The Sandwicher

Pickles

By *Giulio Centemero*

Here we are with the summer edition of the Sandwicher! The Sandwicher talks about the Sandwichers' activities.
But what are the Sandwichers doing?
They gather, share sandwiches and ideas and observe.

Since reading World 3.0 by Pankaj Ghemawat globalisation dynamics and global trends fascinated me.
How do we respond to the latter ones? Do we manage them at our best? Do we seize their opportunities?
I'm afraid we don't. In Italy the public debate is often distant from subjects such as gentrification, digital divide or the real impacts of technology. Rivers of words and sometimes ink (verba volant...) are spent over the hype in fashion at that specific moment, pushing the debate to the doxa.
At the Sandwich Clubs we develop thoughts based on epistemic, we do quantitative analysis thanks to the Young Quants and promote initiatives (e.g. the digital facilitation desks) to tackle the gaps our analysis finds with our own ingredients.

Enjoy the Sandwicher and rest well over summer! A pulse-pounding restart awaits us in fall!

Salad leaves

The first digital facilitation desk opens in Bergamo: a step forward towards a fully digital citizenship

By Lucio Brignoli

The first digital facilitation desk opens in Bergamo: a step forward towards a fully digital citizenship
On Friday, April 12th, an important milestone in the promotion of digital rights was celebrated in Bergamo with the inauguration of the first voluntary digital facilitation desk at the Dalmine Technological Hub. The event was attended by the member of Italian Parliament Giulio Centemero, promoter of the initiative, who cut the ribbon, officially launching the innovative project.
The digital facilitation desk was created to provide concrete support to citizens in understanding and using the five pillars of digital citizenship:
1. Digital identity;
2.Digital domicile;
3. Electronic signature;
4.Electronic payments;
5.Online public services.
This initiative is part of a broader project called "DeSI – DIGITAL SOCIAL INCLUSIVE", promoted by the Digital Citizenship Association.
The project "DeSI – DIGITAL SOCIAL INCLUSIVE" is a beacon in the digital divide, a revolutionary project born with the aim of combating the new digital fragilities. It was awarded a contribution from the Lombardy Region to address a crucial problem for Italy: the lack of digital skills.
According to the Digital Economy and Society Index (DESI) of the European Commission, in Italy as many as 26 million people do not have basic digital skills, representing 54% of the population between 16 and 74 years old. This figure is significantly higher than the European average, which stands at 46%. The situation is particularly critical among women, with only 43.1% having basic digital skills, compared to 52.3% of the European average.
Moreover, Italy has the highest rate of NEETs (Not in Employment, Education or Training) in Europe, with over 3 million young people between 15 and 29 years old who are neither employed nor enrolled in education or training courses. This situation not only limits the citizenship rights of millions of people, but also slows down the digital transition of the country for lack of adequate professionalism.
The DeSI project is articulated on three fundamental directions:
1. literacy on digital services: through online sessions, the project aims to educate citizens on the main existing digital services, such as those related to civil status, education, social and health care, often not accessible due to the digital divide, the lack of awareness and the lack of technology;
2. recovery and refurbishment of digital devices: an innovative aspect of the project is the recovery of digital devices discarded by companies and local authorities. These devices will be refurbished and offered to people in fragile conditions, promoting a social, sustainable and environmental approach;

3.promotion of an inclusive work culture: DeSI is committed to creating professional opportunities to prevent the social exclusion of differently abled subjects. Through the increase of digital skills, the project aims to foster the work inclusion of people with disabilities. The inauguration of the digital facilitation desk in Bergamo represents, according to the organizers, the first step towards a more inclusive and digitally competent society. In an increasingly interconnected world, they argue, having digital skills is essential not only for social integration, but also for access to multiple services and opportunities. The mission of the DeSI project is clear: to contribute to bridging the digital and social gap, which affects many people in our country, through training, redistribution of technological resources and promotion of an inclusive work environment.

During the inauguration, Giulio Centemero stressed the importance of this initiative, stating: "The digital divide is not only a technological issue, but a social and rights issue. With this desk, we want to give all citizens the opportunity to actively participate in the digital life of our country."

For Italy to effectively face the challenge of the digital divide, according to the creators of this initiative, a cultural transformation is needed that involves the entire community, so that every citizen is empowered and aware of the importance of acquiring digital skills to not remain on the margins of society.

The DeSI project is therefore, in the intentions of the Digital Citizenship Association, only the beginning of a path that can be replicated with the collaboration of institutions, companies and citizens: only through a collective commitment will it be possible to transform our country into a true digital community.

Is the digital facilitation desk in Dalmine a model to start from?

The European framework for developing citizens' digital skills
The DigComp 2.2

by Giovanni Bonati

Having adequate digital skills is essential to carry out the different activities of private life, enter the job market and retrain unemployed people.

The importance of new technologies in the lives of citizens is recognized also by the European Union which has set itself the objective of bringing 80% of the population between 16 and 74 to have at least basic digital skills in all domains defined by the current digital competence framework, called DigComp 2.2 (Digital Competence Framework for Citizens).

It is a tool that provides a common language to identify and describe areas of digital skills: communication and collaboration, information and data literacy, security, problem solving, digital content creation.

For each area of expertise, the specific skills to be acquired and the levels of mastery are defined within DigComp 2.2, which are essential for monitoring the achievement of improvement objectives and supporting the definition of improvement and training paths.

DigComp 2.2 also addresses the topic of artificial intelligence through the identification of 73 targets to improve citizens' ability to master artificial intelligence systems in a critical and safe way.DigComp 2.2 is supported by the Digital Skills and Jobs Platform (an online platform dedicated to digital skills and jobs), where every European citizen can do a self-assessment of his digital skills.

Indicators for monitoring digital skills
DigComp 2.2 uses proficiency levels to monitor citizens' digital skills acquisition status. There are also other European and national indicators that provide interesting interpretations.

The DESI
The most important European indicator for analyzing the state of digitalisation of European countries is the DESI (Digital Economy and Society Index), introduced in 2015 by the European Commission to supervise the digital competitiveness of member states through the publication of annual reports. It is a composite index that provides information based on scores distributed across four categories: human capital, connectivity, integration of digital technologies, digital public services.
In 2019, Italy was positioned in twenty-fourth place and in the following years it rose up to reach eighteenth position in 2022. The most critical area of our country is human capital.

The Digital decade
From 2023 the DESI is replaced by the Digital decade (Report on the state of the digital decade), an annual report in which the European Commission evaluates the progress by way of which the European Union is achieving the targets for the digital decade 2030 and makes recommendations for the necessary actions.
In the Digital decade, four sectors of intervention are defined (skills, businesses, public administration, infrastructure), each of which is associated with a specific set of indicators, which represent the compass for orienting European digital policies.In the second Report on the state of the digital decade, presented on 02/07/2024, it is highlighted how the country remains behind in terms of citizens' digital skills (only 48% of Italians have basic ones).

The ISTAT report

In the ISTAT (Italian Institute of Statistics) report The digital skills of citizens - Year 2023, presented on 21/06/2024, Italy is placed in twenty-third position among European states for information technology skills.

In the European scenario, Italy is sure enough one of the countries with the lowest share of people with at least basic digital skills, with a distance from the European average of almost 10 percentage points: 59.1% of young people among them possess adequate digital skills between 16 and 24 years old and 45.9% of adults, which drops to just 19.4% between 65 and 74 years old.

The regional DESI

The Digital innovation observatories of the school of management of the Polytechnic of Milan have defined a DESI index with which to supervise the state of digitalisation of the Italian regions based on four dimensions: human capital, connectivity, integration of digital technologies, digital public services. As regards human capital, the following have been measured: digital skills, higher education, job market, use of the internet, ICT specialists.

The regional DESI once again highlights how the country's weak point is human capital with a significant regional gap along the north-south axis and a large difference between the best and worst regions: the worst region is Calabria, while the best is Lazio which occupies the first places together with Lombardia and Piemonte. Italy remains at the bottom of the European ranking for citizens aged between 25 and 64 with a tertiary qualification: 20.3% compared to the European average of 34.3%.

ConclusionsAlthough Italy is improving in many areas relating to the digital transition, the skills sector still requires a series of structured interventions to bring the country back to the top of the European rankings with which the various tools monitor our performance.

The actions that the government has introduced within the National Recovery and Resilience Plan (PNRR) to strengthen the use of digital tools by citizens, including the voluntary civil service and the network of digital facilitation points, are a response that can prove effective. Each report highlights, however, how in Italy the public administration and private companies should increase their efforts in developing digital skills, both with upskilling and reskilling paths.

FRESH, FRAGRANT BREAD

A Closer Look at NYC's Gentrification

by Nicolò Cobianchi - *Master's Student at Columbia University and London School of Economics*

Gentrification in New York City has been extensively occurring since the 1970s, with a rapid increase from the 90s, when the displacement of existing communities started to affect not only Manhattan but also the traditionally industrial and lower income areas such as Brooklyn, Queens and recently the South Bronx.

The Origin of Gentrification In NYC
The start of the gentrification phenomena in the city of New York is conventionally dated back to the mid-80s of the XX century. When, in the previously cheaper neighborhoods of East Village and Soho, which welcomed artists and bohemians from the 70s, the housing prices rapidly inflated and progressively pushed away the artists who had primarily contributed to the reinvigoration of those neighborhoods. [1] The initial gentrification was facilitated by the city government's policies promoted in the '60s and '70s, under the guidance and planning of Robert Moses. The renowned architect promoted projects for the urban renewal and redevelopment of large areas of New York brought modernizations and avant-garde infrastructure but indirectly played a role in displacing the low-income communities.The same happened with Rudy Giuliani's policies of rezoning manufacturing districts for residential use between the 90s and the early 00s.

The Brooklyn Area
On the same lines of what occurred in Soho and East Village in the 80s, in the first decades of the XXI century previously industrial areas of Brooklyn such as Williamsburg, DUMBO and Bushwick started to experience high gentrification pulled by the so-called "creative class" The high presence of artists and musicians in this neighborhood, as analyzed by Richard Florida, would have pulled economic growth and urban development which in turn would have led to pushing out lower-income residents, by transforming their old homes into high-end and affluent areas. A possible role in the rising gentrification of the district of Brooklyn could also have been played by some environmental policies aiming at reducing pollution and increasing green spaces. Curan and Hamilton[5] argued in this sense that environmental gentrification has been widely occurring in Brooklyn neighborhoods such as Greenpoint, where the existing communities have been displaced after the green policies attracted wealthier residents.[6]

Queens and The Bronx
The displacement of local communities in New York City has been affecting also traditionally African American areas like Harlem or the South Bronx. Where, in the last years the ongoing urban development have led to a change in the social fabric.

As mentioned before, even the district of Queens, historically known for its cultural diversity that makes it one of the most ethnically diverse urban areas of the world, is rapidly transforming with a quick rise in housing prices. The gentrification in Queens is primarily driven by the urban development occurring in areas like Long Island City, Astoria, and Flushing which benefit from their waterfront position: here high-end buildings are being realized with consequential changes in the local demography.

The Urban Displacement Projects

The spread of gentrification in the New York City metro region is well depicted in the Urban Displacement Project, devised by researchers at UC-Berkeley, together with some students at NYU's Center for Urban Science and Progress. The study analyzed, back in 2016, regional data on housing, income, and other demographics to better understand and predict where gentrification and displacement were happening and will have been likely to occur in the future.[10] This study highlighted the presence of 314 neighborhoods labeled as 'super-gentrified' or 'exclusive' in Manhattan, Brooklyn, and Queens. Among these over 300 areas, 71 are considered as being recently gentrified, since transitioning from low-income zones in 1990 to neighborhoods where the median household income (140 000$) was greater than 200% of the regional median in 2016. On top of that, the report highlighted that only 21% of public housing development was occurring in 2016, in gentrifying areas. Hence pointing out how the effort for promoting affordable housing and reducing the displacement of the existing communities might not have been carried out effectively.

We see therefore how gentrification is spread in New York City and how, if back in the 80s it affected only some neighborhoods of Manhattan, during the subsequent decades the displacement of existing communities, as a result of the rise in housing prices, has started to affect an increasingly wider portion of the metropolitan area. On top of that the city policies conducted in the last decades seem to have exacerbated the phenomena of gentrification rather than mitigated them.
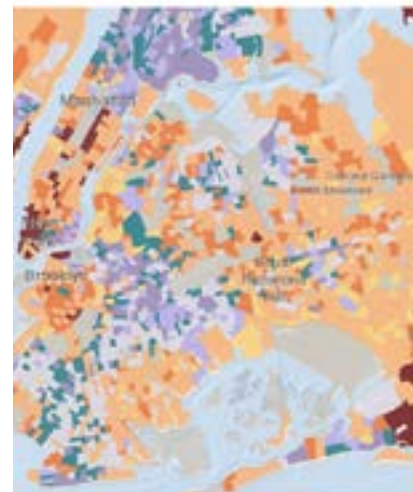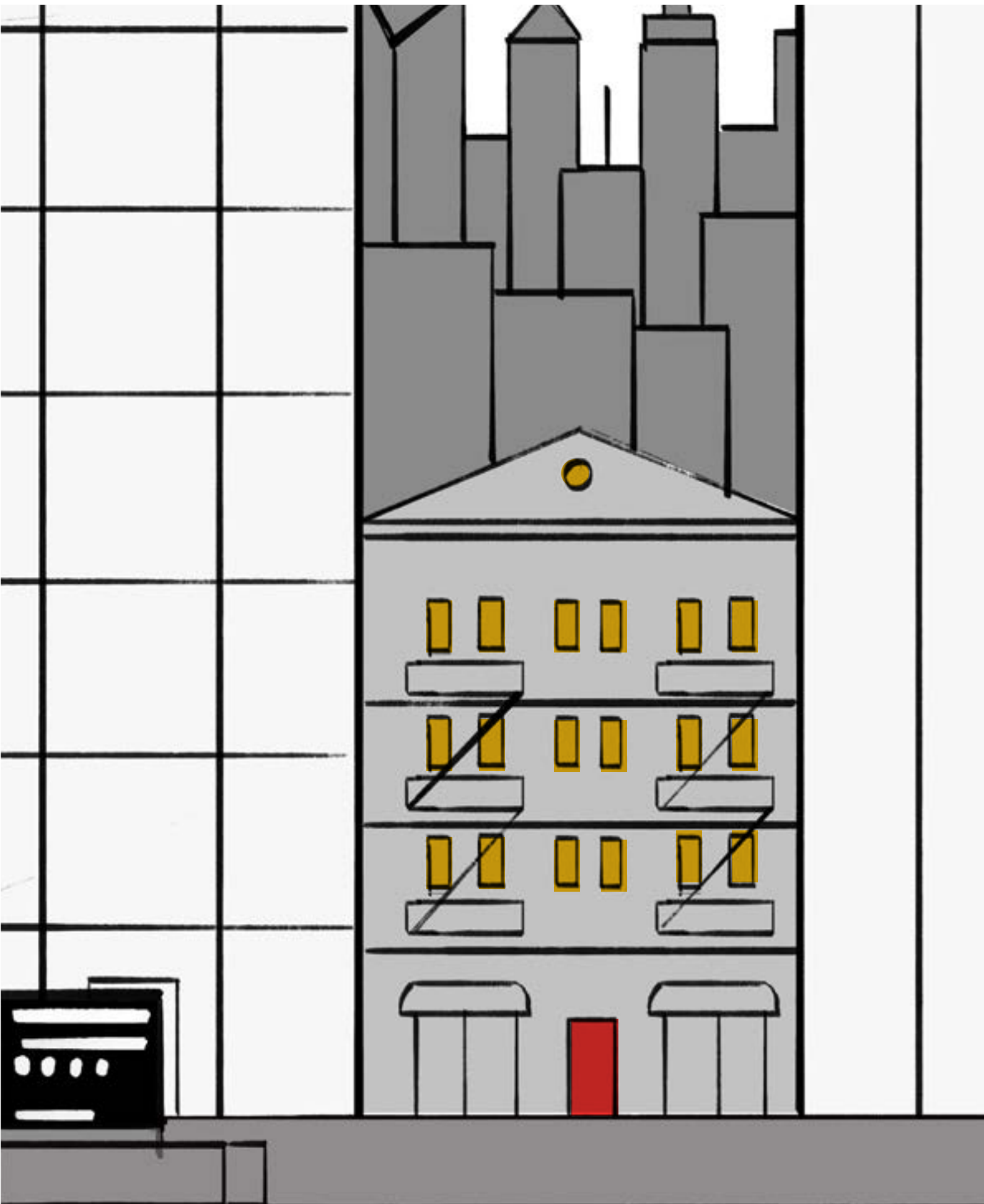
HEALTH CITY IN A CHANGING WORLD

By Andrea Fiorano

The World Health Organization (WHO), in 1948, defined health as "...a state of complete physical, mental and social well-being and not merely the absence of disease or infirmity." They invited governments to work responsibly, through health education programs, to promote healthy lifestyles and ensure a high level of well-being for citizens.

This concept of health, therefore, does not merely refer to physical survival or the absence of disease. It expands in meaning to include psychological aspects, natural, environmental, climatic and housing conditions, work life, and economic, social and cultural conditions.

The environment, in its most complete and complex sense, including lifestyles and social and economic conditions, is a fundamental determinant for the psychophysical well-being and health of individuals and populations.

By 2030, 1.5 billion people will move from rural areas to cities. This phenomenon, parallel to the tumultuous demographic growth of recent decades, is the increasingly pushed urbanization. It's defined as the flight from the countryside to the cities and the consequent urbanization of the territories themselves. Researchers from Yale University, Arizona State University, Texas A&M, and Stanford have calculated that by 2030, urban areas will expand by about 1.5 million square kilometers. This is roughly equivalent to the surface area of Mongolia, or France, Germany, and Spain combined, to accommodate 1.47 billion newly urbanized people. This phenomenon represents an unstoppable trend that leads to several considerations, primarily the sustainability of the health system within urban centers.

Urbanization, the demographic transition from rural to urban context, is one of the major public health challenges of our century. A hundred years ago, only two out of ten people lived in urban areas. Following steady growth of about 60 million people moving to cities yearly, it will be 6 out of 10 by 2030 and even 7 towards the middle of the 21st century. This means that more than two-thirds of the world's population, about 6.4 billion people, will live in cities by 2050. According to data from the WHO's Global Health Observatory, already in 2014, more than half of all people, about 3.5 billion, lived in an urban area. This percentage is set to grow rapidly in the coming years, especially in developing countries.

In a social sense, the term urbanization has a negative connotation. Yet, urbanization itself positively influences the health of populations, as happens for urban areas able to provide healthy living and working environments. This is probably related to their ability to provide better job opportunities, services, and technologies. Some of the progress made over the past 50 years (such as the reduction in overall mortality and morbidity in some highly urbanized countries like Japan, Sweden, the Netherlands, and Singapore) could be attributed to the potentially healthy determinants of metropolitan areas. Indeed, several studies have highlighted the positive and direct relationship between urbanization and overall wealth [Global trend of urbanization (percentage of total population) as well as GDP per capita (in US Dollars) for all countries being one of such determinants, 1960-2000/un-habitat2013].

What pathological factors and mechanisms should be considered in this process of Urbanization?

Italian large urban centers have characteristics that make them unique, yet some things are commonly present in all of them.

Firstly, there is the high prevalence of the elderly population, among the highest in Europe, with Liguria holding the world record for the elderly population over 65.

Urban areas are subject to air pollution, particularly those affected by specific orographic modulations such as the depressions of the Po Valley. This area

is repeatedly in the news as the most polluted area in Europe for fine particulate matter dispersion (PM10, PM 2.5, and nitrogen oxide NOx). These pollutants show a strong correlation with respiratory and cardiovascular problems, as well as an increase in premature mortality.

The metropolitan lifestyle often involves little movement and lots of fun. This habit, characterized by sedentariness, cigarette smoking, consumption of alcoholic beverages, and excessive food intake, constitutes the ideal recipe for individual psychophysical decline. This time, the record is held by the metropolitan areas of central-southern Italy, particularly the cities of Puglia, Sicily, Basilicata, Campania, Molise, and Calabria.

Inadequate housing conditions, including overcrowded or poorly maintained housing, can negatively affect mental and physical health. The lack of access to adequate sanitation and green spaces contributes to the degradation of urban quality of life.

Noise, soil, and water pollution are increasingly current issues affecting large urban centers.

Finally, uneven access to quality health services can affect the health of the population. Disparities in access to services can lead to significant differences in health outcomes between different urban areas.

In these murky waters, the figure of the city health manager is born, in Italy as in the rest of the world. This figure adopts an integrated, sustainable, and open urban health approach, focused on the close relationship between urban planning and health. It aims to promote principles and practices of urban planning for a healthy city. Urban Health, therefore, aims to define actions that can have a positive impact on human health and quality of life, thus underlining the strong dependence between physical, mental, and social well-being and the city in which one lives.

 So, has anything been done to promote the development of sustainable cities?

There are many interventions that contribute to

The creation of healthy cities:
I. Urban planning interventions, such as those on the network of cycle-pedestrian paths, on the public transport system, for the provision of green spaces or to improve the perception of the quality of the urban environment.
II. "Laboratories" on healthy lifestyles, such as the Wellness Valley.
III. Projects to stimulate movement in the city and monitor the health status of the Italian population, such as "Cities for Walking and Health", "Passi" and "Passi Argento".
IV. Projects to reduce the burden of chronic diseases, such as "Cities Changing Diabetes" which, already launched in 39 cities globally, aims to find concrete solutions to combat diabetes in large cities.
V. The project for the introduction and training of health city managers, launched by ANCI in collaboration with the Sapienza University of Rome and the Ministry for Youth Policies, aimed at training and raising awareness among young people under 35 who will govern urban change. A hint on some tools for public policies design:Is it possible to introduce a tool that, during the city planning phase, can assess the impact of urban development on key health determinants? Indeed, the Working Group

of the Politecnico di Milano has developed a multi-criteria analysis and evaluation tool for this purpose. This tool aims to provide a multidisciplinary and multidimensional evaluation through a three-phase approach:

1. It begins with a comprehensive analysis of the current situation.

2. It then progresses to a structuring phase, where the project is grounded in practical realities.

3. Finally, it moves to a national and international multicentric application phase.

 assessment that analyzes existing national and international experiences. It pays particular attention to Experience-Based Healthy Design and Urban Planning Strategies, focusing on elements such as: public spaces, green spaces, active mobility, Environmental design.
Additionally, the tool examines various frameworks for evaluating case studies of urban regeneration. It looks at how these projects have impacted health in urbanized areas, with examples from cities like Copenhagen, Rotterdam, and Amsterdam. This comprehensive approach allows city planners to anticipate and mitigate potential health impacts of urban development, fostering healthier and more sustainable urban environments.Care in cities: what faith awaits our hospitals?
Beyond the factors influencing urban prevention and well-being discussed earlier, hospitals serve as the primary centers for healthcare according to citizens. However, hospitals are more than just healthcare facilities; they act as powerful engines of social and economic regeneration within communities. Their impact is transformative, extending far beyond their physical boundaries and influencing various aspects of urban life, thus contributing to an overall improvement in quality of life. Increasingly, the healthcare infrastructure is recognized for its social and socio-cultural function, which includes urban regeneration,

increased commercial appeal, and improvements in transportation and essential services. By definition, a hospital represents a supporting infrastructure in the urban context, with a lifecycle of about 40 years that transforms it from a strictly medical facility to a community hub. In the face of increasing urbanization, the challenge lies in both managing new hospital structures and areas and optimizing existing resources. The aim is to make hospitals, at the end of their lifecycle, flexible structures capable of accommodating the community's evolving needs, thereby contributing to the health of our cities. The process of converting acute care facilities into community-oriented environments, such as botanical gardens, libraries, and entertainment venues, is not new. From an urban health perspective and for future community sustainability, healthcare facilities will need to become increasingly adaptable. It will no longer be sustainable to construct inpatient facilities with rigid brick and cement walls. Recent studies show that hospitalized patients in rooms with views of green spaces, whether internal (like gardens) or external (such as parks), tend to have better health outcomes than those without such views. Specifically, these patients experience reduced overall stress and perceived pain, as well as improved sleep and This suggests that not only cities but also hospitals must undergo transformation through a sustainability lens in response to population influx. Will healthcare facilities remain an integral part of our cities? Certainly. The challenge lies in adopting an evidence-based approach to create spaces that can address current patient needs while remaining functional and sustainable for future communities and urban contexts.

ARE WE ON THE EDGE OF A NEW GENERATION OF TOP-PERFORMING STUDENTS?

By David Djokovic
CEO & Co-founder @ Flashka
Building a new generation of top-performing students

Artificial Intelligence (AI) is revolutionizing industries worldwide, including education and the workplace. As AI becomes increasingly integrated into professional environments, discussions about its impact on student performance and the need for trustworthy AI products have intensified. This article examines how AI might not only enhance students' productivity but also improve teaching and learning quality.

The Current Impact of AI on the Workplace

Harvard Business School and the Nielsen Norman Group are among the numerous institutions that have conducted studies on AI's impact on workplace productivity. Findings from these studies are clear-cut:
- A 43% increase in productivity for lower-skilled tasks
- A 66% increase across marketing, coding, and customer service sectors

AI's ability to speed up repetitive tasks is the core of its implementation in the workplace. This productivity boost is expected to reduce job demand and increase layoffs, potentially replacing 85 million workers by 2025.

Our Educational Perspective: Can We Get Faster and Better?
As students increasingly use AI tools like ChatGPT to write essays and answer questions quickly, there is a noticeable improvement in their productivity. Moreover, AI's innovative possibilities—such as interactive content engagement, personalized learning environments, and rapid responses—present an opportunity to develop a new teaching and learning framework that could significantly enhance student performance and preparation.

AI is unlocking new teaching perspectives

By reviewing historical literature in learning sciences to explore new educational boundaries based on previous studies, we stumbled upon "The Two Sigma Problem" by Benjamin Bloom (1984), which analyzed the impact of one-to-one tutoring compared to traditional classroom teaching. The findings were remarkable: students receiving one-to-one tutoring performed on average at the 98th percentile of traditionally taught classes, where a teacher instructs 30 students.

It is in this article that Bloom outlines its philosophy "It is the responsibility of researchers and educators to find ways of accomplishing this in a more practical and less costly manner than one-to-one tutoring". From here – the Mastery Learning teaching method was developed.

Mastery Learning

In the Mastery Learning model, developed by Bloom to mimic 1-1 tutoring performances, students learn in a class of about 30 per teacher, similar to conventional classes. However, formative tests are used to provide feedback, followed by corrective procedures and parallel tests to determine the extent of mastery over the subject matter. Studies show that students in Mastery Learning classes perform on average at the 88th percentile of traditional learning.

AI-Based at the service for students'

performance AI might represent the practical and cost-effective solution Bloom envisioned. Imagine platforms where students are encouraged to continually ask questions,

test their capabilities, and receive tailored materials based on their performance. This approach, simplified and possible through AI, is simply mimicking the Mastery Learning process.

Making this approach accessible to each student could truly shift the average student's performance to the current 88th percentile.

Concerns regarding AI's crucial teaching role Concerns about trusting AI and preventing it from generating incorrect information (hallucinations) are valid. Future articles will explore how to develop reliable AI platforms that educators and students can trust.

Conclusion

The integration of AI in education offers a promising path toward a future with top-performing students. By leveraging AI to personalize learning and provide immediate feedback, we could significantly enhance student outcomes. As we continue to refine these technologies, ensuring their reliability and effectiveness will be crucial.make them unique, yet some things are commonly present in all of them.

Firstly, there is the high prevalence of the elderly population, among the highest in Europe, with Liguria holding the world record for the elderly population over 65.
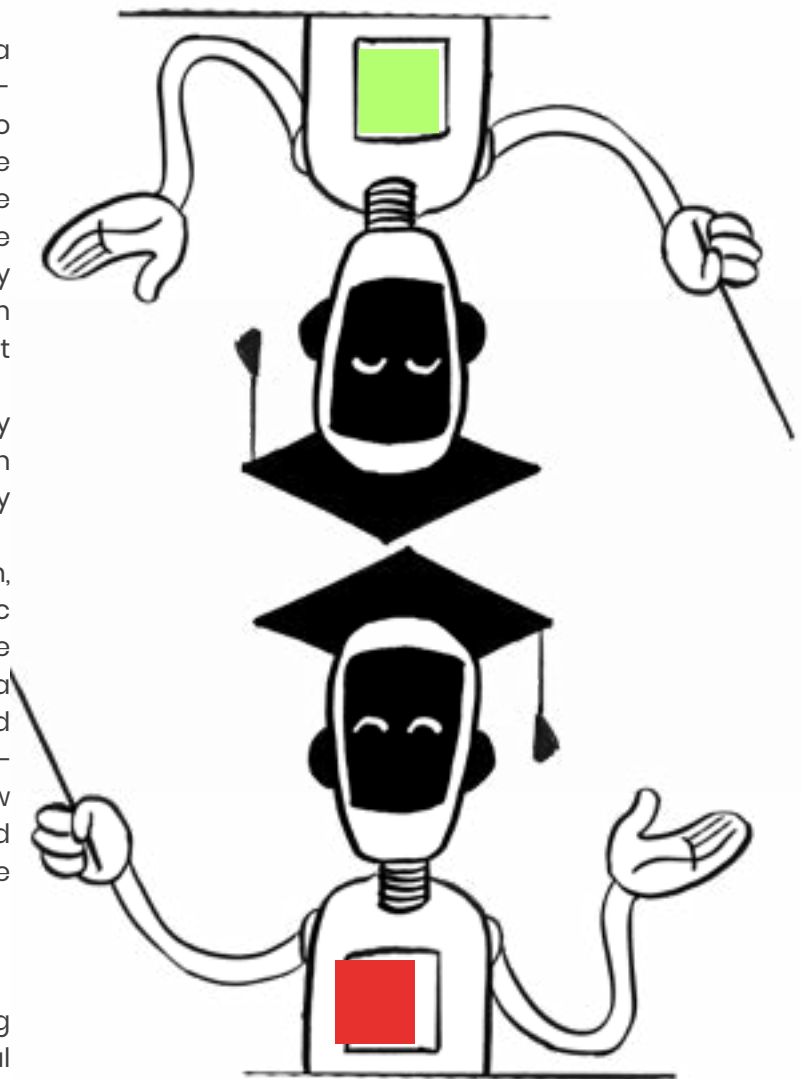
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Sustainable Finance Supporting SME Transition

By Santi Nunnari

Sustainability is becoming increasingly relevant for Small and Medium-sized Enterprises (SMEs). Recent research indicates that 56% of companies consider Environmental, Social, and Governance (ESG) issues to play a crucial role in their strategic and investment choices, showing a significant upward trend compared to the past. The process of integrating ESG criteria into corporate strategy is medium to long-term, partly due to the need to secure resources to finance this sustainable evolution of businesses. Only 17% of SMEs have fully integrated sustainability strategies into their business models, while 54% are moving in that direction.

But how are sustainability initiatives financed?
In Italy, we are accustomed to hearing about a "bank-centric" system heavily reliant on credit. Data confirms this aspect, with companies citing bank credit and public funds (European, national, or regional) as primary sources, while the remaining 47% of SMEs self-finance.
As previously mentioned, bank credit currently remains the most widely used instrument. Even in this more traditional realm, banks are increasingly offering loan forms designed to finance sustainable projects. Among the instruments for financing sustainable business projects, it's worth mentioning green loans and sustainability-linked loans, intended to fund specific environmental sustainability initiatives such as building renewable energy production plants, electrifying company fleets, or improving production processes in line with circular economy principles.
Prior to issuing green loans, credit institutions evaluate the adequacy of the project to be financed, considering its alignment with internationally identified environmental targets, for example, those included in the United Nations Sustainable Development Goals (SDGs), or with the European taxonomy of eco-sustainable activities. Furthermore, green loans are characterized by specific transparency requirements; the beneficiary company must prepare reports showing the proper use of the financing proceeds.
Sustainability-linked loans, on the other hand, are loans where the sustainability focus is on the beneficiary. These credit instruments aim to incentivize the debtor company to achieve certain ESG targets, usually through a reduction in the cost of credit. If the targets agreed upon by the company with the bank are not met, interest rates are raised. In this case too, there are precise transparency requirements: the beneficiary company must periodically report on the achievement of ESG objectives.

Sustainable Finance Instruments

Financial instruments other than credit represent a "universe to explore" with ample room for growth; in fact, 50% of SMEs are unfamiliar with them or know them only superficially.
The most widespread among SMEs is private debt (12%), followed by private equity (10%) and green and social bonds (10%). The proposition by financial operators appears quite widespread: 54% of companies have received proposals for instruments other than credit. The picture could change in the future, as more than half of SMEs (56%) express openness to new financial instruments.
"Private debt" refers to all debt financial instruments stipulated outside the traditional banking system. These instruments are proving increasingly important in financing small and medium-sized enterprises and supporting their just transition towards a sustainable business model.
In Europe, 13% of private debt funds consider ESG factors essential in their evaluations, and 75% have incorporated sustainability-related assessments into their investment strategies. Data from the European Investment Fund shows how private debt investors can play a significant role in accelerating the ecological

transition and supporting SMEs in achieving the 2030 Agenda objectives.

Still on the debt front, green and social bonds are bonds characterized by the specific allocation of raised capital towards sustainable projects, providing resources to SMEs to implement a just ESG transition.

According to Climate Bonds Initiative, in 2022, green bond issuances in Europe amounted to $272 billion, while social bond issuances approached $63.5 billion.

A green bond is a debt security associated with financing or refinancing projects with a positive environmental impact. Financeable activities include, for example, renewable energy production, sustainable waste and natural resource management, biodiversity protection, and energy efficiency.

Social bonds, on the other hand, are bonds used for financing or refinancing projects with a positive social impact. Financeable areas may include, for example, access to healthcare and housing services, financial inclusion, education, food security, and employment.

An equally important role in supporting SMEs in their transition process can be played by private equity investors. In this case, the investor does not finance debt but instead invests in the risk capital of unlisted companies with high development potential. Private equity firms contribute not only invested capital to the target company but also know-how, business strategy, and governance.

The entry of a sustainable investor into the risk capital of an SME represents an important opportunity to progress towards sustainability objectives across all three ESG dimensions.
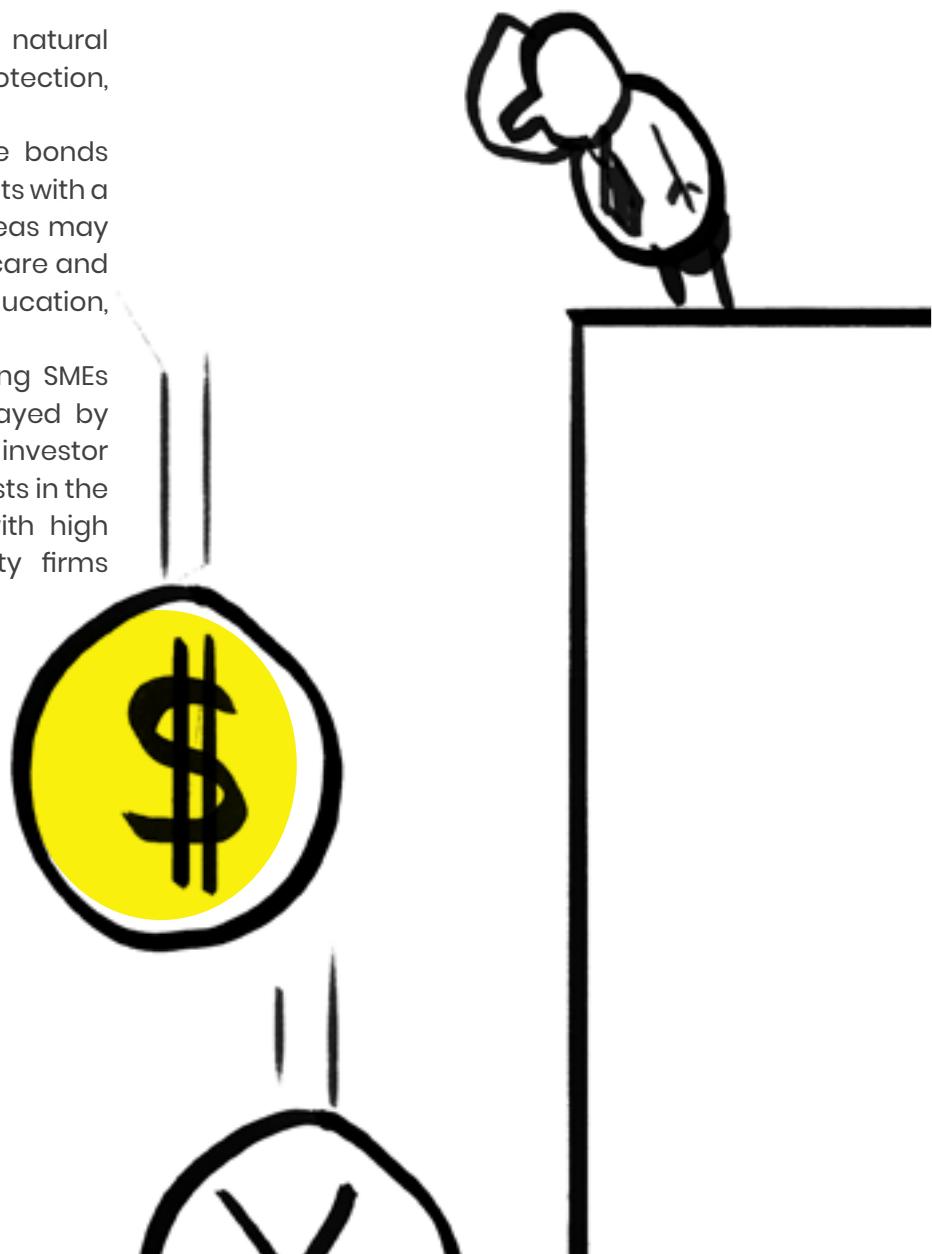
Artificial Intelligence Conquers Italian SMEs:
New Opportunities & Challenges for the Market

By Linda Summer

Artificial intelligence (AI) is rapidly transforming the Italian economic landscape, with a growing impact on small and medium-sized enterprises. This emerges from the first "ECM AI Observatory" conducted by IRTOP Consulting in collaboration with Banca Generali, which offers an in-depth overview of the AI sector in the Euronext Growth Milan (EGM) market and the Italian startup ecosystem. The global AI market is expanding rapidly, with forecasts indicating a value of $373 billion in 2024. In Italy, the sector has experienced unprecedented growth, reaching 760 million euros in 2023, an increase of 52% compared to the previous year. Of this, 69% was commissioned by Italian companies and 31% as project exports.

The survey identified 26 companies listed on EGM (13% of the total 204 listed companies) where AI represents the core business or is an integral part of the value proposition, with an aggregate capitalization of 1.323 billion euros, equal to 17% of the total EGM. Anna Lambiase, founder and CEO of IRTOP Consulting, emphasizes that contrary to theories that AI will create unemployment, the number of employees in 2023 for these 26 companies grew by 7.7% compared to 2022. The overall turnover in 2023 increased by 16.5% compared to 2022 and, despite the complex macroeconomic context, these companies achieved an average stock market performance of +15% in 2023, compared to -1% for EGM companies not belonging to the AI sector.

Limitations and Disparities:
While employment might not be a problem, the analysis highlights a marked geographical disparity in the AI sector in Italy, with Lombardy confirmed as the leading region, accounting for 64% of total investments, followed by Piedmont, Trentino-Alto Adige, and Tuscany. The gap between North (88.4% of the total) and South (3.5%) remains significant.

Among the projects integrating the North and South with a national outlook is that of IGenius which, in collaboration with Cineca, has developed 'Modello Italia', an LLM that aims to help companies and Public Administration fully exploit the advantages of generative Artificial Intelligence, even in sensitive sectors such as healthcare, finance, and national security.

The report also examined 34 promising startups and scaleups in the national AI landscape. The survey conducted on these entities revealed that 90% plan to open a funding round in the next 12 months, highlighting a strong demand for capital in the sector. However, other significant challenges emerge. Over 30% of startups indicated that the main obstacle is investors' difficulty in understanding the technical solution. Moreover, more than half complain about the lack of clear feedback from investors after meetings.

On the regulatory front, the approval of the AI Act by the Council of the European Union on May 21, 2024, marks a turning point. Lawyer Lydia Mendola, partner at the Portolano Cavallo law firm, explains how the regulation adopts a risk-based approach, distinguishing four levels: prohibited practices, high-risk systems, limited-risk systems, and minimal or no-risk systems. The higher the risk level, the more stringent the obligations for the subjects involved in the value chain.

This regulation, the first in the world on artificial intelligence, aims to establish a uniform legal framework for the development, market introduction, and use of AI systems, guaranteeing the basic rights of consumers of any AI service provided on the European market. On the other hand, however, it marks the beginning of regulation for a sector about which we still know very little.

Conclusion:
Looking to the future, the ECM AI Observatory emphasizes the crucial importance of innovation and dialogue with investors for listed companies. Innovations that follow one another over the decades, as in the case of AI, are capable of creating value for companies

with great speed. It's likely that in 20 years, we will have among the largest capitalizations of the Italian stock market AI companies that today are only startups or SMEs, or that haven't been born yet. In conclusion, the ECM AI Observatory paints a picture of a rapidly evolving sector, rich in opportunities but not without challenges. Italian SMEs are demonstrating a remarkable capacity for adaptation and innovation in the field of AI, with encouraging financial and employment performance. However, geographical disparities and difficulties in dialogue with investors persist and need to be addressed, as well as the possible consequences of perhaps overly stringent regulation. Nevertheless, Nevertheless, with the entry into force of the AI Act and the possible regulatory Sandbox, the sector is facing a new regulatory framework which, while imposing new obligations, could also provide the clarity necessary to further accelerate the development and adoption of AI in Italy.

Sandwhich club mondo Lawrence Wong: Can He Be Any More Charismatic?

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He plays the guitar, posts funny edits on Instagram, influences younger generations, and loves to ride motorcycles. He is not the lead singer of an indie band, but rather the new Prime Minister of Singapore, Lawrence Wong.

Brief introduction on his history.
Born in a humble setting, Lawrence Wong grew up in a HDB flat (social housing) in Marine Parade, not too far away from the now renowned Marina Bay and the financial center of Raffles Place. But back in those days, such centers did not exist, Singapore had become independent less than a decade earlier and even if they had existed, he could not have afforded them, since his father was a humble salesman and his mother a schoolteacher.
This did not stop him from striving for success. The current Prime Minister, back then a teenager, attended public schools with much success, earning a great scholarship which gave him the opportunity to study abroad. He completed his academic track with a master's in public administration at Harvard University.

What are his credentials?
He started his career as an economist for the Ministry of Trade and Industry at the age of 25, and as many other young Asians he endured the harshness of the Asian financial crisis. According to his diaries, this event had a profound impact on his approach to economics. It led him to abandon many of the theoretical notions he had studied. Instead, he chose to focus solely on the practical outcomes that finance has on people and countries. This conscious approach to economics later served as inspiration for his platform for the current mandate.
After working for the Ministry of Finance, the Ministry of Health and serving Lee Hsien Loong, former Prime Minister, as his private secretary, he was launched into politics when the PAP, the current and only ruling party since Independence Day, was strongly controlling all constituencies in 2011 yet received its lowest ever result.

How does he compare to his predecessors?
He has followed a similar path to the former Prime Ministers appointed in Singapore, yet he faces similar challenges to the ones that Goh Chok Tong, the second Prime Minister in Singapore's brief history, faced and having to contend with low PAP success in the previous elections in 1991. In fact, Goh had been appointed after the economic miracle of Lee Kuan Yew, the "founding father" of Singapore and had to prove its political stability by running in the constituency of Marine Parade, the same in which a few years earlier Lawrence Wong was born.
And like Goh had succeeded Lee Kuan Yew after an economic bull-run and endured political instability at the beginning of its term, Wong might be facing a similar scenario. GDP expansion has been slower since the Covid crisis, registering a growth of around 2% in the last quarters, half of the one recorded before the emergency.

Is he the right fit for Singapore?
Markets are instead steadily growing, mainly pushed by the Real Estate indexes, cryptocurrencies and new thematic indexes, including ones regarding Islamic finance. Yet, this is not enough to guarantee the happiness of the people, currently under the looming threat of a financial downturn, combined with the immigration threat and the decreasing growth. For these three reasons in the last elections in 2020, the PAP was only able to gather a little above 61% a similar result registered in the elections following the '08 turmoil in 2011. 82% of people believe that Singaporean democracy is optimal, indicating that they do not feel forced to vote for the PAP. Therefore, the relatively "poor" result endured by the PAP in 2020 sends a clear message. While the leadership is doing

a decent job, many difficulties still need to be resolved.

So, while the previous governments have focused on developing the country in financial and economic terms, the guitar-playing and charismatic PM is advantageous when the white-shirted party reached its second lowest political results in the last elections and another one is coming in one year time.

His swearing-in statement mentions policies driven by the "heart" and highlights his priority in delivering welfare policies among all. In terms of economics his focus will be similar to the one of his predecessors: improving trade relations and establishing new free trade agreement.

Among the infrastructural challenges is the continuation and construction of new RTS link with Johor Bahru, the Malaysian bordering city, and the housing crisis. As far as demographics are concerned, inclusivity is crucial. It's needed to integrate the migrant population, which compensates for decreased fertility. At the same time, it's important to balance job availability for citizens and permanent residents.