bollettino



Generali Group Magazine since 1893

# A sense of starting over

**by Simone Bemporad**  
– Editor in Chief



You are about to peruse the Generali Group's newly overhauled magazine, *il Bollettino*, which was founded in 1893. This publication has been reimagined and redesigned, with content and graphic design brought up to date to reflect our awareness of Generali's global role and responsibility, which extend far beyond its core business. Anticipating and interpreting shifts in modern society is the intellectual fuel powering Generali's position as a leading player in shaping tomorrow's society and imagining our future daily lifestyles.

This new edition of the Bollettino is a showcase for the Group's identity combined with original angles on some of the core issues in contemporary public discourse. In creating this edition, we became convinced of the imperative of rebuilding trust in a period tainted by fear. A policy of trust is the best antidote to a closed mind and a lost sense of community. This is why we placed trust at the core of the editorial focus of the Bollettino, as well as making it the central topic of this first edition. In the following pages you will find in-depth articles about the trust generated by blockchain technology and platform companies, with the ability to empower several companies to create interconnected networks of products and services for a client, and much more besides. It is our hope that these will serve as launchpads for introducing forward-looking elements into contemporary discourse, helping us to anticipate shifts in our society.

**Anticipating and interpreting shifts in modern society is the intellectual fuel**

Generali is looking ahead, creating opportunities and putting the individual first. This vision has the

**A policy of trust is  
the best antidote  
to a closed mind  
and a lost sense of  
community**

potential to open a new  
dialogue with stakeholders,  
driving them towards a

new industrial phase, one dependent on the creation and growth of shared value. This will be achieved by relying on our traditional strengths: our distribution network, professional excellence, leadership in the retail sector and geographical presence. The commitment of all the members of the Generali family puts this within reach: the industrial and financial goals of a large group cannot be separated from the daily working routine of its employees, indeed they are unequivocally dependent on the individuals buying into the company's model and actions. As with every company, our leaders are expected to formulate our development strategies. However, in the social media era, global challenges are ultimately overcome by those who take the lead, spreading enthusiasm and a dedication to being a part of something bigger: a team, a project, a dream.

Simone Bemporad

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[emilianoponzi.com](http://emilianoponzi.com)

# Trust in the Second Era of the Internet



Don Tapscott is presenting:  
"It's our second kick of the can to get things right!"  
at the TED Summit in June 2016.



# From blockchain-enabled voting to new models of citizen engagement.

**by Don Tapscott**

– Executive Chairman of the  
Blockchain Research Institute

The era we live in has been mired by historically low levels of trust – in government, business, media and in our civic institutions. The Internet, which once promised to be a force for democratized information, has balkanized our public discourse, facilitated the rise of “fake news” and enabled populist politicians to stoke contempt for journalists, scientists and facts.

Fortunately, a technology has arrived which will enable us to combat this rising tide of distrust and animosity. It is not artificial intelligence, big data or the Internet of Things. Rather, it’s the underlying technology behind cryptocurrencies like bitcoin and ether, called “blockchain.”

This technology emerged in direct response to the 2008 financial collapse - a time of profound uncertainty, distrust and outright anger toward our financial institutions. Shortly after the collapse, a pseudonymous person (or group of people) named Satoshi Nakamoto released the bitcoin protocol. In doing so, they also created a new kind of distributed ledger, which enables two parties from around the world to transact with one another digitally,

**A technology has arrived which will enable us to combat this rising tide of distrust and animosity**

without the need for governments, big banks, or payment companies to establish trust.

This new technology represents nothing less than the second era of the Internet – an evolution from the Internet of information to the Internet of value. Anything of value – money, stocks, carbon credits, music, or even votes – can be recorded, secured and transacted on a blockchain. This has enormous implication for every industry and every facet of society, and it all comes down to a revolutionary new way of building trust.

### **The Trust Protocol**

In our book *Blockchain Revolution*, my son and co-author Alex Tapscott and I describe blockchain as a “trust protocol.” At its core, blockchain a technology where trust is native to the network. It achieves this through not through large intermediaries, but through cryptography and clever code.

When we send a file through the Internet of information, we’re in fact sending a copy of that file, which can be infinitely reproduced and shared from computer to computer. This works well for sharing information, but less so for things of value. If I send you \$100, it’s important that I not be sending you a copy of that \$100. Value, after all, is based on scarcity.

Cryptographers have called this the double spend problem for years, and for years we’ve prevented it by relying on large intermediaries to build trust digitally. Banks, digital conglomerates and companies in the “sharing economy” like Uber all work to provide trust between two parties transacting things of value digitally, but they have their shortcomings. They’re slow, expensive and rely on central databases which can be hacked – as we’ve seen with Equifax, JP Morgan and even



REUTERS / ERIC THAYER

**^Above:**

People walk outside a Western Union branch in New York March 28, 2009. The burden of supporting family members abroad is weighing more heavily on immigrants in the United States, and many are having to cut costs to keep up remittances. But remittances are dropping despite the sacrifices.

*'The largest volume of funds moving from developed countries to the developing countries is the money sent back by immigrants: people who left their native land and are sending money home to their families. Analie Domingo*

*is a housemaid living in Toronto, and every month she goes to Western Union with money to wire to her mother in Manila. The transfer costs her about 10% and takes from 4 to 7 days. Six months ago, Analie Domingo used an app based on blockchain technology called Abra and sent 300 dollars from her mobile phone: The money went directly to her mother's mobile phone without any middleman. This only took a few minutes and cost her 2%.'*

From "How the Blockchain is Changing Money and Business" a TED talk by Don Tapscott in 2016.



#### **DON TAPSCOTT**

*Don Tapscott, Executive Chairman of the Blockchain Research Institute, is one of the world's leading authorities on the impact of technology on business and society. He has authored 16 books, including Wikinomics: How Mass Collaboration Changes Everything, which has been translated into over 25 languages.*

*Don's most recent and ambitious book was co-authored with his son, Alex Tapscott, a globally-recognized investor, advisor and speaker on blockchain technology and cryptocurrencies. Blockchain Revolution: How the Technology Behind Bitcoin and Other Cryptocurrencies is Changing the World was published in May 2016 and is, according to Harvard Business School's Clay Christensen, "the book, literally, on how to survive and thrive in this next wave of technology-driven disruption." The paperback version of the book, updated with new material covering recent developments in the blockchain industry, was published in June 2018.*

*In 2017, Don and Alex co-founded the Blockchain Research Institute, whose 80+ projects are the definitive investigation into blockchain strategy, use-cases, implementation challenges and organizational transformations.*

*Don is a member of the Order of Canada and is ranked the 2nd most influential Management Thinker and the top Digital Thinker in the world by Thinkers50. He is an Adjunct Professor at INSEAD and Chancellor of Trent University in Ontario. It is hard to imagine anyone who has been more prolific, profound, and influential in explaining today's technological revolutions and their impact on the world.*

the US government. Moreover, these large intermediaries have appropriated the prosperity created by the Internet of information. This has led to a “prosperity paradox,” wherein rising wealth creation has been met with growing economic inequality.

With blockchain, we're able to bypass those intermediaries by recording and securing transactions on a vast, global ledger. Thousands of computers compete to record a “block” of transactions, timestamp it, and cryptographically link it to a “chain” of previous blocks. Because the chain exists on thousands of computers, not just one, it can't be hacked or changed retroactively. Through decentralization, we have created a decentralized medium for value – a “Trust Protocol.”

What's notable for this day and age is not just blockchain's ability to help us transact peer-to-peer, but to create a single, universal version of the truth. In blockchain we have the ability to undo much of the damage caused by the fractured, toxic and distrustful discourse of the Internet.

### **Blockchain and Democracy**

After the outcome of the 2016 US presidential election, research on blockchain applications in government has received a lot of attention. Dedicated citizens and public servants everywhere are exploring how distributed ledger technologies can help them quash claims of “fake news” and protect the free press, find common ground in public discourse, and restore legitimacy to democratic institutions.

Let's start with the preservation of independent and investigative journalism. This is essential: the person occupying what was heretofore the most powerful position in the world attacks the free press and dispatches falsehoods regularly. “Crime

in Germany is up 10% plus (officials do not want to report these crimes) since migrants were accepted,” he tweeted. The New York Times fact-checked the tweet and found that crime is actually down by 10 percent, to Germany’s lowest level in 25 years, yet the lie was retweeted by 20,000 people. That’s how ignorance scales on the World Wide Web. A major MIT study of social media revealed that Twitter users were 70 percent more likely to spread lies than truths.

The blockchain start-up, Civil Media, aims to reduce those odds significantly through blockchain economics. “The Civil protocol—a decentralized marketplace for sustainable journalism owned and operated by newsmakers and citizens alone,” CEO Matthew Iles wrote. “Participants must pledge to abide by the protocol’s

**Della Bitta views  
blockchain technology  
as a tool for libraries  
as platforms for public  
engagement**

accountability standards, community-driven governance, and citizen-first business models.”

The news won’t exist on some central server; it will exist on every device running the protocols. That means that state propaganda machines will have to work over time to counter the truth. Civil’s first pilot is The Colorado Sun, founded by veteran reporters of The Denver Post. This is exciting.

Michael Della Bitta, the director of technology at the Digital Public Library

REUTERS / CHRIS WATTIE





**^Above:**  
Employees collect cuttings from cannabis plants at Hexo Corp's facilities in Gatineau, Quebec, Canada, September 26, 2018.

As countries around the world to move legalize recreational and medical use of cannabis, individuals in the cannabis community will need a digital home to view, curate and share cannabis-related content – all without the fear of being censored.

Facebook, Instagram, and other centralized social networks are known for their clamping down of cannabis related content and brand pages. One company hopes to address that problem by launching a global, decentralized social network on top of the blockchain that rewards users with that post and curate high-quality content with cryptocurrency. Smoke.Network is a social network and ecosystem tailored for the cannabis

community and powered by the Delegated Proof of Stake (DPoS) blockchain and SMOKE is the coin that powers it. The first minimal viable product (MVP), Smoke.io has launched allowing the public to take ownership of the network.

Source:  
<https://smoke.network/>

of America, sees a role here for libraries, which consistently rank high as trusted institutions. Indeed, the Pew Research Center reports that “most Americans—especially Millennials—say libraries can help them find reliable, trustworthy information.” Della Bitta views blockchain technology as a tool for libraries as platforms for public engagement because he understands how blockchain protocols align the interests of disparate parties in aggregating information, verifying it, and preserving it block by block.

One of his use cases involves social media archiving. For better or worse, Twitter has become a public record of policy pronouncements and international

contains the facts before it is recorded in a block. In his view, blockchain provides a public mechanism for discussing how truthful the news is. If an article doesn’t check out, then they don’t cryptographically sign off on its inclusion. These are “new ways that libraries could interact with the public to create civic trust,” he says. “Distributed data applications ... enable new decentralized ways of interaction across institutional boundaries.”

The most fundamental process for a representative democracy is the election. Voting is a right (and in some countries, like Belgium, the responsibility) of all eligible citizens in a democracy. Yet around the world elections are deeply flawed. Corrupt

**“Votem” has semi-future-proofed its app with a path to scalability and a goal to support one billion voters on its platform by 2025**

diplomacy, but Twitter’s terms of service allow for the deletion of posts by public officials. That’s not good for understanding and studying our history. Della Bitta is looking to librarians as a distributed group to serve as the recorders of social media, gathering up tweets through Twitter’s web interface and presenting them for validation. The validators could be anyone observing the same information in real time. For archiving news sites, librarians could play the validation role, verifying collectively that an article is accurate and

**→ Right:**

David Stan, 7, tries to hide his cat Coral in his backpack as he waits to move out of El Gallinero shanty town and into a new apartment in Madrid, Spain, September 26, 2018.

Alice is a social funding and impact management platform built on the Ethereum blockchain that incentivise social organisations (charities, NGOs, social enterprises) to run projects transparently, by making sure that they get paid more when they achieve their goals.

The performance of each project is publicly available, making it easier for funders (philanthropic organisations, impact investors, small donors) to identify and help scale social projects that actually work.

Source:  
<https://alice.si/>

officials tamper with votes or rig the results. Voter suppression ranges from bribery and intimidation to lack of access or proper identification. Electronic voting has proven as unreliable as paper ballot systems in many cases, susceptible to hackers, coding bugs, and human error.

Several start-ups such as Follow My Vote and Voatz are developing blockchain-based solutions for online voting. We studied the Cleveland-based Votem. Its clients, the Rock and Roll Hall of Fame and the National Radio Hall of Fame, deployed Votem's mobile voting applications successfully in selecting inductees. Votem authenticated each voter's identity, provided a clear chain of custody, and proved itself fast, tamper-

proof, auditable, and convenient, since people needed only a mobile device to participate. According to CEO Pete Martin, Votem has semi-future-proofed its app with a path to scalability and a goal to support one billion voters on its platform by 2025. It's happening.

We expect a struggle to bring about change, but citizens of the world, unite! We have everything to gain through the blockchain-enabled democracy.



# The Trust Protocol

## —Interview with Don Tapscott



**Q1—You have been the first to coin the term “Trust Protocol” for blockchain. What is this new concept about and why trust is its great key element”?**

Before this protocol emerged, the only way to transact anything of value digitally – money, stocks, data – was through intermediaries who could confirm that you were who you said you were, and you were indeed in possession of that asset. Intermediaries like banks and large social media companies became the mediums of trust, and therefore the mediums of exchange. That system has some serious shortcomings. It’s needlessly slow, expensive, and it can be hacked. Moreover, the wealth created by the digital revolution has been distributed asymmetrically to those large intermediaries.

With blockchain, we have a new system where trust is not established by intermediaries, but by cryptography and clever code. Trust is native to medium, which is why Alex Tapscott and I described it as the “Trust Protocol” in Blockchain Revolution.

**Q2—Please share your personal description of what a blockchain is: what is the principle this technology is based on? How does a single block generate and how many information does any block contain? Where is all the information and data housed?**

A blockchain is similar to a ledger that you would see at any bank, but it isn't housed in a single server. Rather, it's a global, distributed ledger, with thousands of computers working to verify transactions on the network. In the bitcoin blockchain, transactions are captured and verified about every ten minutes – like the heartbeat of a network. That “block” of transactions is then timestamped, and linked to all the previous blocks in the network – hence the word “blockchain.”

There are different blockchains designed to suit different purposes – so the amount of information in a block or the time it takes to create a block can vary wildly. The core principle, however, is that all the information is housed not on one single server, but on a decentralized network of computers.

**Q3—To many users the web is not as trustworthy as it used to be because its technology is now vulnerable (e.g. fake news, fishing, privacy, etc.). In a moment of intense distrust, is blockchain a new opportunity?**

It's true the web is in deep trouble. It's creator Tim Berners Lee (TBL) is the most vocal advocate of this view. The main problems are lack of security; the capture of our data by powerful forces; the rise of walled gardens and proprietary environments that bypass the web (like facebook) and growing inaccessibility to services for all created by lack of net neutrality.

Necessity is truly the mother of all invention. It makes sense that an era defined by unprecedented levels There are many efforts underway to turn this situation around, not the least of which comes from TBL called Solid. But we at the Blockchain Research Institute are of the view that blockchain can be instrumental in turning these problems around.

One key opportunity is to re-capture our data through the creation of a blockchain-based, sovereign, citizen owned identity. This would enable us to use our data to plan our lives, monetize data if we want and protect our privacy.

There are numerous other benefits to integrating blockchain into the solution to save the web. Blockchain enables us to establish one universal version of the

**Before this protocol emerged, the only way to transact anything of value digitally was through intermediaries who could confirm that you were who you said you were**

truth. With blockchain, you don't need to trust an individual or institution to act correctly, so much as you need to trust that the code prevents them from acting incorrectly. It can enable us to verify the authenticity of news in real-time, and reclaim the data that has been appropriated by large digital conglomerates.

**Q4—Today, Google and Facebook are big technology simplifiers, yet they are often accused of having low levels of transparency and more information than necessary. Does blockchain have the same complexity risk? Will it be necessary an intermediary to share the information with all of us?**

While the large digital conglomerates have enabled us to do remarkable things, they have also appropriated the data that – together – forms what you could describe as your “digital identity.” Data is the oil of the 21st century, yet the individuals who actually create this data aren't the ones who profit from them. In my view, this amounts to nothing short of “digital feudalism.”

Blockchain enables us to reclaim control over our data and use it as we see fit. You're right that such a system could be complex and difficult for the average person to navigate. That's why we need to develop a blockchain-based “black box,” that allows you to collect and carry that data with you, distributing it only after you've consented to having it used.

**One key opportunity is to re-capture our data through the creation of a blockchain-based, sovereign, citizen owned identity**

**Q5—Currently, we don't easily trust any intermediary especially in the financial (low investment), political (fake news), environmental (pollution traceability and transparency) and science (personal information availability) fields. How is blockchain operating in order to solve out this lack of trust?**

The first Blockchain was first developed the same year the 2008 financial crisis – a time when many people came to understand that trust in our global financial system was grossly misplaced. That's what led a pseudonymous person (or persons) named Satoshi Nakamoto to develop the bitcoin blockchain. The core philosophy is that you should not have to trust an individual or institution to behave correctly. Instead, you can create a system where it's impossible for them to behave poorly.

**Q6—Which are the best and easy-to-access gates that you would recommend to whoever tests the blockchain for the first time?**

One of the key challenges facing blockchain that my co-author Alex Tapscott and I noticed very quickly is the knowledge gap that currently exists. Most of the time, people interested in blockchain are simply told to “learn by doing,” which has its benefits. However, we should also be focused on expanding the educational resources.

democracy, decentralized economies and individual empowerment. It is difficult to say this, but that promise has simply not been fulfilled.

I think blockchain has given us a rare second chance to finally realize the promise of the digital economy. That said, the future is not something to be predicted – it’s something to be achieved. We can do these things, if we will it.

**I think blockchain has given us a rare second chance to finally realize the promise of the digital economy**

That was part of why the Blockchain Research Institute is partnering with INSEAD, one of the world’s leading business schools, to develop an online “Blockchain for Business” MOOC and certification program. This will not be focused on the technical aspects of blockchain, but the implications for enterprise and how best to implement it in your organization.

**Q7— What will we be able to do with the blockchain in the future? How will our future change?**

I was one of the original believers in the promise of the digital age. We saw it as the foundation for stronger, healthier,



# Trust Capital



GETTY IMAGES / CHRIS J. RATCLIFFE

The Lego Group recently topped the Reputation Institute's 2017 Global CSR RepTrak list. Among a number of CSR initiatives, Lego introduced their Sustainable Materials Centre, a site "dedicated to research, development and implementation of new, sustainable, raw materials to manufacture LEGO elements as well as packaging materials." This is CSR at its utmost finest.

Consumers are constantly searching for trusted representatives to take care of their requirements. Platform Companies, a constant presence by the customer's side, are on the rise.

A trader stretches his arms on the trading floor of the Philippine Stock Exchange in Makati's financial district in Manila January 18, 2008. The main index closed 2.48 percent weaker on Friday.



**by Massimo Folador**

– Professor of Business Ethics  
and Sustainable Development  
at LIUC - Carlo Cattaneo  
University



REUTERS / JOHN JAVELLANA

‘We are not living in an era of change, but a change of era’ goes a quote occasionally attributed to either Jan Rotmans or Pope Francis. Leaving aside the issue of the source, the topic of change has become an intrinsic part of our daily existence, not through study, but because every task in our working life has become markedly complex. Every day we’re called upon to

**The financial crisis  
of 2008 was a  
glaring example of  
how financial issues  
combined with social  
and political ones**

make decisions, to act to resolve problems or to advance solutions, and every day we are made aware that, for many reasons, it’s becoming increasingly complicated.

But what is this complexity, and how can we recognise it? We’ve been taught to analyse the economy through the eyes of economists alone. Many events over

recent years, however, have led us to an understanding that not everything that happens in the markets and in the workplace is underpinned by economic or financial considerations. The financial crisis of 2008 was a glaring example of how financial issues became interlinked with social and political ones, and how the totality of these created the impact we've all seen.

And even today, faced with this moment of change, the perfect definition of this complexity can be found right there in the Latin word from which it is derived: 'complexus' is something that 'intertwines multiple things simultaneously' and that is more difficult to grasp and identify as a result. I will attempt to detail only a few of the complexities that are having such a profound impact on the economy and society: the sudden, overwhelming rise of technology, globalisation of the markets, radical changes in employment, rising literacy rates, use of the Internet and social networks and the social and financial inequality afflicting many parts of the world. Businesses and the people working in them have often struggled to identify adequate and constructive solutions to these problems and the changes brought

**→Right:**

The Google's communications manager Robin Moroney speaks to employees at a pantry decorated with vintage Singapore advertisements and signages in their Singapore office.

The Reputation Institute is one of the many organizations that recognizes Google for its tech innovation and its commitment to CSR. The Institute measures the corporate social responsibility of companies using a ranking system. In 2016, the Reputation Institute ranked Google number one for global corporate social responsibility.

REUTERS / EDGAR SU





**The genome itself is influenced, either positively or otherwise, by interpersonal relationships, to the extent that it is able to modify its original structure**

about in the wake of the financial crisis. This has sometimes resulted in an inability to be proactive, and other times in conflict and inefficiency. All of this often harms the ability of a company to react purposefully to existing challenges, and to develop in a steady manner.

Improving relationships and consequently building trust, as we will be discussing in this article, is absolutely not the cure-all solution to this multi-layered problem. Rather, it will require a far-reaching strategic response. It does, however, serve as a helpful starting point, and we will be attempting to highlight the positive changes it can have in our daily activities.

In the first instance, many of the conclusions will demand rethinking the system of the individual and the environment in which the individual lives and works. The complexity has increased as a consequence of the expansion of the global system and the corporate system. As a result, it is primarily in the dynamics governing the system that the solutions should be sought. A system, as we know, can be defined as a set of connected parts that form a complex whole. When they work together, they allow the system itself to evolve or achieve the objectives for which it is intended.

Some systems can be defined as closed, i.e., not coming into contact with or being influenced by other systems (a clock, for example), whilst others are open and must remain so in order to function and advance (the individual or corporate system). This is no small matter, as it leads us to introduce the concept of the corporation as a demonstrably open system, the existence and energy of which rests upon its relations and interactions with its surroundings. But what are the constituent parts that allow this system to function? And how is it possible to ensure that the system's function is positive and that it has a positive outcome?

There is an economic theory, the significance of which has been misunderstood and which has not been afforded the gravitas it deserves, that will

**Virtuous behaviour always provides a positive economic and social return**

aid us in this reflection: Corporate Social Responsibility (CSR). Under this theory, which is partially underpinned by the Italian economic school of thought regarding the 'civil economy', business is a 'social system' as it both nourishes and feeds off stable relationships with the 'stakeholders': internal contributors, naturally, but also clients, suppliers, the local community and the environment. Philanthropy represents the top of the pyramid of this relationship: the most virtuous part, but

also, paradoxically, the least effective strategically. This is especially true if it is used as a way of sanitising one’s record, or even worse, ‘greenwashing’.

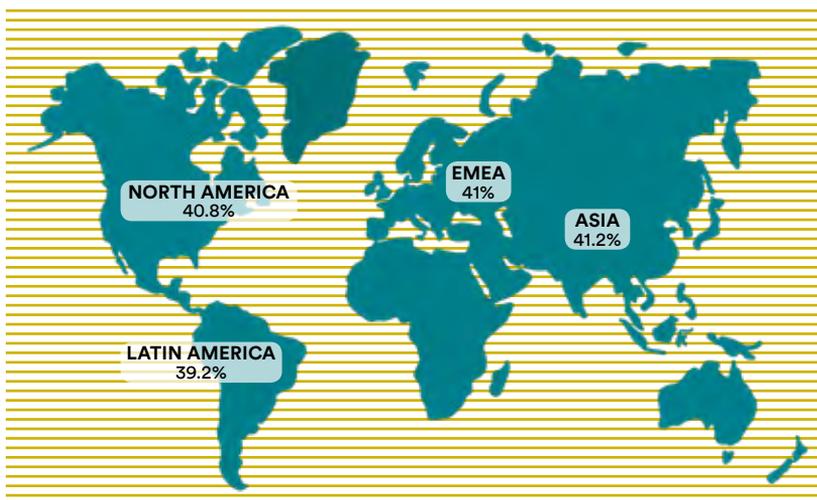
The monk Antonio Genovesi, who became the first Chair of Economics in Italy in Salerno in 1752, had already grasped this concept. For him, and for the Italian economists who followed, the economy is a fundamental element of society, in a permanent, mutually beneficial relationship with civil society. The terminology surrounding CSR, which is familiar to us today, was not around in Genovesi’s time, yet he had a very clear understanding of the ‘stakeholder’ system, and understood that for a company to function, it had to engage in the necessary relationships, internal and external, that would allow it to flourish over time. Today when we speak of stakeholders,

we rightly consider them an integral part of the corporate system as, working together, they are able to generate economic value, among other things, for the business. At the time, they didn’t have a defined term, but reading the works of Genovesi, Filangeri or Cattaneo, the depth and range of wisdom they gave us becomes clear. It would be fascinating to rediscover certain fundamental truths of this wisdom which, despite being poorly received, has a strong presence in Italian corporate culture, like an ember that continues to smoulder despite being covered by centuries of ash.

The purpose of my years of work and research on new economic models, both as an entrepreneur and as a lecturer in Business Ethics at LIUC (the University of Castellanza, named after the aforementioned Cattaneo) has been to examine the field of

## HOW CSR IMPORTANCE DRIVE REPUTATION ACROSS THE GLOBE

Drivers of CSR are Defined by Ethics, Fairness and Societal Impact



←Left:  
% of CSR weight  
Source:  
Global RepTrak®, 2017

business ethics in greater depth. In doing so, I hoped to generate observations, practices and tools to support businesses in their strategic development, corporate structure and management, marked by this new, holistic vision of the corporation and wider society. In an effort to make these ideas approachable and practical, we have chosen to highlight three cornerstones, three examples of ‘intellectual capital’ that classic economic theory never saw fit to include in its metrics (as a point of fact, they do not appear on financial statements), but that we now know to have a significant impact on the development of a company. Business ethics places an emphasis on ‘human’, ‘relational’, and ‘capital trust, on the cultural and operational revolution that reflection on the new corporate ‘capitals’ entails and the trust at its core.

I have chosen to pass over the topic of human capital, as, to my delight, much has already been written and done in this area. There is one element, however, that links the emphasis on individuals with the second intellectual capital, which

**Each system works if it is able to create and maintain the positive ties that form it**

prioritises relationships. The most recent studies in the field of neuroscience inform us that the individual’s ‘system’ evolves and improves only through the relationships that the individual forms in the course of their personal and working life. Epigenetics

has explored in detail the ways in which the genome itself is influenced, either positively or otherwise, by interpersonal relationships, to the extent that it is even able to modify its original structure. Here, Italy is at the forefront, and there are studies that clearly support even corporate stratagems, as the science informs us that it is impossible to elevate one individual and the human capital they represent without placing them in a positive relational context. This is why, in discussing the second ‘capital’, we find not only a great amount of organisational practices, but primarily a corporate culture that values relationships as a cornerstone for efficiency and corporate performance, as it is for the environment and employee motivation: a connection that becomes close, the first contact that leads to synchronicity, laying the groundwork for values-based collaborations, which in turn starts a process of mutually beneficial behaviour. While we’re on this subject, it’s interesting to look at the etymology of the word ‘communication’, which derives from the Latin term ‘cum-munus’.

On the one hand, the suffix ‘cum’, meaning ‘with’, clearly evokes the relational nature of it, while the term ‘munus’, meaning action or task, reminds us that communication exists to allow us to produce results. On the other hand, it also gives us the word ‘munificent’, or generous. For a relationship to produce ‘actions’, we must be generous, communicating transparently and clearly, giving our time and paying attention. Generosity was one of the overarching themes developed by Genovesi when he argued that one of the values underpinning civil economics was reciprocity, the ability to act in accordance with medium/long term goals, knowing that virtuous behaviour always provides a positive economic and social return. This thought takes us back to



We are living through a period of enormous transformation. While we speak, the world continues to accelerate beneath our feet. We are on the cusp of a change of era that will revolutionise the way we work, behave and interact with the world. Within this framework, businesses and businesspeople will have to challenge themselves on a daily basis, attempting to improve their prospects and guarantee themselves a future while the landscape changes before their eyes. Faced with the prospect of a fourth industrial revolution that will transform our existing social and economic paradigms as we know them, there are those - and they are many - who have been able to react creatively, observing and formulating innovative models, who are attempting to give their work a clear purpose and in so doing, to create a better future for themselves, for others, and for the environment surrounding them. These people are the heroes in best-selling managerial strategy author, business consultant and lecturer in business ethics, Massimo Folador's *'Storie di ordinaria economia. L'organizzazione (quasi) perfetta nel racconto dei protagonisti'*.

The book gathers testimony from 24 businesses and the protagonists who make them tick. Above all, the stories reveal a willingness to invest in gradual change, on occasion almost slowing down, with an emphasis on the long view, in contrast to the current trend of constant pressure to change. These companies decided to prioritise the wellbeing of their human capital and their ability to provide social support in their local environment.

Each page reveals the stories of Add Value, AIDDA, Arimondo, Assimoco, Banca Etica, Basf, Call&Call, Cemon, Civitas Viate, Cooperativa sociale Ai Rucc, Eurospin, Locride Goel, Gruppo Teddy, Gulliver, Loccioni, Manital, Nau, Ospedale di Locarno, Pedrollo, Phonetica, Sacchi, Yamamay. Added to these are the stories of the Rossini Symphonic Orchestra and the experiences of Rugby Parabiago.

In this book, Massimo Folador, who works to achieve cultural and organisational change in some of the largest Italian entrepreneurial enterprises, both for-profit and non-profit, builds on an ancient yet ever-contemporary project of research and debate surrounding the terminology of business ethics. The goal of much of his work is to increase awareness, both inside and outside the workplace, of the modern-day relevance of the Rule of Saint Benedict, to whom he has already dedicated many events and several books.

In the same year that it was devastated by an earthquake that struck at its very heart, the community of Nursia decided to build a research centre dedicated to core concepts in Benedictine monasticism, including the relationship between spirituality and works, a practice that has characterised the history of the movement through the ages.

Massimo Folador has always been closely linked to Nursia, which informed his decision to do research on 'spiritual capital', thanks to the support of Father Ubaldo Cortoni, a Benedictine monk, theologian and keen economist. The aim is to understand the implications for an individual and a business of investing in this 'capital' and what makes Nursia the place to truly experience it, especially in a period of difficulty such as the current one.

'Monasticism is infused with the divine, yet is also concerned with the practical realities of the land. It is not merely a religious movement that preserved knowledge endangered by barbarians, it is also, perhaps surprisingly, at the core of a series of economic and social rebirths over a long period of time', said Father Ubaldo Cortoni. 'Perhaps this is the most important message that our story can pass on to the corporate world: the joy and the strength of being able to share a story enriched by a shared vision and values with others, being a person who, despite always being in search of what makes him or herself unique, also has need of others and of one Other in particular.'

The author will donate 30% of the profits from this book to the Monastery of San Benedetto di Norcia, which was destroyed by the earthquake that devastated the region in 2016.

M. Folador, *Storie di ordinaria economia. L'organizzazione (quasi) perfetta nel racconto dei protagonisti*, introduction by Marco Girardo, ISBN 9788868961534, pp. 157, Guerini Next, Milan.

## **“STORIE DI ORDINARIA ECONOMIA”**

**THE NEW BOOK BY MASSIMO FOLADOR**

**CIVIL ECONOMICS: WHAT MOTIVATES BUSINESSES WITH MEANING AND PURPOSE**

the 15th century, and to Italian Humanism, one of the greatest moments of cultural, political and economic life in European history. In my opinion, we have all too often smuggled in Anglophone words and theories that have no roots in our culture, and on the basis of these we have created values and attitudes that are not our own. This doesn't mean we should not borrow from countries at the forefront of positive business practices. Rather, we should be clear that in moments of 'crisis', of profound change, it is also beneficial to look back at our own remarkable history and identify thoughts and solutions that could be of value to us.

This brings us to the question of trust, which is the real focus of this piece. Like all the core values, it often lies at the beginning of a journey, but also ends up becoming its goal. What is trust? Why is it defined as 'capital' in business ethics, and why are we talking about it today? As is often the case, the word is inspired by an object, the rope tying the sail to a boat, a strong cord designed to withstand powerful gusts of wind and aid in navigating the seas. It is interesting to note that Lorenzetti, in his famous Sienese fresco *Buogoverno* (in the 16th century, Siena was one of the wealthiest cities in the world) uses the symbol of a cord passing through the hands of its citizens, representing the *con-cord-ance* that was a core value of the city. This unambiguously returns us to the idea of the corporation as a system and the realisation that it's not enough for a system's constituent parts to work well individually; they must create and maintain the positive links that form the system. Just as the health of the 'human system' is dependent upon the relationships between the organs that constitute it (recalling the famous speech by Menenius Agrippa), so the efficacy of a corporate system is directly linked to the collaboration between the

people participating in it. This naturally includes the internal collaborators as well as all the stakeholders, whose ability to

**Consider, for example, how much weight is afforded today to trust in relationships with suppliers (who are increasingly being referred to as partners) or with clients**

produce value is often strongly influenced by the strength of their relationships and by their level of trust. Consider, for example, how much weight is afforded today to trust in relationships with suppliers (who are increasingly being referred to as partners) or with clients. All of us, but especially those working in commerce, are all too aware of the central importance of trust between business and client for a business' consolidation and development. It is the core component. It is a shame, therefore, that even this 'trust capital' has been unable to find a place in financial accounts and balance sheets. It serves as a reminder of how much is still to be done to ensure the corporate entity as a whole and as individuals invest in these areas, turning them into a new heritage and culture. If the corporate world truly wishes to move itself, even slowly, towards the creation of relationships of trust built on transparency, clarity and reciprocity, it will need to outline organisational procedures and prioritise the



←Left:

For the Rolls-Royce Group, sustainability is inherent to the company strategy. The vision is to deliver better power for a changing world. Rolls-Royce Group will deliver better power for the customers, use innovation to secure a better future, and build on today's achievements to develop a better business, ready for the opportunities ahead.

The Rolls-Royce Group is committed to building positive relationships that contribute to the economic development and social wellbeing of communities where the Company operate. Community investment is an intrinsic part of the way to do business, supporting the business strategy and future success.

The Rolls-Royce Group direct our support for charitable contributions and social sponsorships primarily to education and skills, particularly to increase interest and encourage diversity amongst those taking Science, Technology, Engineering and Mathematics (STEM) subjects.

The Rolls-Royce Group recognise that talented engineers are the key to the future of the Company having set a target to reach 6 million people globally through the Rolls-Royce STEM education programmes and activities by 2020.

development of standardised approaches. In addition, as has finally been addressed in the sustainability report, it will need to measure the positive economic impact of this value. This is a critical starting point for economic action capable of launching a new culture and responsibility.

This final point leads us to the word 'ethical', which we have already mentioned and which underpins the path towards relations of trust. Each of us has seen the impact of this at some stage of our lives when meeting with people we trust; trust enables us to overcome obstacles and achieve important goals with greater ease. These are the same goals that we might struggle to reach within the corporate environment, limited by the need to 'watch your back' and waste time with excessive evaluations, a lack of trust necessitating entire systems of verification.

The word ethical derives from the Greek term 'ethos', which literally means 'character' in support of the common good. Aristotle was the first to discuss the subject in his

**The word ethical derives from the Greek term ‘ethos’, which literally means ‘character’ in support of the common good**

book ‘Nicomachean Ethics’. The principle has been widely discussed and dissected ever since. However, if we think of trust as a desired outcome, ethical behaviour becomes an essential tool. There are also psychological studies on trust that attest that we put our trust in someone when we observe an ability to listen and an interest in our needs on their part. In addition, we need to feel certain that the person in front of us has the motivation and the ability necessary to achieve results, especially seeing them act to solve the need in question, which has become a common interest in the meantime. We see this in action every day within a company when an individual acts to resolve a problem or fulfil a request from a colleague, or when we take problems on ourselves from our internal clients, or attempt to find solutions to the needs of our external clients. We can reach out and touch it when we experience the joy of working with people we know we can trust, people who will take responsibility for the outcome, when we as clients find people who listen to us and are able to take our requirements into account, working until a solution is found, or simply when we work as part of a loyal team with clear communication, resulting in the consistent application of values in support of the common good. This behaviour, which is highly valued in the financial or insurance industries, which makes and must keep promises of future benefits that are

intangible today, and that therefore require a surplus of transparency and trust.

As an entrepreneur, as well as a man of culture, I wonder how it can be that these issues, these values, are yet to be fully appreciated and understood. How come all of us, at every level, understand the importance of trustworthy relations, of having men and women by our side to aid us in reducing complexity in the workplace, not to mention in our private lives, while we often fail to act to ensure it. It brings to mind a passage from the Rule of Saint Benedict, which I have studied in detail to appreciate the value of its chapters on the workplace, where he says: ‘Therefore we must establish a school for the Lord’s service. In drawing it up, we hope to set down nothing harsh, nothing burdensome. But if something a little difficult [...] may be introduced [...] do not be daunted immediately by fear and run away from the road that leads to salvation. It is bound to be narrow at the onset.’ It also recalls the reflection of another economist

**We put our trust in someone when we observe an ability to listen and an interest in our needs on their part**

and psychologist, the insufficiently studied American Tibor Scitovsky. Scitovsky argues that we tend to use our time on activities we find ‘comfortable’ but that are neither productive nor make us happy, and this takes away time from other activities we might find more mentally fatiguing but that in the



#### **MASSIMO FOLADOR**

*Massimo Folador is a Professor of Business Ethics and Sustainable Development at LIUC University, as well as the convener and lecturer of a course titled 'good corporate government and business ethics: tools and models to tackle complexity'. His primary fields of expertise include organisational analysis, mapping training requirements, and planning and implementing HR changes, with a particular focus on leadership models and governance through team coaching activities within the corporate hierarchy. He has worked in corporate consulting since 2001, first as a freelancer and later as a founder and director of Askesis Srl ([www.akesis.eu](http://www.akesis.eu)). He facilitates interventions in training courses with the goal of changing and improving organisational structure, using both traditional and innovative methods of team building, team work, project management, outdoor training, etc., depending on the situation and the training program. His clients include some of the most influential corporate entities in Italy and on a global scale. A devoted student of the history and culture of Benedictine monasticism, he has adopted it into a personal and professional value system that he applies to his clients in a range of activities dedicated to spreading and applying Benedictine principles in the workplace environment. This was the source of the success of 'L'Organizzazione Perfetta. La regola di San Benedetto: una saggezza antica al servizio dell'impresa moderna' [Perfect organisation. The rule of Saint Benedict: Ancient wisdom in the service of modern Bbsiness], edited by Guerini Next. Other works for the same publisher include 'Il Lavoro e la Regola' [The workplace and the rule] (2008), 'Il Sapore del Pane' [The taste of bread] (2011), 'Un'impresa Possibile' [The potential of enterprise] (2014), and the recently published 'Storie di Ordinaria Economia' [Stories of everyday economics]: a homage to those who, wherever they stand in the hierarchy, attempt to give a direction and a purpose to their job, creating a better future for themselves, told through the stories of 24 companies that successfully balance ethics and economic strength. Before this, he had a managerial career within several nationally and internationally-renowned companies, including Rizzoli Editorial Group, the Prudential Insurance Company of America, and the Hobby and Work Editorial Group - Jackson Books, where he soon found himself promoted from Chief Commercial Officer to the sole director. Regarding his familiarity with ethics and business, he works in partnership with the 'Avvenire' daily, editing relevant articles in the field, and speaks at conferences throughout Italy and abroad.*

medium term produce better results and value. With the desire to use the 'foundation words' of this article to contribute to making the individual's system more balanced and increasing the capacity of the corporate system to produce sustainable value. As with everything important (and this is something agricultural society has known and served as a reminder of since time immemorial), relationships also require cultivation and care, time and attention. This is the only way to generate trust.

The way forward has been outlined. We may only be at the beginning but, especially in Italy, it is possible to feel a buzz that even a few short years ago would have been inconceivable. I see it myself in the various conventions and meetings I participate in, and even more so in my book 'Storie di Ordinaria Economia' [Stories of everyday economics], in which I collect the stories of large companies that base their work on these values, incorporating them into their training and their day-to-day routine. There is no doubt that awareness will help to produce new and varying observations, but what we really need is patterns of behaviour 'geared towards the common good', which are the only ones able to bring us to a real understanding of the wealth of choices we have.

UN Women Executive Director Phumzile Mlambo-Ngcuka met with Miguel Ángel Mancera, Mayor of Mexico City to highlight the importance of investment in gender equality and women's empowerment as the foundation for sustainable development.



# The rise of the other half of the sky



# Women's empowerment is making slow progress. A World Bank researcher talks about the importance of intervening through regulations.

**by the Editorial Office**

Women account for about 50% of the world's population, but less than half of them are employed in the formal sector of the labour market. Globally, less than 60% of women between 15 and 64 years old participate in the labour market, in contrast with more than 80% of men. In formal businesses, female employees make up less than a third of total staff. The presence of cultural and traditional habits, levels of development, discriminatory laws, state apparatuses and regulations can economically disempower different segments of the population. Specifically, laws that discriminate against women influence their engagement in the economic sphere and keep them at the margins.

Researchers Asif Islam, Silvia Muzi and Mohammad Amin published 'Unequal Laws and the Disempowerment of Women in the Labour Market' as part of their work for the



Girls shout slogans during a protest demanding equal rights for women on the occasion of International Women's Day in New Delhi, India, March 8, 2018.

World Bank's Global Indicators Group. The report exhaustively covers the legal context that enables gender-based disparities and examines how such disparities affect women in the labour market. The research examined more than 60,000 firms in 104 economic systems and suggests some solutions.

The study shows that, despite major advancements in females with managerial positions and firm ownership, illustrating

**The politicians in charge can repeal discriminatory laws, thereby reducing the economic losses or mismanagement that arise from the restrictions imposed on women**

positive trends in women's empowerment, there are still systematic negative correlations between discriminatory gender laws and the role of women in the global labour market. The study also reports on the channels used to discourage women from entering the economic realm, citing as an example how disparities limit access to funding and, in some cases, force women to find alternative ways to secure loans. Nevertheless, policymakers have the power to review discriminatory laws as suggested in the report, to reduce economic losses or mismanagement stemming from restrictions imposed on women. Increases in financial services and inclusive practices are the milestones established in the study to decrease gender disparities and to provide equal opportunities.

### **Facing the past**

The study builds upon previous research published in 2011 and financed by the World Bank and the International Finance Corporation (IFC) titled 'Women, Business and the Law'. Through an analysis of the laws, regulations, and institutions of 141 countries, the 2011 report showed that existing legal discrepancies between men and women are likely to influence women's ability or willingness to participate in the labour market as wage labourers or entrepreneurs. It further emphasized that 36 of the 141 countries had reduced legal discrepancies through the introduction of new reforms, while 103 countries still had juridical disparities in at least one of the six key areas of the report: property and ownership rights, work incentives, access to institutions, credit, justice and the courts.

In October 2011, researcher Silvia Muzi wrote that 'the existence of legal discrepancies between men and women can partially explain the persistence of differences in women's participation in the economic sphere'. She added that the Women, Business and the Law report 'shows how economies with discriminatory laws against women are characterised, on average, by lower rates of female participation in the formal labour market both in absolute and relative terms compared to the male presence on the labour market'.

### **Instances of improvement**

Major examples of improved legal parity between men and women can be found in Latin America and the Caribbean, Europe and Central Asia. Although Africa is generally lagging behind the other continents, Muzi highlights Kenya's almost unique performance: 'Kenya, the outstanding African exception, [...] has introduced a series of reforms over the last years, which



Economies grow faster when more women work. 11 Although current good practice calls for gender equality in work opportunities, this has not always been the case historically. For example, the ILO's Underground Work (Women) Convention of 1935 and its 1919, 1934 and 1948 conventions on women's night work called on

states to prohibit women's employment in underground mines and night work in industrial undertakings. Similarly, in the years following the Industrial Revolution, several economies banned women from certain jobs to protect them from unsafe working conditions.

Though conditions have improved for both men and women over time, many gender-based restrictions remain. Industry restrictions, such as those on mining, are particularly common.

Sixtyfive economies restrict women from working in mining. Women also face job restrictions in industries such as manufacturing (47 economies), construction (37 economies), energy (29 economies), agriculture (27 economies), water (26 economies) and transportation (21 economies).

Additionally, in 29 of the 189 economies covered, women cannot work the same night hours as men. Night work restrictions exist in every region except in OECD high-income economies. The restrictions are most common in South Asia and the Middle East and North Africa, where women cannot work the same night hours as men in 63% and 55% of economies, respectively. In total 104 economies continue to place restrictions on women's employment.

Research estimates that eliminating barriers that prevent women from working in certain sectors or occupations could increase labor productivity by as much as 25% in some economies simply by increasing women's labor force participation.

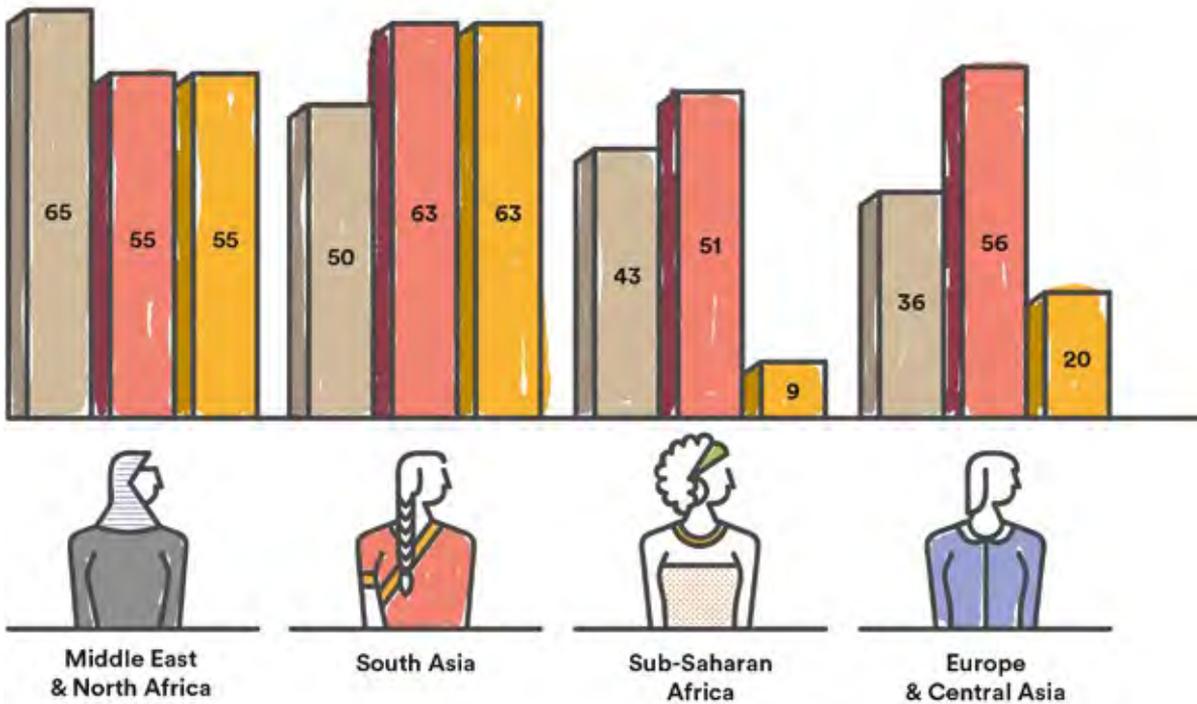
## 104 ECONOMIES STILL HAVE LAWS PREVENTING WOMEN FROM WORKING IN SPECIFIC JOBS



have reduced the legal divide between men and women'. Her summary article includes some examples, pointing out how institutional measures, property and ownership rights and access to justice and the courts stand out among the reforms introduced. In addition, the new constitution, adopted in August 2010, recognises the right of women to pass on their nationality to their children. It also grants all citizens the right to hold a passport and other identity documents, as well as the right to national and international free movement.

**Certain moments in the history of women's emancipation brought about previously unimaginable victories, changing the role of women in society**

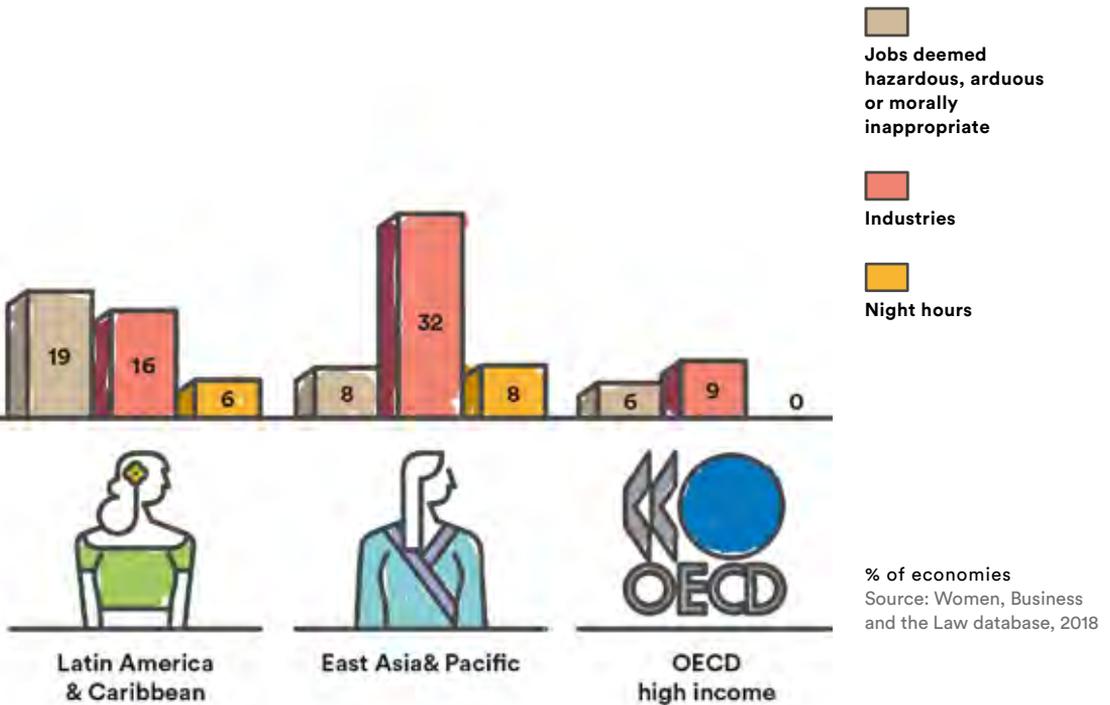
### RESTRICTIONS ON WOMEN'S EMPLOYMENT EXIST IN ALL REGIONS



### A long way to go

Six years after its first publication, the new World Bank report highlights the need to improve efforts towards progress. It stresses that the progress achieved during the last century is not satisfactory, while acknowledging that some events in the history of female emancipation movements have been critical steps to a significant improvement in women’s societal role. The most notable case can surely be identified in the ‘suffragette’ movement, which over

a century ago won the right for 18-year-old British women to vote for the first time. One of the faces of the movement was that of their renowned leader, Emmeline Pankhurst, as well as that of Ethel Smyth, a musician and composer who in 1910 joined the fight by the Women’s Social and Political Union to achieve universal suffrage. Pankhurst and Smyth’s actions were more than a mere political challenge – in a liberal and yet patriarchal world. They also represented hopeful action towards an objective that most



young British women thought impossible. And it was precisely that coherence, strength and trust in the objective they so strongly felt to be right that led them to be able to vote. Therefore, what appears to be a complicated and shadowy path can be eased through social actions and, most importantly, through legal actions, granting access to equal entitlements in terms of income and family-related benefits such as maternity and paternity leave. It would be further desirable,

**The actions of figures such as Emmeline or Ethel were not only a symbol of political courage, but also of faith in an outcome that seemed impossible to many British women**

REUTERS / FRANCOIS LENOIR



say several researchers, for a legal standard for Europe to be drafted to go beyond the enormous disparities from country to country in maternity/paternity leave. In Sweden, for instance, legislation does not discriminate between mother and father, so that both are entitled to simultaneous work leave for up to two weeks when a baby is born. Until 2016, Slovenia had Europe's longest paternity leave at ten weeks. In some cases, as in Luxembourg and Austria, fathers are not

entitled to much. In Luxembourg, a father is entitled to an extraordinary leave permit of up to two days, while in Austria, only state employees can take up to a month of (unpaid) paternity leave. These are examples of variables that are directly determined by the political (national and supranational) and economic spheres, and through firms' ad hoc welfare systems for pregnant employees and their partners.

### **In the poorest countries**

There is also a condition that affects millions of struggling families, specifically in developing countries. Some foundations and organisations invest in female empowerment programs in countries where welfare state services are scarce or absent altogether. The Orange Foundation, for instance, has chosen to invest in struggling women and their entrepreneurial skills, both in France and abroad: Orange has given Marie, a mother of five in Ivory Coast, a chance to create a small crop of organic cassava and, in France, has helped Lea, a single mother living on welfare benefits, to open a beauty centre. The philosophy of such actions can be captured in a slogan: 'These women have a dream. We believe in it'. Trust is the source of future positive actions.

#### **←Left:**

Dutch Defence Minister Jeanine Hennis-Plasschaert, German Defence Minister Ursula von der Leyen, Spain's Defence Minister Maria Dolores de Cospedal and Norway's Defence Minister Ine Marie Eriksen Soreide attend a NATO defence ministers meeting at the Alliance headquarters in Brussels, Belgium February 15, 2017.



Photo: UN Women / Ryan Brown  
Source: UN Women



*The UN's largest annual gathering on gender equality and women's rights concluded in New York with the strong commitment by UN Member States to achieving gender equality and the empowerment of rural women and girls. Coming on the heels of unprecedented global activism and public outcry to end gender injustice and discrimination worldwide, the 62nd session of the UN Commission on the Status of Women (CSW) reached a robust agreement highlighting the urgency of empowering and supporting those who need it most and have, for too long, been left behind.*

*Today, 1.6 billion people still live in poverty, and nearly 80 per cent of the extreme poor live in rural areas. Many of them are rural women. They continue to be economically and socially disadvantaged – for instance, they have less access to economic resources and opportunities, quality education, health care, land, agricultural inputs and resources, infrastructure and technology, justice and social protection.*

*The outcome of the two-week meeting, known as the Agreed Conclusions adopted by Member States, puts forth concrete measures to lift rural women and girls out of poverty and to ensure their rights, well-being and resilience. These include ensuring their adequate living standards with equal access to land and productive assets, ending poverty, enhancing their food security and nutrition, decent work, infrastructure and technology, education and health, including their sexual and reproductive health and reproductive rights, and ending all forms of violence and harmful practices. Member States recognize in the conclusions rural women's important role in addressing hunger and food insecurity. This strong outcome provides a roadmap on next steps that governments, civil society and women's groups can undertake to support the realization of rural women's rights and address their needs.*

## **SCENES FROM THE CLOSING OF THE 62ND SESSION OF THE COMMISSION ON THE STATUS OF WOMEN, HELD AT UN HEADQUARTERS IN NEW YORK ON 23 MARCH 2018**



# The healing power of photography for mental health

by **Bryce Evans**  
– Photographer and founder  
of The One Project

# How do you build and gain the trust necessary to have vulnerable conversations that can save lives? For many people, it seems to be one of the most terrifying and difficult talks to have, which is why The One Project is building a new language and community using therapeutic photography techniques.

We have created a private community that provides a safe space for you to start the conversation and connect with others who can support you. By sharing our stories, experiences and insights, both privately and publicly, we are creating a library around mental health that will increase our collective understanding, empathy and healing.

Over nearly a decade, we've built a global community and now have a brand new app for our members to provide a private space that's easy to use when you need support most. All of this has been built collaboratively with our community, open and transparently to build trust and allow us to create a space disconnected from the interests of advertisers and 3rd parties. You don't need a fancy camera or any type of photography skills – this is simply

about using photography as non-verbal communication.

While there are techniques that we have developed over the last 8 years that can help you get better results, they aren't necessary. If you have a device that takes photos and a way to get online, you have everything you need. The idiom goes "a picture is worth a thousand words" and when it comes to discussing the thoughts, emotions, and struggles that can come with depression, anxiety and other mental health issues those words can change and save lives.

If you don't have the words right now, take a photo.

## **Lone(ly) Surfer**

*Globalization has enabled developed nations access to an incredible choice in careers, lifestyles, and activities. We live in a society where you can do anything, anywhere.*

*We find activities that bring us joy in solitude, but it fails to fill the void in our psyche that longs for companionship. — Bryce Evans*







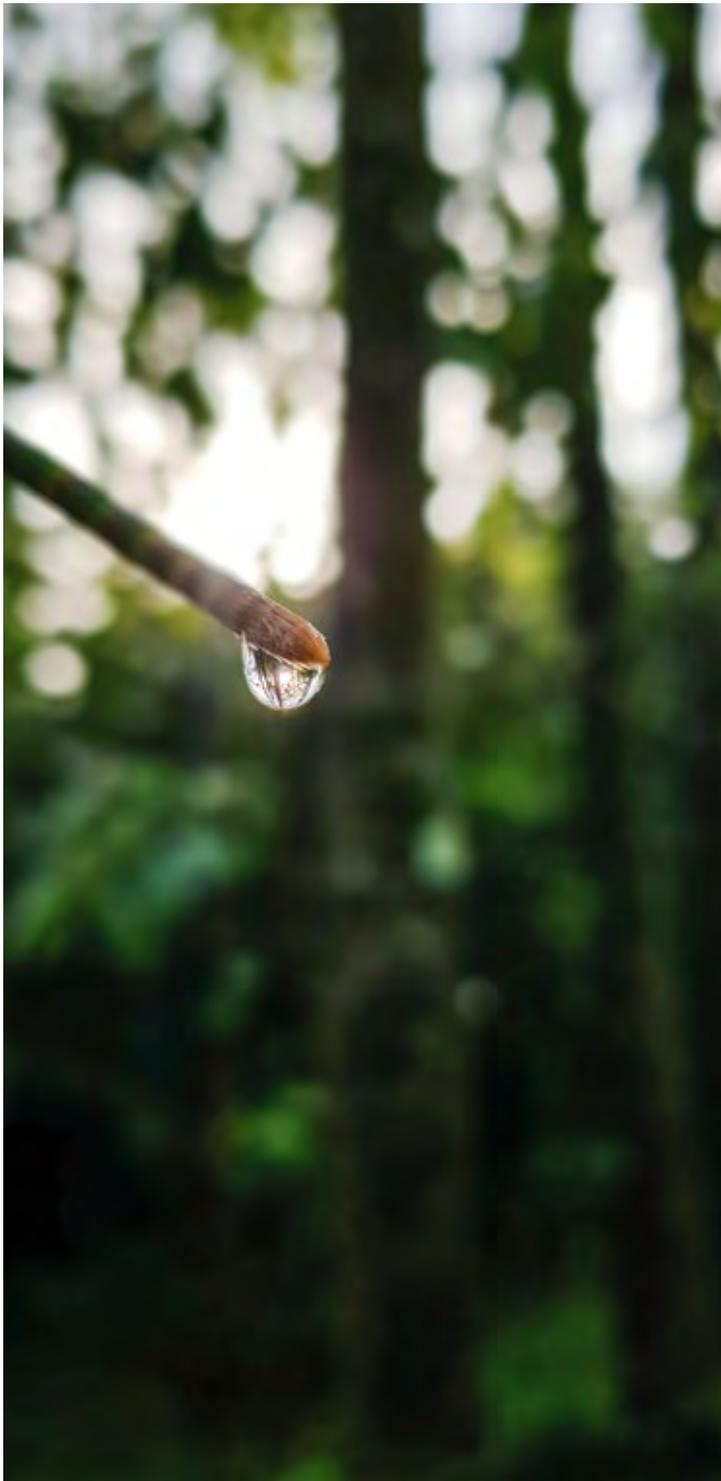
### **The Lavish Facade**

*We all try to buy happiness at one point or another. Building up a lavish facade of wealth and material items to attempt to cover up our feelings of loneliness. It is not what we own or how we appear that matters in this life; it is happiness and acceptance that are the ultimate goals. Seek fulfillment from your relationships and experiences, rather than from material items.*

— Bryce Evans

*Sometimes I think we're afraid to do things differently because we're afraid of falling. Imagine if this bird never had the courage to fly because it was afraid of falling. It would never leave the ground. Sometimes I'm afraid to leave the ground because I don't know if I will land on my feet or fall face first onto the cement. The unknown is scary; however, what I've learned from watching this bird, flying and landing, is I have to try. Though the unknown might be scary, it's about challenging those self beliefs. And who knows, by doing that, maybe something amazing will come out of it. — Danielle Nicole*





*It's not how you chase the storm but how you dance in the rain. The world inside my tears show a deep love of life that's lived in fear, a kinda upside down world that's not defined. The dark forest. — Jenni Pawlik*

*I took this photo when I was in the midst of a deep dark depression, ravaged with its best friend Generalized Anxiety Disorder. I wanted a way to express what I was feeling without being cliché and I ended up with this. It's a representation of the cloudiness that I felt surrounded me when I was walking around this earth. I was seen but never enough for people to fully get in-depth with me. Having a high functioning illness means that the world only sees your outside and thus thinks you're okay. But the truth is, I wasn't. I was dying to be seen to seek help from anyone who'd want to help me. The closing of the eyes is a representation of how help can be in our face but we're too afraid to accept it. It also represents how we can only be our own heroes and save ourselves if we look within. I've always felt like I have been in-between two worlds, fighting to fit into this one but now that I'm older and more wiser, I see that I belong in both and I'm finally okay with that. — Ashley Jacklyn*



*Seconds can feel like minutes and minutes like hours when you are feeling despair. Struggling with depression and anxiety it often feels like this for me, time almost stands still, surrounded in darkness. — Tracy Anderson*





### **Lost & Looking For Direction**

*It is the point in our lives where we must decide who we are and what we are going to do, graduation, a change in career, or a relocation to a new place. We are constantly learning who we are and how we fit into the big picture; never lost, just always looking for direction.*

— Bryce Evans

## **Back To One**

*It is often discovered early in our lives, with great dismay, that a simple connection between two people does not constitute a lasting relationship. This is an earthshattering discovery to a young teenager “in love” with their high school sweetheart. We enter this world on our own, continuing to sway from accompaniment to isolation, with no real certainty of what will endure.*

— Bryce Evans





*Disjointed. Lots of things happening I have no control over at the moment. As I can't do anything about them I'm concentrating on my mental health – BJIimages*



# The One Project

Our community is made up of people who are suffering from these issues, advocates or those who have overcome them in the past, and friends or family members that want to support or learn more about how they can support their loved ones. We also have many mental health professionals or people working within the health industries who participate in the community and learn from our techniques.

Through our extended network, we work to empower members who are comfortable sharing their stories publicly with paid opportunities to amplify their voice and story.

The next stage for The One Project is building a team of community leaders around the world to help connect our members offline and help to educate more people about the healing power of photography through events like photo walks, workshops and exhibitions.

Will you join us?

What's your story?



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## **BRYCE EVANS**

*Founder of The One Project*

Bryce is an award-winning artist who's always looking to level up, gain valuable insights on life, and make a positive impact. He's worked with top international brands, created projects with a global reach, and exhibited his artwork around the world. In 2010, he founded The One Project as the first photography community for people suffering from depression and anxiety. Since then he's become an expert in therapeutic photography for mental health through his writing, teaching, and speaking, including the TEDx talk, *How Photography Saved My Life*. His mission is to impact one billion people.

Join the community: [www.theoneproject.co](http://www.theoneproject.co)





# Water! --- From risk --- to resource

People skating on frozen Danube river (Neue Donau), in Vienna.



REUTERS / ISSEI KATO

Floods are dangerous environmental disasters. Yet even rivers can be ‘safeguarded’. The example of the Danube shows that high water levels, beyond posing a risk, can also become a resource.



**by the Editorial Office**

**^Above:**

An elderly woman walks next to submerged and destroyed houses in a flooded area in Mabi town in Kurashiki, Okayama Prefecture, Japan, July 9, 2018.

For tropical farmers, the humid rain-charged monsoon wind, ready to fill the alluvial plains, represents a natural blessing. The same can be said for the frequent overflows of the Nile's banks, which enabled the pharaohs to build one of mankind's most successful civilisations. But in 2017, the South Asian territories between the Himalayas and the Indian Ocean were devastated by excessive monsoon rains that ravaged the natural environment and killed numerous people. Even the withdrawing Nile, while leaving behind a fertile humus, kills many fish trapped in the mud formed by its rapidly retreating waters. Floods are indeed among the most common causes of environmental damage. How can we interpret them and where do they originate? And, most importantly, how can we become flood-resilient? In some cases, particularly when vast areas are considered, a single actor might not be enough, so partnerships are necessary: The Commission for the Protection of the Danube River (LCPDR) has created a platform that involves 14 European countries cooperating to manage the waters of Europe's longest navigable river.

### **Floods: what are they and where do they come from?**

Floods occur when water flows over land that is normally dry. The causes vary significantly. Floods can be generated when rivers overflow their banks, when copious rains fall, when ice melts too rapidly – a phenomenon likely to increase due to climate change-related phenomena – and when large sea storms and tsunamis hit coastal areas. Floodplains can also be swamped when artificial structures collapse. Fortunately, floods take hours, sometimes days, to threaten surrounding areas, often allowing a timely intervention by rescue teams. Sometimes, however, floods spread

so quickly that even rapid response teams cannot avert the damages. The strength of fast-running waters can overwhelm a whole village: 'When a river overflows its banks or the sea drives inland, structures poorly equipped to withstand the water's strength are no match. Bridges, houses, trees, and cars can be picked up and carried off. The erosive force of moving water can drag dirt from under a building's foundation, causing it to

**While it's true that the retreat of the Nile provided precious fertiliser, it also killed an enormous amount of fish trapped in the sludge left behind by the receding waters**

crack and tumble'.

In the United States, where flood mitigation strategies are well developed, the National Geographic reports that floods 'do about \$6 billion worth of damage and kill about 140 people every year' and that, according to a 2007 OECD report, coastal flooding alone causes roughly \$3 trillion dollars in damage worldwide, while in the flood-prone Yellow River valley of China, several million people have died over the last century.

### **The Danube River's solution**

Running more than 2,860 kilometres, the Danube River is Europe's second longest river and its second biggest basin (817,000 km<sup>2</sup>): it cuts across nine countries and through four capital cities while also serving as a natural international border. It



### SOCIO-ECONOMIC DIVERSITY

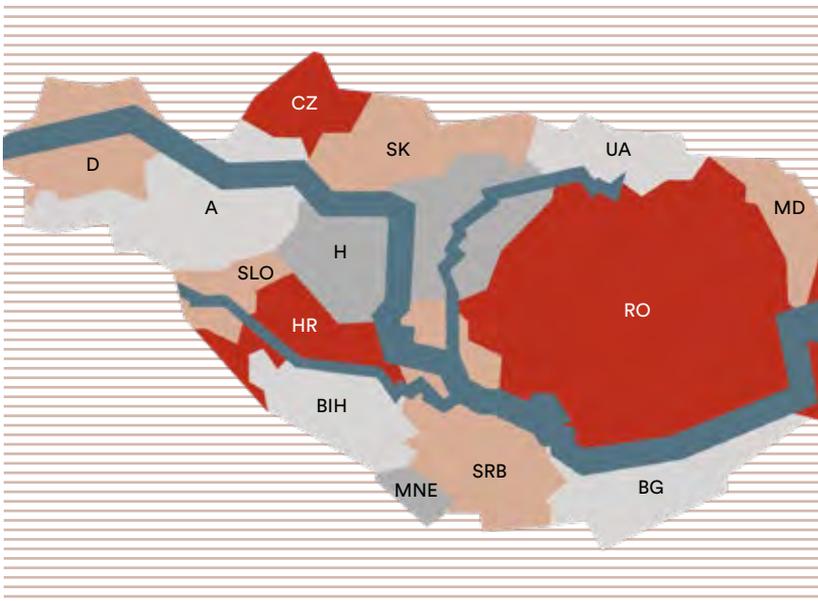
The Danube countries all depend on the Danube waters as an economic resource. Despite this uniting feature, the Danube Rivers flow through countries with very different social and economic conditions. There is a wide gulf between the GDP per capita of Austria,

Germany and Slovenia and the other Danube Basin countries: the wealthiest country's GDP per capita is nearly 14 times higher than that of the poorest. In terms of the characteristics of water use, data shows great differences in the Danube countries. They correspond mainly to the relative importance of the agricultural sector. While 9.8% of Ukrainian, 12.4% of Romanian and 21.8% of Moldovan GDP is generated from agriculture, this share is only 1.7% for Austria, 2.4% for Germany and 2.6% for Czech Republic.

### RELYING ON THE DANUBE: SUSTENANCE, ENERGY AND LIVELIHOODS

The economic value of the Danube River is immense; it is a vital resource for water supply, sustaining biodiversity, agriculture, industry, fishing, recreation, tourism, power generation and navigation. A large number of dams, reservoirs, dykes, navigation locks and other hydraulic structures have been built in the Basin to facilitate many of these important water uses. Historically, the Danube and some of its main tributaries, such as the Sava, have formed important trade routes across Europe for centuries. Historically, the channelization of the river's course has made it easier for ships to navigate 2,411 km, or 87%, of the length of the Danube. As "Corridor VII" of the European Union, the Danube connects the Black Sea with the industrial centres of Western Europe and with the Port of Rotterdam. Recent years saw an increasing awareness for the need to balance economic and environmental need in navigation management with special attention to the natural characteristics of the river. This was reflected in the "Joint Statement on Inland Navigation", issued by the ICPDR, Danube Commission and Sava Commission. A similar consultation process is maintained between the ICPDR and representatives from the hydropower sector.

## THE DANUBE RIVER BASIN





**^Above:**

School girls make their way in a flooded area in Mabi town in Kurashiki, Okayama Prefecture, Japan, July 8, 2018.

originates in the Black Forest and ends its run in a wide delta, dying in the Ukrainian Black Sea. Its mass flow rate varies greatly but can reach up to  $6,500 \text{ m}^3/\text{s}$  right before its delta. These numbers speak for themselves: they highlight both a great resource and a great risk.

The International Commission for the Protection of the Danube River is an international organisation formed by 14 cooperating European states. Since its



REUTERS / ISSEI KATO

manage it is to develop close international cooperation between all the countries that are touched by the river basin, upstream and downstream.

A European directive (WFD) established the juridical framework to improve the management of aquatic ecosystems, slow their deterioration and ensure long-term sustainable use of water resources. It imposes an innovative water management approach based on river basins and natural geographical and hydrological units and further sets precise deadlines for member states. It specifically addresses ‘inland surface waters (rivers and lakes), transitional waters, coastal waters, groundwater and, under specific conditions, water-dependent

**Water does not observe administrative or political borders, and therefore close international cooperation is required to protect and manage it**

establishment in 1998, the LCPDR has become one of Europe’s most proactive and experienced international water management bodies. The LCPDR, in fact, does not deal only with the Danube River itself, but also with its tributaries and groundwater resources.

Since water – as the LCPDR clearly states – overruns administrative and political borders, the best way to protect and

terrestrial ecosystems and wetlands’. It sets out several water management integrative principles and further aims to integrate water management across different policy areas.

A specific working group of experts, the Accident Prevention and Control Expert Group (APC EG), structures strategies to prevent and manage accidents and develops emergency preparedness response systems.

It recently recommended that, between 2015 and 2027, the EU member states ‘should aim to achieve good status in all bodies of surface water and groundwater’, so that the great river can be constantly safeguarded and controlled.

### **Protecting water resources**

The world’s major water basins are complex and dynamic systems for which investments

developing local downstream ecosystem services. And what is true for large water basins – that they require large investments – is equally true for smaller water streams. The Andhikhola Run-of-the-River Project (AHP), for instance, is a central-western Nepali hydroelectric and irrigation project. Developed to minimise residents’ energy needs, the project can sell energy surpluses to the national energy network. It has also

**CGIAR-WLE has conducted ground-breaking research on some of the largest river basins in the world, including the Ganges, Mekong and Nile, with the aim of finding viable, fair, and sustainable ways to improve the livelihoods of those living within them**

and natural and man-made upstream interventions have direct repercussions on downstream livelihoods, strategies and ecosystem services. The water, land and ecosystems research project (CGIAR-WLE) conducted innovative research on the water basins of major rivers, such the Ganges, the Mekong and the Nile, to identify how best to improve the livelihoods and strategies of the inhabitants of the surrounding environments in an equitable, profitable and sustainable manner, while simultaneously

REUTERS / PIROSHKA VAN DE WOUW



introduced a new experimental irrigation method, whereby profits are re-invested in local economic development. The project has continued successfully for almost twenty years, demonstrating how water represents a resource that needs to be managed, protected, conserved and employed as a development engine that can manage excesses and avoid soil degradation. But how?

### **The ‘nature’ solution**

The first World Water Day was observed on 22 March 1993. The intention was to emphasize water’s vital importance and promote trust in the sustainable management of all water resources. In 2018, the theme of the 25th annual World Water Day was the relationship between water and nature, as encapsulated in the slogan ‘The answer is nature’. The aim was to stimulate



Containers are loaded onto a ship at the port of Rotterdam, Netherlands, September 11, 2018.



**^Above:**

Farmers in their traditional 'Chhetri' attire plant rice seedlings during Asar Pandra in Patan.

research and foster nature-based solutions (NBSs) to face upcoming challenges, such as the ever-increasing floods and droughts, water pollution, environmental degradation and climate change-related phenomena. The Answer is Nature looks at nature's enormous potential and at NBSs to address most of the issues related to the depletion and pollution of water resources. This is a problem that



REUTERS / SHRUTI SHRESTHA

contribute to rebalancing the hydrological cycle and mitigating climate change-generated phenomena. They also allow better economic development and improved public health.

The rationale behind such an approach is to promote trust in an economic cycle that protects ecosystems while reducing pollution and environmental degradation. Such a project also relates to individual behaviour and our simple, yet determinant, everyday actions: stop the running tap while brushing your teeth, reduce showering time, optimise washing machine cycles, reduce irrigation losses by using a watering can, stop leaks and recycle waste. Waste water, if properly managed, can indeed be transformed into a resource.

**Solutions that work with nature aid in rebalancing the water cycle and mitigating the effects of climate change, protecting public health and wellbeing and ensuring economic growth**

affects almost two billion people living in drought-prone areas – an estimate expected to peak at 3 billion by 2050 – and is further aggravated because more than 80% of all wastewater returns to the ecosystem without being recycled, causing pollution as well as great economic losses. Nature-based solutions (e.g., reforestation, water management) can sustainably and effectively



**No man can  
become  
rich without  
himself  
enriching  
others**

Novice Monks Collecting Alms At A  
Fresh Produce Market In Mandalay,  
Myanmar.





Red Cross nurses march during a military parade to celebrate Italy's anniversary of unification, in Rome.

Government development aid and poverty reduction expenditures do not meet global demand. Still, private aid is on the rise, even in the poorest countries.

**by the Editorial Office**

Originally, goodwill ambassadors would mobilise to support a noble cause, a diplomatic mission or, most often, to boost fundraising initiatives for a given organisation. Charity, on the other hand, has always existed, and so have philanthropists. They existed before the advertisement industry created the figure of the testimonial and the role of brand-promoting sponsors, and well before humanitarian organisations were told to follow the same path. In recent times, however, things have changed. Goodwill ambassadors promoting a sense of trust and fostering civic engagement have been supported by philanthropists. The debate around individuals' private commitment to humanitarian causes has benefited the humanitarian arena, specifically considering the recent climate of funding depreciations,

which has led humanitarian actors to look for alternative sources of funding. Sir Henry Dunant, the Swiss founding father of the idea of humanitarian action, contributed to the fight against humanitarian crises as a private individual. An entrepreneur and philanthropist, Dunant was awarded the first ever Nobel Peace Prize in 1901. Dunant, who had created the Red Cross after witnessing the horrors of the Battle of Solferino, was awarded Alfred Nobel's prize and was recognized for having laid down the key governing principles for humanitarian interventions: independence, neutrality and impartiality.

A century later, although certain elements have changed, humanitarian actors have remained the same: regional, national and international organisations, nation-states and private individuals. A tool to measure their generosity has been developed in the meantime: the CAF World Giving Index analyses how, for whom and in what fashion charity is done. The 2017 edition reported that there was an overall reduction in global donations, so that the percentage of people around the world who reported donating money in 2016 was the lowest in three years. Each western country among the top 20 donors, from New Zealand to the United Kingdom, reported a decreased average. Scores of countries in Europe, Asia and Oceania were below their five-year averages while, paradoxically, Africa was the only continent to witness an increase in all donations. Globally, Myanmar continued to be the most generous country for the fourth consecutive year. Considering that the index accounts for the volume of donations and also includes qualitative indicators, a 'poor' Burmese is proportionately more generous than a 'wealthy' westerner.

When it comes to governments' yearly global expenses (2016), 97% of all humanitarian aid is funded by 20 countries,

with the United States, the largest donor, accounting for 31% of all international aid. Yet if these estimates are compared with gross domestic products, the United States drops to the eighteenth position, while Arab countries rise to the top. According to the United Nations, despite a global increase in humanitarian funding – of which the agencies of the United Nations are the principal beneficiary – the gap between the available

**Henry Dunant, the Swiss man often credited with inventing modern humanitarian activism, was a private person: an entrepreneur and philanthropist, and the first ever recipient of the Nobel Peace Prize**

resources and the needed humanitarian interventions continues to grow, with 40% of all humanitarian needs remaining unmet. The slow increase in institutional humanitarian funding is balanced by the contributions of private donors which, in financial terms, provided 6.9 out of the 27.2 billion dollars of current humanitarian aid, almost a quarter of the total.

The army of private donors, as highlighted by the case of Myanmar, is highly heterogenous, ranging from those contributing one dollar from their meagre salary to those offering one billion dollars out of their fortunes in entrepreneurial revenue. Business Insider's chart of the 20 most generous people in the world is dominated by North American citizens – Bill Gates,

## TOP 20 COUNTRIES IN THE CAF WORLD GIVING INDEX WITH SCORE AND PARTECIPATION IN GIVING BEHAVIOURS

COUNTRIES	CAF WORLD GIVING INDEX RANKING	CAF WORLD GIVING INDEX SCORE (%)	HELPING A STRANGER (%)	DONATING MONEY (%)	VOLUNTEER TIME (%)
 Myanmar	01	65	53	91	51
 Indonesia	02	60	47	79	55
 Kenya	03	60	76	52	51
 New Zealand	04	57	65	65	41
 USA	05	56	73	56	41
 Australia	06	56	66	63	40
 Canada	07	54	67	61	35
 Ireland	08	53	61	60	39
 UAE	09	51	71	55	27
 Netherlands	10	51	51	64	36
 UK	11	50	58	64	28
 Sierra Leone	12	49	81	26	41
 Malta	13	48	45	73	26
 Liberia	14	46	75	18	46
 Iceland	15	46	44	68	26
 Thailand	16	46	51	68	19
 Iran	17	45	61	50	25
 Zambia	18	45	69	33	33
 Germany	19	45	58	55	22
 Norway	20	45	49	55	30

Source:  
CAF World  
Giving  
Index, 2016

Warren Buffet, young Mark Zuckerberg and Ted Turner, to mention a few – or naturalised Americans (Hungarian George Soros or Franco-Iranian Pierre Omidyar), all of whom embody the motto of the father of all philanthropists, the Scottish-American Andrew Carnegie (1835-1919). He famously stated, ‘no man can become rich without himself enriching others’. The Business Insider’s chart also points to the Indian Azim Premji, the Saudi Sulaiman bin Abdul Aziz Al Rajhi, the Mexican Carlos Slim Helú and the Chinese Li Ka-shing. Yet it is crucial to look beyond the magnitude of individual generosity

**There is still a long way to go in building a relationship of mutual trust between institutions, individuals and civil society, despite the large numbers**

and account for how such generosity is channelled, considering quality, method and choices as well as quantity. Should charity be deregulated? Should the poor be helped directly, or should development processes be supported to prevent an increase in poverty?

The debate was officially opened in June 2013: more than 150 delegates visited New York for a meeting on philanthropy held by Forbes and opened by former UN Secretary General Ban Ki-Moon. All prominent philanthropic actors attended: The Gateses, the singer Bono, the Rockefeller Foundation and billionaire Warren Buffett, among others. Forbes reported that the participants

discussed how best to employ money, fame and entrepreneurial talent to eradicate poverty. Following the conclusion of the meeting, Forbes published a special edition titled ‘Entrepreneurs Can Save the World’.

A more structured answer was provided three years later, in May 2016, at the World Humanitarian Summit (WHS), a global meeting held in Istanbul and promoted by General Ban Ki-moon. The Korean leader invited more than nine thousand participants from 173 countries: fifty heads of state and hundreds of representatives from the private sector, civil society and non-governmental organisations. The UN wanted to strengthen the idea of a globally responsible and less fragile humanitarian system: to share know-how and best practices under a common minimum denominator, a forum to foster globally coordinated actions amongst public and private institutions and civil society. Initiated by the UN in 2012, the summit was intended as a turning point for the global humanitarian response and was thus introduced by a series of regional conferences and multilateral meetings. Unfortunately, the summit did not, as hoped, meet the expectations that had arisen for it. Nevertheless, it was the first global attempt to coordinate and organise a previously driverless humanitarian arena.

A similar effort has also been made by the UNDP, the United Nations Development Programme, with the intent to develop and promote coordinated territorial networks. Going beyond the traditional postulate ‘Nation State – development aid’, the UNDP has been focusing on decentralised situations and the role of their main actors. It takes a bottom-up approach, from small townships to large cities, in a dialectical relationship with the centre – the state and the capital city – and with large international organisations. This all-round partnership involves the



A volunteer carries hygiene kits provided by UNICEF, amid a cholera outbreak, in Sanaa, Yemen, May 24, 2017.



*The transformation of a neighborhood of mostly Muslims in an India ruled by Prime Minister Narendra Modi and a nation controlled by his Hindu-nationalist Bharatiya Janata Party is also being*

*lauded as an example of communal cooperation in a city where tensions between Muslims and Hindu nationalists has flared. The BJP-led state government has set up a so-called war room to clear hurdles in the way of crucial infrastructure projects, including Bhandi Bazaar.*

*Construction has already begun with the virtually unanimous cooperation of residents with about 70 buildings demolished so far and more than 1,700 families, or about half of the total, already moved to free, fully furnished temporary housing and awaiting the completion of the first towers by 2018.*

*A key reason for the acquiescence is that the redevelopment project is being carried out as a philanthropic and religion endeavor: by the Saifee Burhani Upliftment Trust, a charity set up in 2009 by the late spiritual leader of the fields Muslim Dawoodi Bohra community. The trust, all there is in the process of choosing a developer to complete the complex, started on the construction in January. The Trust contracted local developer Capacit'e Infraprojects Ltd. to develop the first of the towers and New Jersey-based Tricone consortium for another under its supervising until it finishes the process of choosing a final developer.*

*Bhandi Bazaar got its name from the shortened form of the region behind the bazaar of Crawford Market during the course of its British colonial period, and it offered dormitory-style homes to male migrant workers on the docks of the nearby port of old Bombay. As the city's prospering trade and textile mills grew, laborers started bringing their families to live in these single-room units. Gangs operated in the area in the 1970s and 80s, and one of the country's most-infamous gangsters, Dawood Ibrahim, linked to the Mumbai bomb detonations of 1993 and currently on India's most-wanted listing, resided in Bhandi Bazaar.*

## **INDIA'S BIGGEST URBAN MAKEOVER MEANS FREE HOMES FOR 20,000**



GETTY IMAGES / DHIRAJ SINGH

Source: bloomberg

public sector, local entrepreneurs, academic institutions and farmers. The aim is for cooperation amongst actors with different decision-making powers to evolve into a win-win scenario rather than a donor-beneficiary dichotomy. The fourth World Forum of Local Economic Development was held last October in Cape Verde, and it was attended by a myriad of local players engaged with the same networks, representing a wide range of projects from public asset management to environmental protection.

A publication by Jens Martens and Karolin Seitz – Philanthropic Power and Development. Who shapes the agenda? – examined the relationship between humanitarian aid and philanthropy, probing the difficulties of an approach that is yet to fully develop. Over the last decades, the researchers said, globalisation, deregulation and privatisation have augmented the

**When governments appear incapable of resolving global challenges, these emerging actors present themselves as a working alternative: a more flexible and efficient model, shorn of all the bureaucracy**

strength of private actors, specifically of large multinational corporations. Martens and Seitz noted that firms operating in several countries and accumulating enormous revenues had gained political and economic status. Their influence, according to the

report, has also grown vis-à-vis global political debates, poverty eradication, sustainable development, climate change and human rights. When national governments appear unable to meet national challenges, these new emerging actors portray themselves as the operative solution, as a model that should in theory be more flexible, effective and non-bureaucratic. Such great affluence not only fuels poverty reduction programs: It also flows into the private sector as investments, specifically in the fields of technology development, biomedical research and agricultural production. In the end, claim the researchers, even corporations enjoy important benefits.

As in all phenomena, there is always a critical tipping point. Currently, such wealth allows important sums of money to move. With an estimated net worth of 360 billion dollars, the world's 27 largest foundations (19 of which are American) generate 15 billion dollars in charity donations each year, financing the United Nations as well as small organisations and individual projects. Overall, they total almost three times as much as formal humanitarian support. The Bill and Melinda Gates Foundation is by far the largest donor, contributing almost 2 billion dollars each year. Private donors follow: Jens Martens and Karolin Seitz counted 137 billion dollars coming from roughly ten countries, mainly focused on health services, epidemic containment, food and agriculture.

Despite the large financial figures, building a relationship of trust between institutions, individuals and civil society requires engagement and joint work. Much needs to be done to continue building upon what Henry Dunant and Andrew Carnegie started at the beginning of the 20th century.

A photograph of an offshore oil rig structure on the right side of the frame, extending into the sea. A red support vessel is positioned in the middle ground, moving towards the rig. The sky is filled with soft, white and grey clouds, suggesting a dawn or dusk setting. The water is a deep blue with gentle ripples.

# The other side of the coin on CO<sub>2</sub> emissions



Oil and gas company Statoil gas processing and CO<sub>2</sub> removal platform Sleipner T, in the North Sea, about 250 West of Stavanger, Norway, February 11, 2016.

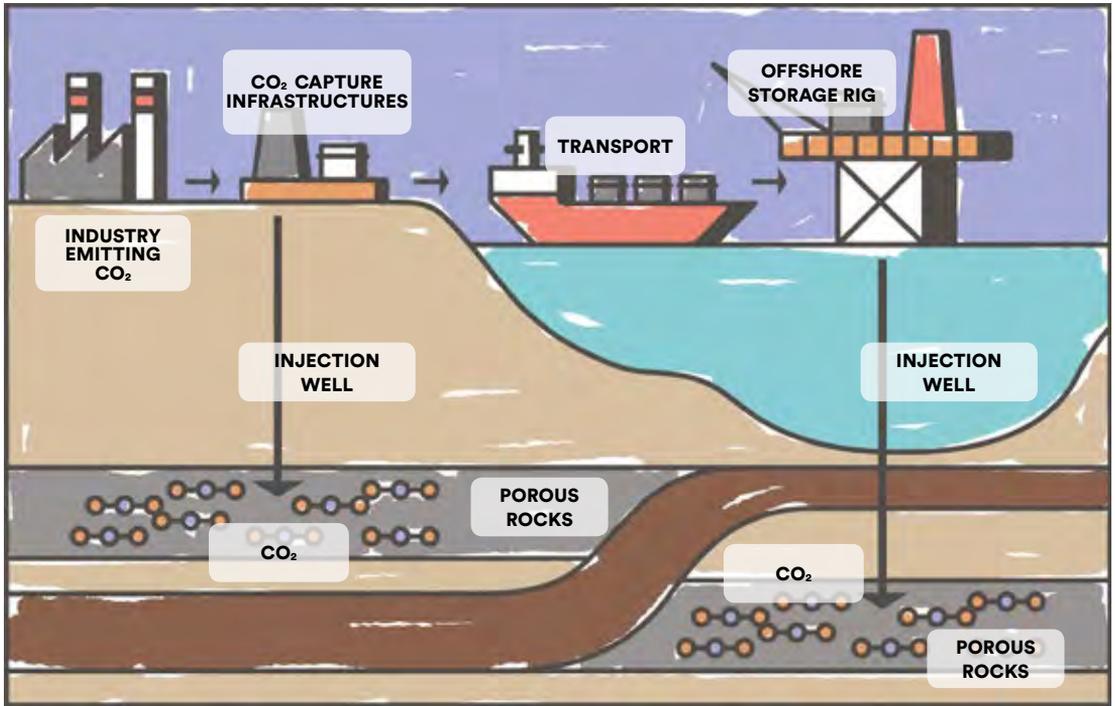
CO<sub>2</sub> is the leading environmental issue of our time. But reducing emissions is not the only way to avoid its buildup in the atmosphere. It is also possible to capture the CO<sub>2</sub> and transport it to a safe site.

**by Sergio Persoglia**

– Associate of the National Institute of Oceanography and Experimental Geophysics (OGS) and Secretary General of CO<sub>2</sub>GeoNet

There is a strong consensus among the scientists that the emissions to the atmosphere of Carbon Dioxide (CO<sub>2</sub>) produced by human activities are the major responsible for Global Warming and its consequences as increase of sea level, desertification, reduction of glaciers all over the world and of ice cover in the North pole and Antarctica, increase of meteorological disasters, as hurricanes and floods. CO<sub>2</sub> is surely one of the biggest environmental risk factors to occur over the last 150 years. The figures confirm the emergency: in 2017 the CO<sub>2</sub> concentration in the atmosphere has crossed the critical threshold of 400 parts per million, the highest in the last 20 million years, and is still ramping up.

We have to react and strongly decrease the CO<sub>2</sub> emissions and DO IT NOW, with available technologies which can be further improved



CO2 Capture and Storage

for capturing the CO<sub>2</sub> produced by human activities, converting it into useful byproducts, and bringing the remaining part into the deep geological formations from where it comes.

A very serious risk to mankind can be so turned into an opportunity for mission-oriented research and innovation, job creation and a more sustainable overall energy system.

And, indeed, the CO<sub>2</sub> is produced when fossil fuels (coal, oil and gas) are burnt and the carbon (C) contained in them interacts with the oxygen of the air (O), forming carbon dioxide (CO<sub>2</sub>). Thankfully, many techniques exist to ‘capture’ the CO<sub>2</sub> before emitting it into the atmosphere. After some treatments, it can be transported by pipelines or ships and injected to suitable deep geological formations, porous and

**We have to react and strongly decrease the CO<sub>2</sub> emissions and DO IT NOW, with available technologies which can be further improved for capturing the CO<sub>2</sub> produced by human activities**



overlaid by impermeable rocks, as the depleted fossil fuels reservoirs. A fruitful cycle then occurs: oil or gases are extracted, releasing  $\text{CO}_2$  when utilized to produce energy;  $\text{CO}_2$  is then captured and stored forever into those same exact spaces left empty by the extracted hydrocarbons. Other types of suitable rocks also exist, with a huge potential for storing  $\text{CO}_2$  found in deep porous formations saturated by water of such high levels of salinity, which make

it unusable for any human or industrial purpose.

CCS is not a dream, especially if we consider the fact that a rather high percentage of the entire  $\text{CO}_2$  emissions from human activities is produced in some specific localized sites, such as energy power plants, steel industries, paper mills, chemical plants etc., a rather important detail, which opens up the possibility to capture the  $\text{CO}_2$  directly on these sites.



REUTERS / MORRIS MAC MATZEN

**^ Above:**

Power-generating windmill turbines at the 'Amrun Bank West' offshore windpark in the northern sea near the island of Amrum, Germany.

At the same time, CCS is not the unique solution to keep the global warming, by the end of this century, within the limits stated within the Paris agreement. This because the dimension of the threat that human kind is facing is so huge that all the methods existing now to avoid or reduce CO<sub>2</sub> emissions, as well as those emerging step-by-step in the laboratories, have to be deployed on a large scale contemporaneously. A conclusion already underlined in 2004 by Princeton professors Rob Socolow and Stephen Pacala who in an article published in Science magazine argued that, to stabilize the CO<sub>2</sub> concentration in the atmosphere to a maximum of 500 parts per million (ppm), or less than double of the preindustrial concentration of 280 ppm, the world should stop increasing the emission rate of CO<sub>2</sub> and then reduce it after 2055.

This would mean to adopt techniques and policy able to avoid, in the years until 2055, the emission of a total of 640 giga tons of CO<sub>2</sub>, compared to business as usual scenarios.

Socolow and Pacala identified 7 major stabilization technologies that, if deployed at a significant global scale, could conceivably reduce CO<sub>2</sub> emissions by 91 giga tons each, in 50 years. Despite still requiring very huge investments, such identified technologies

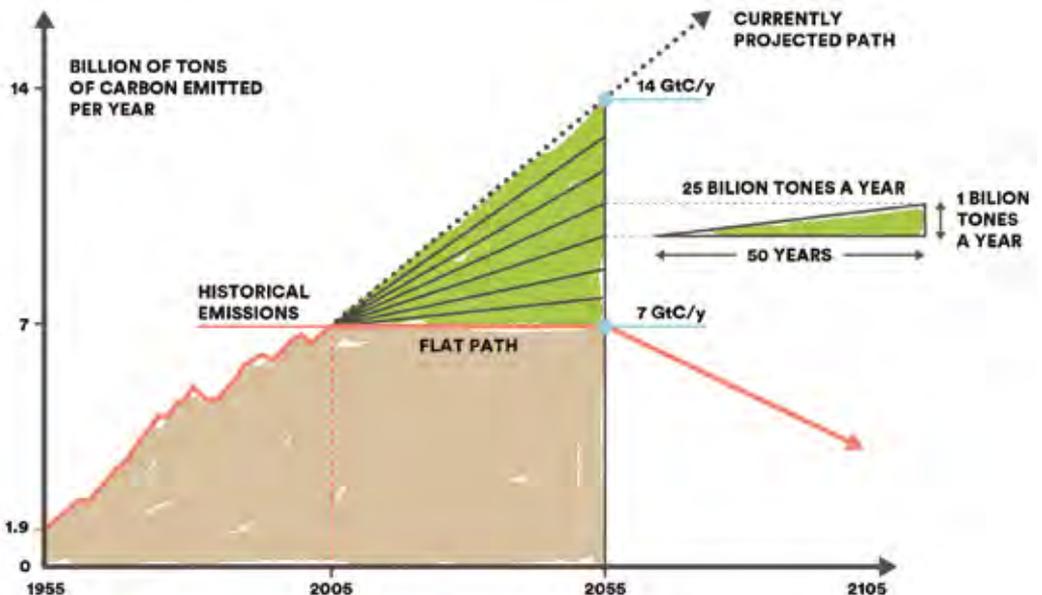
**CO<sub>2</sub> can be transported by pipelines or ships and injected to suitable deep geological formations, porous and overlaid by impermeable rocks, as the depleted fossil fuels reservoirs**

**Socolow and Pacala identified 7 major stabilization technologies that, if deployed at a significant global scale, could conceivably reduce CO<sub>2</sub> emissions by 91 giga tons each, in 50 years**

appear as conceivable. Some examples are: increase fuel economy from 5,6 l/100 km to 2,8 l/100 km for 2 billion cars (about 4 times those existing in the world at the time of the article); cut carbon emissions by one-fourth in buildings and appliances projected for 2054; add 2 million 1-MW-peak windmills (50 times current capacity); substitute coal power plants with photovoltaic systems (700 times those installed); add 100 times the current Brazil or U.S. ethanol production, with the use of 250 million hectares (one-sixth of world cropland); introduce CO<sub>2</sub> capture and storage in coal and gas electric power plants and store every year 3.500 times the CO<sub>2</sub> sequestered at Sleipner in the North Sea.

**Under:**

Impact of seven technologies for CO<sub>2</sub> emissions reduction (values referred to C; multiply by 3,67 to get values referred to CO<sub>2</sub>)





#### **SERGIO PERSOGLIA**

*At the OGS (National Institute of Oceanography and Experimental Geophysics), he has been Director of the Department of Geophysics of the Lithosphere, Assistant to the President, and Director of the International Collaborations structure. After retiring, he has been a member of the OGS Board of Directors until August 2015.*

*Expert in seismic data acquisition and processing, he acted as scientific and / or operational manager in many relevant national and European projects.*

*Network Manager and then Secretary of CO2GeoNet (the European Network of Excellence on the geological storage of CO<sub>2</sub>), President in 2001 and 2010 of ENeRG (the European network that brings together research institutions from 31 countries in Europe, active in the field of geo-energies), until November 2012 coordinator of the geological storage in the "Joint Program on CCS" of EERA (European Energy Research Alliance), he is currently Secretary General of the CO2GeoNet Association.*

*Sergio Persoglia graduated in Electronic Engineering at the University of Trieste, Italy.*

#### **ABOUT CO2GEONET**

*CO2GeoNet is the European scientific body on CO<sub>2</sub> geological storage. The Association currently comprises 29 research institutes from 21 European countries, and brings together over 300 researchers with the multidisciplinary expertise needed to address all aspects of CO<sub>2</sub> storage. With activities encompassing joint research, training, scientific advice, information and communication, CO2GeoNet has a valuable and independent role to play in enabling the efficient and safe geological storage of CO<sub>2</sub>. CO2GeoNet was created in 2004 as a Network of Excellence supported by the EC FP6 programme for 5 years. In 2008, CO2GeoNet became a non-profit association under French law. From 2013, the membership of CO2GeoNet expanded thanks to the support of the now completed FP7 CGS Europe project. New Members continue to join CO2GeoNet to further enhance the pan-European coverage and expertise of the Association.*

*More about CO2GeoNet at [www.co2geonet.com](http://www.co2geonet.com)*

Because all 7 technologies have to be adopted together it is clear how huge the effort needed to reduce CO<sub>2</sub> emissions is and especially that no silver bullet exists. So, if someone asks if we have to be pessimistic or optimistic regarding the possibility to maintain global warming within acceptable limits by the end of this century, I think that there are more positive than negative aspects to consider. Whether it is true that from the time of Socolow and Pacala's article CO<sub>2</sub> emissions in the atmosphere have continued to increase, currently sitting at 37 giga ton CO<sub>2</sub> per year, good signals of a willingness to act and contrast global warming can be traced and

**Only few years ago, all these positive actions end events seemed almost unattainable, while there is today an increasing consciousness that we have no other choice than act all together to win the battle**

highlighted. For example, in December 2015 representatives of 196 state parties at the 21st Conference of the Parties of the UNFCCC (United Nations Framework Convention on Climate Change) in Le Bourget, near Paris, adopted by consensus an agreement, to keep the increase in global average temperature to well below 2 °C above pre-industrial levels and to limit the increase to 1.5 °C, since this would



CO<sub>2</sub> Capture and Storage (CCS) refers to a group of technologies that can reduce CO<sub>2</sub> emissions in energy intensive industries and fossil fuel power plants, by capturing and then storing forever the CO<sub>2</sub> in deep geological formations.

By combining CCS with natural gas treatment, it is possible to produce efficiently hydrogen, which can then be used to reduce CO<sub>2</sub> emissions from domestic and industrial heating.

CCS can also be used with bioenergy (bio-CCS or BECCS) as a negative emissions technology, which can actually remove carbon dioxide from the atmosphere.

### **CAPTURE**

The first stage in the CCS process is the capture of carbon dioxide from industrial processes such as steel-making, cement, chemicals and refining as well as from the flue gases produced by burning fossil fuels in electric power plants. Capture technologies fall into three different categories; pre-combustion, post-combustion and oxy-fuel combustion.

Capturing carbon dioxide is not a new technology – in fact, it has been carried out in the chemical industry since the 1940s.

### **TRANSPORT**

Once captured, the carbon dioxide is transported by pipeline or ship to a suitable storage site. Where pipelines can be shared by a number of different industries, there is the potential to develop CCS 'clusters'. Such clusters represent the lowest-cost route to delivering CCS and reducing emissions across energy intensive industries and power. Transportation of carbon dioxide has been carried out for over 40 years (particularly in the US for use in Enhanced Oil Recovery). There are currently 7,762 km of operational carbon dioxide pipelines around the world.

### **STORAGE**

Once the carbon dioxide has been transported, it is safely and permanently stored in geological formations that are typically located at least one kilometer below the earth's surface. Suitable storage sites include depleted oil and gas fields and deep saline formations (porous rocks filled with very salty water). Carbon dioxide can also be used for enhanced oil and gas recovery, where it is injected into near-depleted oil and gas fields to increase production. Any oil or gas that is recovered through this method would otherwise not be extracted and therefore has an economic value, which can help to offset some of the costs of carbon dioxide storage.

## **CARBON CAPTURE AND STORAGE (CCS)**



REUTERS / NERJUS ADOMAITIS

substantially reduce the risks and effects of climate change; as of July 2018, 195 UNFCCC members have signed the agreement, and 180 have become party to it; the use of fossil fuels is decreasing and the development of renewable energies is skyrocketing (i.e. the global windmill capacity has grown from 2001 to 2017 by a factor of 22; in the same time period, photovoltaic, also known as solar PV, evolved from a niche market of small scale applications to a mainstream electricity source, competing with conventional energy sources and grid parity has already been reached in about 30 countries; actually, 21 large-scale CCS facilities are in operation or under construction worldwide, with a capacity of storing 40 million ton CO<sub>2</sub> per annum in deep geological formations, and 17 more are in advanced or early stages of planning (1 million ton of CO<sub>2</sub> corresponds

to the annual emissions of 214.000 cars or to the energy use for one year of 108.000 houses).

Only few years ago, all these positive actions end events seemed almost unattainable, while there is today an increasing consciousness that we have no other choice than act all together to win the battle. We need vision, trust and many investments: however we certainly cannot give up the opportunity to write a new future for the planet.

**⤴ Above:**  
Petra Nova CCS Facility  
at NRG Power Plant in  
Richmond, Texas, U.S.,  
May 18, 2018.



An employee walks on a treadmill in the fitness center at Google Canada's engineering headquarters in Waterloo, Ontario, Canada. The 185,000-square-foot facility currently houses over 350 employees from Google's Canadian development team.



**Welfare**  
**is getting**  
**into shape**

For many years, welfare has been on a downward spiral. The solution will come from the private sector.

**by the Editorial Office**

In 1941, the Archbishop of York, William Temple, used the term welfare state for the first time, in contrast with the concept of the German war state. Generally, since the last century, welfare has identified all the public measures aimed at supporting and providing security and social rights to members of society.

The welfare state has allowed western economies to rebound after the Second World War and to foster economic and social development. For decades, States have protected broad population groups, enabling decent living conditions even for the most vulnerable people who were thus able to live safely, have access to health care and to pursue a path of complete education.

Under this system, although applied with varying degrees of intensity, Western

countries have managed to mitigate social and economic inequalities among citizens. It all worked until the 1980s and 1990s, when the model experienced a crisis due to political and social reasons, and above all because of the slowdown in economic growth and the onset of public deficits, which prompted governments to step up their efforts to reconcile falling revenues

**Pension spending is on the rise, and public spending for young people is in decline. The low birth rate combined with increased life expectancy is creating an imbalance**

with ever-increasing services. Such a balance is difficult to address for the public administration, that on its own is unable to provide expensive social protection mechanisms.

One of the causes is the ageing of the population, which is the main factor behind the constant decline in the ratio of workers to pensioners: on the one hand, the number of taxpayers is decreasing more and more and, on the other hand, the number of recipients of public aid is increasing. Pension costs are rising, while public spending for young people is decreasing. The lower birth rate, combined with the increase in life expectancy, therefore triggers an imbalance.

While more and more services are being sought, on the other hand there is a lack of money to fund them. Thus, some of

the foundations of the structure of the state were challenged: health care, social security, public education, unemployment benefits, family allowances, parental leave, access to cultural resources, just when improved living conditions led to an increase in average life expectancy.

One possible solution is to restructure the relationship between the public and private sectors, using different foundations to re-establish the solidarity of citizenship that inspired the development of the welfare state after the war, turning to businesses as the parties that can, through corporate welfare, complete public provision.

By corporate welfare we mean the set of initiatives, be they contractual, or even those taken by the employer alone, which strive to increase the well-being of the families of its employees, by differently distributing the remuneration, taking into account monetary benefits, provision of services or both solutions, benefiting from an advantageous taxation.

It is a very broad definition that encompasses a wide range of services and entitlements: from health to care, to education and recreation with discounts, special agreements, promotions and refunds on leisure activities that give workers several options in addition to traditional pay.

Corporate welfare is a win-win game: employees find solutions to new social needs and save on social security contributions and taxes, due to the substantial zeroing of the tax and social security levy that makes it more convenient to use goods and services rather than receive money.

This means increasing the purchasing power of workers, while at the same time improving well-being within the

company. In fact, worker satisfaction and the company climate improve, while factors such as turnover and excessive absences decrease, besides increasing the company's attractiveness vis-à-vis the outside world and the loyalty of its human resources.

Moreover, thanks to tax relief, employers achieve the advantage of obtaining an effective reduction in the cost of labour in view of the social commitment they have undertaken. Moreover, the care of the relationship with people is of primary interest to entrepreneurs and company managers, especially small organisations where contact with workers is direct.

This is the context in general terms. However, the history and the specific social



**↑ Above:**

The SGR Group began operations as a company dealing in natural gas distribution and sales. The company has adopted several corporate welfare initiatives designed to guarantee its employees a higher quality of life. Among these is the SGR market, which is held on the square outside its headquarters in Rimini, offering locally-grown ('zero kilometre') agricultural produce.

Source: [welfareindexpmi.it](http://welfareindexpmi.it)

structure of each country have influenced the timing of the spread of corporate welfare, which is now experiencing a period of great popularity throughout Europe, albeit implemented in different ways depending on the country in which each company does business.

In the Scandinavian countries, where the State is still heavily present and capable of handling most of the needs of individuals and families, a “low incidence” model of corporate welfare has developed that is essentially limited to projects concerning working hours and flexibility. Instead, in the Mediterranean countries, a concept of “high incidence” welfare has become more common, with companies increasingly

**Corporate welfare is a positive sum game: employees find solutions for their new social needs and save on social security and taxes**

trying to respond to the growing demand of employees for health care, training and family support.

In France, for example, the demands of trade unions and workers have focused on services such as health care, social security supplements, vocational training, protection and support for the workers’ families.

This led to the introduction of the CESU, a voucher co-financed by employers and used to purchase services for individuals and families, the OCIRP, a form of bilateral welfare that focuses on vocational training

and the CET, a working-hours account that lets employees choose (for unused holidays/overtime work) between paid suspension of work or payment of an amount/allowance.

An innovative form of private welfare has been introduced in the Netherlands, where the LCSS fund, an individual-membership, non-compulsory fund that is encouraged by lower taxation, lets employees set aside part of their salary so that they can use it during unpaid time off and leaves.

Something similar is found in Germany, through the Langzeitkont which is a property fund that collects a virtual bank of overtime unused holidays that can be paid to the employee as equivalent work suspension time (leave, holidays, etc.), with access to early retirement, or in cash.

There is no shortage of examples in Europe, as there are many possible combinations of services and facilities for purchasing family benefits. Experts in the field claim that companies will increasingly respond to the changing social needs of society, where corporate welfare will be tailored to allow employees to independently design the package of services that suits them best.



**^Above:**

La Nuvola is a social cooperative offering assistance, support and help to people: children, families, psychiatric patients and differently-abled people. Eight-five percent of its employees are women, and its welfare initiatives were designed with this in mind. One

of the primary initiatives is the company nursery, which has operated since 2006: the children of employees qualify for a 30% discount, and they can take advantage of flexible timetables that are compatible with their working hours. This is a significant economic investment by

the company, granting new mothers the ability to return to work stress-free, safe in the knowledge that their child is in good hands.

Source: [welfareindexpmi.it](http://welfareindexpmi.it)



## WELFARE CREATES CORPORATE GROWTH AND PROVIDES A POSITIVE IMPACT FOR THE COUNTRY

*In 2016, Generali Italy launched the Welfare Index PMI initiative, together with the principal trade organisations; Confindustria, Confagricoltura, Confartigianato and Confprofessioni, and with the support of the President of the Council of Ministers, to get a snapshot of the state of corporate welfare in Small and*

*Medium Enterprises (SMEs), and rewarding the best initiatives.*

*Public welfare is changing and will have to cope with the expanding needs of the citizens. At this point in time, corporate welfare has an important contribution to make in renewing the country's social policies, and those companies able to adopt positive welfare practices for the benefit of their employees and their families, aside from guaranteeing them a firm socioeconomic safety net, will be able to convert this into a competitive advantage.*

*"The mission of Welfare Index PMI is to spread the culture of corporate welfare to Small and Medium Enterprises in Italy, as these account for over 80% of the national workforce. This is why initiatives adopted by SMEs have a significant social impact and influence on the wellbeing of the majority of Italian employees." (Lucia Sciacca, Director of Communications and Social Responsibility of Generali Italy).*

*However, in order to enact welfare initiatives, SMEs require clear information and new professional skills. This is why, alongside the primary role of raising awareness, Welfare Index PMI is proposing a set of secondary objectives:*

- *using research and the annual report to monitor the adoption and evolution of corporate welfare over a period of years, identifying the location and sector-specific needs of the businesses;*
- *offering SMEs tools to measure their quality of welfare (the index) and to prioritise and communicate to the stakeholders the quality of welfare they reach (rating and rewarding best practice).*

*In three years, Welfare Index PMI has brought 10,000 businesses on board, with over 600 articles in the media and 25 million impressions through social and digital channels.*

*The initiative has also had an excellent social impact, improving awareness and understanding. Primarily however, in the past three years, the number of SMEs with high levels of welfare has more than doubled. This is a vital metric which brings hope for positive future development.*

## WELFARE INDEX PMI: A POSITIVE SOCIAL IMPACT INVOLVING 10,000 BUSINESSES IN 3 YEARS



**→Right:**

A moment from the third annual presentation of the Welfare Index PMI report, held in Rome on 10 April 2018.



The  
population  
growth:  
from the  
pyramid  
to the tower



A demographic challenge of historic proportions has arrived on Japan's doorstep. Its working-age population will decline from 79 million in 2012 to 71 million in 2025, and its dependency ratio is set to soar from 0.60 to 0.73 over the same period. With its workforce shrinking, Japan has to rely on productivity as its primary catalyst for growth.

In this picture:  
children as young as 6 are expected to make the journey alone to school without parents.

Source: McKinsey

# Are demographic trends reducing our faith in the future?

by the Editorial Office

Demographic indicators of fertility and mortality rates, age, migration, families, weddings, etc., are a key force behind the economic, corporate and political performance of all countries. In any discussion of the future of the global population, the ghost of Malthus is constantly hovering over our shoulders: an overpopulated globe swallowing up resources at an absurd rate, the pall of anthropization and the disastrous effects of unchecked development. Could it happen any other way? Let's attempt to parse whether there are any positives to be drawn from the statistics on demographic trends.

According to UN estimates, the current global population of 7.6 billion is expected to reach 8.6 billion in 2030 and 9.8 billion in 2050.

The expanding population is not distributed equally, whether in the growth in recent years or the growth forecast for the next few decades. Some countries have a large number of children and young people, whilst others have an abundance of people of working age, and others still are experiencing a rapid rise in elderly people. Some countries stand out with high fertility levels, in others, people are having fewer

children, whilst others still, such as the United States and a few European countries, have seen a recent uptick in this regard. Each of these represents an individual data point in a shared process of demographic transition, and each presents predictable challenges and opportunities for the country in question. This transition process ‘has largely been brought about by a decline in mortality rates (improved nutrition and hygiene, disease control and medical treatment), followed by a reduction in the fertility rate due to couples choosing to limit the size of their families, unburdened by concerns of high infant mortality.

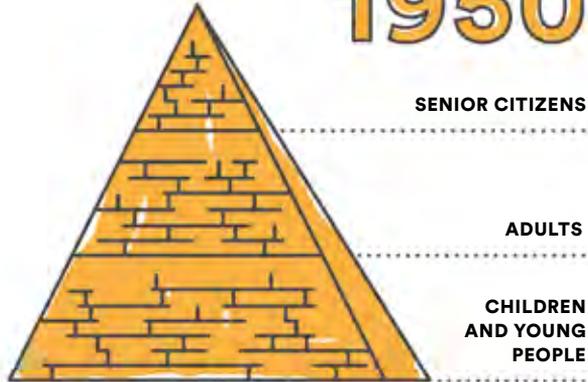
**This transition process has largely been brought about by a decline in mortality rates ... followed by a reduction in the birth rate due to couples choosing to limit the size of their families**

This “transition”, which took shape in developed countries in the 19th and early 20th centuries and began in the latter part of the last century in the developing world, is taking longer to occur in Africa’ (Livi Bacci 2015). The population growth will be especially prevalent in certain regions, especially Africa, where the population is expected to increase so rapidly that over half of the increase in global population between now and 2050 is forecast to take place there. This is due to a delay in the same process of demographic transition, from high to low mortality rates and high to low birth rates: in short, there is a period of a few decades before the birth rate adjusts to the decline in the mortality rate, and during this period the population growth rate will accelerate, exactly as is happening in Africa.

On a global scale, the population distribution by age in 1950 looked like a pyramid, with a wide base representing children and young people and a tip indicating a small number of old people. If we look at the same distribution in 2017, the base has eroded considerably, reflecting a reduction in the number of young people as a percentage of the global population,

# THE EVOLUTION OF POPULATION DISTRIBUTION MODELS BY AGE

## 1950



## 2017

SENIOR CITIZENS

ADULTS

CHILDREN AND YOUNG PEOPLE



> 60 YEARS

< 25 YEARS

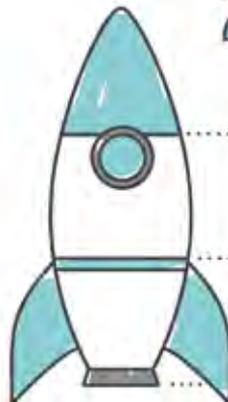


## 2050

SENIOR CITIZENS

ADULTS

CHILDREN AND YOUNG PEOPLE



The population distribution by age in 1950 looked like a pyramid, with a wide base representing children and young people and a tip indicating a low number of old people. In 2017, the base has eroded considerably, reflecting the reduction in the number of young people and providing a shape which is much more reminiscent of a pagoda. This is especially clear in Europe, where the age distribution figure resembles a vase, i.e. fewer youths and many more older people. According to UN projections, the age distribution in 2050 will resemble a rocket more than a pyramid. At that point, the population will be distributed more evenly, with a growing number of people reaching a very advanced age.

**In a country experiencing rapid growth, a reduction in the fertility rate will result in a population with a vast majority of people of working age**

and forming a shape that is much more reminiscent of a pagoda, with a base that is only slightly larger than the central part. This is especially clear in Europe, where the age distribution figure resembles a vase, with around a quarter of the population below the age of 25, and another quarter aged 60 or above, i.e., fewer youths and many more elderly people. In 2050, according to UN projections, the age distribution of the global population will resemble a rocket more than a pyramid. At that point, the population will be distributed more evenly in terms of age, with a growing number of people reaching a very advanced age.

Overall future demographic trends will be influenced by the trajectories of three primary drivers of change: fertility, mortality and migration. Throughout the world as a whole, the fertility rate has been in constant decrease since the 1960s. Between 2010 and 2015, the average woman had 2.5 children during her lifetime, but this number varies wildly in different regions. Europe had the lowest fertility rates (although there has been a slight uptick in the last fifteen years, from 1.4 to 1.6 births per woman), and between 2010 and 2015, 46% of the world's population lived in countries (primarily European and North American) in which the fertility rate was below the replacement level – meaning that the number of new births every year was insufficient to replace their parents' generation (which requires 2.1 children per woman). In 2017, 60% of Africa's population was under 25 years of age, whilst only 5% was aged 60 or above. Despite its decreasing fertility rate, Africa remains the continent with the highest rate population growth. Between 2017 and 2050, the population of 26 African countries is expected to at least double.

At every level of the transition from a younger to an older population, the

countries in question will face opportunities alongside huge challenges such as ending poverty and hunger, expanding and modernising the healthcare and education systems, reducing inequality to ensure nobody gets left behind and more besides. Here, the demographic trends highlight elements and aspects that allow us, if not to tear down the curtain of Malthusian pessimism, then at least to open it slightly. First and foremost, these countries can expect important opportunities in the intermediate phase of this transition; in a country experiencing rapid growth, a reduction in the fertility rate will result in a population with a vast majority of people of working age within a few decades, even if the final outcome of this situation is growth in the old-age population a few decades later. While it lasts, the favourable age distribution can result in increased growth in per-capita income, helping to lift people out of poverty and offer them a more prosperous future: this is the so-called demographic dividend, which the United Nations Population Fund (UNFPA) defines as 'the economic growth potential that can result from shifts in a population's age structure, mainly when the share of the working-age population is larger than the non-working-age share of the population'. A country with a growing number of young people and a decline in fertility rates has the potential to achieve

**Life expectancy has greatly increased. The greatest increase has been in Africa, by almost 23 years**

a significant demographic dividend, potentially bringing about a phase in which trends can be analysed without alarm. Under certain conditions, these can also indicate an improvement in the global system, or at least a boost to it, as confirmed by long-term trends that emerge from certain indicators related to mortality and other factors. First of all, life expectancy: over the last 65 years, the life expectancy at birth has increased hugely, by more than 20 years (from 47 to 67) between 1950-1955 and 2000-2005, reaching 70.7 in the 2010-2015 period. The greatest increase has been felt in Africa, where life expectancy grew by almost 23 years until 2010-2015. Despite these gains, there are still large disparities between the poorest and wealthiest regions in the world: the most glaring example being the 60-year life expectancy in Africa compared to 79 in North America and 81 in Italy. These regional disparities will not disappear, although the gap is expected to close slightly by 2050, but life expectancy in the poorest countries is nonetheless expected to increase greatly.

There are other vital indicators that indicate a positive trend: for example, infant mortality per thousand children born alive (below five years old) stood at 85 in 1990, while by 2016 it had been reduced to 38, and it is expected to reach 23 by 2030, with a significant reduction to match that of perinatal mortality, which

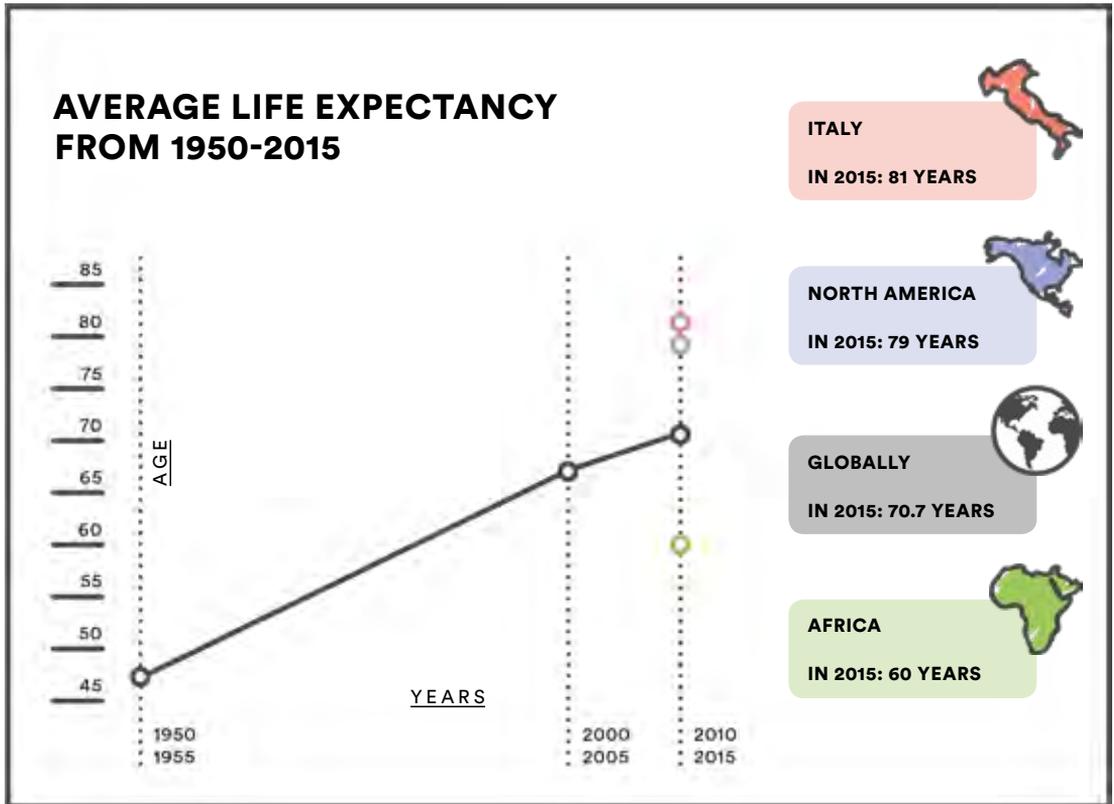
FLICKR / ADAM COHN



**Under:**

Used shoes rinsed off and dried in the sun in Kumasi, Ghana. Customers would point at the ones they wanted and a man with a long stick would hook the pair and swing them over to the customer.





went from 32 per thousand in 1990 to 17 in 2016, and which is expected to reach 11 by 2030. There has also been a significant reduction in some of the biggest diseases. New cases of HIV were reduced from 0.37 per thousand in 1999 to 0.25 in 2016, with a further anticipated reduction to 0.21 by 2030. The overall mortality rate dropped from 0.28 per thousand in 1999 to 0.14 in 2016, with an anticipated reduction to 0.09 by 2030. Lastly, the percentage of the global population living below the poverty line (\$1.90 a day), which was 35% of the world's population in 1990, was reduced to 9% in 2016, and it should fall further, according to UN projections, reaching 6% in 2030.

Between 1950 and 2015, Europe, North America and Oceania experienced positive net migration, primarily migrants coming from Africa, Asia, Latin America and the Caribbean. Between 2000 and 2010, the annual net movement of people between the primary regions of the world grew consistently, and the net flow of migrants to developed countries reached 3.1 million people each year. From 2010 until today, however, the net flow of intercontinental migration decreased, and the forecast is for this reduction to continue, whilst intracontinental migration is expected to increase. In most cases, the impact of international migration on the demographic

dynamics of a country is much smaller than the impact of the balance between fertility and mortality rates. While a change in the fertility rate is a slow process, however, certain countries with low fertility rates and an increasingly aging population and where the mortality rate is equal to or even greater than the fertility rate, positive net migration can serve as the primary source of population growth, and in certain cases has helped to avoid a drop in population size. In addition, as the age distribution

term revival of the age distribution. On the whole, as demonstrated above, without resorting to baseless optimism, international demographic trends do not indicate an inherently negative Malthusian catastrophe on its way. Rather, they offer a balance of light and dark: for one or the other to prevail will depend largely on the decisions of policy makers, who will have a fundamental say in the final outcome.

**In certain countries with low fertility rates and an increasingly aging population, positive net migration can serve as the primary source of population growth**

of migrants is typically younger, positive net migration tends to raise the percentage of the population of working age (in addition to children and young adults) in comparison to the percentage in old age. Migration unquestionably constitutes a positive factor for those countries, including the majority of developed countries, which fail to reach the replacement level and receive a boost from migration, which is also helpful for improving the old-age dependency ratio (the ratio between those above the age of 65 and those of working age). At the same time, it must be recognized that immigration is only a partial counterweight to the long-

Shoppers wait in line to pay for their purchases during the kick-off of the 'El Buen Fin' (The Good Weekend) holiday shopping season, at a Walmart store in Monterrey, Mexico, November 17, 2017.



# Towards a Capitalism of Trust



The prevailing economic model is evolving, and it's opening up new avenues based on building relationships.

**by Lucia Silva**

– Group Head of Sustainability  
and Social Responsibility  
Assicurazioni Generali

**and Alberto Paletta**

– Editorial Office  
Assicurazioni Generali

**A Philosopher and a Mathematician**

Adam Smith, the father of modern economics, was not an economist. He was a moral philosopher from Edinburgh, and while he is widely remembered for his book 'The Wealth of Nations', fewer people know that he was also the author of 'The Theory of Moral Sentiments'. In this text, Smith attempted to identify the roots of social relations and sought to demonstrate that they are primarily based on the concept of sympathy, in the etymological sense of the word ('feeling together'). The first paragraph begins, 'No matter how selfish

you think man is, it's obvious that there are some principles in his nature that give him an interest in the welfare of others, and make their happiness necessary to him, even if he gets nothing from it but the pleasure of seeing it. That's what is involved in pity or compassion, the emotion we feel for the misery of others, when we see it or are made to think about it in a vivid way (...)' Compassion, happiness, pity. For Smith, a moral philosopher, these were the cornerstones of human relations. The invisible hand came later.

Let's leap forward by two centuries, landing in 1950. A young American mathematician, struggling with schizophrenia while still in his prime, submitted his doctoral thesis, a slim volume that would bring him years of scientific and cinematographic fame. His name was John Nash, and he had demonstrated that, without cooperation and trust, two individuals acting with full knowledge of the circumstances of their situation tend

**Without cooperation and trust, two individuals acting with full knowledge of the circumstances of their situation tend to reach a nonoptimal equilibrium - this is the Nash equilibrium**

to reach a nonoptimal equilibrium – this is the Nash equilibrium. The most popular example of this outcome is the ‘prisoner’s dilemma’, which imagines two men charged with a crime being interrogated separately. Both have an interest in keeping quiet. However, without trusting the other to make the same decision, they tend to accuse each other, thereby being sentenced to a longer term than if they had held their silence. Nash’s findings, part of the wider study of game theory, would later find a wide range of applications: from military negotiations to trade wars, from competition between publishers to grounds for divorce.

### **Business as a Social Actor**

The global economy and society have changed enormously just since the days of Nash – not to mention those of Adam Smith. But the concepts of trust and cooperation still lie at the heart of contemporary capitalism, intangible, sophisticated and hyper-connected. Indeed, exactly ten years after the violent outbreak of the global financial crisis, the role of business – its mission and its *raison d'être* – are gaining importance and becoming subject to more scrutiny than ever before. The concept of trust (of consumers, citizens, or governments in their dealings with business) is a linchpin of the system, because today businesses hold enormous social influence, reaching well beyond their own industry – they can endorse integration and social inclusion, come out in support of government policies on welfare and education, and even impact the climate. Their role in society is characterised by attention not only to the choices of consumers but also to their demands for commitment and responsibility.

There is a growing understanding that businesses are a part of society, even if they remain strictly work-oriented. In his excellent book ‘How to Run the World’ (2011), sociologist Parag Khanna writes, with simple



REUTERS / JASON LEE

**The concepts of trust and cooperation still lie at the heart of contemporary capitalism, intangible, sophisticated and hyper-connected**

pragmatism, 'If Walmart wants to support women's rights in Africa, all it has to do is open a store there'. Trust and cooperation also lie at the heart of the unique field of social innovation. According to Geoff Mulgan, one of its leading proponents, 'we define social innovation as new ideas (products, services and models) that simultaneously meet social needs (more effectively than alternatives) and create new social relationships or collaborations. In other words, innovations that are not only good for society, but also enhance society's capacity to act.' On the face of it, this is an abstract and generic definition, yet there are a range of initiatives within its remit, from microcredit to crowdfunding, including the sharing economy. The framework is provided by institutional reports such as the European Commission's Guide to Social Innovation and organisations like the Office of Social Innovation and Civil

**←Left:**

A staff member from the bike-sharing company Ofo gathers its shared bikes for use during the evening rush hour, in Beijing, China April 12, 2017.

**Today, businesses can endorse integration and social inclusion, come out in support of government policies on welfare and education, and even impact the climate**

Participation in the United States. In Italy, meanwhile, 2013 saw the presentation of the first Italian social innovation agenda to the Ministry of Education, Universities and Research, titled *La via italiana alla social innovation* [The Italian way to social innovation] (see Geoff Mulgan, *Social Innovation*, 2014, edited by Maria Grazia Mattei).

**Inclusive Capitalism in the USA**

John Podesta was the chairman of Hillary Clinton's presidential election campaign and an unhappy witness to the unexpected rise of Trump. Among the reasons for Clinton's failure, observers cited her inability to connect with the concerns of specific groups in the American population, like unemployed whites, low-education or very low-income workers, or retirees who were struggling financially: those who felt abandoned and

ignored in favour of African-American and LGBT minorities and intellectual elites, groups at the forefront of Clinton's electoral programme. In short, there was a lack of trust. This is a paradox, because John Podesta is also the founder of the Center for American Progress, a think tank that is intended – as its mission statement makes clear – to 'improve the lives of all Americans with strong progressive policies, strong leadership and common-sense actions'. Since 2012, the think tank has been promoting the idea of 'inclusive capitalism', a concept intended to provide economic growth and social equality contemporaneously. Among its guiding principles are a desire to eliminate financial short-termism (a flawed approach that leads businesses to lose touch with economic reality), the effective introduction of corporate social responsibility into a company's business and raising salaries instead of dividends

**It is as if companies today were to suggest a pact with their stakeholders, one that is based on trust again: let's create value together, and ensure the value is sustainable: value for the consumers**

for shareholders. Inclusive capitalism borrows from some existing concepts that are familiar to a liberal school of thought influenced by economists such as Stiglitz and Mazzucato; however, it has the unquestionable benefit of high-profile spokespeople who are well-regarded by elites. Among its endorsers are Larry Summers and Madeleine Albright, leaders during the Clinton presidency, perhaps the last truly positive period for a population that started the new millennium with 9/11.



➤ **Above:**

Podium at a campaign rally with former President Bill Clinton at Central High School in Phoenix, Arizona.

## **Creating Shared Value**

In 2011, the Harvard Business Review published an article by Michael Porter and Mark Kramer titled ‘Creating Shared Value’. The article points the way to a new understanding of the relationship between business and society, effectively discrediting the neoliberal-style alternative of corporate success – defined by profits and corporate growth – and community wellbeing. In a way, it is as if companies today were to suggest a pact with their stakeholders, one that is based on trust again: let’s create value together, and ensure the value is sustainable: value for the consumers, listening to them and creating products and services tailored to their needs; value for the community, with targeted and constructive interactions; value for the employees and the shareholders, to help them grow with the company, reimagining it as a place of ideas and creativity.

## **Shared Value for Generali**

Against a backdrop of trends with a global impact such as climate change, shifting demographics and the pervasiveness of digital networks, and with the aforementioned considerations in mind, Generali has spent the last few years reworking its sustainability strategies and initiatives. A new sustainability charter has been drafted that sets out the unequivocal links between insurers and a commitment to a healthy, resilient and sustainable society in which people can progress and prosper. Generali has also published its own climate change strategy, including investments and underwriting, with increased exposure to green businesses and gradual divestment from coal-related companies. The range of insurance products with environmental

value will increase, with a gradual transition towards a coal-free society. In addition, there has been a growing interest in socially responsible investment (SRI) – as demonstrated by the acquisition of the French firm Sycomore Asset Management – and for the first time, the cost of financing lines of credit will also include a requirement to meet sustainability targets. Generali was recently included in the Dow Jones Sustainability World Index.

The sector in which Generali is active is of significant strategic relevance for the growth, development and welfare of the modern business. The Group was launched in 1831, forty years after Adam Smith’s passing, but we like to think that the spirit of the old moral philosopher of Edinburgh still rests with us – the same spirit expressed in the ‘Theory of Moral Sentiments’. The invisible hand, with its powers to redistribute work and wealth, will follow.

# Is Blockchain



# a Revolution?



Employees work on bitcoin mining computers at Bitminer Factory in Florence, Italy, April 6, 2018.

Lately there has been a lot of talk about Bitcoin, but very little about the technological platform underpinning it, one promising to spur potentially disruptive development in other fields.

**by Paolo Ribotta**  
– CEO Global Corporate  
& Commercial  
Generali Group

Until a few short months ago, it was a word familiar only to insiders. Over the last few weeks, however, the highest peak and the largest crash in recent years have put Bitcoin centre stage. Nobody knows who invented it, and nobody knows what its future holds, but today almost everyone knows what it is: a digital currency that users keep in

**Blockchain is the platform, the structure for the management of any type of transaction or exchange of information or data**

virtual wallets and that can be used to make payments, transfer money, or simply hold as an investment by those hoping its value increases. What is less well known is that

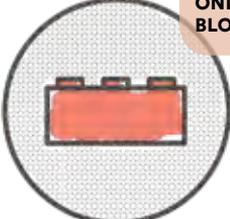
**“A” WISHES TO SEND MONEY TO “B”**



**THE MONEY MOVES FROM “A” TO “B”**



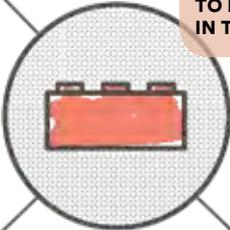
**THE TRANSACTION IS REPRESENTED ONLINE AS A BLOCK**



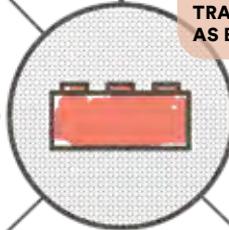
**THE BLOCK CAN THEN BE ADDED TO THE CHAIN, WHICH PROVIDES A TRANSPARENT AND PERMANENT RECORD OF THE TRANSACTIONS**



**THE BLOCK IS TRANSMITTED TO EVERY NODE IN THE NETWORK**



**THOSE WITHIN THE NETWORK APPROVE THE TRANSACTION AS BEING VALID**



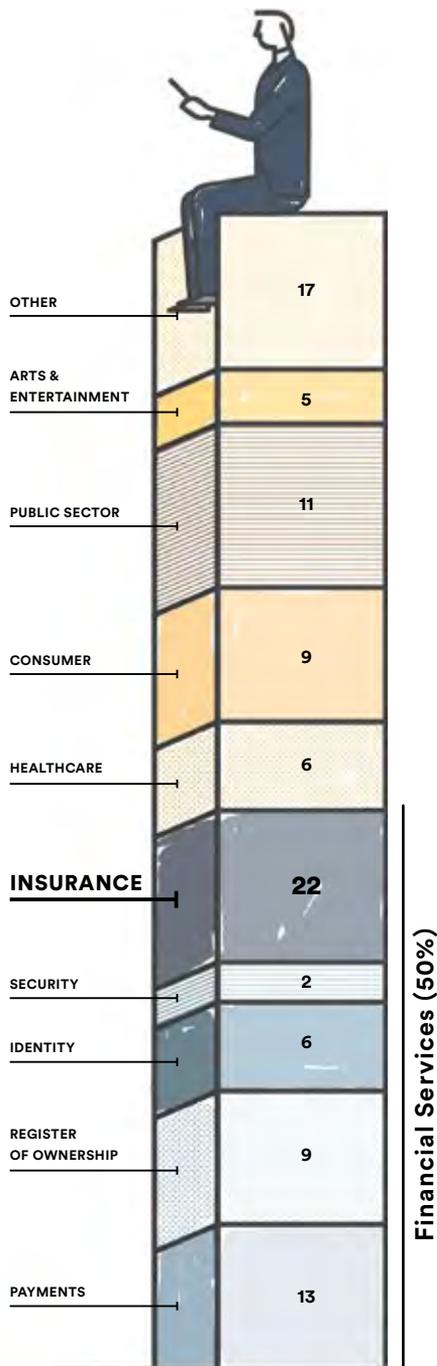


At the beginning of 2017, McKinsey & Company, a global management consulting firm for governments and NGOs, submitted a report regarding blockchain technology. They surveyed over 200 companies

and discovered that out of at least 80 nascent, but real (non-bitcoin) opportunities to apply blockchain technology, nearly a quarter of them exist within the insurance industry, followed by the payments industry at 13 percent. In general, the Financial Services industry made up 50 percent of the total mix. Blockchain technology has the potential to disrupt this industry by removing the “middleman” and creating efficiencies through various parts of the value chain, such as payments, pricing, transfers, smart contracts, identity fraud and investments.

Investment in blockchain is gaining momentum (~\$1Bn of Venture Capital investment over the last 24 months) and is expected to grow rapidly; the banking industry is expected to spend ~\$400MM by 2019.

## AT LEAST 80 NASCENT BUT REAL OPPORTUNITIES TO APPLY BLOCKCHAIN TECHNOLOGY, NEARLY ONE QUARTER EXIST IN INSURANCE



Number of use cases, % by category

Source: McKinsey, 2017

Bitcoin is based on a technology called blockchain, which can be used in a wide range of potential sectors, not only finance.

Bitcoin works on a peer-to-peer network protocol, similar to online file-sharing websites for films and music: each computer becomes a node in the network, and every node is of equal value. Each user maintains a copy of the transactions in a form of database – a ledger containing all the records in an accounting system – and this is the blockchain, a registry of every transaction ever performed by every user.

Bitcoin is only one of the myriad possibilities with blockchain, which is the platform, the structure, the figurative hardware for the management of any type of transaction or information or data exchange. Rivers of ink have been spilled over the market fluctuations of the cryptocurrency, yet nowhere near sufficient attention has been paid to the platform that makes it all possible and promises future innovation. As the saying goes, people looking at the finger are failing to see that it's pointing at the moon.

Why is it called blockchain? The platform is organised into blocks, or network nodes, all of which are connected (hence 'chain'), meaning that every transaction must be validated by the network itself. Each node is asked to observe, verify and approve every transaction, creating a network that ensures every transaction can be traced. Each individual block is an archive of all the transactions, and their presence and approval by all the nodes on the network ensures that all the transactions are traceable. What is more, cryptographic tools ensure the security of every transaction.

For some, blockchain is the new frontier of the internet. For others, it is the digital representation of a utopian reality, a new concept of trust based on four principles:

decentralisation, transparency, security and immutability. According to a video from the World Economic Forum of 2016, blockchain is destined to become 'a global, decentralised source of trust', with potentially limitless applications. There are people discussing its potential in logistics, manufacturing, and fashion. Within ten years, blockchain could even be used to collect taxes, vote in elections or combat financial fraud.

Blockchain is also likely to reduce the role of financial institutions and public authorities, part of an ongoing process of disintermediation in the digital economy (the sharing economy being one example of this). This is the defining feature of the system – operations are not guaranteed by a central body; rather, each and every transaction is validated by the interaction

**Within ten years, blockchain could be used to collect taxes, vote in elections or combat financial fraud**

of all the nodes. The so-called 'timestamp' allows the identification of a guaranteed and legally valid date and time for the online document and prevents the transaction from being altered or cancelled once it has been carried out.

In the case of Bitcoin, for example, the user remains anonymous and is identified only by a code. Each transaction is marked by a public key, which identifies the recipient and is used by all the devices to verify the transaction, and a private key, which allows the users involved to authorise the transaction.



An employee works on bitcoin mining computers at Bitminer Factory in Florence, Italy, April 6, 2018.



*Blockchain is a technology, part of the wider family of the DLT, the Distributed Ledger Technologies.*

*Now, the keyword here is “distributed” meaning “not centralized”. The ledger, all of a sudden, is not owned any longer by a single entity but it is owned and shared by all the participants to this technology and to this system. We are in a regulated industry and one of the key features of our industry are the transactions.*

*Now, when we talk about transactions, we all know in our industry that the key elements are the certification of the same transactions, the security of transactions, the traceability of the transactions, the efficiency and the effectiveness of all processes that rely on these transactions. And, last but not least, the auditability of the end-to-end processes that are behind.*

*In the financial services, transactions are even more important and thanks to the Distributed Ledger Technologies we are having a flight into greater efficiency of the transactions and, much important, effectiveness of the transactions themselves.*

*It is a paradigm shift, it is the creation of an ecosystem where competitors are investing together in the infrastructure and at the same time are dedicating the resources to complete on what is most important for clients: the customer experience and the servicing to customer.*

*In business history, whenever there has been strong increase in the efficiency of the operating model and there has been enhancement of the effectiveness we have always seen and assisted to a boost in innovation in products and services. With these DLTs, with these Distributed Ledger Technologies, whereby Blockchain is one of these, we are testing ourselves and we are piloting ourselves in a number of initiatives.*

*We are one of the founding members, back in the 2016, of the B3i consortium. Here, on both cases, we are testing some cases on reinsurance management and on data gathering that could be used for a number of other features in data management, which are really very, very promising. And we are deeply committed to fully explore this technology to bring efficiency into our processes, effectiveness in the way we do our business in order to be able to build and manufacture a customer proposition, customer experiences where customers are the winners in all of this.*

## **ALL YOU NEED TO KNOW ABOUT BLOCKCHAIN**



*Among the more interesting applications of blockchain for the insurance industry is undoubtedly that of smart contracts, a field in which preliminary experiments are already under way. Here is the definition of a smart contract, and why it is the future of insurance policies:*

*A smart contract is the 'translation' of a traditional contract into software code, thereby automating it, or making it possible to automatically verify whether certain conditions have been met (checking the information underpinning the contract) and to automatically carry out actions (or make provisions for certain actions to be carried out) at such time as the predetermined conditions between the parties have been met and confirmed. In other words, the smart contract is based on a code that 'reads' the clauses that have been agreed upon as well as the practical conditions required to meet them. The contract is then automatically executed as soon as the data related to the terms of reference meet the conditions and agreed clauses. As a result, whilst the smart contract requires legal support in the drafting phase, it does not require it for verification and activation.*

*Smart contracts have come to the fore recently together with blockchain – a technological development which has done more than any other to advance them – but the concept behind them is not entirely new. There were already experiments being conducted in the '90s, and these were based on ideas conceived much earlier, as far back as the '70s. Despite not being referred to in the same way at the time, the concept was nonetheless largely the same as the smart contracts of today. At the time, the requirements were very simple, relating to the need to manage the activation or deactivation of a software licence on the basis of a few very simple conditions. Certain software licences were managed through a digital key, which meant the software worked only if the client had paid for the licence, and it stopped working on the expiry date of the contract. At a very basic level, this was a smart contract.*

*Another, much more common example, is that of a vending machine, the kind we have all used at one time or another to buy coffee or other products: in these, the machine's software and hardware handle the sale of the product, ensuring that the money deposited by the customer matches a predetermined amount, before providing the desired product.*

*These examples notwithstanding, there was no technology advanced enough to bring the smart contract into the mainstream and ensure its security until the arrival of blockchain. Blockchain has emerged as the right technology for this.*

## SMART CONTRACTS IN THE INSURANCE INDUSTRY



Source: insuranceup.it

If the private key is lost, so too is the money. A transaction is recorded only when it has actually taken place and is in the only place that monitors how many bitcoins are in existence and who they belong to.

This blocks users from being able to spend the same bitcoins multiple times, as their use is recorded in the blockchain, which is available to anybody using Bitcoin. It is very difficult, indeed practically impossible, to counterfeit bitcoin. Today, however, nobody can prevent Bitcoin transactions from being used to obscure large-scale illegal activity.

A few short months ago, *The Economist* wrote about a 'Bitcoin bubble', when the value of the virtual currency reached close to 10,000 dollars, due to interest from banks and investment funds. According to Reuters, the prospect of Bitcoin entering the mainstream, being used and traded by the general public, inflated the value of the cryptocurrency.

There is already a lot of talk about other virtual currencies, such as Ripple and Ethereum, which are the second and

in China outlawed all Bitcoin trading platforms.

Nouriel Roubini, the economics lecturer at New York University who predicted the 2008 financial crash, referred to Bitcoin as an enormous financial bubble, but he called blockchain 'a huge opportunity to increase productivity for many companies, a highly positive technology'. Derek Thompson, writing in *The Atlantic*, argued that blockchain has a guaranteed future, even if the Bitcoin bubble should burst.

The element of trust appears to be at the centre of understanding the disruptive potential of the new platform. *Wired* recently published an article arguing that blockchain was 'redefining trust': we're in the equivalent of 1993 for the Web, at the dawn of something new that we don't yet understand and that could revolutionise the way in which we exchange data and information.

**Blockchain is  
'redefining trust':  
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in which we exchange  
data and information**

third most popular cryptocurrencies, respectively, by market share.

For now, Wall Street remains on the outside looking in, waiting to see if blockchain becomes its closest ally or sounds its death knell. Last September, financial authorities

Imagine  
your future

A landscape of rolling hills at sunset or sunrise, with the text "Imagine your future" overlaid in white. The hills are in shades of blue and purple, and the sky is a warm, hazy orange and yellow. The text is positioned in the upper left quadrant of the image.



The visual for Generali's campaign "Il futuro inizia prima".

# Generali Italia is changing the way we think and talk about insurance, meeting the need for a positive approach.

**by the Editorial Office**

*‘Modern cities are constantly expanding and increasingly hectic, and getting around them is equally so. This has led to a rise in injuries sustained from accidents while on the move. With our insurance, we can help to provide compensation should you sustain an injury from an accident while on the move.’*

The messaging above is omnipresent in the insurance world. It is at the heart of both advertising campaigns and the creation of the products themselves.

This logic, which is technically accurate at first glance, has two flaws: the message plays on an individual’s fears (a sense of danger) and suggests that the insurance company will intervene only after the incident has happened, a partial cure to mitigate the damage.

Are we certain that ‘describing the fear’ is the best way to help and gain the ear of the customer? But above all, are we certain that this type of messaging is good for the company?

**Are we certain that  
'describing the fear' is  
the best way to help  
and gain the ear of the  
customer?**

The long, drawn-out financial crisis, coupled with general political instability, has created an atmosphere of scepticism and doubt in families. If riding the wave of catastrophic news can be seen as a positive in the media and in politics (garnering public attention), it's a different story when this fear penetrates into people's personal lives.

After so many years of concern, today's families need (and want) to hear a different tune, a different message. They're tired of sacrificing, tired of limiting their ability to spend, and above all tired of surrendering to a culture of survival that requires them to focus all their energy on today without being able to look towards the future, surrendering to instability, with their only achievable goal being 'to reach the end of the month'.

For a long time, the insurance industry has focused on 'the danger' and the fear that it generates, both in creating its products and in advertising them to consumers. The solutions offered had the same flaws





^ Above  
and in the previous page:  
The visual for Generali's  
campaign "immagina futuro"  
and "immagina benessere".

**Solutions with tailor-made, high-quality services, to establish an ongoing relationship with the client, with the primary goal of helping them to achieve their life's ambitions**

mentioned above: they were intended to come in only after misfortune struck, be it a traffic accident, a house fire or an injury, and they essentially did so by providing financial compensation alone. Over recent years, the solution has increasingly evolved to include services of which consumers largely have a favourable view, although these still only come in after the event: breakdown services, prompt damage assessment or an agreement with a medical centre.

Given these factors and the desire of families to build a future in the present, Generali Italia has reimagined its products, their role in society, their purpose and the message they send. This was the thought behind IMMAGINA by Generali, a package of solutions offering high-quality services that meet a need: agreeing on a 'positive pact' with the client, one based on trust, one that allows them to visualise their future, with tailored guarantees and services to help them to achieve their life goals. We want the client to live life to the fullest, making the most of every moment and calmly planning their future. Insurance can (and must) play an active role in this process. This means being a client's life partner, not merely a dispenser of insurance coverage.

With 'IMMAGINA', Generali is offering solutions with tailor-made, high-quality services, to establish an ongoing relationship with the client, with the primary goal of helping them to achieve their life's ambitions. These are the features of IMMAGINA, but let's see what it means in practice.

Clients are asking for solutions to facilitate and change their lives for the better, not merely softening the blows; this is why the solution must include high-quality services, meaning that beyond the safety net, it is the services that matter. This is the case for both prevention (anything that might help the client avoid the misfortune) and assistance (anything that might help the client minimise the impact of the misfortune on his or her life). Every client is a world of their own, and therefore the solution must be to offer a wide and flexible range of options to match the individual needs of each client and respond with a package tailored to their profile.

Services are of vital importance in creating a relationship with the client, which previously was limited to two moments: signing the policy and claiming compensation if necessary. The quality of the client's experience was therefore judged

by these alone (along with any related services). Today, as a result of the new pre- and post-event services, it is possible to establish multiple opportunities for contact and dialogue between the insurer (the agent) and the client. As a result, the latter's experience will be improved. The other way in which the client's experience is improved is by the actions of the insurance company. Through a continuous relationship, the insurer will be able to offer personalised solutions from time to time, which will gradually adapt to better suit every moment of the client's life. Today, more than ever

**The services are of vital importance in creating a relationship with the client, which previously was limited to two moments: signing the policy and claiming compensation if necessary**

**→Right:**

“Immagina con Generali” is designed to accompany an individual or a family in every facet of life.

**↳Under:**

Marco Sesana, CEO of Generali Italia, presenting the insurance solution ‘Immagina by Generali’.



before, people’s lives, needs and dreams change rapidly.

Have you decided to follow your dreams and leave your job to open an independent business? Are you about to fulfil your ambition of having a child? Is the land-mark moment of your retirement approaching? All these natural changes, which impact your life-style, can be accompanied by ad hoc insurance solutions and services: this is what makes a product truly tailor-made. What is important is for the solution offered by the insurance PARTNER to be designed and offered with the goal of helping the client to achieve their goals and dreams and to be as well-prepared as possible to face whichever phase of life they choose to face. This is the only way to create a strong relationship, and the only way for the insurance solution to take on a new, deeper meaning, closely linked to the evolving society in which we live.

As we said at the start of this article, our individual clients should not settle for compensation after an incident: their

**People should not be expected to settle for compensation after an incident: their insurance company should be seen as a life partner**

insurance company should be seen as their life partner. Everybody has their own goals, their own life-style, and the greatest ambition is for these to be achieved without the constant fear of an accident putting them at risk.

# immagina con Generali



**BENESSERE**  
(Wellness)



**FUTURO**  
(Future)



**MOBILITÀ**  
(Mobility)



**QUOTIDIANITÀ**  
(Daily life)

Our life is like a journey that unfurls ahead of us. The role of the insurance company is to accompany us, primarily helping us to avoid danger (prevention) and, should accidents occur, taking care of reducing their impact on our lives (assistance) before finally providing compensation (guarantee) to face the challenges as calmly as possible.

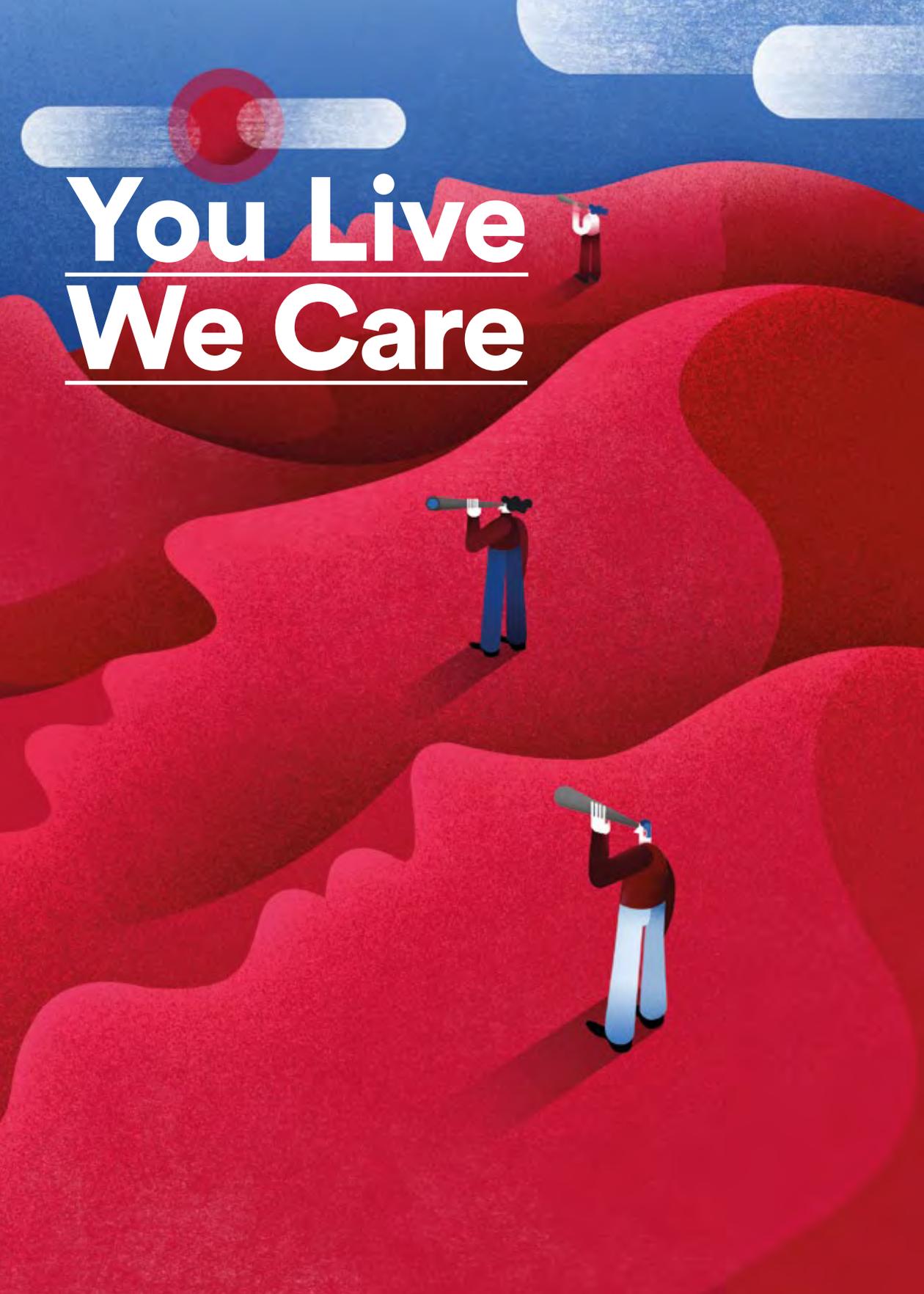
This is 'IMMAGINA by Generali', a life partner, accompanying the client along their individual journey and doing everything possible to ensure the path to their life goals is as trouble-free as possible. Michele is a forty-year-old labourer with a passion for running. His dream is to take part in the New York Marathon. The role of the insurance company is to ensure Michele has the best

conditions in life to be able to realise his dream. It will help him to avoid workplace injuries with relevant training, and provide him with dietary consultation and fitness training to get him in shape. In case of injury, there will be a physiotherapy program ready to get him back on track.

Protection and compensation are not the goal in and of themselves – they are means towards the goal: achieving our life's dreams. All that remains is to imagine our future. Generali will help to make it come true.



# You Live We Care



# Customer experience at the heart of culture.

**by Jonathan Heywood**  
– External Communication  
for Europ Assistance

In financial services our customers come to us because they want to be supported by someone they can trust as these are often some of the most important decisions you can make, impacting current and future quality of life. Trust is the foundation of building a relationship that inspires loyalty, recommendation and cements a positive reputation with the wider public.

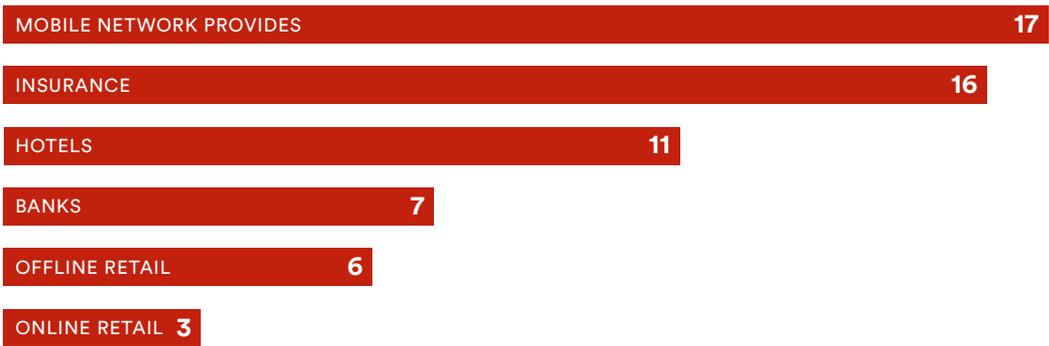
A recent survey conducted by Medallia and IPSOS<sup>1</sup> exploring customer experience highlighted that when a customer is looking

<sup>1</sup> The Customer Experience Tipping Point. Medallia and IPSOS – 2018

<sup>2</sup> 2018 Edleman Trust Barometer. Financial Services Edition. Edleman – 2018

<sup>3</sup> Customer Behaviour and Loyalty in Insurance. Global Edition. Building connections - and profits - with ecosystem services. Bain & Company – 2017





Percent of US customers who indicated their expectations were not met over last 12 months



Percent of US customers who claim they are less loyal than two years ago

Source: Medallia and IPSOS

to renew their policy, trust came out as the first-choice criteria, followed by price and customer satisfaction. It also demonstrated the correlations between customers whose expectations were not met and reduced loyalty towards the company.

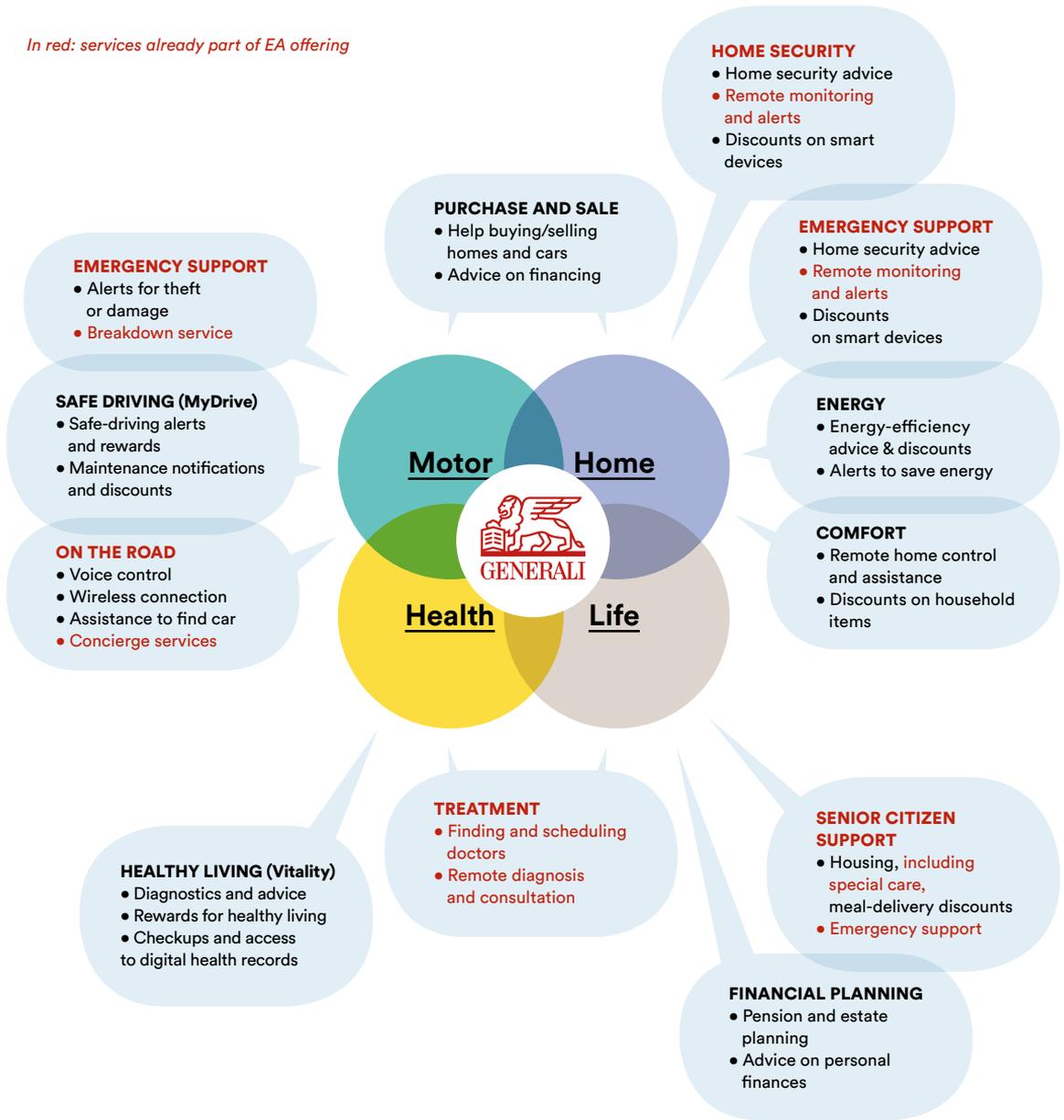
Financial services tend to struggle with trust. According to the Edelman Trust Barometer<sup>2</sup> of 2018, financial services, globally, was the least trusted sector and this is particularly evident in Europe. The same survey suggested that 84% view great user experience as a key factor in deciding which company to select, followed by 81% of consumers who want the company to make it easy to work with real people.

While customer experience stands as a determining factor for trust, studies

by Bain & Company<sup>3</sup> in 2017 also pointed to the growing role services are playing in our sector. Insurers are increasingly at the centre of an ecosystem for interconnected services covering homes, health, cars and

**Customers want to be supported by someone they can trust as these are often some of the most important decisions you can make, impacting current and future quality of life**

*In red: services already part of EA offering*



**EUROP ASSISTANCE ALREADY PROVIDES KEY FEATURES FOR THE INSURANCE CLIENT ECOSYSTEM, AND IS GENERALI'S NATURELE SERVICE PARTNER**

Source: Bain & Company



life and often the assistance company, like Europ Assistance, is at the heart of delivery. Customers are prepared to pay higher premiums to providers that offer them desired services beyond insurance and if their own insurer doesn't provide the services they're looking for, they'll consider switching to one that does. As the assistance company of the Generali Group, Europ Assistance roadside assistance services have always been a strong anchor for Generali car insurance policies and our concierge business can help reward high-value customers. In Life insurance policies, integrated senior care services can secure support for loved ones as they grow older while our long-term experience in health, with over 370 doctors employed by us, can help to provide telemedicine together with our digital care coordination platform. Our travel insurance and assistance covers 2018 territories where thanks to global oversight combined with local expertise we make sure our customers receive precisely the services they need, anytime, anywhere.

The services offered, and the resulting customer experience not only shape the success of Europ Assistance but is increasingly an asset to the wider Generali Group. Isabelle Conner, Generali Group's

**Thanks to the role of the internet, there is no hiding place from bad customer experience or services that are not respecting the promises a brand makes**

Chief Marketing and Customer Officer shared that 30% of brand preference, a key strategic target for the Group, is defined by customer experience and stressed the importance of offering an experience that is caring and flawlessly delivered.

Thanks to the role of the internet, there is no hiding place from bad customer experience or services that are not respecting the promises a brand makes.

In Europ Assistance the promise we make to our customers is our motto "You Live We Care". This is the foundation of our corporate identity, who we are, the way we work and how we want the world to see us. It is the starting point for understanding the service we deliver for our customers.

An illustration of a hand holding a magnifying glass over a globe, symbolizing focus and care. The hand and magnifying glass are in shades of red and white, while the globe is a dark red color. The background is a dark blue gradient.

# From distress to relief anytime anywhere

## Our Mission

### **Our raison d'être**

The DNA of Europ Assistance has not changed since our foundation in 1963, our mission, what we do, what people know us for, has always been the same. We are here to bring our customers from distress to relief, anytime, anywhere. This is our noble purpose and it's why we are in business.

We keep you travelling, guaranteeing to protect you and your travel in case of unforeseen circumstances. We keep you on the road when your car breaks down on the highway. We make your everyday life easier, protecting your family at home and online. We enable seniors to stay at home in safe hands as they get older with the right quality of care.

You can rely on Europ Assistance, 24/7. We cover the globe with 3000 platform operators managing a wide range of situations from complex emergency cases to simple everyday life. Anytime, anywhere.

### **Our Vision**

Our brand promise is You Live We Care. We want our customers to live their lives with no concerns and security, knowing that they can rely on us for any problem. This is only possible if our customers trust

us, understanding that we will be there whatever happens. Trust is the foundation of everything we want to achieve, and this is why we place reliability as the central element of our vision.

Reliability in itself, of course, is not enough but we believe that in our business it's the most distinctive factor in securing trust through our services and the customers' experience. Reliability is delivering on the promise. A successful vision needs to be measured for employees to understand what we are working towards and how successful we are in achieving it. We can measure the results of reliability in our services and we ask our customers for their perception through our net promoter score, a true test of customer satisfaction.

We pride ourselves in not letting our customers down, we always find a solution. This is why we are and will continue to be the most reliable care company in the world.

# To be the most reliable care company in the world

## Our Vision



## But how do we turn this vision into a living culture?

We are a care business, delivered by people. The nurse, the doctor, the platform operator, the IT specialist, the mechanic on the road, the claims adjuster, the caregiver. They all bring a human touch, highly valued by customers.

Our shared culture, defining our values, beliefs and ways we interact internally and externally, is expressed literally as We Care.

“We Care” means that We are all:

- *Caring, customers call us in distress, they need help. They need to feel proximity and empathy. They need to feel cared for.*
- *Available, a customer in distress cannot wait to reach us. We must be available anytime, anywhere. We operate globally, 24/7.*
- *Reliable, we can't let our customers down. We always find a solution to deliver on our promise.*
- *Easy to work with, being simple and fast to simplify our customers' lives.*

Trust is about people and this starts with an empowered and aligned management. We recently launched Managerial Acceleration Program (MAP), tailor made for Europ Assistance, to give all of our managers dedicated training to help them on that journey. Together with our MAP programme for managers we also will offer training on We Care for our platform operators across the world to support them in living You Live We Care every day.

We must care for our people in the same way our people care for their customers. Our operators are at the heart of our business, often the first contact point our customers reach when they are in distress. Not just anyone can do this role. Everyone who joins Europ Assistance knows, or quickly learns, that we are a company defined by a culture of caring. We seek people who are not just competent and professional, but also truly passionate about caring for others. We're always on the lookout for an empathetic attitude, even in positions that don't directly interact with customers.





# Your story is ours. Thank you for putting your trust in us again.

Europ Assistance, awarded most trusted financial services brand in France for the second year in a row, according to the barometer “The French people confidence in brands”, an OpinionWay/Eclosion survey.

## **Our caring culture is our strongest asset**

We place a great focus on the way we bring our motto to life and the impact this has in the trust our customers place in us. In Spring 2018, a survey undertaken by OpinionWay named Europ Assistance as the most trusted brand in financial services in France, for the 2nd year in a row! It is a recognition that we are incredibly proud of.

However, it is important that we don't stand still. Our identity, the shared culture of Europ Assistance is something we all must continually engage with and keep in-mind every single day. We must always remember that it is our caring culture that defines the service our customers have with us and we are only successful when our customers trust us.

## The Team

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