Stefan Fina, Bastian Heider, Francesco Prota

Unequal Italy

Regional socio-economic disparities in Italy
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About this publication
Italy is a country marked by severe structural and economic contrasts across different areas: Italian regions differ greatly in terms of demographic patterns, economic performance, well-being, and institutional quality. The North-South divide has been a distinctive feature of Italian economic development since the country’s political unification in 1861. The trend of divergence appears to be reinforced by 21st century transformation pressures which have hit Italian regions that display different levels of preparedness. Indeed, the disparity map shows that Italy can be differentiated into four spatial types. Better place-sensitive territorial development policies are needed in order to find a solution to the longstanding differences between North and South: policies focused on providing opportunities for people living in the Southern regions and on tapping into untapped potential.

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Additional information and supplementary materials are published at https://fes.de/unequal-italy
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Since the country’s political unification in 1861, Italy has been characterised by a strong North–South divide, with the Southern part of the country, commonly referred to as the “Mezzogiorno”, constantly lagging behind. The socio-economic situation in Southern Italy explains many of the nationwide disparities in the country’s modern history. Nevertheless, as shown in this report, the idea of the Mezzogiorno as a monolithic and homogeneous territory, irremediably cut-off from the development trajectories of the most dynamic Italian regions, is misleading and does not take into account the profound diversities within the Mezzogiorno as well as the presence of untapped potential.

The research undertaken by Stefan Fina and his team at ILS Research Institute for Urban and Regional Development in Dortmund in this study shows that Italy can be differentiated into four distinct spatial types, unevenly distributed in terms of population and the number of administrative areas, what we call the “Four Italies”. Two Italies, which include Northern Italy and some areas of the Centre, fare better than the national average according to several indicators that measure five dimensions of equality: the economy, employment and the labour market; educational opportunities and life chances; prosperity and health; state action and participation; and migration. One Italy represents the average both geographically (vast but sparsely populated areas of Central Italy) and because many indicator values are average in comparison to the rest of Italy. This spatial type extends to the South and is therefore an important development axis for socioeconomic convergence between North and South. Another Italy has living conditions well below the national average: vast areas in the Mezzogiorno are exposed to significant structural problems; limited employment and business opportunities continue to cause out-migration and demographic decline in these territories. The economic and social situation within the South is, however, highly diversified and an in-depth analysis is necessary in order to capture the specific strengths and development potentials of this macroregion. Indeed, this report identifies “three Mezzogiornos”.

A recent and convincing approach to describe the situation in Southern Italy points to the idea of an “intermediate development trap” in which Southern regions seem to be locked in. Deindustrialisation, demographic imbalances, incapacity to develop an advanced tertiary sector and resist pressures from emerging markets, the collapse of public investment are all factors that may explain the disappointing performance of
the South. This is a phenomenon that we have identified in several other European countries besides Italy. FES and FEPS have run studies on the regional divide of other countries (Sweden, Finland, Romania and Estonia). A common worrisome vicious circle has emerged in all cases: on the one hand, lagging areas lack economic activity. As a result highly skilled people move away. This in turn worsens infrastructure investment and public services. On the other hand, highly urbanised areas, where economic activity is concentrated, attract more and more people so that there is increasing competition for jobs, higher living and housing costs and higher risk of social exclusion.

Can we think of a development model that offers equal opportunities and high standards of living regardless of one’s place of residence? The challenge we want to highlight for national as well as for European policymakers is that it is impossible to provide opportunities and equality for all individuals regardless of their economic and social background unless regional inequalities are addressed.

In Italy, it is evident that the scale and severity of regional disparities, in particular with respect to the labour market, calls for better place-sensitive territorial development policies, focused on providing opportunities to people living in the Southern regions and on tapping into untapped potential. In this report we suggest a reorientation of regional policies towards (i) public investment, mainly in health and education, to stimulate economic activity in the short run and to impact the potential for long-term economic growth; (ii) employment support (also through new hiring in the public sector to counterbalance the contraction which has been severe in the South); (iii) a new multilevel governance in which the preeminent role of central government is reaffirmed.

It is important to reaffirm the idea that regional equality matters not only for social and political cohesion, it is a means to fight social inequalities and ensure sustainable and inclusive economic development.

FFES and FEPS will put together the findings of five different national disparity studies to analyse how unequal Europe still is and formulate proposals to reform the EU approach to regional policy and enhance the EU ability to contrast socio-economic divergence. The EU cannot shy away from the problem. It should reaffirm its mission towards wellbeing and decent living standards for all Europeans and can attain this with a policy mix comprising an ambitious social agenda but also the coordination of economic policy, a rethinking of cohesion and regional policy and a fairness-based recovery strategy.

Local development and well-being in all areas of a country should be the primary goals of economic policy, and further to that, they should strengthen democracy and ensure opportunities and participation for all. They should make the economy and society stronger, because more equal and inclusive. Growing spatial inequalities in many EU member states have been fuelling the rise of anti-democratic movements and forces, questioning the respective democratic and political institutions. To diffuse rising dissatisfaction, the EU member states and EU institutions should address these inequalities and implement a more even development policy.

**FOREWORD**

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Regional disparities are common across the world, in countries rich and poor. In the European Union, after a period of convergence, disparities started to increase significantly since the financial and economic crisis that began in 2008.

Italy is a country marked by severe structural and economic contrasts across different areas: Italian regions greatly differ in terms of demographic patterns, economic performance, well-being, and institutional quality. In 2018, GDP per capita and GDP per worker in the Southern regions were respectively at 55.2 per cent and 76.7 per cent of Centre-North, and the unemployment rate nearly twice as high as the national average, i.e., 18.4 per cent versus 10.6 per cent (SVIMEZ 2019).

1.1 ITALY’S NORTH-SOUTH DIVIDE

The North-South divide, with the Southern part of the country constantly lagging behind (the so-called questione meridionale), has been a distinctive feature of Italian economic development since the country’s political unification in 1861.\(^1\) The depth and persistency of this phenomenon has generated much interest in Italian and international studies of economics, history and sociology and its origin and determinants are still a debated and controversial issue (Felice 2013; Daniele/Malanima 2014).

The debate has recently been rekindled thanks to the availability of more accurate regional estimates, regarding the period from Italy’s unification to the present day, for GDP, employment, productivity, and other social and non-monetary measures such as, for example, human capital, life expectancy, health, inequality, poverty, social capital, and market potential (Felice 2012, 2019; A’Hearn/Venables 2013; Missiaia 2016; A’Hearn/Vecchi 2017; Cappelli 2017).

Despite the persistence of regional disparities in the history of Italian regional development, the terms and dimension of the North-South dualism has changed several times over the last 160 years (luzzolino et al. 2013). The gap surely widened with the industrialisation of the North in the three decades before World War I (it accelerated further after the adoption of protectionist tariffs in 1887), peaking just after World War II, when the Milan-Turin-Genoa industrial triangle took off. The period between 1951 and 1971 was characterised by a general convergence among Italian regions. The North-South divide, therefore, reduced during the economic miracle, when Italy became an industrial power, growing at an annual rate of 5.2 per cent from 1951 to 1971 (Felice 2018). The process of convergence was sustained and, in many respects, led by a set of public policy programmes that created the conditions for economic growth in the South through the state-owned agency Cassa per il Mezzogiorno.\(^2\) Subsequently, it is possible to identify two other phases of the development of the Mezzogiorno: the end of convergence with the oil crisis of the 1970s, which damaged particularly the industrial plants located in the South because of their typically higher transport and labour costs, and the great stagnation from the mid-1990s onwards during which the Italian Mezzogiorno was unable to keep up even with the slow growth of the rest of the country (luzzolino et al. 2013; Papagni et al. 2020).

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1 The Kingdom of Italy was proclaimed on March 17th, 1861.

2 In the 1950s, the Cassa per il Mezzogiorno focused mainly on infrastructural and agricultural development works, while later (1960s and early 1970s) it concentrated on industrial incentives, mostly directed to capital-intensive sectors. While, initially, public investment played an important role in the economic growth of southern Italy (Del Monte/Giannola 1978; Felice/Lepore 2017; Papagni et al. 2020), by the mid-1970s the Cassa per il Mezzogiorno lost its effectiveness due to growing political pressure, misallocations and unproductive uses (Triglia 1992; Del Monte/Papagni 2001).
Indeed, the most worrying recent trend is the growth gap that has opened up between Italy and the rest of Europe: in the 21st century all Italian regions lost ground compared with the EU average (even Lombardy, the economically strongest area of the country). In particular, following the 2008 financial crisis, Italy faced its worst recession in recent history. As shown in Prota and Grisorio (2018), the economic downturn was intensified by the reaction of national governments which, since 2010, embarked on a challenging programme of fiscal consolidation. The cumulative effect of financial measures adopted during the crisis has been above 120 billion euros, namely almost 8 per cent of GDP, particularly concentrated in the period between 2011 and 2012. Over this period, regional disparities increased further, as the recovery has been much weaker in Southern regions.

The Italian institutional framework and interregional redistribution

Italy is a unitary country with strong attributes in terms of territorial and functional decentralisation. The Italian public administration comprises three levels of government: the central government, administrative regions, and local governments (including 107 provinces, of which 14 are Metropolitan Cities, and about 8,000 municipalities). Regions are divided into two groups: 15 Ordinary Statute Regions (OSRs) and five Special Statute Regions (SSRs). Geographical, cultural, and economic reasons led to the establishment, recognised at the constitutional level, of autonomous regions with special statutes (Valle d’Aosta, Trentino-Alto Adige, which is in turn divided into two autonomous provinces: Province of Trento and Province of Bolzano, Friuli-Venezia Giulia in the North, and Sicilia and Sardegna in the South). By virtue of their special statutes, they have greater autonomy in terms of legislative and fiscal powers than the OSRs.

Since the early 1990s (via the so-called “Bassanini” laws, in particular Law 59/1997), Italy has made significant steps towards federalism, decentralising political, fiscal and administrative powers, also by means of a major constitutional reform in 2001 which modified the division of legislative competences between the State and the Regions, by distinguishing between exclusive competencies of the State, concurrent competencies, and exclusive competencies of the Regions. As of today, Italy is considered a “regionalised” country.

Given the presence of large and long-lasting economic and social differences between the North and South of Italy, any public policy designed to fill this gap has to some extent involved an inevitable redistribution in favour of Mezzogiorno from the richer Northern regions (Giannola et al. 2016). There is broad debate on interregional redistribution operated by the public sector in Italy. Recently, the political discussion has been characterised by claims about a presumed excess in transfers of public resources from the North to the South. Conversely, recent studies detected a decreasing time pattern in the intensity of both redistribution and risk-sharing activity (Gandullia/Leporatti 2020; Petraglia et al. 2020). In the aftermath of the global crisis of 2008, “the role of government in providing support to poorer regions and to areas more severely hit by the economic slump turned sometimes to be even perverse, amplifying rather than counterbalancing regional differences in per capita income and financial capacity” (Petraglia et al. 2020).

The Covid-19 crisis thus inserted itself into the context of an already widening gap between North and South. The South had not yet recovered from the effects of the 2008 financial crisis and by the end of 2018, its GDP was more than 10 points below the level before the financial crisis, whereas the GDP of northern and central regions was only 2.4 per cent below the pre-2008 level.

1.2 Fighting Regional Disparities in Italy

The political consensus on the strategies for reducing the territorial divide has changed over time. It is possible to identify four phases. In the first phase, from 1951 to 1992, Italian governments carry out a massive regional policy in Southern Italy, through the state-owned agency Cassa per il Mezzogiorno. The gap between the South and the rest of the country decreases significantly according to most macroeconomic and social indicators. In this period there is a strong political consensus on the importance of fighting regional disparities. The period from 1992 to 1998 can be defined as a transition phase: from the “extraordinary intervention” to regional policies explicitly aimed to favour not only the Southern regions but also all the other depressed areas of the country (Prota/Viести 2012). This period is characterised by growing public finance difficulties and by the hostility of Northern regions towards the elite and the traditional political parties. In 1991 the Lega Nord is born by bringing together a wide range of autonomist movements and “leagues” that had established a presence across northern Italy since the 1970s. It is very successful in forcing what would be known as the “northern question” to the top of the national political agenda. Consequently, the traditional policy orientation toward the South is thrown into crisis. In the third phase (1998–2002), a new development policy is put in place, based on mobilising local actors around local development projects and coherent with EU’s regional policy. Unfortunately, this experiment does not last long mainly because of the absence of a strong political consensus. Three main factors characterise the last phase (2002–2018). At the international level, the great Eastern enlargement of the European Union with the consequent change in the “geography” of Cohesion Policy drawing substantial investment away from Southern Europe, and the financial crisis of 2008 with its territorially heterogeneous negative effects. At the national level, austerity measures adopted by Italian governments have been harsher in less developed regions.

More recently, public debate was centred on the request for greater autonomy (“differentiated autonomy”) put forward by three regions: Veneto, Lombardy, and Emilia-Romagna (Viesti 2019). In particular, in Lombardy and Veneto, a referendum was held in 2017, which confirmed such a request by citizens, anticipating the negotiations with the central government. By contrast, Emilia–Romagna directly commit-

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3 Fiscal consolidation policies have been harsher in Italy’s less developed regions: tax increases and expenditure cuts were both, simultaneously, stronger in the Italian Mezzogiorno than in the rest of the country (Prota/Grisorio 2018).

4 Italy’s capital expenditure contributed considerably to fiscal consolidation: the country’s total capital spending net of one-offs accounted for 3.4 per cent of potential GDP in 2014, down significantly from 4.7 per cent in 2007.

5 Long divided along economic lines, Italy is also politically clefet after the vote of 2018 with the anti-elite Five-star Movement (Movimento 5 stelle) triumphing in the South and the Lega predominating in the North.

6 The possibility for Italian regions to request the attribution of additional forms and particular conditions of autonomy was introduced by the constitutional reform in 2001.
tended the Governor of the Region to start negotiations with the State in the same year. Following these requests, seven more regions have started the same procedure (Piedmont, Liguria, Tuscany, Marche, Umbria, Lazio, and Campania).

Were Northern regions to be given autonomy, efficiency, effectiveness, and equity for all regions as well as access to goods and services deemed “universal” at the national level could be compromised. Actually, the stability of the entire country could be compromised since the request for greater autonomy by the richest areas could degenerate into populist claims to completely retain locally owned resources, despite any redistributive duty towards the whole country.7

7 An important issue to safeguard the solidaristic character of Italian fiscal federalism is the definition of the essential level of service provision (Livelli essenziali delle prestazioni – LEP). The definition of LEP is still an open and controversial issue. At the same time, it is a prerequisite without which any request for greater autonomy is unacceptable.
Twenty years into the new century, does the general picture, described above, still hold true from today’s perspective? At first glance, the divergence trend seems to be reinforced by 21st century transformation pressures which hit Italian regions that had different levels of preparedness. A case in point is the disruptive financial crisis of 2008 that forced Italy to align its economic policies to the European Union austerity paradigm. Today, phases of economic recovery and new disruptions (e.g., the 2020/21 corona event), as well as the continuous struggle for political stability, characterise current development dynamics and reshape the preconditions for socioeconomic development in Italy:

– Globally renowned centres in the North and the capital region drive economic development in Italy. The urban economies of Milan, Genoa, Rome and Triest share high living standards with attractive city regions in Tuscany and the Trento province. The Aosta region benefits from border effects with neighbouring Switzerland and France. In addition, surrounding areas in the North benefit from the proximity to these centres, creating attractive business opportunities for a highly qualified and educated workforce.

– The economic advantages come at a cost in the North and the capital region. High levels of continued in-migration lead to rising living costs. Social and technical infrastructure is exposed to growth pressures that require substantial government investment. In this situation, low-income households are confronted with an increasing risk of social exclusion.

– Vast but less populated areas of central Italy are characterised by average living standards and average conditions for economic development. The population base is stable but income opportunities and infrastructure provision are below the national average. At the same time, living costs are moderate.

– Economically, southern Italian regions lag behind the national average. Limited employment and business opportunities continue to cause out-migration and demographic decline. As a consequence, a high proportion of the population is not part of the workforce. Especially older and unemployed people rely on financial transfers. The labour market shows a high concentration of jobs in volatile economic sectors (tourism and the service sector) and agriculture. Global competition and environmental risks (e.g., climate change) are likely to exert additional pressures on this sector in the future.

At first glance, the key takeaways listed above substantiate the general picture that socioeconomic divergence between the North and South of Italy continues. According to some authors, the situation in the South of Italy is due not only to locational disadvantages that became ever more manifest in the course of modern economic development and European integration, but also to the absence of structural policies that support entrepreneurship and modernise the economy (Lütge 2014).

The empirical focus on data-driven analysis of regional disparities seems to support the general picture of the North-South divide. But do the results also capture the specific strengths and development potentials in the South accurately when they are overshadowed by historically grown disparities between North and South? Over the course of this study, it became clear that a methodology designed to benchmark regional development with average national trends might not be suitable for addressing the highly diversified situation within the South. A discussion of the potential benefits of new policy approaches adopted to ameliorate interregional disparities within Southern regions needed more dedicated attention. For this reason, this report is complemented by a subchapter that concentrates on socioeconomic disparities in Southern Italian regions only. In combination, the national and Southern Italian subnational analysis helps to inform strategies to deal with future economic development in the light of current immediate (e.g., pandemic-related) and long-term transformation needs (e.g., energy transition, demographic decline, European global integration). They provide an integrated assessment of Italy’s preconditions for future development based on selected indicators on (1) economy, employment and the labour market; (2) educational opportunities and life chances; (3) prosperity and health; (4) state action and participation; and (5) internal migration patterns.
2.1 BRIDGING THE GAP IN CHALLENGING TIMES

The strengths and weaknesses of Italy’s geography are diverse. Indicators used to capture their spatial variation and differences were chosen for their explanatory power for selected topics. They stand as proxies for unequal developments that can be associated with geographical framing conditions and interpreted in comparison with developments elsewhere in the country.

The methodological novelty of this report is an integrated analysis of a comprehensive set of indicators on the subregional level in a geostatistical procedure known as cluster analysis. Next to the choice of indicators, the administrative level for input data is important. Values for indicators can more clearly be attributed to the policy environment if the area of observation represents the sphere of influence for political action and governance accurately. In the case of Italy, the subregional level of provinces with 107 units used in this study goes beyond the level of detail that most studies relying on the popular Eurostat database provide cover. This approach required sourcing of additional data from national statistics databases in Italy. The resulting spatial detail (NUTS 3 provinces) still encompasses a mix of urban, suburban and rural geographies. Available indicator values therefore represent averages in provinces that are not as closely linked to the jurisdictions of single cities and counties as in other European countries.

Indicators are representative measures for five dimensions of equality: (1) economy, employment and labour market, (2) educational opportunities and life chances, (3) prosperity and health, (4) state action and participation, and (5) migration. The following list shows the indicator descriptions.\(^8\)

1. **Unemployment rate, demographic dependency ratio, share of employees in the high-tech sector** (Economy, employment and labour market): Employment is the foundation of economic activities. Higher rates demonstrate a successful match between the job opportunities a region has to offer and the skill levels and preferences of the local and regional workforce. Employed people usually generate the funds for dependant people through income and social insurance contributions. The demographic dependency ratio indicates the ratio of dependant people to working age people. Higher values point towards higher demands of dependent people and higher pressure on private and public funds to support them. High values are frequently an implication of demographic ageing and out-migration of working-age people. The share of employees in the high-tech sector stands for the quality of the labour market in terms of high quality and future-oriented jobs in the technology sector. Regions with higher values are likely to successfully compete in a challenging global competition on technological innovations and related business opportunities.

2. **Share of young people (age 15–29) not in education, employment or training (NEET), highly qualified people, share of children (0–3 yrs) in childcare** (Educational opportunities and life chances): A high share of young people not in education, employment or training (NEET) means limited prospects for affected people in a changing labour market. Many studies show that education is the one decisive factor for people to be successful on the labour market and realise life chances. High values therefore signify problem areas even if unemployment is low. The share of highly qualified people, taken as the proportion of people in the age bracket from 25–39, emphasises the importance of education further. Higher values show where more people have the prerequisites to compete on an increasingly competitive labour market if matching job opportunities exist. The current match, however, is only part of the picture. Higher education levels are also associated with higher potentials for personal development and reorientation on a transforming labour market. The share of children (0–3 yrs) in childcare in a region shows where parents can rely on public assistance in order to participate in work life and business.

3. **Average gross income, family doctors, gender pay gap, house prices** (Prosperity and health): Income is fundamental to covering the cost of living. Insufficient income leads to exclusion and pressure on families and/or government to cover living costs for dependent people. The number of family doctors per 1,000 inhabitants is used as a proxy for the availability of health services in a region. Higher shares can be constituted by high demand, for example in regions with a high share of elderly people, or high demand for specialised health services. Regional variations in the gender pay gap show where women’s salaries deviate from men’s average income. Higher values (i.e. women earn less than men) can frequently be found in highly qualified jobs where issues of gender equality are not regulated. House prices stand for the variation of living costs across the country. Higher house prices not only show where the real estate market is not as affordable as elsewhere. Higher costs for housing are frequently associated with other higher expenditures in more expensive regions.

4. **Voter turnout at national elections, investments in social care, broadband connections** (State action and participation): The share of people who vote at national elections shows people’s interest in democratic participation. Higher shares are frequently attributed to higher levels of education and wealth. Affluent and educated people are more likely to vote. Certain “hot” topics and the specific appeal of personalities can also motivate people to vote. This can also be seen as a positive contribution to participation. Investment in social care shows where local government dedicates funds to improve health and care-related infrastructure and services for

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8 NUTS: Nomenclature des unités territoriales statistiques (common nomenclature of territorial units for statistics).

9 In bold: indicator name; in italics: topic group.
the local population. Higher levels are associated with higher quality infrastructure and services that are more likely to match the needs of local users. The percentage of broadband connections available to the resident population shows where people have and use access to digital services and where such infrastructure is either not available or not attractive for residents to use.

5. **Internal migration balance (Migration):** The balance of in- and out-migration can be interpreted as an early warning indication of spatial mismatches between people’s expectations for the realisation of life chances on the one hand, and the significance of deficiencies that motivates migration on the other. Demand and supply of infrastructure, stability of the labour market, and many cultural and societal inequalities are associated with migration patterns and the resulting population base. In this context, internal migration can be interpreted as an expression of locational preferences and the perception for desired living conditions in the Italian population.

Single indicator maps are combined into areas with similar strengths and weaknesses in comparison to the national average. The resulting map informs about a spatial typology of disparities in Italy, the so-called Disparity Map of Italy. It is important to read the map in conjunction with statistical information on the bandwidth of indicator values that form a cluster. Moreover, a brief text interpretation portrays the visible spatial patterns with a view towards explanatory factors.

Figure 1 shows the resulting spatial typology for Italy in the national disparity map. The clusters are semantically framed with labels derived from the interpretation of indicator values and additional information on the geography of their delineation. Table 1 gives a summary overview of indicators that characterise the single spatial types. Arrows are used to symbolise the mathematical value of indicator values (very high: ↑; high: ↗; average: o; low: ↖; very low: ↓). In some cases, high values stand for a positive locational factor (i.e. high values for investments in social care, high income), in others they are rather negative for life chances (i.e. high gender pay gap or high values for house prices). For this reason, an additional colour background (shades of green = rather positive or very positive; light grey: average; shades of red = rather negative or very negative) is used to indicate the assessment of values in terms of strengths or weaknesses of a region – always to be interpreted in comparison to the national averages. The combination of the disparity map and its constituting statistical values aims to help interpretation. An interactive web map allows further investigation of values for all input variables and their combined effect in the disparity map: [https://fes.de/unequal-italy](https://fes.de/unequal-italy).

### 2.2 FOUR ITALIES

The disparity map shows that Italy can be differentiated into four spatial types. The colours in the legend use associative colours on purpose: shades of green show areas that currently fare better in the overall assessment and seem to be better prepared for the challenges of the future – at least for the majority of people. The ochre colour shows areas that frequently have indicator values close to the national average. The violet colour is used to map out areas with most negative indicator values – areas in need of dedicated policy attention. Based on this colour interpretation the map shows basically three settings for disparities: average, above average, and below average.

The spatial types are not evenly distributed in terms of population and the number of administrative areas:

- Two Italies fare better than the national average with a total of 31.9 million people (52.8 per cent of the population) in 45 provinces (42.1 per cent of all provinces)
- Regions of highest living standards with risk of social exclusion (dark green in figure 1) are home to a total of 11.8 million people (19.5 per cent of the population) in 10 provinces (9.3 per cent of all provinces)
- Dynamic city regions and affluent commuter belts of the North (light green in figure 1) are inhabited by a total of 20.1 million people (33.3 per cent of the population) in 35 provinces (32.7 per cent of the all provinces).

- One Italy represents the average: The solid centre and “bridge” between North and South (ochre colour in figure 1) is home to 9.8 million people (16.2 per cent of the total population of 60.4 million inhabitants) and 31 provinces (29.0 per cent of a total of 107 provinces).
- Another Italy has living conditions well below the average: Disadvantaged regions with significant structural challenges (violet colour in figure 1) are populated by 18.7 million people (31.0 per cent of the population) in 31 provinces (29.0 per cent of all provinces).

Table 1 lists the defining characteristics of each spatial type in detail. The numbers in the table give the average indicator values for each spatial type. The arrows show how the values deviate from the Italian average. The colours help to interpret the values. In addition, table 2 shows the current bandwidths of indicator values accompanied by the name of the respective provinces with minimum and maximum values within each cluster.
Figure 1
The Italian disparity map

Cluster
- Regions of highest living standards with risk of social exclusion
- Dynamic city regions and affluent commuterbelts of the North
- The solid centre and ‘bridge’ between North and South
- Disadvantaged regions with significant structural challenges

Capital Cities (inhabitants)
- City > 1,000,000
- City > 500,000
- City > 200,000

Source: Own illustration.
Data: Istituto Nazionale di Statistica Istat, Registro Statistico delle Unità Locali, Ministero dell'interno, Eurostat.

Geodata: EuroGeographics, Geofabrik GmbH, OpenStreetMap Contributors 2018
The overall assessment identifies the economic powerhouses of the Milano, Genoa, Trento and Triest regions, the capital region of Rome, the urbanised areas of Tuscany and the Valle d’Aosta region bordering France and Switzerland as areas that combine many advantages. In these areas, long-standing drivers of socioeconomic divergence have become manifest in a range of above-average indicator values: It is here where most people gain high qualifications in an education system that starts with a high share of children (0–3 yrs) in childcare. More people are therefore employed in lucrative jobs, incomes are high. A comparatively large share of people participates in elections. Most households have good infrastructure access as expressed by broadband connections. On the downside, these regions are exposed to the effects of growth. Continued in-migration leads to pressure on the housing market and infrastructure provision as shown by very high house prices and only average basic health services (family doctors per person). The gender pay gap and demographic dependency ratio are rather high. These dynamics could expose low-income households to the dynamics of social exclusion, which in turn requires high investment in social care programmes.

### Dynamic city regions and affluent commuter belts of the North

Vast areas of Northern Italy belong to this cluster. It is characterised by the presence of urban growth poles and labour markets that help communities in their proximity to develop and benefit from attractive living conditions. Accordingly, many indicator values show above-average values, notably in employment, income, educational achievement and participation. However, continued in-migration leads to pressures on infrastructure systems and a diversification of employment opportunities on the labour market. Since these areas are especially attractive for families with children, the demographic dependency ratio is rather high. A high share of people works in highly qualified jobs, for example in the high-tech sector. This is where women are frequently exposed to a higher gender pay gap, and the share of children (0–3 yrs) in childcare is only average. Investment in social care is also only average, the number of family doctors is below average. With continued in-migration and rising living costs (as expressed by the high house prices), these areas follow the regions of highest living standards in terms of emerging risks of social exclusion.
The solid centre and "bridge" between North and South
(31 provinces; 9.8 mio. inhabitants)

Italy’s average cluster. It is not only geographically the “centre” of the country that the regions in this spatial type cover. This also applies to many indicator values being average in comparison to the rest of Italy. Deviations from average values can be found in the dependency ratio with slightly higher values, slightly lower incomes and fewer broadband connections. House prices are slightly lower than the average. There are more family doctors per person and more people participate in elections than the national average. More importantly, however, the areas in this cluster are demographically stable, the migration rate is slightly positive. Geographically, this spatial type extends far into the South and is therefore an important development axis for socioeconomic convergence between North and South, ideally serving as a “bridge” for structural policies to ameliorate unequal living conditions in Italy.

| Characterisation | Indicator assessment | Spatial delineation |

| Unemployment rate: 7.4% | o |
| Dependency ratio: 59.2% | ↗ |
| High tech: 8.0% | o |
| NEET: 17.8% | o |
| Graduates: 28.1% | o |
| Childcare: 16.7% | o |
| Income: 11.3 EUR/h | ↘ |
| Doctors: 0.9 per 1,000 inh. | ↗ |
| Pay gap: 91.4 | o |
| House prices: 2,077 EUR/m² | ↘ |
| Voter turnout: 77.2% | ↗ |
| Social care: 67.0 EUR/capita | o |
| Migration: 3.6 inh. per 1,000 | o |
| Broadband: 59.3% | ↘ |

Disadvantaged regions with significant structural challenges
(31 provinces; 18.7 mio. inhabitants)

Many regions in the South, including Sicily and Sardinia (the “Mezzogiorno”) as well as the region of Imperia in the North are exposed to significant structural problems. Most notably, the out-migration of people over many decades has left these areas with a shrinking labour force and follow-on problems of substandard educational opportunities and a lack of investment in economic development. The unemployment rate is therefore comparatively high, a larger share of young people is not part of the workforce ("NEET"), incomes are lower, fewer people participate in elections, and people continue to leave the area (migration balance). Not as many children are in childcare, and people aged 25–39 have a lower share of tertiary qualifications (graduates). This overarching assessment of a nationwide comparison over-shadows the variety of living conditions in the Mezzogiorno to a certain degree. Intraregional variations are not visible. A dedicated additional analysis presented in a separate chapter helps to shed more light on the locational advantages and disadvantages of this cluster and discuss the structural challenges in more details.

| Characterisation | Indicator assessment | Spatial delineation |

| Unemployment rate: 10.3% | ↗ |
| Dependency ratio: 57.9% | ↘ |
| High tech: 6.3% | ↘ |
| NEET: 22.1% | ↗ |
| Graduates: 25.8% | ↘ |
| Childcare: 13.7% | ↘ |
| Income: 11.0 EUR/h | ↗ |
| Doctors: 0.9 per 1,000 inh. | ↗ |
| Pay gap: 92.1 | ↗ |
| House prices: 1,870 EUR/m² | ↘ |
| Voter turnout: 74.1% | ↘ |
| Social care: 59.4 EUR/capita | ↘ |
| Migration: −2.2 inh. per 1,000 | ↘ |
| Broadband: 65.0% | ↗ |
## Table 2
Bandwidth of indicator values for the spatial types

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Value</th>
<th>Regions of highest living standards with risk of social exclusion</th>
<th>Dynamic city regions and affluent commuter belts of the North</th>
<th>The solid centre and “bridge” between North and South</th>
<th>Disadvantaged regions with significant structural challenges</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unemployment rate (%)</td>
<td>Min.  4.5 (Bologna)</td>
<td>2.9 (Bolzano-Bozen)</td>
<td>4.6 (Ravenna)</td>
<td>10.5 (Matera)</td>
<td>10.0 (Genova)</td>
</tr>
<tr>
<td>Demographic dependency ratio (%)</td>
<td>Min.  53.8 (Roma)</td>
<td>54.9 (Bolzano-Bozen)</td>
<td>52.4 (Avellino)</td>
<td>48.3 (Caserta)</td>
<td>66.2 (Genova)</td>
</tr>
<tr>
<td>Share of employees in the high-tech sector (%)</td>
<td>Min.  1.5 (Valle d’Aosta/Valle d’Aosta)</td>
<td>4.3 (Verbano-Cusio-Ossola)</td>
<td>1.2 (Viterbo)</td>
<td>0.5 (Oristano)</td>
<td>13.8 (Gorizia)</td>
</tr>
<tr>
<td>Share of young people (age 15–29) not in education, employment or training (NEET) (%)</td>
<td>Min.  13.5 (Trieste)</td>
<td>9.7 (Pordenone)</td>
<td>13.4 (Pisa)</td>
<td>21.8 (Oristano)</td>
<td>26.0 (Gorizia)</td>
</tr>
<tr>
<td>Graduates with tertiary qualifications (%)</td>
<td>Min.  17.4 (Livorno)</td>
<td>21.0 (Mantova)</td>
<td>20.4 (Avellino)</td>
<td>12.0 (Crotone)</td>
<td>43.8 (Bologna)</td>
</tr>
<tr>
<td>Share of children (0–3 yrs) in childcare (%)</td>
<td>Min.  17.0 (Genova)</td>
<td>6.4 (Trevi)</td>
<td>5.3 (Pescara)</td>
<td>0.5 (Caserta)</td>
<td>36.1 (Genova)</td>
</tr>
<tr>
<td>Average gross income (EUR/h)</td>
<td>Min.  11.2 (Valle d’Aosta/Valle d’Aosta; Gorizia)</td>
<td>11.0 (Rovigo)</td>
<td>9.8 (Benevento)</td>
<td>9.6 (Ragusa)</td>
<td>12.5 (Milano)</td>
</tr>
<tr>
<td>Number of family doctors (per 1,000 inh.)</td>
<td>Min.  0.8 (Valle d’Aosta/Valle d’Aosta; Gorizia)</td>
<td>0.5 (Rovigo)</td>
<td>0.9 (Avellino; Forlì-Cesena; Rimini; Lucca; Pistoia; Prato; Arezzo; Perugia; Macerata; Fermo; Viterbo; Frosinone)</td>
<td>0.6 (Oristano)</td>
<td>1.0 (Genova; Gorizia; Bologna; Firenze; Roma)</td>
</tr>
<tr>
<td>Gender pay gap</td>
<td>Min.  85.9 (Genova)</td>
<td>86.1 (Mantova)</td>
<td>87.9 (Potenza)</td>
<td>88.4 (Taranto)</td>
<td>94.6 (Roma)</td>
</tr>
<tr>
<td>House prices (EUR/m²)</td>
<td>Min.  1,050 (Gorizia)</td>
<td>1,300 (Rovigo)</td>
<td>800 (Avellino)</td>
<td>850 (Vibo Valentia)</td>
<td>4,950 (Roma)</td>
</tr>
<tr>
<td>Voter turnout (%)</td>
<td>Min.  71.7 (Trieste)</td>
<td>72.0 (Verbano-Cusio-Ossola)</td>
<td>71.0 (Potenza)</td>
<td>60.2 (Crotone)</td>
<td>80.7 (Bologna)</td>
</tr>
<tr>
<td>Investment in social care (in EUR per capita)</td>
<td>Min.  73 (Firenze)</td>
<td>29 (Lodi)</td>
<td>16 (Avellino)</td>
<td>10 (Caserta)</td>
<td>275 (Trento)</td>
</tr>
<tr>
<td>Internal migration balance (per 1,000 inh.)</td>
<td>Min.  1.1 (Valle d’Aosta/Valle d’Aoste)</td>
<td>–10.2 (Rovigo)</td>
<td>–24.8 (Potenza)</td>
<td>–40.6 (Caltanissetta)</td>
<td>28.0 (Bologna)</td>
</tr>
<tr>
<td>Broadband connections (% of households)</td>
<td>Min.  37.4 (Valle d’Aosta/Valle d’Aoste)</td>
<td>31.5 (Sondrio)</td>
<td>35.3 (Isernia)</td>
<td>58.3 (Nuoro)</td>
<td>92.3 (Milano)</td>
</tr>
</tbody>
</table>

Source: Own illustration.
Data: Istituto Nazionale di Statistica Istat, Registro Statistico delle Unità Locali, Ministero dell’interno, Eurostat.
2.3 EXCURSION TO THE SOCIO-ECONOMICS OF SOUTHERN ITALY

The socio-economic situation in Southern Italy, commonly referred to as the “Mezzogiorno”, explains much of the nationwide disparities in the country’s modern history. Throughout much of the 20th century, Southern Italy lost significant parts of its labour force and population to thriving industrial and globally competitive economic centres in the North of Italy and in other countries, following a tradition of generations of emigration in the search for better economic prospects. At the same time, the Mezzogiorno has retained much of its highly attractive living conditions. It serves as a magnet not only for national and international tourists, but also for retirees and affluent second-home owners who return or choose to live here.

The idea of a monolithic and homogeneous territory, irremediably cut off from the development trajectories of the most dynamic Italian regions, is, however, misleading and does not take into account the profound diversities within the Mezzogiorno as well as the presence of untapped potential (Prota and Viesti, 2017). These considerations warrant a separate discussion of the territorial disparities within the Mezzogiorno with adjusted key indicators: on the one hand, they need to be discussed in the light of 21st century transformational pressures in a globalised world that expose the economy to new drivers of inequality and diverging living conditions; on the other hand, they need to inform about the specific qualities of Southern Italian locational advantages and development potentials for future prospects. Main findings are:

- Economic productivity and labour market performances are higher in the northern part of the Mezzogiorno, inland regions as far south as Potenza, and around the metropolitan area of Bari. These regions offer better educational and more diverse job opportunities than other parts of Southern Italy. The dependence on low-income jobs in agriculture and tourism is comparatively low. A considerable share of the workforce works in high-tech industries.

- In contrast, Calabria, Sicily, the metropolitan area of Naples and adjacent Caserta, as well as rural areas outside the commuter belts of other urban centres in the mainland Mezzogiorno (e.g. Foggia and Brindisi provinces) have twice as many people who leave the area permanently. Economic opportunities in these areas are largely related to low-income jobs in tourism and agriculture. Over 35 per cent of the workforce is neither registered as employed, in education, nor in training. Consequently, economic productivity is comparatively low.

- Sardinia, the Messina province in the northeast of Sicily as well as Lecce and the Salerno province show average values in this comparison. Fewer people leave these areas compared to other parts of Southern Italy. The remaining workforce is highly reliant on jobs in tourism. The demographic profile shows a very high share of older and dependent people.

A recent and convincing approach to describe the situation in Southern Italy points to the idea of an “intermediate development trap” in which Southern regions seem to be locked. Deindustrialisation, demographic imbalances, incapacity to develop an advanced tertiary sector and resist pressures from emerging markets, the collapse of public investment are all factors that may explain the disappointing performance of the South. Recently the area has seen increasing exposure to market forces and international trade. At the same time, the South of Italy is exposed to a range of geographic vulnerabilities that are likely to impact on the productivity of the agricultural sector and tourism on the one hand, but also offers chances to further develop new business opportunities (e.g. renewable energies). In this context, climate change adaptation in Southern Italy demands high investment in infrastructure to retrofit urban structures for resilience against extreme events (heat mitigation, torrential rainfall). Scenarios of continued (legal and illegal) immigration from North Africa are additional factors that require long-term coordination on a European level with respect to the socioeconomic interests of Southern Italian entry points to the European continent.

The perspectives of Southern Italy’s socioeconomic development potentials are closely associated with demographic stability. In order to avoid the adverse effects of the “brain drain” where young and qualified people out-migrate in the search for jobs matching their skill levels, structural and social governance initiatives need to seize chances to develop attractive business and employment opportunities effectively. The indicators chosen for the Southern Italian analysis of socioeconomic disparities therefore focus on output-oriented measures to identify advantages and disadvantages for economic development and educational opportunities to successfully participate in the labour market of the future.

The integrated analysis of the chosen set of indicators was also processed in a separate cluster analysis. Based on this method, Southern Italian regions are grouped into areas of similar strengths and weaknesses in comparison to the average of all Southern Italian NUTS 3 entities. The Disparity Map of Southern Italy therefore allows for a separate in-depth analysis and reflection on future development potentials and current structural challenges with the following set of indicators:

1. **Economic productivity (GDP), share of employees in the high-tech sector, in tourism and in agriculture** *(Economy, employment and labour market): Economic productivity is the key to a thriving economy, added value for employees, and subsequent prosperity. The gross domestic product (GDP) is the most commonly used measure to inform about regional variations in this respect. The share of employees in the high-tech sector*

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10 The Mezzogiorno is a macroregion of Italy consisting of the following regions: Abruzzo, Apulia, Basilicata, Campania, Calabria, Molise, Sardinia and Sicily.

11 In bold: indicator name; in italics: topic group.
stands for the structural fitness of the economy for future markets, respective innovation capacities and global competitiveness. In contrast, very high employment rates in tourism and agriculture show a reliance of the local and regional workforce on economic sectors that are frequently characterised by higher shares of low-income jobs subject to fluctuating demand (tourism), or exposed to the risk of diminishing job opportunities due to continued mechanisation and economies of scale.

2. **Old age dependency ratio, graduates with tertiary qualification, share of young people not in education, employment or training (NEET), share of children (0–3 yrs) in childcare (Educational opportunities and life chances):** Demography in Southern Italy is characterised by a very low fertility rate. The old age dependency ratio is therefore used to focus on the dominant age cohort that depends on the income of people in the workforce. A high share of young people (age 15–29) not in education, employment or training (NEET) means limited perspectives for affected people in a changing labour market. Many studies show that education is the one decisive factor for people to be successful on the labour market and realise life chances. High values therefore signify problem areas even if unemployment is low. The share of graduates with tertiary qualification, taken as the proportion of people in the age bracket from 25–39, further emphasises the importance of education. Higher values show where more people have the prerequisites to compete in an increasingly competitive labour market if matching job opportunities exist. The current match, however, is only part of the picture. Higher education levels are also associated with higher potential for personal development and reorientation in a transforming labour market. The share of children (0–3 yrs) in childcare in a region shows where parents can rely on public assistance in order to participate in working life and business.

3. **Broadband connections for the resident population (State action and participation):** The share of people connected to state-of-the-art broadband connections shows where more people can participate in digital life and business. It also shows where state action has successfully invested in the necessary infrastructure and given people the locational advantage to access such services.

4. **Internal migration balance (Migration):** The balance of in- and out-migration can be interpreted as an early-warning indication of spatial mismatches between people’s expectations for the realisation of life chances on the one hand, and the significance of deficiencies that motivates migration on the other. Demand and supply of infrastructure, stability of the labour market, and many cultural and societal inequalities are associated with migration patterns and the resulting population base. In this context, internal migration can be interpreted as an expression of locational preferences and the perception of desired living conditions among the population of Southern Italy.

Figure 2 shows the resulting spatial typology for the Mezzogiorno in the disparity map of Southern Italy. As in the overall map, the clusters are semantically framed with labels derived from the interpretation of indicator values and additional information on the geography of their delineation.

### 2.4 THREE MEZZOGIORNOS

The disparity map shows that the South of Italy can be differentiated into three spatial types. As in the overall map for Italy in figure 1, the colours in the legend use associative colours on purpose, but with only one green spatial type. This is where socioeconomic conditions rank better in the overall assessment. These areas seem to be better prepared for the challenges of the future – at least in comparison to the other areas. The ochre colour shows areas that either have indicator values close to the national average or a combination of locational advantages and disadvantages. The violet colour is used to map out areas with most negative indicator values – areas in need of dedicated policy attention.

As in the overall assessment, the spatial types are not evenly distributed in terms of population and the number of administrative areas:

- One Mezzogiorno shows values above the average: The “bridging” regions with stronger economic prospects (green in figure 2) are inhabited by 4.5 million people (21.8 per cent of the population) in 11 provinces (28.9 per cent of all provinces).

- Another Mezzogiorno shows average values: Lagging regions with emerging development potentials (ochre colour in figure 2) are home to 3.5 million people (17.0 per cent of the total population in Southern Italy of 20.6 million inhabitants) and 7 provinces (18.4 per cent of a total of 38 provinces).

- The third Mezzogiorno is comprised of dependent regions of high reliance on natural and cultural assets (violet colour in figure 2). They are populated by 12.6 million people (61.2 per cent of the population) in 20 provinces (52.6 per cent of all provinces).

Table 3 lists the defining characteristics of each spatial type in detail. The numbers in the table give the average indicator values for each spatial type. The arrows show how the values deviate from the average in the Mezzogiorno. The colours help to interpret the values. In addition, table 4 lists all indicators with their minimum and maximum values by spatial type, including the place names.
Cluster
- ‘Bridging’ regions with stronger economic perspectives
- Lagging regions with emerging development potentials
- Dependent regions of high reliance on natural and cultural assets

Capital Cities (inhabitants)
- City > 500,000
- City > 100,000
- City < 100,000

Source: Own illustration.
Data: Istituto Nazionale di Statistica Istat, Registro Statistico delle Unità Locali, Ministero dell’Interno, Eurostat.

Figure 2
Disparity map of Southern Italy
<table>
<thead>
<tr>
<th>Characterisation</th>
<th>Indicator assessment</th>
<th>Spatial delineation</th>
</tr>
</thead>
<tbody>
<tr>
<td>&quot;Bridging&quot; regions with stronger economic prospects</td>
<td>GDP: 22,236 EUR/capita↑</td>
<td>11 provinces; 4.5 mio. inhabitants</td>
</tr>
<tr>
<td>Economic productivity is higher in the northern part of the Mezzogiorno, extending to the metropolitan areas of Bari and Cagliari in Sardinia. These regions offer more diverse job opportunities on the labour market. Dependence on low-income jobs in agriculture and tourism is comparatively low. Fewer young people are unemployed or not in education and training than in other parts of Southern Italy, but the demographic profile shows a large share of older and frequently dependent people. The above-average share of children (0–3 yrs) in childcare allows parents to participate in working life and generate household income. More students succeed in the tertiary educational system and gain important work qualifications. Although a large number of people leave the area, the migration balance is not as negative as in the regions further south. Surprisingly, digital infrastructure provision is rather poor in this cluster.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lagging regions with emerging development potential</td>
<td>GDP: 17,405 EUR/capitao</td>
<td>7 provinces; 3.5 mio. inhabitants</td>
</tr>
<tr>
<td>The second cluster is characterised by a mix of above and below average indicator values that represent socio-economic preconditions for future development. It covers all of Sardinia except Calgiari in the very South, the Messina province in Sicily as well as the Salerno and Lecce provinces on the mainland. A third of the labour force relies on jobs in tourism and agriculture, very few people work in the high-tech sector. The shares of young non-working people and people in retirement age are slightly higher than in the regions of high reliance on natural and cultural assets. The economic productivity measured by the gross domestic product is comparatively low. Continued out-migration from these regions leads to a still highly negative, but in comparison to the other clusters not as negative migration balance. The number of graduates is average, just like the provision of digital infrastructure.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dependent regions with high reliance on natural and cultural assets</td>
<td>GDP: 17,211 EUR/capita↘</td>
<td>20 provinces; 12.6 mio. inhabitants</td>
</tr>
<tr>
<td>Most people in Southern Italy live in regions with a very high reliance on economic activities in tourism and agriculture, including major cities like Palermo and Naples. The shares of non-working young and dependent older people are high. Fewer people are highly qualified graduates. These values need to be interpreted in the light of the very high out-migration rates: many people continue to leave the area. This applies to most parts of Sicily and the very South of mainland Mezzogiorno as well as the mainland provinces of Caserta and Foggia/ Barletta-Andria-Trani. The economic productivity of the remaining population is comparatively low. Social infrastructure support as expressed by the share of children (0–3 yrs) in childcare is low. A positive aspect is the above-average availability of broadband internet which can be explained by the large share of people living in metropolitan areas of high touristic attractiveness in this cluster.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
## Table 4
Bandwidth of indicator values for the spatial types in Southern Italy

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Value</th>
<th>“Bridging” regions with stronger economic prospects</th>
<th>Lagging regions with emerging development potential</th>
<th>Lagging regions highly dependent on natural and cultural assets</th>
</tr>
</thead>
<tbody>
<tr>
<td>Economic productivity (GDP) (EUR per capita)</td>
<td>Min.</td>
<td>16,850 (Benevento)</td>
<td>13,446 (Sud Sardegna)</td>
<td>14,966 (Agrigento)</td>
</tr>
<tr>
<td></td>
<td>Max.</td>
<td>25,991 (Chieti)</td>
<td>19,430 (Sassari)</td>
<td>20,048 (Catanzaro)</td>
</tr>
<tr>
<td>Share of employees in the high-tech sector (%)</td>
<td>Min.</td>
<td>1.1 (Cagliari)</td>
<td>0.5 (Oriostano)</td>
<td>0.7 (Cosenza; Crotone)</td>
</tr>
<tr>
<td></td>
<td>Max.</td>
<td>13.0 (Chieti)</td>
<td>2.1 (Salerno)</td>
<td>4.4 (Brindisi)</td>
</tr>
<tr>
<td>Share of employees in tourism (%)</td>
<td>Min.</td>
<td>17.2 (Benevento)</td>
<td>22.8 (Oriostano)</td>
<td>17.3 (Matera)</td>
</tr>
<tr>
<td></td>
<td>Max.</td>
<td>23.2 (Isurea)</td>
<td>28.3 (Sassari)</td>
<td>28.2 (Brindisi)</td>
</tr>
<tr>
<td>Share of employees in the agriculture sector (%)</td>
<td>Min.</td>
<td>0.9 (Cagliari)</td>
<td>4.5 (Lecce; Sassari)</td>
<td>1.2 (Napoli)</td>
</tr>
<tr>
<td></td>
<td>Max.</td>
<td>13.4 (Benevento)</td>
<td>13.7 (Oriostano)</td>
<td>25.5 (Ragusia)</td>
</tr>
<tr>
<td>Old age dependency ratio (%)</td>
<td>Min.</td>
<td>33.8 (Bari)</td>
<td>31.9 (Salerno)</td>
<td>26.5 (Caserta)</td>
</tr>
<tr>
<td></td>
<td>Max.</td>
<td>40.6 (Isurea)</td>
<td>43.0 (Oriostano)</td>
<td>36.7 (Enna; Foggia)</td>
</tr>
<tr>
<td>Graduates with tertiary qualification (%)</td>
<td>Min.</td>
<td>20.4 (Avellino)</td>
<td>15.6 (Sud Sardegna)</td>
<td>12.0 (Crotone)</td>
</tr>
<tr>
<td></td>
<td>Max.</td>
<td>30.9 (Laquila)</td>
<td>24.3 (Salerno; Nuoro)</td>
<td>27.8 (Cosenza)</td>
</tr>
<tr>
<td>Share of young people (age 15–29) not in education, employment or training (NEET) (%)</td>
<td>Min.</td>
<td>15.9 (Teramo)</td>
<td>21.8 (Oriostano)</td>
<td>25.5 (Matera)</td>
</tr>
<tr>
<td></td>
<td>Max.</td>
<td>33.5 (Benevento)</td>
<td>32.5 (Sud Sardegna)</td>
<td>48.2 (Caltanissetta)</td>
</tr>
<tr>
<td>Share of children (0–3 yrs) in childcare (%)</td>
<td>Min.</td>
<td>5.3 (Pescara)</td>
<td>6.9 (Messina)</td>
<td>0.5 (Caserta)</td>
</tr>
<tr>
<td></td>
<td>Max.</td>
<td>12.9 (Isureia)</td>
<td>13.3 (Sassari)</td>
<td>11.3 (Taranto)</td>
</tr>
<tr>
<td>Broadband connections (% of households)</td>
<td>Min.</td>
<td>35.3 (Isureia)</td>
<td>58.3 (Nuoro)</td>
<td>73.1 (Catanzaro)</td>
</tr>
<tr>
<td></td>
<td>Max.</td>
<td>93.9 (Bari)</td>
<td>85.8 (Sud Sardegna)</td>
<td>95.5 (Barletta-Andria-Trani)</td>
</tr>
<tr>
<td>Internal migration balance (per 1,000 inh.)</td>
<td>Min.</td>
<td>–24.8 (Potenza)</td>
<td>–22.3 (Nuoro)</td>
<td>–40.6 (Caltanissetta)</td>
</tr>
<tr>
<td></td>
<td>Max.</td>
<td>1.8 (Pescara)</td>
<td>–3.6 (Sassari)</td>
<td>–10.4 (Catania)</td>
</tr>
</tbody>
</table>

Source: Own illustration.
Data: Istituto Nazionale di Statistica Istat, Registro Statistico delle Unità Locali, Ministero dell’Interno, Eurostat.
3

NEW POLICIES FOR EQUALITY OF LIVING CONDITIONS AND SOCIAL COHESION

In 2016, *The Economist* wrote “if economists cannot provide answers [to the problem of regional inequality], populist insurgents will”. Indeed, increasing regional economic polarisation seems to be mirrored in geographical splits in political attitudes and voting behaviour. This is what happened in recent Italian general elections.

It is nothing new to observe that economic polarisation gives rise to a differentiated landscape of objective interests. As clearly pointed out by Rodríguez-Pose (2018), economic decay and a lack of opportunities are at the root of considerable discontent in declining and lagging-behind areas the world over. The belief that these territories have “no future” have led many of these so-called “places that don’t matter” to revolt against the status quo.

As documented in this report, Italy is a country with a noticeable regional divide in terms of both quality of life and economic progress. The economic and financial crisis of 2008 and the associated austerity measures had already exacerbated these longstanding differences between North and South. Now the regional impacts of COVID-19 are likely to create new fractures. The potential regional impacts of COVID-19 policy responses differ substantially to the usual geographical patterns of regional development and could determine multifaceted and complex impacts on regional development.

We argue that better place-sensitive territorial development policies are needed in order to find a solution to the problem: policies focused on providing opportunities to people living in the Southern regions and on tapping into untapped potential. In this respect, the role of Cohesion Policy within European policies should be preserved and enhanced: in particular, it is important that the Cohesion Policy for 2021–2027 is funded with an adequate budget, for both Southern and Eastern Europe’s less developed regions.

3.1 A NEW “OLD” PARADIGM

In the last few decades, the rationale for regional policy shifted away from a focus on territorial equity towards policies that emphasised regional competitiveness and the contribution of regional economic growth to national performance. The scale and severity of regional disparities in Italy (but more generally in Europe), in particular with respect to the labour market, calls for a return to the idea that regional disparities matter for reasons of equity and social and political cohesion, more than just for efficiency reasons.

This shift should be accompanied by a reorientation towards (i) public investment, mainly in health and education, to stimulate economic activity in the short run and to impact the potential for long-term economic growth; (ii) employment support (also through new hiring in the public sector to counterbalance the contraction which has been severe in the South); (iii) new multilevel governance in which the preeminent role of central government is reaffirmed.

3.2 PUBLIC INVESTMENT RECOVERY STRATEGIES

As a result of the worst economic crisis in its history, over this last decade Italy has seen a real slump in investment (Cerniglia/Rossi 2020). Public spending decreased disproportionately in the Southern regions (Prota 2016).

It has been years since Italian governments could draw up investment plans on a large scale. Post-COVID economic recovery strategy is a unique opportunity for Italy to design a ground-breaking plan focused on broader societal goals, including social cohesion. The “Next Generation EU” can be an important vehicle to address the persistent regional disparities in Italy and to reinforce economic and social stability. A fundamental prerequisite is that the national recovery and resilience plan and the related reforms take a clear territorial perspective. As defined by the EU, the recovery and resilience plan pursues several objectives simultaneously. For each objective, precise territorial targeting and tailor-made interven-


13 Many economically advanced countries have shown to be not immune to “inequality-induced populism”. Former US President, Donald Trump, the successful Brexit movement in the UK, France’s Marine Le Pen and her nationalist Rassemblement National and Germany’s far-right AfD party, have drawn support from increasingly frustrated voters in territories that have struggled to cope with the pressures associated with globalisation, technological change, and more general economic progress.

14 EU Cohesion policy has been affected by this shift, too; since 2007 is an all-region policy.
tions are necessary to build a resilient economy and an inclusive society.\textsuperscript{15} Equally, it is important to invest in a smarter way, by prioritising needs, and better managing public investment at all levels of government, since how these investments are managed largely determines their outcomes.

While there is a variety of factors that would need to be addressed in order to reduce regional disparities in Italy, two dimensions are crucial in determining people’s well-being: health and education.

Despite the fact that Italy ranks very high in many international studies comparing performances of national healthcare systems, there are substantial differences regarding access in essential levels of care between Italian regions. In general, the regions of Southern Italy provide lower standards of healthcare (Campania and Calabria are among the worst-performing regions). This gap underlines the need to develop new solutions to promote the equity of the system, improve effectiveness and tackle territorial health inequalities. Indeed, the Italian population is currently paying the price for prolonged austerity policies in the national health system which has deprived the Italian health sector of an important part of its capacity to offer adequate protection to the population.

An investment strategy aimed at reducing regional disparities should include education and skill development at the top of the agenda. Education and life-long learning represent fundamental areas of intervention, as they empower pupils and workers with the ability to integrate into the labour market and to capture the opportunities presented by digital transformation and automation.\textsuperscript{16} The reorganisation of global value chains, a recent tendency amplified by the COVID-19 crisis, could constitute an opportunity for Italian lagging regions if they are in a position to demonstrate technical and organisational capabilities.

### 3.3 EMPLOYMENT

Differences in employment rates, especially among women and young people, do much to explain regional disparities in Italy. According to Ciani and Torrini (2019), “a shift in the distribution of work hours among southern households towards that observed in the Centre-North would lead to a large reduction in Italian inequality of approximately 15 per cent”.

Policies aimed at raising the employment rate in Southern regions are, therefore, key to curbing income inequality in Italy.\textsuperscript{17} The aspiration for more and better jobs should be central to a new and inclusive regional economic development agenda: this means combining increased employment opportunities across age, gender, social and regional divides with higher quality jobs in terms of wages, productivity, progression, and conditions. The emphasis upon the qualitative as well as quantitative aspect of job creation addresses issues of skills acquisition and utilisation, as well as the low wages and precarious employment that generate in-work poverty.

Training programmes, targeted job subsidies for new hires and publically subsidised work-experience programmes can help the unemployed connect with labour markets.

Investing in education and generic skills geared to emerging local growth sectors and responding to global trends is crucial. The recent labour market dynamic has highlighted the vulnerability of workers who are no longer essential to production processes due to either low skills or “old skills”. Lagging regions need to invest in a skilled workforce which is less expendable, more adaptable to change and better able to transfer within and between economic sectors.\textsuperscript{18}

The public sector could contribute to create more and better jobs in the South. It is worth remembering that the Italian public workforce contracted over the past decade and this contraction was generally higher in the South due to the interaction between turnover caps and financial constraints, which primarily affected the more highly indebted institutions in the South. A young and skilled public workforce is essential to deliver public services that meet the changing needs and expectations of a population with increasingly complex demands and to improve the context for private investment.\textsuperscript{19}

### 3.4 MULTI-LEVEL GOVERNANCE

In Italy, as well as in other European countries, there has been a trend of decentralisation of the various competences related to development. Individual regions now have strengthened capabilities for tailor-made policies and they have more weight in regional programming and policy coordination. Consequently, the contrast to inequalities takes place in a multi-level governance framework.

What we are actually seeing are regional authorities that impose themselves as major decision-makers while central government is losing influence. The weakened legitimacy of the national state has involved the loss of a shared national com-

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\textsuperscript{15} See also the proposals elaborated by the the Italian Forum on Inequality and Diversity (https://www.forumdisuguaglianzediversita.org/proposte).

\textsuperscript{16} For example, defining a national skills strategy which analyses strengths and weaknesses and ensures policy coherence across three pillars: (1) developing relevant skills from childhood to adulthood; (2) activating the supply of skills in the labour market; (3) using skills effectively in the economy and society.

\textsuperscript{17} The labour market liberalisation process begun in Italy in the 1990s has not contributed to foster job creation or to stimulate labour productivity.

\textsuperscript{18} These investments should be part of a strategic industrial policy aimed at creating the right conditions in weak regions for dynamic structural change.

\textsuperscript{19} Improving the quality and practice of public administration is a sine qua non for achieving any strategic goal.
mitment to territorial justice and the erosion of inter-regional solidarity, especially on the part of the richer regions (Viesti 2019).

An alternative multi-level approach is needed in which the role of central government is once again crucial in shaping overall public service standards and welfare entitlements and in defining the model of national economic growth.

### 3.5 REDUCING INEQUALITY – STRENGTHENING DEMOCRACY

The consequences of territorial inequality are social and political tensions. Recent research shows that higher shares of votes for anti-establishment parties are localised in areas where the benefits of recent trends – globalisation and technological change – are less present (Rodríguez-Pose 2018; Dijkstra et al. 2020).

The failure of previous policies to reduce regional inequalities reflects the limited resources devoted to it relative to the underlying scale of these inequalities, the countervailing influence of other areas of public policy that have tended to favour more prosperous regions, and a series of rather partial understandings of the nature of the regional problem.

Now the political challenge is to find mechanisms that will widely diversify demographic, digitalisation and globalisation dividends without leaving anyone behind. If this fails, the existing social tensions and political polarisation will increase, a scenario in which there are only losers.

This report provides indications of a possible progressive policy to reduce regional inequalities.

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**Policies priorities for the “other three Italies”**

- Fostering firms’ productivity growth
- Supporting investments in frontier research
- Financing the green transition
- Strengthening links to other regions to develop resilient value chain
- Increasing the capacity to manage social inclusion
- Increasing the housing stock and improving public transport

Prioritise policies for “the solid centre and ‘bridge’ between North and South”:

- Improving accessibility and connectivity infrastructures
- Facing risks associated to premature deindustrialisation
- Financing the green transition
- Defining a development strategy for “inner areas”
<table>
<thead>
<tr>
<th>Indicator</th>
<th>Definition</th>
<th>Source</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unemployment rate</td>
<td>Unemployment rate (age class 15–74) in per cent</td>
<td>Istat.it</td>
</tr>
<tr>
<td>Demographic dependency ratio</td>
<td>Demographic dependency ratio (share of 0–15 and 65+ to 15–64 population) in per cent</td>
<td>Istat.it</td>
</tr>
<tr>
<td>Share of employees in the high-tech sector</td>
<td>Share of employees in the high-tech sector on all sectors/employees (chemistry, pharmacy, computers, electronics, mechanical engineering, automobiles, manufacture of medicine) in per cent</td>
<td>Istat.it</td>
</tr>
<tr>
<td>Share of young people not in education, employment or training (NEET)</td>
<td>Young people (age 15–29) not in education, employment or training in per cent</td>
<td>Istat, Rilevazione sulle Forze di lavoro</td>
</tr>
<tr>
<td>Graduates with tertiary qualifications</td>
<td>Graduates and other tertiary qualifications (university degrees) (25–39 years old) in per cent</td>
<td>Istat, Rilevazione sulle Forze di lavoro</td>
</tr>
<tr>
<td>Share of children (0–3 yrs) in childcare</td>
<td>Children aged 0–3 who use childcare services in per cent</td>
<td>Istat.it</td>
</tr>
<tr>
<td>Average gross income</td>
<td>Gross hourly wage for employee jobs in euros per hour (median)</td>
<td>Istat.it</td>
</tr>
<tr>
<td>Number of family doctors</td>
<td>Number of active family doctors per 1,000 inhabitants</td>
<td><a href="https://lab24.ilsole24ore.com/qualita-della-vita/classifiche-complete.php">https://lab24.ilsole24ore.com/qualita-della-vita/classifiche-complete.php</a></td>
</tr>
<tr>
<td>Gender pay gap</td>
<td>Gender pay gap (ratio of income women to income men times 100)</td>
<td>Istat.it</td>
</tr>
<tr>
<td>House prices</td>
<td>Average sale price of houses in euros per square metre (for new 100m² apartments in central areas of Italian provincial capitals)</td>
<td><a href="https://lab24.ilsole24ore.com/qualita-della-vita/classifiche-complete.php">https://lab24.ilsole24ore.com/qualita-della-vita/classifiche-complete.php</a></td>
</tr>
<tr>
<td>Voter turnout</td>
<td>Participation in national parliamentary elections (mean 2013/2018) in per cent (exception: Aosta and South Sardinia voter turnout only from 2018)</td>
<td><a href="https://dait.interno.gov.it/elezioni/open-data/71%5B0%5D=node%253Afield_argomento%3A108">https://dait.interno.gov.it/elezioni/open-data/71%5B0%5D=node%253Afield_argomento%3A108</a></td>
</tr>
<tr>
<td>Investment in social care</td>
<td>Social expenditure by local authorities (for minors, the disabled and the elderly) in euros per capita</td>
<td><a href="https://lab24.ilsole24ore.com/qualita-della-vita/classifiche-complete.php">https://lab24.ilsole24ore.com/qualita-della-vita/classifiche-complete.php</a></td>
</tr>
<tr>
<td>Broadband connections</td>
<td>Broadband connections at 30 and 100 MB in per cent of the resident population</td>
<td><a href="https://lab24.ilsole24ore.com/qualita-della-vita/classifiche-complete.php">https://lab24.ilsole24ore.com/qualita-della-vita/classifiche-complete.php</a></td>
</tr>
<tr>
<td>Internal migration balance</td>
<td>Internal net migration balance per thousand persons</td>
<td>Istat.it</td>
</tr>
<tr>
<td>Indicator</td>
<td>Definition</td>
<td>Source</td>
</tr>
<tr>
<td>------------------------------------------------</td>
<td>---------------------------------------------------------------------------</td>
<td>---------------------------------</td>
</tr>
<tr>
<td>Economic productivity (GDP)</td>
<td>Gross domestic product (GDP) in euros per capita</td>
<td>Istat.it</td>
</tr>
<tr>
<td>Share of employees in the high-tech sector</td>
<td>Share of employees in the high-tech sector of all sectors/employees (chemistry, pharmacy, computers, electronics, mechanical engineering, automobiles, manufacture of medicine) in per cent</td>
<td>Istat.it</td>
</tr>
<tr>
<td>Share of employees in the tourism sector</td>
<td>Share of employees in the tourism sector (trade, hotel, restaurant) on all sectors/employees in per cent</td>
<td><a href="http://dati.istat.it/index.aspx?queryid=29035">http://dati.istat.it/index.aspx?queryid=29035</a></td>
</tr>
<tr>
<td>Share of employees in the agriculture sector</td>
<td>Share of employees in the agriculture, forestry and fishing sector on all sectors/employees in per cent</td>
<td>Istat.it</td>
</tr>
<tr>
<td>Old age dependency ratio</td>
<td>Old age dependency ratio (share 65+ to 15–64 population) in per cent</td>
<td>Istat.it</td>
</tr>
<tr>
<td>Graduates with tertiary qualification</td>
<td>Graduates and other tertiary qualifications (university degrees) (25–39 years old) in per cent</td>
<td>Istat, Rilevazione sulle Forze di lavoro</td>
</tr>
<tr>
<td>Share of young people not in education, employment or training (NEET)</td>
<td>Young people (age 15–29) not in education, employment or training in per cent</td>
<td>Istat, Rilevazione sulle Forze di lavoro</td>
</tr>
<tr>
<td>Share of children (0–3 years) in childcare</td>
<td>Children aged 0–3 who use childcare services in per cent</td>
<td>Istat.it</td>
</tr>
<tr>
<td>Broadband connections</td>
<td>Broadband coverage at 30 and 100 MB in per cent</td>
<td><a href="https://lab24.ilsole24ore.com/qualita-della-vita/classifiche-complete.php">https://lab24.ilsole24ore.com/qualita-della-vita/classifiche-complete.php</a></td>
</tr>
<tr>
<td>Internal migration balance</td>
<td>Internal net migration balance per thousand persons</td>
<td>Istat.it</td>
</tr>
</tbody>
</table>
ANNEX B: Methodological notes

The spatial typology of Italy (and Southern Italy) was computed in a combined statistical procedure consisting of a principal component and a cluster analysis. This procedure involves three steps. In the first step, all variables were standardised by z-score transformation. Then, since many of the 11 selected disparity indicators were potentially correlated, a principal component analysis was conducted in order to reduce complexity and to avoid any potential bias caused by multicollinearity. The principal component analysis merges the initial selection of indicators to a lower number of uncorrelated “super-variables”, so-called principal components. The amount of principal components chosen for the cluster analysis explains more than 90 per cent of total variance in the data. In the final step, a hierarchical cluster analysis using the Ward Method was conducted. In this procedure, the initial observations are hierarchically merged using a minimum variance criterion. The point where to stop the clustering procedure, and hence the resulting number of clusters, is chosen by the data analyst. Several solutions have been tested and discussed within the research team. The final typology of four clusters was selected based on its intuitiveness and relevance to identify spatial disparities in Italy and Southern Italy.
## ANNEX C: Indicator value ranges

### Indicator value ranges for all Italian provinces

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Year</th>
<th>Value range from ... to ...</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unemployment rate (%)</td>
<td>2019</td>
<td>2.9 (Bolzano-Bozen) to 28.9 (Crotone)</td>
</tr>
<tr>
<td>Demographic dependency ratio (%)</td>
<td>2020</td>
<td>48.3 (Caserta) to 67.1 (Savona)</td>
</tr>
<tr>
<td>Share of employees in the high-tech sector (%)</td>
<td>2018</td>
<td>0.5 (Oristano) to 24.1 (Belluno)</td>
</tr>
<tr>
<td>Share of working age people not in education, employment or training (NEET) (%)</td>
<td>2018</td>
<td>9.7 (Pordenone) to 48.2 (Caltanissetta)</td>
</tr>
<tr>
<td>Graduates with tertiary qualifications (%)</td>
<td>2018</td>
<td>12.0 (Crotone) to 43.8 (Bologna)</td>
</tr>
<tr>
<td>Share of children (0–3 years) in childcare (%)</td>
<td>2017</td>
<td>0.5 (Caserta) to 36.1 (Gorizia)</td>
</tr>
<tr>
<td>Average gross income (EUR/hour)</td>
<td>2017</td>
<td>9.6 (Ragusa) to 12.7 (Bolzano-Bozen)</td>
</tr>
<tr>
<td>Number of family doctors (per 1,000 inhabitants)</td>
<td>2019</td>
<td>0.5 (Rovigo) to 1.4 (Terni; Nuoro)</td>
</tr>
<tr>
<td>Gender pay gap</td>
<td>2017</td>
<td>85.9 (Genova) to 96.5 (Rimini)</td>
</tr>
<tr>
<td>House prices (EUR/m²)</td>
<td>2019</td>
<td>800 (Avellino) to 4,950 (Roma)</td>
</tr>
<tr>
<td>Voter turnout (%)</td>
<td>2013/2018</td>
<td>60.2 (Crotone) to 82.3 (Padova)</td>
</tr>
<tr>
<td>Investment in social care (EUR/capita)</td>
<td>2019</td>
<td>10 (Caserta) to 275 (Trento)</td>
</tr>
<tr>
<td>Broadband connections (%)</td>
<td>2019</td>
<td>31.5 (Sondrio) to 95.5 (Barletta-Andria-Trani)</td>
</tr>
<tr>
<td>Internal migration balance (per 1,000 inhabitants)</td>
<td>2014–2019</td>
<td>−40.6 (Caltanissetta) to 28.0 (Bologna)</td>
</tr>
</tbody>
</table>
### Indicator value ranges for provinces in Southern Italy

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Year</th>
<th>Value range from ... to ...</th>
</tr>
</thead>
<tbody>
<tr>
<td>Economic productivity (GDP) (EUR/capita)</td>
<td>2017</td>
<td><strong>13,446</strong> (Sud Sardegna) to <strong>25,991</strong> (Chieti)</td>
</tr>
<tr>
<td>Share of employees in the high-tech sector (%)</td>
<td>2018</td>
<td>0.5 (Oristano) to <strong>13.0</strong> (Chieti)</td>
</tr>
<tr>
<td>Share of employees in the tourism sector (%)</td>
<td>2019</td>
<td>17.2 (Benevento) to <strong>28.3</strong> (Sassari)</td>
</tr>
<tr>
<td>Share of employees in the agriculture sector (%)</td>
<td>2019</td>
<td>0.9 (Cagliari) to <strong>25.5</strong> (Ragusa)</td>
</tr>
<tr>
<td>Old age dependency ratio (%)</td>
<td>2020</td>
<td><strong>26.5</strong> (Caserta) to <strong>43.0</strong> (Oristano)</td>
</tr>
<tr>
<td>Graduates with tertiary qualification (%)</td>
<td>2018</td>
<td>12.0 (Crotone) to <strong>30.9</strong> (L’Aquila)</td>
</tr>
<tr>
<td>Share of young people (age 15–29) not in education, employment or training (NEET) (%)</td>
<td>2018</td>
<td><strong>15.9</strong> (Teramo) to <strong>48.2</strong> (Caltanissetta)</td>
</tr>
<tr>
<td>Share of children (0–3 years) in childcare (%)</td>
<td>2017</td>
<td>0.5 (Caserta) to <strong>13.3</strong> (Sassari)</td>
</tr>
<tr>
<td>Broadband connections (%)</td>
<td>2019</td>
<td>35.3 (Isernia) to <strong>95.5</strong> (Barletta-Andria-Trani)</td>
</tr>
<tr>
<td>Internal migration balance (per 1,000 inhabitants)</td>
<td>2014–2019</td>
<td><strong>–40.6</strong> (Caltanissetta) to <strong>1.8</strong> (Pescara)</td>
</tr>
</tbody>
</table>
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SVIMEZ 2019: Rapporto SVIMEZ. L’economia e la società del Mezzogiorno, Bologna.


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Bandwidth of indicator values for the spatial types in Southern Italy
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- think tanks;
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Dr. Tobias Mörschel

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Design concept: www.bergsee-blau.de

Design/Typesetting: Heike Wächter
More Equality in Europe!
The inability of democratic actors and procedures to provide rapid responses to social-economic issues has led to widespread disenchantment of political and democratic systems across Europe. As the benefits of economic growth and increasing employment have been unequally spread, therefore creating regional disparities, perceived and experienced social-economic inequalities and injustices have deepened and played into the hands of right-wing populists. But what are the answers to these challenges? How should policies in the EU member states and the EU tackle regional socio-economic disparities? With the project “Unequal Europe – Tackling Regional Disparities in Europe”, the Friedrich-Ebert-Stiftung and the Foundation for European Progressive Studies (FEPS), put forward progressive policy recommendations based on the disparity reports for several European countries for both the respective national and European level.

https://fes.de/unequal-italy