International Conference

Territorial Impact Assessment of Territorial Cohesion in Italy and Europe
Rome, 11-12 April 2019
University of Rome “Tor Vergata”

// Productivity / Competitiveness
Unit of University of Florence
Productivity / Competitiveness

1. Definition, caveats and rationale

2. Selection process and selected indicators

3. Selection of most significant maps

4. Tuscany: evidences and territorial policies
**Productivity / Competitiveness**

- The caveats regarding the indices and measures of *productivity* are generally speaking threefold:
  1. They are not often available at the NUTS3 scale
  2. The concept of productivity in itself is strongly debated within economics, spanning from 1939 Schumpeter's critics of productivity conceptualization,

> “However useful for many purposes [productivity], the total output is a figment which would not exist at all, were there no statisticians to create it.”


to the modern fertile production of indices and measures intersecting traditional macro-economic dimensions with territory and environment

e.g. the findings of the californian school of Allen J. Scott, or the assumption at the base of the Global Competitiveness Index of the WEF (i.e. implying the interaction within 12 economic and meta-economic pillars

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**Italy:**

CGI rank 2017

<table>
<thead>
<tr>
<th>TOTAL</th>
<th>Enabling Environment</th>
<th>Human Capital</th>
<th>Markets</th>
<th>Innovation Ecosystem</th>
</tr>
</thead>
<tbody>
<tr>
<td>31st</td>
<td>Overall</td>
<td>8th</td>
<td>52nd</td>
<td>85th</td>
</tr>
<tr>
<td>58th</td>
<td>Institutions</td>
<td>21st</td>
<td>ICT</td>
<td>58th</td>
</tr>
<tr>
<td>21st</td>
<td>Infrastructure</td>
<td>52nd</td>
<td>58th</td>
<td>8th</td>
</tr>
<tr>
<td>8th</td>
<td>Macroeconomic stability</td>
<td>Health</td>
<td>40th</td>
<td>30th</td>
</tr>
<tr>
<td>40th</td>
<td>Health</td>
<td>30th</td>
<td>Product</td>
<td>79th</td>
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<tr>
<td>79th</td>
<td>Product market</td>
<td>6th</td>
<td>Market</td>
<td>46th</td>
</tr>
<tr>
<td>46th</td>
<td>Labour market</td>
<td>12th</td>
<td>Financial system</td>
<td>12th</td>
</tr>
<tr>
<td>12th</td>
<td>Financial system</td>
<td>42nd</td>
<td>Market size</td>
<td>22nd</td>
</tr>
<tr>
<td>42nd</td>
<td>Market size</td>
<td>22nd</td>
<td>Business dynamism</td>
<td>Innovation capability</td>
</tr>
</tbody>
</table>
Productivity / Competitiveness

3. These still convey the main bias at the base of *marginalism* in political economics, which builds upon an excessive abstraction, implying the incapability to capture the vast multifaceted complexity of a *geographical* economics, in which the territory and its organization play a major role

*i.e. the cost of goods owes to the differential between marginal and total utility which is subjective, oversimplifying, and maybe in some cases misleading*

HENCE... we framed and focused on measures and dimensions aimed at capturing the complexity of a *Territorial Competitiveness*
Selection process and selected indicators

- Enabling Environment
- Innovation Ecosystem
- Markets
- Human Capital
Workflow & criteria of the selection process

- Recognition of all indicators, according to availability at NUTS2 and/or NUTS3, on the repository of the National Institute of Statistics (ISTAT) --> leading to a broad set of over 400 indicators.

- The main database for those indicators is the Banca dati degli Indicatori Territoriali per le Politiche di Sviluppo, which is structured and groups indicators according to the main thematic macro-area of pertinence, and to the development goals they ascribe.

- The 2nd criterion used to operate a selection is redundancy. This lead to cut down roughly half of the first ensemble, leaving circa 250 indicators.

- Subsequently, we adopted an inclusive approach building upon a rather broad definition of the theme productivity/competitiveness, so to operate a selection based on the most recent update, which left roughly 165 items.

- This phase highlighted that many of these items referred not exclusively to the productivity-competitiveness theme, but also to other concepts (i.e. territorial capital, sustainability). A further selection was therefore made on the basis of a more stringent definition so to identify (if possible) indicators preeminently related to the productivity-competitiveness theme. This reduced the list to about 40 indicators.

- It should be emphasized that as the indicators of the Banca dati degli Indicatori Territoriali per le Politiche di Sviluppo, are by definition territorial. Hence they refer to the territory-development binomial. Therefore are appropriately more inclined to capture the territorial-competitiveness component rather than the productivity component.

- At the end, this list was reduced to 12 indicators, given their availability (or possibility to be derived) at NUTS3 level, and further cross-comparison for redundancy with the other themes, and here we present and discuss the most relevant 5...
Selected indicators

1. Per Capita Gross Domestic Product
2. Share of Foreign Direct Investments
3. Commercial Integration of Goods (i.e. export-import ratio)
4. Intensity of Accumulation of Capital
5. Cost of Labour
6. Population with access to ultra-wideband network
7. Level of territorial digitalization
8. Population with College education
9. Population with upper University education
10. Households’ level of consumption
11. Occupation rate
12. Youth unemployment rate

Enabling Environment
Markets
Human Capital
Innovation Ecosystem
Most significant maps

1. SuG 10: Per Capita Gross Domestic Product
2. SuG 15: Commercial Integration of Goods
3. SG 2: Population with access to ultra-wideband network
4. IG 27: Occupation rate within population aged 15-64
5. IG 27: Youth unemployment rate within population aged 15-24
SuG 10: Per Capita Gross Domestic Product (at purchasing power parity)

- It is possible to observe 2 or 3 Italy (Vera Luz 1958; Muscarà 1967; Bagnasco 1977,)
- The north-south divide is clearly tangible
- Rome is a reasonable exception

Legend:
- A High
- B Medium-high
- C Medium-low
- D Low

Livello: NUTS 3 2016
Mappa realizzata da Federico Martellozzo
Università degli studi di Firenze
PRIN 2015 “Territorial Impact Assessment della Coesione Territoriale delle regioni italiane”
Progetto 73. PI Maria PREZIOSO - 2015NXJ8T - SH3
SuG 15: Commercial Integration of Goods

- The north-south divide is clearly tangible
- North-East and Central Italy are drivers of export
- Some intra-regional comparisons are peculiar, so to make suspect some data inaccuracies, and further investigation is needed
SG 2: Population with access to ultra-wideband network

- Regional Capitals reasonably stand out
- Inner areas denote also a lower rate of connectivity (i.e. Mountains)
- It may support the speculation of the efficiency of the public investment, hence juxtaposing «good administration» vs «bad administration»
• The north-south divide is clearly tangible
• 3 Italy?
• Effect of oil industry in the «ankle bone»
• Sardinia?

IG 27: Occupation rate within population aged 15-64
IG 27: Youth unemployment rate within population aged 15-24

• The North-South divide is still visible although not that clearly
• North-East is a driver and a forerunner in youth occupation
• Islands and South are clearly lagging behind
4

Tuscany: evidences and territorial policies

1. Territorial differentials at Provincial scale
2. Provinces vs Inner Areas lattices
3. Discussion of policy priorities and aims in Tuscany
Territorial differentials at Provincial scale

SuG 10: Per Capita Gross Domestic Product (at purchasing power parity)

IG 27: Occupation rate within population aged 15-64
**Provinces vs Inner areas lattices**

SuG 10: Per Capita Gross Domestic Product (at purchasing power parity)

Classification of Inner Areas in Tuscany

Source: IRPET
Discussion of policy priorities and aims in Tuscany

- **Priorities** conveyed through the POR FESR Tuscany 2014-2020 (~760 ML €)
  1. Research, technologies, and innovation
  2. ICT & networks
  3. Competitiveness of small and medium enterprises
  4. Decarbonisation
  5. Environment and resources
  6. Urban areas

**What has been done in Tuscany in regards of the observed territorial differentials:**

- Double headed evaluation of policy results
  - a. Good results at the institutional level for what concerns the general administration of territories, and the interaction between politics and stakeholder. This is recognisable through a direct experience, but also through the indicators proposed if interpreted in a comparative fashion with other regions.
  - b. However, something better could have been done. In fact priorities featured a generic design, while some territorial peculiar place-based consideration could have been introduced.
  - c. More in details only priorities number 3 can be considered to be tailored on some territorial peculiarities; while all other are general.
Thank you

University of Florence

Prin 2015 – 11-12 April 2019