

March 2018

# L'Eco del Bunker

Ideas, culture, independence





## THE FLEETING WORLD

Until February, 18th, Palazzo Reale hosted a monographic exhibition on Henri Toulouse-Lautrec, named "The fleeting world".

In this publication by L'Eco — the first one following a topic — we tried to follow, as it was the case with Mountmartre-master's paintings, what students had to say about the different realities surrounding them and about that fleetingness characterising every field of human knowledge.

We are really proud of the result, which turned out to be not only a composite experiment, but also and mostly an ongoing process, from one topic to the other. In particular, the outcome has been a deep focus on the idea of "transitional state", of "moment destined to change and evolve", either towards a positive scenario or towards a negative one — a fall, with the eventual vanishment. In the shades of the fleetingness, hence, two main interpretations emerged: the one of "temporal dimension" characterised by an inner transience and the one of "lightness", following Calvino's lesson.

Now we leave the floor to the reader, the ultimate judge, to let him/her decide which of the two dimensions prevails in his/her proper horizon, so that our path may be followed in a synergic and ongoing process with the same fleetingness of who is both very focused and deeply participating.



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WHAT IS

# L'Eco del Bunker

If I look now at L'Eco, I can see the first successful experiment of creating a completely independent student-based journal in our University, but not only; with neither favouritisms nor shortcuts, we welcome people and associations, curiosity and passions in the most open way possible. Our goal is to provide a fertile ground, where every project may be developed and appreciated. "Participation" is our motto! Indeed, in these two years of work, we made a considerable number of changes thanks to our dynamic and ambitious nature and the amount of proposals and requests we received from you.

L'Eco is a student association, tailored on the amount of effort everyone will put into it: for someone is a once-per-year experience, lasting for a single article, for others it consists in a constant support or in a weekly publishing. Last year we decided to translate our articles in 6 different languages and to distribute them on our website and our mobile app, also thanks to the help and cooperation of students from other universities, both in Italy and abroad.

L'Eco is not a pointless project, but a purposeful tool, a network for freedom and dynamism, always looking for new ideas and open to everybody. If you are a freshman, you may estimate how much effort you want to invest in the project if you wish to join our community. If you are a veteran and you are already struggling to finish your thesis, you may have a better idea on how much time you can dedicate.

To us, every contribution is precious, even a simple like on Facebook or a mention in a casual conversation; they really mean a lot to our work.

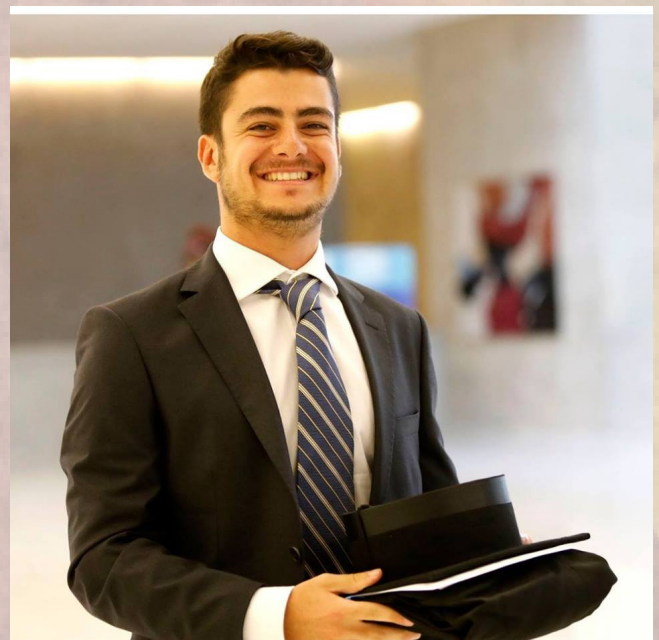
What counts – and what we are looking for – is the passion of carrying on our common vision, by creating the most serious, interesting and broad debate possible.

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Translated by Alessandro Cavagnera





# THE UNBEARABLE LIGHTNESS OF BEING

THROUGH THE TITLE OF MILAN KUNDERA'S MASTERPIECE, 'L'ECO DEL BUNKER' REVEALS THE YET UNTOLD VANGUARD OF ACCOUNTING.

A mixture of behavioural economics and anthropology: that's the accounting method suggested by the "Associazione Commercialisti Inattivi Italiani" (Italian Inactive Accountants Association) during an accounting refresher course.

The spokesperson, Gino, is a great corporate economy enthusiast, and he comes up with a low profile (and a low income, rumour has it).

When he came of age, he changed his surname to "Srl" (Ltd). He was once found unconscious (with a BAC unsustainable even for the highest-paid manager of the States) with his car crashed into a tree in the middle of the countryside and a dead horse which he blamed for the accident.

During the refresher course, Gino Srl presented, quote: "a method that will revolutionize the whole accounting system". For the 'L'Eco del Bunker' loyal readers, here is the preview of his speech:

«To be or not to be is no longer the big question. With no hesitation the answer is: "To be... consumers!"»

[Applause]

Thank you.

Since I joined the organization I have had the honour to engage with many 'Inactives'. The result of our constant dialogue is the revolutionary system I am presenting today.

As Colin Chapman said, "simplify, then add lightness", and that is what we have done. In the transience of our time, we understood fully what the great challenge to take on was. To simplify! This is the concept we decided to apply to the discipline we deal with, one of the most frequently studied in Economics classes: Income Statement.

As we all know, a company is supposed to meet people's demands, and that's why today, we cannot just conduct surveys about







outcomes and financial perspectives. We need to take an interest in our customers, to actually look after their social perspectives. And is there anything more 'social' than social media? Well, ladies and gentlemen, our method is as revolutionary as it is simple: instead of 'GIVING +' and 'RECEIVING -', the new accounting system will be based on 'Being -' and 'Not being +'. Being less! Being consumers to fight the unavoidable heaviness of living! Don't be +: keep the double-entry going.»

-End of speech-

Like the other surveys conducted by 'L'Eco del Bunker', this one provides uncertain results as well. This method has been criticised by the major Italian universities and several accounting professors took to the streets asking for the 'Associazione Commercialisti Inattivi Italiani' to be shut down.

There was no lack of inconveniences: several Economics students engaged in a non-stop publication in the main social media of pictures to express their will to maximise profit and all corporate economy exams were postponed.

In this uncertain scenario, it helps to report the well-known accountant Dolores Morale's words, who partially quoted Shakespeare in her comment to Gino's words "Because accounting is accounting, to the end of reckoning".

***"Guido, you refuse to be of our company; but look, when you have proved that there is no God, what will you have accomplished?" Guido, seeing himself surrounded by them, answered quickly: "Gentlemen, you may say anything you wish to me in your own home." Then, resting his hand on one of the great tombs and being very nimble, he leaped over it and, landing on the other side, made off and rid himself of them.***

***Decameron (VI, 9)***

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Translated by Alessio Pugliese



## IS LUXEMBOURG REALLY A TAX HAVEN?

**D**espite its small size, the Grand Duchy of Luxembourg triumphs on the 18th spot of the Global Financial Centre Index 21, released in March 2017. At EU-level, Luxembourg took the remarkable second spot, right after the world leader: London. But how can such a small country keep up with other EU financial centres like Paris or Frankfurt – and even outpass them? Very often, premature conclusions are drawn: Luxembourg is labelled as a tax haven and is condemned by society of having introduced laws that stretch the bounds of legality.

On a regular basis, other members of the European Union point their finger at Luxembourg, holding its tax system responsible for millions of tax resources bypassing their own country. However, these countries, and the EU as a whole, can also benefit from this fact and, most importantly, they are often not as innocent as they pretend to be, accusing Luxembourg of certain practices that they use in the same way.

### ***What is important to know about Luxembourg?***

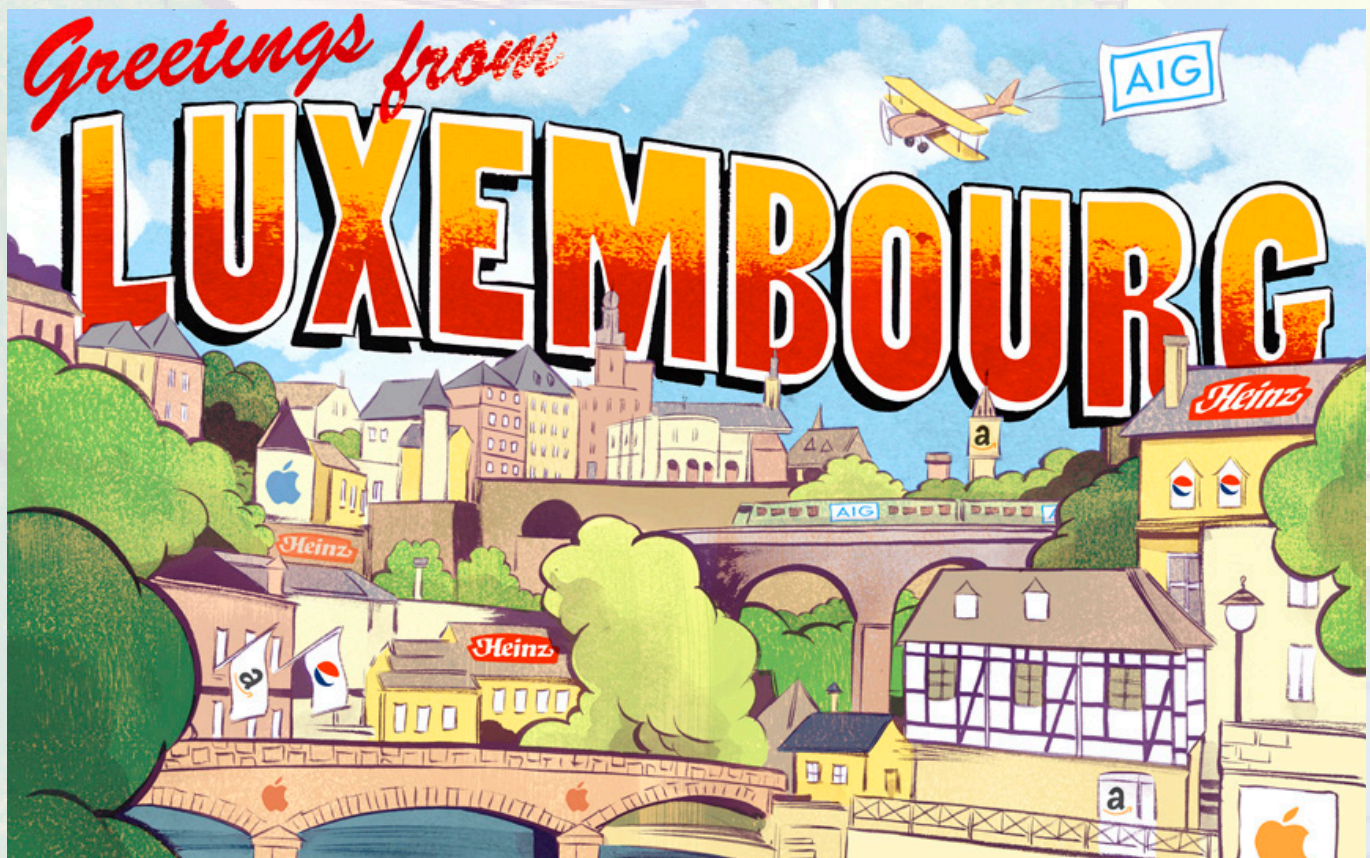
More than €300 billion are managed by the Eurozone's most important private-banking-centre

alongside with more than €3.000 billions of net funds.

The financial sector of the Grand Duchy directly employs more than 44.000 persons and yields about a fourth of the country's GDP. Furthermore, large international companies like Amazon, PayPal, iTunes or Skype chose Luxembourg as their place of business for their Europe-activities. But the list goes on: Google is currently planning to close a €1 billion investment to establish their new 33-hectare data centre in Luxembourg, creating about 300 jobs.

The greatest income per capita country's competitiveness is heavily reduced by countries all over the world to the tax advantages companies like Pepsi, FedEx, Ikea or Deutsche Bank are benefiting from. However, according to Luxembourgish public authorities and multiple asset management companies, the country's success only partly derives from its tax advantages.

There are also other factors, such as its strategically favourable location, its social, economic and political stability, its high qualified multilingual personnel, its cosmopolitanism, its high living quality and its modern legal framework that make Luxembourg so competitive.





## ***The local corporate tax advantages***

Several tricks exist to decrease corporate taxes of firms having offices in Luxembourg. First, let's mention the intercompany loans. International companies borrow money from a sister company based in Luxembourg and eventually, the principal plus interest is paid back to the lender. In this way, cash is transferred to Luxembourg. Furthermore, royalty payments allow a subsidiary company to take control over the group's brand and impose a fee for the foreign usage of the brand on other companies. Lastly, investments losing their value can be taken into account to push down future gains, and thus taxes, even if the investment is not sold.

Evidence proves that private tax deals were made between companies and the Luxembourgish State, allowing the reduction of the usual corporate tax rate of 29% to lower rates. These "sweetheart deals" entailed a financial scandal in November 2014.

A journalistic investigation, supported by two whistle-blowers who were at that time employed by PricewaterhouseCoopers, was led and confidential information concerning Luxembourgish tax rulings granting benefits to clients and established by the multinational professional services firm, was released. The so-called LuxLeaks revealed the details of the extreme reduction of tax bills of hundreds of international companies with offices in Luxembourg. This, for instance, led the global player McDonald's to announce the move of its non-US tax base to another country.

The LuxLeaks gave other EU countries the long awaited opportunity to point their finger at Luxembourg, accusing them of making illegal tax deals. Most of these countries, twenty-two out of the twenty-eight Member States to be precise, however do not mention the fact that they carry out tax reduction negotiations with large companies as well. To point out only a few scandals on the long list: Total found a very benefiting, though questionable, agreement with France, Google with Great Britain, Apple with Ireland, Starbucks with the Netherlands or Anheuser-Busch with Belgium.

## ***European transparency challenge***

Luxembourg, constantly being watched by the

EU for having introduced laws which stretch the bounds of legality, lifted the banking secrecy in 2014 after years of pressure from the supranational authority. This represents a huge and serious step towards transparency, considering that banking secrecy had been one of the reasons why the country was able to develop as a financial centre so rapidly in the first place.

Luxembourg and the EU as a whole faced enormous risk of losing companies to non-EU financial centres in Switzerland and Liechtenstein.

By the way, both competitors apply lower corporate tax rates than the Grand Duchy. Therefore, if companies flee Luxembourg because it became more transparent, the entire competitiveness and growth of the EU are negatively affected.

## ***The 'tax haven'***

Before debating whether Luxembourg is a tax haven or not, let's first explain what this misnomer actually is. A tax haven does not imply a simple escape from high income and corporate tax, but also treasures secrecy and proves unwillingness to share information with other jurisdictions. With the abolished banking secrecy, Luxembourg today only satisfies the first condition out of three, according to the definition. This, however, did not prevent Oxfam International in December 2016 to release a "corporate tax havens" ranking, putting Luxembourg on the 7th spot, behind the Netherlands, Switzerland and Ireland.

An answer to the question why Luxembourg has such low tax rates is to be found in the Grand Duchy's history. In fact, today it owes its wealth to the steel industry in the middle of the 20th century.

However, because of the terrible effects of the oil crisis in 1973, this industry was no longer the driver of the Luxembourgish economy and other solutions had to be found for the country in order to stay competitive with to way larger, more powerful and resource-abundant countries.

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# BITCOIN

*RELAX, IT'S NOTHING SERIOUS*

**J**anuary 2014.  
It's a rainy Sunday. I am busy studying for admission tests, when a friend of mine proposes me to go to the cinema and watch the movie "The Wolf of Wall Street". With the idea to blow off a little steam, I accept his proposal and go out to enjoy the three-hour movie with the hope of getting some tips on finance that could inspire me for my future studies. I am particularly impressed by the scene in which Mark Hanna (Matthew McCounaghey) describes the entire financial market system as "fleeting", i.e. transitory, flying, star dust.

It has been four years since that day, and I spent three of them as a Bocconi student. During these years I have been thinking a lot about the idea of fleetingness. Recently, as a graduate who tries to put to good use the notions learned during the lessons of macroeconomics, economic history and monetary economics, I have been fascinated by the international me-

dia clamour created around Bitcoin and other cryptocurrencies.

Bitcoin is an excellent paradigm of fleetingness: five years ago, in mid-January 2013, the economic value of Bitcoin was \$13. The value has grown slowly over the years and has risen dramatically in the final part of 2017: at the present time Bitcoin was worth over \$20,000. By considering the speculative aspect of Bitcoin, many economists assumed that it represents nothing more than a bubble, the current value is inflated and it could drop sharply at any moment. Others were clearly in favour of it and demonstrated that it is convenient, independent from central banks, taxes and transactions tracking. In some ways, the Bitcoin would seem to be like an ultra-liberal dream: whether this is positive or negative depends on your ideas and on the fact that you have an essay written by Milton Friedman or Paul Krugman on the bedside table.







I don't want to tip my hand because I am aware of my lack of knowledge on this issue. However, if we talk about fleetingness, I take the cue to argue in favour of Bitcoin and its user community. In the end, Bitcoin is not different from other currencies: it is a bubble, almost by definition. If we consider that a banknote is not worth €100, €200, €500, but at best a few cents, Bitcoin, which is not tangible, has an intrinsic value equal to zero. It's a bubble, it's fleeting, it's transient, but this doesn't mean it is the absolute evil, as many people want to represent it. Moreover, if we don't consider the deep web - which deserves separate mention - the Bitcoin community appears to be mostly composed of innovators, hackers, libertarian dreamers, and people who have different interests.

Back to the awful reality. To make it short, Bitcoin is today said to have been the biggest bubble in history: On February 5th, 2018, the cryptocurrency was traded for less than \$7.000.

Before the burst of the bubble, Bitcoin was actually welcomed, as well as the other cryptocurrencies with their "fugazi" fascination. Particularly welcome were the fleeting things, and the fugacity, because in the end it is an essential feature of the beautiful and less beautiful moments of our lives. Also welcome is the dust of stars, until no one gets hurt.

The question is now how will the Bitcoin perform in the future?

Perhaps, one day, we will tell our grandchildren that cryptocurrencies were a short-lived game for people who love to make experiments. Or maybe we will give them the pocket money in Bitcoin.

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# THE SHAPE OF WATER

A TALE AS LIGHT AS LOVE

**T**he shape of water is the latest movie from the great director Guillermo del Toro, it came out in the US in December 2017 and on February 14th, 2018 in Italy. The film earned the Golden Lion at the Venice International Film Festival and received thirteen Oscar nominations.

## *The plot*

Set in Baltimore in the middle of the cold war, the movie tells the impossible love story between Elisa Esposito, who had her vocal chords cut when she was a child and has been mute since then, working as a cleaning woman in a research centre and the specimen who is held captive in the laboratory. The creature is a merman, chained in a pool and beaten by the cruel Col. Strickland, who was put in charge of the security of the centre since the amphibian-man was transferred there.

Elisa and the merman are both victims of solitude and marginalization, but thanks to the strength of their love and the help of Zelda and Giles (Elisa's co-worker and his neighbour), they overcome the difficulties born from their relationship and live their happy ending.

## *The review*

Let's cut to the chase.

It's impossible not to see the beauty in this movie, marked by the wise direction and story-telling of director Guillermo del Toro, who painted a marvellous picture of the US in the sixties with vibrant, but ephemeral colours and deep shadows who carry the real light of the narration. Although the love story is bizarre, sometimes it feels too simplistic and cliché, the world built around it is sublime and blows away every doubt. The 119 minutes flow calmly and the length is felt sometimes, but every frame is essential for the plot.

The US portrayed in the film is a constant *chiaroscuro* which underlines the duality of humanity, able to send men into space thanks to its genius and contemporarily to blindly ignore the suffering caused by its evil. The exclusion of the diversity is shown many times, both directly and indirectly through the behaviour of the characters and the TVs in black and white showing shootings of Martin Luther King and the black protesters asking for equality and the end of discrimination.





The 'different ones' are pushed aside in a noisy small flat built on top of an empty cinema, chained inside a pool in a dark laboratory, stuck in a life with no perspectives or in a marriage with no love, while the 'normal ones' prosper in big bright houses, driving luxury cars and showing off their perfect families. This dichotomy of the world is well hidden under the dazzling brightness of capitalism, abundance, success and dreams of greatness that drive the dreams of mankind to reach the stars, at the cost of its humanity.

This veil of hypocrisy is what allows the 'inferior' protagonists to succeed in their plan unnoticed by the eyes of the 'superior' ones, blinded by the plots of espionage of the cold war and their attempts to reach success and prestige.

The strength of the movie is its scenography, where every detail has significance: shadows, colours, monochrome, all of them emphasise action and photography creating a retro feel in a world that feels alive and present.

The soundtrack, composed by Alexandre Desplat, who won an Oscar already for the movie *Grand Budapest Hotel* in 2015, greatly enhances the vintage feel with newly composed themes, jazz arrangements and pays homage to great movie stars of the old Hollywood, a movie era which seemed old and almost forgotten.

The casting was a good guess and the characters are rich with pathos and emotions can be read from the faces and gestures of the actors. Particularly valuable is the work of the protagonists: Sally Hawkins (nominee for Oscar prize as supporting character in *Blue Jasmine* from Woody Allen) was capable of showing all the emotions of Elisa without uttering a single word, while Doug Jones dressed the merman costume with amazing skills. Yes, believe it or not, that is a latex-made costume and not a special effect made with CGI.



### ***The verdict***

Emotional, romantic, poetic, moving and masterfully executed as well, it rightfully deserves all the success awarded by both critics and the public.

The shape of water is a beautiful fairytale for adults with a depth far greater than the love-story it's about, able to merge fantasy and reality in an unforgettable union.

**Vote: 4.5/5**



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