

# Collegio Carlo Alberto

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## 2010 Scientific Report Summary



UNIVERSITÀ DEGLI STUDI DI TORINO



## **CHALLENGES FOR THE 21ST CENTURY**

### **The Board Statement**

The Board of Directors of Collegio Carlo Alberto, chaired by professor Sir David King at its meeting of October 26, 2009, unanimously decided on a set of long-term priorities, which will determine its structure and its activities.

The Collegio will work – together with researchers from the University of Turin and other institutions– to make progress on key global challenges for the 21st century. The approach will be interdisciplinary and open to different methodologies, both theoretical and empirical. The four challenges that have been identified are:

- Demography, Labor Issues and Social Policies;
- Sustainability and Development;
- European Governance and Public Policies;
- Industrial Organization and Innovation.

The main function of the Collegio will be to provide resources that will enable the Turin research community to build upon its solid tradition in these areas. This will be mainly achieved by creating new Chair positions, by constructing a research community that belongs to both the Collegio and the University of Torino, and by establishing a funding scheme which is open to such community.

In each case, resources will be allocated to projects according to an open, transparent, and meritocratic process.

The Chairs are designed to attract prominent and distinguished senior scholars to Turin. The chair holders will have the duty to maintain the link between the University and the Collegio and to foster an intellectual community around these key challenges. Beyond the Chairs in Sustainability already advertised in the fall 2009, in the near future the Collegio will advertise new chairs in Demography, Labor Issues and Social Policies; European Governance and Public Policies; and Industrial Organization and Innovation. As similar initiatives have been undertaken by leading European, and in particular Italian, research institutions, the Carlo Alberto Chairs will be an essential instrument to maintain the competitiveness of the Turin research community.

The link between the Collegio and the University is guaranteed by the presence of a number of senior scholars (Carlo Alberto Fellows) and junior scholars (Carlo Alberto Affiliates), chosen through an open selection process. Through the fellows and affiliates of the Collegio, the research areas and associated resources will be accessible to the faculty of the University of Torino and to other prominent scholars resident in the area. In addition, scholars living in Torino with expertise in the four areas identified, will have the opportunity to join the Collegio as research associates before becoming Affiliates or Fellows.

The Board of Directors and its Director thank their Founders, the Compagnia di San Paolo and the University of Torino, for making this exciting program possible.



## 2010 SCIENTIFIC REPORT - Summary

### ▪ INTRODUCTION

Established in 2004 as joint initiative of the Compagnia di San Paolo and the University of Turin, Collegio Carlo Alberto is a foundation whose mission is the promotion of research and education in economics, finance and political science. The Collegio shares the values and methods of the international scientific community.

Both founder members, Compagnia di San Paolo and University of Turin, participate in the development of the foundation according to different but equally decisive modalities. Compagnia di San Paolo for the most part, contributes from a financial point of view; whereas the University of Turin contributes with its human capital and the participation of several professors to the activities of the Collegio.



During its first six years of life, the Collegio focused mainly on the enhancement of talents, the search of high quality standards in all its initiatives and on a strong thrust towards its integration in the international scientific community. The Collegio has grown, has changed, its community has widened and fundamental programmes have been developed.

In 2009 the Collegio started up the repositioning process of its research activities from a highly interdisciplinary angle. New research frontiers have been identified enhancing the acquired heritage, and research activities have been re-organized on the basis of open calls for projects.

The new research priorities have been defined by a Board Statement, unanimously approved by the Board of Directors, the objective being the provision of a global and long-term perspective to the Collegio's organization. The research areas identified are:

Demographics, employment and social policies;

Sustainability and development;

European governance and public policy;

Industrial organization and innovation.

Over 2010 the Collegio's activities have been characterized by a slow and step-wise transition towards a management model where internal resources available for research are assigned to projects through a transparent, open and competitive process. These projects should be traced back to the four research domains, as prioritized by the Board of Directors.

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This scientific report, published for the fourth consecutive year, aims at monitoring and assessing the activities of the Foundation, whose distinguishing features are a greater completeness and *accountability*, compared to the audited, statutory financial report.

The need to join to the conventional financial reporting an accurate description of the resources employed (input) and of the activities carried out (output) by the Collegio is linked to the non-profit nature of this institution. By publishing this scientific report Collegio Carlo Alberto follows in wake of the national and international best practices, in the field of financial reporting, thus contributing to remarkably increase its transparency towards its stakeholders.

The structure of the scientific report consists of seven chapters. More in detail, the report has been broken down into the following sections:

- ✓ *Organization*: it outlines the organization structure of the Collegio, with a focus on the activities performed by the individual functional areas.
- ✓ *Research projects*: it is aimed at providing an overview of the active projects within the Collegio, funded by internal sources of finance.
- ✓ *Input*: it illustrates the human capital and financial resources employed by the Collegio.
- ✓ *Output*: it describes and measures the Collegio's output, distinguishing between: dissemination (conferences and seminars), publications, education and visibility.
- ✓ *List of indicators*: it shows some productivity indicators, meant to measure the relationships between input and output factors.
- ✓ *Benchmark*: it compares the indicators related to the Collegio's activities with similar ones related to institutions identified as the benchmark.
- ✓ *Sustainability*: it provides a summary overview of the environmental sustainability policy implemented by the Collegio.

## ▪ ORGANIZATIONAL STRUCTURE

In order to ensure a 'policy-oriented', applied and theoretically innovative research, it is necessary to set out a lean and functional organizational structure, highly fine-tuned with the different areas of the Collegio.

To this end, the organizational structure of the Collegio Carlo Alberto has been duly re-designed based on the 21st century challenges identified by the Board of Directors.

The research areas identified arise from the experience gathered in the various sectors in the past few years. They are meant to turn the Collegio into a genuine catalyst in the community of national and international scholars willing to pit their skills against the complexity of the upcoming challenges. Therefore, setting up the "Chairs" heading each area is what is needed to attract senior scholars and develop with them a team of researchers able to offer the community their ideas, studies and results of their researches.

## A Research Community



Scholars working in the Collegio create a dynamic and cosmopolitan environment, which demonstrates both the strong commitment of the Collegio towards the internationalization and the close link with the city of Turin and its academic institutions, as well as its wealth in terms of human capital.

The main profiles operating in the Collegio are the following: (i) *Carlo Alberto Chairs* (at the end of 2010, only one chair was appointed), senior scholars whose authority and expertise can function as catalyst for the entire community; (ii) *Carlo Alberto Fellows*, senior scholars living in Turin and associated to a Turin academic institution, who being authorized by their University, perform part of their research activities at the Collegio; (iii) *Carlo Alberto Affiliates*, scholars (PhD holders) who participate in the Collegio's research activities; (iv) *Junior Faculty*, young professors (mainly foreigners) recruited on the international academic market; (v) *Senior Research Fellows*, senior scholars of international prestige who spend several months a year at the Collegio, establishing a long-term collaboration with the institution; (vi) *Visiting Fellows*, professors or researchers coming from Italian and foreign institutions who carry out their research activities at the Collegio for set periods of time (several months); (vii) *Senior Honorary Fellows*, senior scholars who contribute or have contributed to the scientific development of the Collegio, for instance Professors of the University of Turin who played a decisive role in the process of growth and start-up phase of the Collegio and (viii) *Honorary Fellows*, winners of the Carlo Alberto Medal.

In the framework of the re-organization of research activities, financial resources are allocated based on projects submitted and selected by a committee, appointed by the Board of Directors, according to the criteria of the European calls for proposals. Current research projects, prior to the reform, shall reach their natural ending during 2011. Therefore, 2010 was a year of transition from the previous organizational structure (based on research units) to the renewed one (project-based).

Scholars who are permanently involved in the Collegio's scientific community are entitled to submit projects connected with the 4 research areas identified. Such projects may also involve external scholars, although not as project leaders. The new resource allocation mechanism is clearly aimed at reaching a more marked synergy with the community and a stronger interdisciplinary approach up to the social sciences in the broadest sense.

The Collegio is and remains a community of scholars. For this reason, the **Board of Convittori**, made up of the community of Collegio scholars, works as an institutional consultative assembly, discussing and giving voice to research-related issues, organization and prospects.

The Collegio adopts competitive and transparent methods for the recruitment of scholars and researchers; so it's no surprise that it is one of the few Italian institutions recruiting on the international job market (along with Ente Einaudi and Bocconi).

### *Training and Education*

The training and education activities managed in agreement with the University of Turin have been broken down into the Allievi Programme, two PhD Programmes and one Master Programme in Finance. The Collegio, further to hosting a Master in Health Economics and Policy managed by Coripe Piemonte, takes care of the organization of a Master in Economics, fully embedded in the Allievi Programme.

The *Allievi* Programme, from 2010 also open to the students of the Polytechnic, is the true novelty, going along the direction of strengthening the Collegio's education activities. The Collegio's Allievi are students enrolled in bachelor degree courses (first and second level) of the University of Turin (economics and related sciences, for instance: philosophy, mathematics, political sciences and statistics) and of the Polytechnic. Further to the teaching obligations provided for by their curricula, they carry out supplementary activities at the Collegio, both in classes (courses and tutorials) and in seminars.

The Allievi interact with the Collegio's faculty and scholars and have access to all the scientific activities and resources: seminars, conferences, master and PhD programmes. The Collegio supports the right to study of its Allievi through scholarships and other grants and offers to every student an individual workspace. In 2010, the Collegio Carlo Alberto entered into an agreement with the Collegio Einaudi in order to guarantee the Allievi coming from outside Turin, reasonably priced, decent accommodation solutions.

Furthermore, the Collegio appoints a mentor to supervise the Allievo's training path at the Collegio.

The Collegio hosts the *Vilfredo Pareto Graduate School of Economics* of the University of Turin, which delivers three post graduate courses: Economics, Economics of Complexity, Creativity and Innovation and Economic Theory, Finance and Statistics.

Furthermore at the Collegio, *IEL* runs an International PhD Programme on Comparative Analysis of Institutions, Economics and Law.

Building on the Coripe's legacy, the Collegio offers its Master students opportunities and competences to continue their academic career or to become professional economists. The Master in Finance prepares students for high-profile careers in investment banking, securities trading, commercial banking or insurance, while the Master in Economics is addressed to students envisaging an academic career.

### *Open Events*

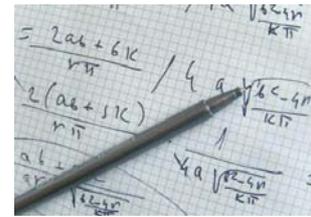
The Open Events functional area gathers all the events organized by the Collegio (*Carlo Alberto Medal*, "Collegio aperto", *Onorato Castellino Lecture*, *Vilfredo Pareto Lectures*) in order to disseminate the best economic, financial and socio-political research findings to a broad audience, across all age groups and cultural background. Through these events, the Collegio implements an important *outreaching* activity and service to the local community. Always in the framework of the Collegio aperto, the Collegio Carlo Alberto wishes to offer its small contribution to the celebrations for the 150 years of the Unity of Italy to be held in 2011, with a new series of lectures, "The Cavour Lectures in Policy Issues".

## ▪ RESEARCH PROJECTS

In 2010 the first call for projects was launched for the funding of in-house projects.

This new management method, adopted for the allocation of internal sources of fund for the Collegio is aimed at:

- upgrading the quality of the research performed at the Collegio;
- fostering the consolidation of the standing and of the interests of the Collegio in the four research areas identified as priorities by the Board of Directors;
- guaranteeing the researchers a three-year work time horizon;
- promoting interdisciplinary research;
- increasing the Collegio's visibility in the international academic world with the publication of articles by the teams of the funded projects.



A Committee appointed by the Board of Directors (Prof. Alessandro Sembenelli, Prof. Roberto Marchionatti, Prof. Luciano Bardi and Prof. Luigi Guiso) ensured the transparency of the evaluation process of project proposals submitted to this first call. Moreover, the Committee made use of a panel of external experts with specific competences related to the topic dealt with by the project.

Out of 16 projects submitted to this first call for projects, 8 were assessed as excellent and obtained a funding for an overall budget, to be allocated over three years, amounting to 1,500,000 euros.

The eight projects, funded within the framework of the first call for projects inside the Collegio, have been joined by an equal number of projects funded by external bodies for an overall budget, on a multi-annual basis including the co-financing amounts, of about 1,400,000 euros.

## ▪ INPUT

### *Human Capital*



In 2010 more than 200 people contributed to the Collegio's activities in the following roles: 82 researchers and scholars, 41 research assistants, 8 activity coordinators, 57 professors and tutors, and 20 employees (Table 1).

The majority of these human resources, (90%), highly skilled staff, have been employed in the areas of research and teaching. The data reported in Table 1 highlight an 8% overall decrease in the number of people who collaborated with the Foundation in 2010 over 2009. Such decrease, which characterized exclusively the area of training, is due to three main factors:

- full review of the teaching plan for the Master in Economics, compared to the old Coripe management, from the perspective of exploiting the resources available in the

Collegio (the Assistant Professors) with the subsequent drastic drop in the number of adjunct professors employed and a remarkable economic efficiency;

- the management of contracts for the Master in Finance professors (ay 2009-2010) directly by the University of Turin, owing to specific administration requirements of the University;
- the unification of the introductory courses to the different PhD courses of the Vilfredo Pareto School in order to achieve greater synergies.

The two founder members of the Collegio, Compagnia di San Paolo and the University of Turin, participate in the development of the institution according to different but equally relevant modalities. The first one contributes to the activities carried out by the Collegio mostly from a financial view point: funds annually allocated by Compagnia represent the primary source of income for the Foundation. The University of Turin, instead, contributes with its valuable human capital, allowing the participation of several Faculty members to the activities of the Collegio. In 2010, out of a staff of 188 collaborators (researchers, professors, coordinators) who worked for the Collegio, 45 held also a position with the University of Turin.

Table 1. Statistical summary of inputs and outputs at CCA

		2008	2009	2010	
<b>INPUT</b>	<b>HUMAN CAPITAL</b>	<b>213</b>	<b>227</b>	<b>208</b>	
	Employees	18	20	20	
	Researchers and Scholars	71	91	82	
	Research assistants	21	19	41	
	Coordinators of research and educational activities	18	14	8	
	Teachers and tutors <sup>(1)</sup>	85	83	57	
	<b>FINANCIAL RESOURCES</b>	<b>6.355</b>	<b>6.911</b>	<b>6.049</b>	
	Ordinary contribution by CSP	5.100	4.900	4.900	
	Other contributions by CSP (building renovation and strengthening funds)	667	1.082	368	
	Other income	588	929	781	
<b>OUTPUT</b>	<b>CONFERENCES AND SEMINARS</b>	<b>133</b>	<b>128</b>	<b>124</b>	
	Seminars	108	105	109	
	Conferences	25	23	15	
	<b>PUBLICATIONS</b>	<b>162</b>	<b>183</b>	<b>224</b>	
	Working Papers	109	109	115	
		<i>of which direct contributions to policy debate</i>	<i>81</i>	<i>83</i>	<i>80</i>
	Scientific Publications	53	74	109	
		<i>of which direct contributions to policy debate</i>	<i>36</i>	<i>53</i>	<i>75</i>
	<b>EDUCATION</b>	<b>103</b>	<b>111</b>	<b>120</b>	
	Allievi Program students	21	28	52	
	Master students <sup>(2)</sup>	26	30	25	
	Phd students	56	53	43	

(1) The number of Teachers and Tutors for 2008 and 2009 is shown net of the Teachers of the Master in Economia e Politica Sanitaria.

(2) The number of Master students for 2008 and 2009 is shown net of the students of the Master in Economia e Politica Sanitaria.

### Financial Resources

All the activities carried out and the initiatives organized by the Collegio in 2010 were implemented thanks to available funds amounting to approximately 6,050,000 euros, net of utilization of provisions (Table 1). The institutional contribution by Compagnia di San Paolo amounted to 4,900,000 euros, in addition to the contribution amounting to 370,000 euros for the building renovation works. Revenues from external funding for scientific projects decreased by 36%, compared to 2009, reaching approximately 400,000 euros. The

financial income was negatively affected (-58%) by the low interest rates that in 2010 characterized the low-risk investment decisions made by Collegio Carlo Alberto.

## ▪ OUTPUT

The output of the Collegio consists of four items: dissemination, publication, education and visibility. In all these areas the Collegio adopts the same methods and standards of the international scientific community.

### *Dissemination*

In 2010 the Collegio organized 124 events (109 seminars and 15 conferences). This is the outcome of a notable consolidation of the institutional dissemination activities performed by the Collegio (*Monday lunch seminars, Seminar in Economics, Workshop in Capital Markets, Seminars in Politics and Society and Statistics seminars*), associated with the contribution provided by the PhD courses, Master and Allievi Programme. The start, only at the end of June, of research projects activities carried out by the Collegio substantially led to a complete lack of dissemination activities in this area.

The number of conferences organized by the Collegio slightly decreased, quite naturally, as the projects approved started at the end of 2010.

### *Publications*

Publications are an important recognition of the Foundation's research findings. In 2010, the scientific community at the Collegio produced 224 research deliverables, consisting of 115 Working Papers, and 109 scientific publications including both articles published in scientific journals and books (Table 1). Most of the published material is available both as hard copy as well as on the Collegio's website.

The Foundation has five series of Working Papers to its credits, four of which related to the Research Network activities and one focused on the Junior Faculty activities.

In the wake of other leading international institutions, in 2007 the Collegio launched the *Quality Project*, aimed at fostering the publication of articles in authoritative peer-reviewed journals in the fields of economics, finance and political science. In 2010 the project achieved excellent results with a 8% increase in the number of publications on peer-reviewed journals. Table 1 reports that approximately 70% of the Collegio's publications have been realized to explicitly contribute to the policy debate.

### *Education*

In 2010, 120 students took part in education and training activities coordinated or hosted by the Collegio. The students enrolled in the Allievi Programme – for students enrolled in bachelor's degree courses at the University of Turin and the Polytechnic – almost doubled. The number of students of the two Master Programmes directly managed by the Collegio underwent a slight decrease. Students attending PhD courses continue showing a slight decline in numbers, as already highlighted in the previous scientific reports, due to specific contingent causes.

## *Visibility*

In 2010 the website [www.carloalberto.org](http://www.carloalberto.org) recorded an average of about 14,773 visits per month, a nearly steady trend over the previous year.

The Collegio's research and education activities are gaining significant visibility also among the general public. During 2010, about 45 articles have been published in the most popular national newspapers featuring the Collegio and its activities in the field of Research, Education and related issues dealt with during the Open Events.

The visibility of the Collegio is also evidenced by the presence of some of its Fellows on the editorial boards of international economic journals, and by the fact that several scholars working in the Collegio are editorialists for important national newspapers or weekly publications and they are invited to present their papers during seminars organized by leading Italian and foreign universities, as well as to participate in international congresses.



## ▪ **PRODUCTIVITY**

The effectiveness in the employment of human capital and financial resources by the Collegio (input) for the organization of events, the number of publications and the performance of training and education activities (output) can be assessed based on some specifically designed and measurable indicators.

The unit research resources index, related to the financial resources allocated to researchers shows the amount of resources allocated to scientific activities (net of depreciation and appropriation of funds) allocated to each researcher. In relative terms, each researcher requires resources amounting to approximately 20,600 euros.

The publication index refers to the productivity of researchers in terms of publications by researcher. This ratio has been broken down into two components: Working Papers index and Scientific Publications index. The first component shows a decrease in the period 2008-2009, offset by a remarkable increase during 2010. This increase is the outcome of an increase in absolute terms in the number of WP published and a decrease in the number of researchers taken as index denominator.

The index of initiatives per workday represents the cultural liveliness of the Collegio in terms of events organized per work day. 2010 has been marked by an average of 2.8 events per week, with a daily frequency similar to the one recorded in 2009.

## *Benchmark*

For the second consecutive year, the activities carried out by the Collegio have been assessed comparing them with the performance of similar institutions. The benchmark institutions are: Fondazione Eni Enrico Mattei (FEEM); Einaudi Institute for Economics and Finance (EIEF); and the Center for Monetary and Financial Studies (CEMFI).

Indicators used as benchmarks are the labour cost of personnel involved in research activities; Working Papers publication index; the index of initiatives per working day. With regard to the above-mentioned indicators, the Collegio's activities have never been lower than the reference institutions.