Stated locational preferences of entrepreneurs in Italy

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Chapter 5

Explaining the shape of the mental maps of entrepreneurs: evidence from the qualitative research actions

Explanation is the main objective of the analysis of the mental maps of entrepreneurs. This concerns the identification and understanding of the key factors that explain these maps' shape and other characteristics (for example, their thickness). In the previous chapter, the principal component analysis, as a result of the identification of the predominant patterns, enabled some explanatory elements to emerge. The two open questions that were part of the electronic questionnaire (where the respondents had to give the reasons for two of the worst-marked provinces, and two of the best ones), and the direct verbal interviews that were successively conducted, were aimed primarily at strengthening and widening the explanatory part of the research.
In this chapter we present both the results emerging from the analysis of the answers to the open questions (Section 5.1) and the evidence coming from the direct interviews (Sections 5.2-5.5). Being the outcomes of qualitative research techniques, the data have been analysed making use of qualitative techniques. In the case of the open questions, content analysis was used; in the case of the direct interviews, we made use of thematic analysis. Section 5.6 is devoted to some concluding remarks.

5.1 Motives for place ratings. Evidence from content analysis applied to the open questions

As we saw in Chapter 2, the electronic questonnaire contained two open questions where the respondents were asked to provide an explanation of the rating they gave to places (provinces). The two open questions were inserted almost at the end of the questionnaire (see Annexes 1 and 2), after the interactive map and after the territorial units (regions and provinces) were rated. At that stage of the questionnaire, the software randomly extracted two of the best-rated provinces and two of the worst-rated provinces (in total, four provinces), and the respondent was asked in two different questions to give freely the reasons why he or she gave such a high or low rating. It is important to remark that the two worst-marked provinces were mostly located in the Southern regions (as one can see from Figure 3.3 in Chapter 3), and the best-marked provinces were mostly located in the Northern regions, in particular in Lombardy, Veneto, and Emilia-Romagna. The answers to the two open questions provided a relevant and considerable amount of qualitative information, which is essential for building and completing the explanatory part of the research. They were analysed making use of content analysis.

Content analysis is a method for the analysis of qualitative data, which was developed in the 1930s. In the first decades of its application it was mainly used for the analysis of information and communications about politics (usually provided by newspapers). Later, content analysis was used more and more frequently and systematically for analysing data coming from interviews and open questionnaires conducted in social research. Several definitions are available for such methodology. According to Berelson (1952), it is a research method made for '*an objective, systematic and quantative description of the content of communication*'. Rositi (1988) defines it as '*a procedure for analytical decomposition and classification of texts and other symbolic sets*'. Lastly, Stone et al (1966) gives a broader definition, which considers content analysis as '*a research technique that systematically and objectively identifies some characteristics in a text*'. Content analysis is used both to analyse text in its explicit form (for example, words that are explicitly mentioned in the text) and to explore its hidden contents (for example, where some issues are only indirectly raised and mentioned).

Several techniques are available for the practical application of content analysis, all made easier by specific software. The most popular methods are: the 'key-word-in-context list', where each word is pinpointed and identified together with the ten words that follow it and the ten words that precede it; the 'word frequency list', where the words are counted and classified according to the number of times they appear in the text; the 'category counts', based on the previous method, where some keywords are identified, and based on them, a certain number of thematic categories are defined; the 'combination criteria list', where the text is analysed using several criteria, in order to identify relevant words, categories, associations (for example, the number of times that two keywords are associated). Considering that the objective of the content analysis here was to identify the main issue addressed by the respondents: that is, the key message contained in their very short open answers (usually, no more than 8-10 words), it has been thought that the approach that best fits such a goal is that of the 'category counts'. This is why this technique was finally chosen in order to analyse the content of the open questions of the questionnaire survey.

In our survey, the two open questions were answered by 120 respondents. Among them, only 107 responses were usable (that is, complete and valid). The respondents used 279 keywords regarding positive location factors, and 254 keywords regarding negative location factors. By aggregating these keywords, 12 categories were obtained:

1. Transport infrastractures and services, and logistics;
2. Geographical location;
3. Closeness to suppliers/markets;
4. Crime and safety;
5. Efficiency of public institutions;
6. Ethics and cultural factors;
7. Human capital;
8. Level of development of a productive system and '*industrial atmosphere*' (industrialization);
9. Research and innovation;
10. Personal reasons;
11. Amenities and quality of life;

12. Regional and local policies supporting economic activities.

In order to clarify the choice of these categories, we can provide some examples of either positive or negative judgements, concerning Northern, Southern and Central locational environments (that is, for the provinces):

Transport infrastractures and services, and logistics: ‘Transport on the islands is twice as expensive’ (Cagliari, Sardinia); ‘Broadly speaking, Southern Italy is not endowed with infrastructures good enough to develop a new business’ (Lecce, Puglia); ‘Really bad in terms of logistics’ (Nuoro, Sardinia);

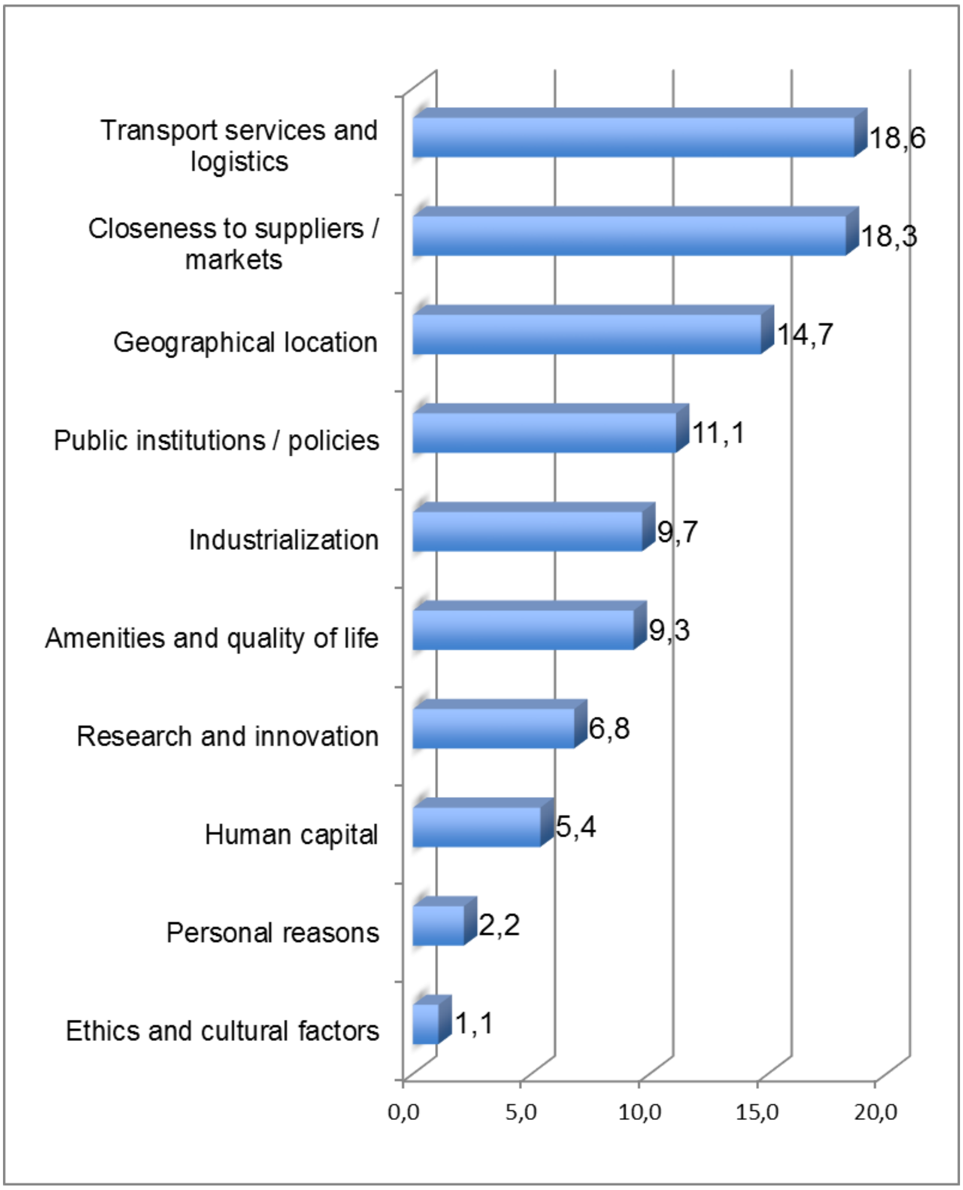
Geographical location: ‘We are out of the world’ (Ragusa, Sicily); ‘It is in the centre of the world’ (Milan, Lombardy); ‘Strategic position in the heart of northern Italy’ (Mantova, Lombardy); ‘It is close to Milan, which is the absolutely best location’ (Como, Lombardy”); ‘We are in the heart of the Mediterranean area’ (Medio Campidano, Sardinia).

Crime and safety: ‘Serious dangers from crime and from “mala giustizia” and “malasanità” ‘ (Vibo Valentia, Calabria); ‘It is not safe to have a business’ (Naples, Campania); ‘For obvious reasons in terms of safety: mafia, etc.’ (Caltanissetta, Sicily).

Efficiency of Public institutions: ‘This is the region where bureaucracy and justice are at their best’ (Ferrara, Emilia-Romagna); ‘The revenue agency is ravenous, politicians are interested only in their own benefits and profits’ (Bolzano, Trentino Alto-Adige); ‘Bureaucratic problems’ (Salerno, Campania); ‘Institutions which are in charge of monitoring and controlling public tenders are not reliable’ (Matera, Basilicata); ‘The institutional context is not reliable’ (Enna and Ragusa, Sicily); ‘Public services are not efficient’ (Vibo valentia, Calabria).

*Personal reasons, amenities and quality of life, ethics and cultural factor*s: ‘I love Tuscany and its environment’ (Siena, Tuscany); ‘Quality of life is really awesome’ (Ascoli Piceno, Marche); ‘People from Tuscany are weird’ (Florence, Tuscany); ‘From a social, economic and cultural point of view, it is a disaster!’ (Caserta, Campania; Crotone, Calabria); ‘Values and principles of the people living there’ (Aosta, Val d’Aosta); ‘I live and work there’ (Parma, Emilia-Romagna); ‘It is my birth-place’ (Cremona, Lombardy).

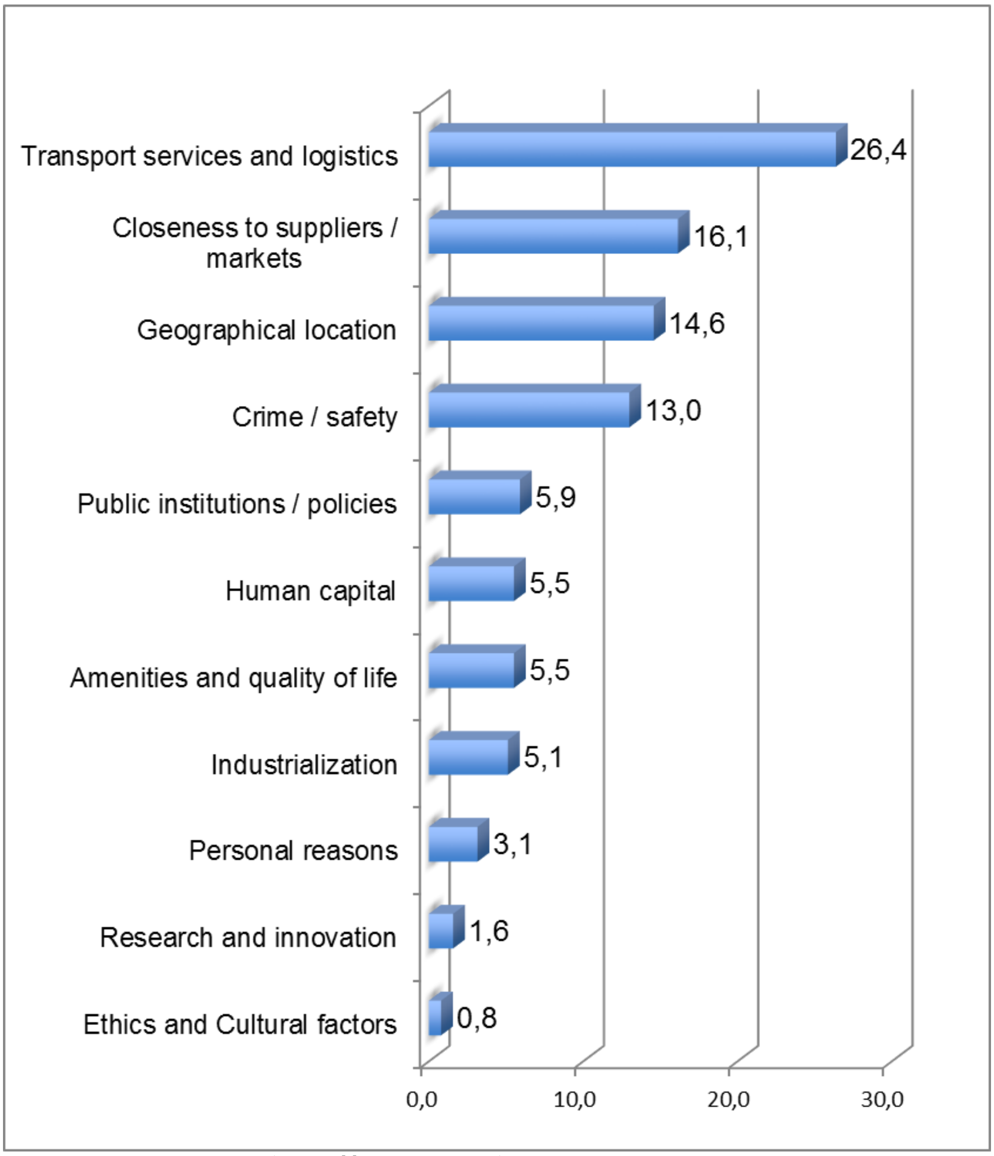
As regards the best-marked provinces (Figure 5.1), transport infrastructures, transport services and logistics (18.6%), together with the proximity to markets and suppliers (18.3%), and the geographical location (14.7%), are the most important location factors that explain the strong preferences expressed for these provinces. Actually, more than half of the 279 recordings concern these three factors. In other words, we can claim that accessibility and agglomeration economies are the key issues to explain why entrepreneurs perceive the location in those areas of Northern Italy to be so advantageous. Nonetheless, other factors also play an important role, such as (in order of importance): the efficiency of public institutions and the regional and local policies supporting entrepreneurial activities; the ‘*industrial atmosphere*’ and the development of the industrial system, which are factors that can intuitively be connected and confirm the relevance of the agglomeration economies; the presence of amenities and the quality of life; the attitude to research and innovation; and the availability of human capital. Each of these factors account at least 5% of the total number of positive mentions. But the weight of the personal reasons and of the ethical and cultural factors is lower than this threshold.



Source: Questionnaire survey (107 usable questionnaires)

Figure 5.1: Location factors mentioned for the best-marked provinces (% on total mentioned location factors)

As regards the worst-marked provinces (Figure 5.2), the evaluation of the importance of the location factors is more polarised on a few issues. Transport infrastructures, transport services and logistics are even more important (26.4%) in explaining why some areas in Calabria, Campania, Sicily and Sardinia are so neglected as potential locational environments (in this case, then it is their lack of, or at least their unefficiency, which now make these factors so important). Also rather important is the weakness of the agglomeration economies, the poor access to the supply chains and to the markets, the (peripheral) geographical location, and the problems in terms of safety. While the importance given to the question of the transport connections and of the geographical location is consistent with the evidence concerning the low level of accessibility of the many areas in Southern Italy, the last point clearly refers to the question of the crime organisations[58]. As we saw in Chapter 2, they are still strongly rooted in these regions, where they have their ‘headquarters’, and, to a certain extent, they have the power to influence and control local economic activities.



Source: Questionnaire survey (107 usable questionnaires)

Figure 5.2: Location factors mentioned for the worst marked provinces (% on total mentioned location factors)

Comapred with the high-ranked factors, other location factors appear as less important for a low ranking: these are factors such as human capital, amenities and quality of life, policies for enterprise creation and development, research and innovation. While human capital has the same importance in both positive – as seen above – and negative terms,

[58] Cosa Nostra, Camorra and ‘Ndrangheta. See also Svimez, 2010.

the factors: public institutions and public policies, the amenities and the quality of life, and research and innovation, are much less important as negative location factors. This is somehow in line with the empirical evidence regarding the relative lack of some competitive assets in Southern Italy, such as the weak and inefficient support of the local authorities, and the shortage of an adequate network of research infrastructures (universities, research centres, etc.).
We can point out that, in the case of the positive factors, the low level of polarisation of the recordings presumably means that there is a wide range of location factors that have a certain importance in defining the local attractiveness: that is, each locational environment tends to have its own peculiarities, its own 'specializations', 'assets', that make it attractive. On the other hand, in the case of the results about negative location factors, the higher polarisation of the recordings could signify that there are some negative location factors that catch the attention of entrepreneurs much more frequently than others, and therefore they are the kind of issues that raise really key critical questions: that is, they are a sort of priorities that should be addressed by strongly targeted policy measures, if the attractiveness of investment in these places is to be increased.

5.2 Underlying patterns and forces: evidence from the thematic analysis of the direct open interviews

As a follow-up of the questionnaire survey, when its first results became available, nine open direct interviews were conducted with key actors and experts in the field of the attraction of direct investments. The interviews aimed at providing an in-depth explanation of the mental maps of entrepreneurs. They were meant to:

- Discuss the main findings of the questionnaire survey, in particular about the average ratings of regions and provinces, and about the main patterns that emerged from them;
- Find out the underlying motives, that is the driving forces that explain the spatial preferences of the entrepreneurs, focusing both on the explanatory factors which have been widely explored and investigated in the relevant literature, already highlighted in the previous section (content analysis), but possibly also on new unthinkable, unimaginable factors.
- Discuss the future evolution (scenarios) of the mental maps, and then of the perceived attractiveness of regions and provinces, and more broadly in terms of policies for investment attraction[59].

The actors whom we interviewed were rather heterogeneous. While in the questionnaire survey the target group was a purposefully selected category of entrepreneurs, in the direct interviews we targeted a different group of actors than entrepreneurs, in particular consultants, representatives of local, regional and national bodies devoted to implementing policies to attract of direct investments, representatives of manufacturers' associations, experts on the issue of firms' locational choices, and institutional investors. The main objective of this research strategy was to learn the opinion of a range of people who are experts on the question of the attractiveness of places, but from a point of view

[59] The findings coming from the interviews concerning such points (scenarios and policies) will not be examined in this chapter, but in the last chapter, focused on policy implications.

typically different from entrepreneurs, that is people with a different background and experience.
Ultimately, nine direct interviews were conducted[60]. Interviewees were identified and selected within the categories above listed by the researcher. Table 5.1 describes in details the characteristics of each of them.

*Table 5.1: Characteristics of the interviewees**

N.	Kind of institution	Place	Position
1	Agency for the promotion of the International activities of the Chamber of Commerce of a big Italian city	Milan (Lombardy)	Global development manager (S. Nigro)
2	Management company of a closed-end investment fund	Milan (Lombardy)	Partner, sitting on the board of several medium sized manufacturing Italian companies (C. Moser)
3	Italian association of the firms belonging to one of the main manufacturing industries	Milan (Lombardy)	Responsible for researches and statistical analyses (V. Maglia)
4	Central government agency for inward investment promotion and enterprise development	Rome (Lazio)	Director (G. Arcucci)
5	Integrated firm for audit, legal, management, and tax consulting	Milan (Lombardy)	Managing Partner (Consultant for German firms investing in Italy) (S. Brandes)
6	Agency for the promotion of international activities of one of the Northern regional governments	Turin (Piedmont)	Top manager (F. Zardi)
7	Department for inward investment promotion policies of one of the Southern regional governments	Palermo (Sicily)	Director (V. Paradiso)
8	Medium-sized company belonging to the food sector, involved in regional policies for inward investment promotion	Ragusa (Sicily)	Managing Director (A. Spadola)

[60] It is important to point out that, according to the original research design, the aim was to conduct from 10 to 15 interviews. Several difficulties and obstacles, typical of the undertaking of social surveys in Italy, meant that it was not possible to achieve such an objective. In any case, the number of nine interviews, rather close to the ten scheduled, and especially the kind of subjects interviewed, produced a satisfying batch of data, substantially coherent with the sense and the logic of this part of the research design.

9	Consultant for agencies for the attraction of foreign direct investments, and for local, regional and national governments in several countries	Paris (France)	Individual consultant (L. Sansoucy)

**At the time when interviews were conducted.*

The interviews were conducted on the basis of an outline that was sent before the interview to the person who agreed to be interviewed. The outline is presented in Annex 2. The outline includes some basic figures and tables, easily synthesising and communicating the basic results of the questionnaire survey. The interviewer used the key questions indicated in the outline very freely, and the interviewees were also informed that they did not have to answer and discuss each question, but that these questions were defined just to focus and single out the key points under discussion. This is why such interviews can be considered as fully open interviews.

The interviews were recorded with the smartphone, after the explicit authorisation of the interviewees. They were transcribed with the support of a professional service. They were conducted in the period from July 2013 to February 2014. The transcripts were analysed using a methodological approach known as thematic analysis. Such a method, first defined and outlined in its theoretical and application aspects by Braun and Clarke (2006), supports researchers who are using qualitative data, especially the verbal data coming from open interviews, in *'identifying, analyzing, and reporting patterns (themes and sub-themes) within data'*[61]. In the analysis that follows, recurrent themes and sub-themes that were identified are not necessarily linked to the outline of the interviews (as actually established and recommended when applying such a method[62]). Direct quotations are very frequently used in the text in order to provide vivid clear evidence about the relevance and the prevalence of a theme[63].

5.2.1 Three explanatory keywords: agglomeration economies, centrality and accessibility

One the key hypothesis of this dissertation – that Central-Northern Italy and Southern Italy are divided in terms of attractiveness for direct investment – is definitely supported by the interviewees. They therefore confirm the main pattern emerging from the analysis of the mental maps of the entrepreneurs, and in this respect they do not see anything anomalous. Moreover, in some cases they suggest that the other patterns observed from the findings of the questionnaire survey (for example, the *Padana region*, and the one related to the presence of industrial districts), are also quite reasonable. As interviewee (2) says: *'It seems to me that the outcome of the survey is not surprising. It actually reflects what each of us reasonably would imagine, except for some slight deviation from the reality. What is clear here is the North-South divide, which does not surprise, and within*

[61] Braun and Clarke (2006), p. 6.
[62] Braun and Clarke (2006).
[63] See, for example, Kitzinger and Wilmott (2002); Ellis and Kitzinger (2002).

the North of Italy the main core, the Padana region, clearly comes up … Piedmont seems to be a little underestimated, maybe because of the crisis of some specific sectors, such as the automotive industry, different from Lombardy, Emilia-Romagna and Veneto, which, on the contrary, are more diversified …'. And, as interviewee (1) says: '*It is quite reasonable what emerges from this map, as regards both the strongest regions – Lombardy, Emilia-Romagna, Veneto – and the second line, which includes regions like Tuscany and Piedmont. I am a little surprised by the rating obtained by Marche, but maybe at the end it is not so strange, as Marche is an area full of firms, where probably the industrial districts have also played a role in affecting the perception of respondents …'*. According to interviewee (6) *'I have to say that, broadly speaking, I am not surprised by anything on such a map … such a map corresponds to the regional map of FDI attractiveness in Italy … I fully agree, for example, about the best mark given to Lombardy, and then comes Emilia-Romagna, and then Veneto, and after that Piedmont .. Lazio seems to have a lower rating than what I would have expected, but probably because of the higher consideration that foreign investors give to Rome, the capital city … I do not see any kind of surprise in this map …'*. Also interviewee (5) started his interview by saying that: *'It is clear that the first regions are the ones that are highlighted in the map, Lombardy, Veneto, Emilia-Romagna …. We even notice that in the opinion of the foreign investors that we usually meet …'*. And lastly the point made by interviewee (4) can be also added. He briefly stated that: *"The broad picture does not surprise me. Basically speaking, I believe that nobody would expect something different from the ranking of the areas that are represented here".*

The Padana region: a highly agglomerated and accessibile area close to the centre of Europe

According to many interviewees, the key explanatory elements for the main macro-regional pattern that emerged from the survey – the North-South divide, but even also for other patterns that were observed, i.e. the Padana region – are the agglomeration economies, the level of accessibility, and the geographical centrality (three elements which are strongly interrelated).

What they point out, in fact, is that the high density and proximity of economic activities, firms and services (suppliers and customers), and of people (market), located in the Padana region, and the considerable endowment of infrastructures available, in particular transport infrastructures, create external economies which attract and favour the location of new businesses and the growth of the existing ones, making this region the biggest and most important business environment in Italy.

Furthermore, the interviewees also consider that the central geographical location significantly contributes to make Northern Italy, especially the *Padana region*, an ideal place to start a new business. Indeed, Northern Italy, in particular Lombardy, is geographically closer to the most important European countries, which is different from Southern Italy that is far from the geo-economic European central areas (and whose transport networks and services are not considered sufficient and adequate!).

As said by interviewee (6): *'It is not by chance that the highest number of the foreign firms are located in Lombardy, and in the Northern regions, which are the most developed, the ones with the biggest and most-rooted productive system, and the ones most endowed with infrastructures. These are the main factors of attraction…'*.

Interviewee (2) considered that: *"the more firms there are, the more that place becomes attractive, the more new firms move and locate there, the better is the business services network, and the competencies available … the dichotomy centre-periphery is quite important. When you are located in a peripheral area, having access to some services, and getting some resources becomes more difficult … for example, in a city like Milan it is easy to locate managerial resources; if you have to send them to Bolzano,or to Pordenone, everything gets more difficult'*. In the words of interviewee (5), *'For sure, most of the firms are there because of many reasons, such as the size of the market, the presence of many suppliers, the endowment of infrastructures, and so on …'*. And, finally, in the opinion of interviewee (4), *'Such an agglomeration is for sure an outcome of the history. There is such an agglomeration because time after time it grew and it consolidated … There are important infrastructures, in that regions there are very important rail and air infrastructural nodes, so if a firm has to choose where to locate … such mechanism is a virtuous circle: when all people want to be there, those who have all their customers there, will locate there, or those who have all their suppliers there, will then locate there, and then other customers and suppliers will locate there, new infrastructures will be built, and so on, and proximity effects, network effects will exert their impact. … Maybe such location factors are obvious, banal, but ultimately they are decisive … You also wonder: why do they choose Lombardy so frequently? Also because of its centrality with respect to the end market, locating in Lombardy means locating in a place which is also quite central with respect to Germany and France. So, if someone carries out an analysis not only about the export markets, but also about the input flows, the geographical location is a key factor, so infrastractures and logistics have a relevant impact on locational choices.... Being next to the suppliers, to other firms, to the industrial districts, to all small and medium-sized firms which are part of the supply chain: it is according to such logics that the big foreign company takes its decisions about location … '*.

Milan, probably the best place in Italy where to locate a firm

Within the Padana region, the role played by Milan is clearly remarked on by interviewees. Milan is considered as the main engine of the capacity of Italy to attract foreign direct investments. It is the place where such advantages in terms of centrality, transport nodality, and agglomeration economies, reach a peak in Italy. On the one hand, Milan represents a gateway to the Italian market, so all multinational companies who wish to enter the Italian market and locate a plant first look at Milan; on the other hand, Milan is the Italian city which is in competition with other European cities in attracting the investments of extra-European multinational companies that are interested in entering the European market and then start settling in a big and central European urban area. Milan plays such a key role for foreign investments in particular in the services sectors, such as sales marketing, finance and consulting but, in other sectors, such as logistics and some manufacturing sectors, where other factors like land prices are important, it might be not so competitive with other locations in Italy.

Anyway, not only with regard to foreign investments, but also with respect to the location of internal investments, Milan emerges as the most appreciated location. Thanks to the external advantages illustrated above, but in particular thanks to its openness to the international markets and networks (similarly to what was said for foreign investors, but in reverse, Milan works as the gateway to foreign markets), it is a location which is also becoming increasingly attractive for Italian companies.

According to interviewee (1): *'Surely, compared with other locations in Italy, Milan is seen as the centre of business, it is central, rich in services, internationally known and open, highly oriented to sales commercial activities, with a labour market rich in talented people, and know-how. Italian firms think that it is the centre of business, the base, the headquarter of their activities, the base for their international activities, although some costs are high. Foreign firms see Milan as the base for the Italian market .... Nowadays, in a period of crisis, the role of the urban areas is growing again, as it is preferable to stay in a place where you can do business more easily, rather than having organisational problems, which might cause you to get less competitive ...'*. As pointed out by interviewee (9): *'Not only about the North-South divide, we should also talk about the Milan-other than Milan parts of Italy divide .... Milan polarises the map in particular because of its attractiveness for investments, especially in the field of sales marketing. If there were more investments in manufacturing activities, and in other sectors, the map of Italy would be less unbalanced ...'*. From his point of view, interviewee (5) reminds that: *"For commercial activities Milan is apparently central; it is the door through which to gain access to the Italian market'*. And interviewee (6) adds that: *'There is a wide perception which says "I think I will come to Italy, and then I will come to Milan, because it is the most known place, the most developed, and so on ... ". I cannot go against such a statement, but if you work in sectors such as finance, I can understand that; on the contrary, if you work in other sectors like logistics, I cannot, because in Milan the land can cost more, there is is much more congestion on the road network ...'*.

What is also interesting to learn from the interviewees as regards Milan is that in some cases its centrality makes this city the ideal place for establishing business-to-business relations among foreigners: that is, it becomes a kind of platform used by the business community at the global level. This is, for example, as interviewee (1) says, the case of the fairs, a services sector in which Milan is specialised: *'In the case of the furniture fair (Salone del Mobile), Milan becomes a kind of global platform, which is used by the foreign business community, even better than by the Italian community. For example, every year when there is the fair, the Brazilian delegation rents a building in the centre of Milan, where Brazilian designers have the opportunity to meet the business community, in particular the Brazilian business community working in the furniture sector. In Brazil, it would be rather difficult to find a unique occasion such as the Salone del Mobile where all of them, designers and manufacturers, can meet .... and the same can be observed for the fashion sector, and for the other sectors where Milan is highly specialised and competitive'*.

Finally, the key central role of Milan in the Italian economic geography of investments attraction can be even better understood if we compare it with the other main urban agglomeration in Italy, the capital city, that is the political and institutional centre: Rome. Interviewee (6) claims that: *'The attractiveness of Lazio depends on Rome, and therefore on the closeness to public institutions and bodies, that's what mostly matters. Such closeness can be very important for some sectors ... Both the administrative and the economic capitals of a country obviously attract most of the foreign direct investments, even if they are divided (usually they are in the same place)'*. For interviewee (1): *'In the view of a foreign firm, Rome is a base for lobbying, to have relations with public actors, while other reasons are less important. Milan, instead, is the base to do business at the international level, where English is widely spoken ...'*. And, lastly, in the opinion of (5):

'Rome is like Berlin. It may attract mostly extra-European companies. On the contrary, for European companies Milan is the main and only focus. American, Chinese, etc. companies sometimes they do not perceive any difference: they go in the capital city of a country, just because it is the capital city, and then they are likely to start their activity there …'.

Airports: a key element for accessibility and attractiveness

Although transport infrastructures and services are so emphasised as attraction factors in Northern Italy, and in particular the Padana region, what is interesting to point out is that airports are one of the most-mentioned kind of transport infrastructures that can make a distinctive advantage for such places. However, it is considered that air services provided there are not always regarded as high quality services, and should be further improved. According to interviewee (2): *'Another key factor is the presence of the airports. For big firms, such services are fundamental in order to decide to locate there. In the case of big firms, i.e. firms which tend to use a lot of high quality – human, financial, physical, etc. – resources, you have, for example, to attract managers from abroad, from international schools, and so on … not all places are sufficiently endowed to offer such quality standards and such transport services'*. In the opinion of interviewee (5): *'In Milan the airports in the end work well, but they are not the best. Operations of Linate are limited, Malpensa is far away, although from there you can reach all of Europe and the world; Bergamo serves the other side of the urban area. Sometimes it happens that you fly from Bergamo and then you return on Malpensa, where you cannot enter by car. There is still scope to improve the service …'*. For interviewee (6): *'We are still not able to provide effective and efficient services. If you arrive at the airport of any country, you can immediately understand where you have to go, what direction, and so on. If you arrive in an Italian airport, for example Malpensa, that's not always true…'*.
The considerable importance assigned to the airports by interviewees is also demonstrated by the fact that they point to this factor when speaking about Southern Italy. For example, interviewee (9) when discussing the local differences in terms of attractiveness in the Mezzogiorno, underlines that: *'Also within Puglia there are differences, even just in terms of accessibility. It is always easier to locate a plant close to the airports than 100 kilometres far from them. This is another extremely important point …'*. And interviewee (7), when talking about the key strategic elements for improving the attractiveness of Sicily, defends the projects concerning the construction of new airports in Sicily, '*The Comiso airport is an intelligent idea, for two reasons: it can better support the foreign market expansion of the Sicilian agri-food supply chain, as it is in the area of Ragusa where most of the best Sicilian traditional and high quality food products are made; and it can contribute to the tourist development of those areas'*. And, finally, interviewee (8), also with respect to Sicily, invites the local ruling class to strengthen the role of Catania airport at the national and international level, in the perspective of the growth of the North-South economic relations: '*And then the capacity of our public institutions, and of our ruling class, is that of being able to make Catania the prime aiport to reach Tripoli, and then to ensure that everyone who goes there stops in Catania …'*.

5.2.2 Are the peripheral areas in Northern Italy attractive?

One of the most interesting, and somehow astonishing results emerging from the survey, is the ranking gap observed in Northern Italy between the central plain regions (Lombardy, Piedmont and Veneto) and the surrounding, coastal and mountain, regions, such as Friuli, Val d'Aosta, and Liguria. This is astonishing because, in terms of real socio-economic indicators, such as GDP per capita and the employment rate, these regions actually do not lag so much behind the core Northern regions.

According to the observers interviewed, it is true that these areas cannot enjoy the presence of important factors such as agglomeration economies, high accessibility, and geographical centrality. For example, interviewee (2), referring in particular to Friuli and Liguria, underlines that, on top of their well-known disadvantages, these regions are penalised by the lack of big firms, which typically are leaders of wide supply chains: *'I think that the fact that there are no longer big firms there is decisive … all big firms that were there either failed and were dismantled, or they are going to fail … for example, I think of Friuli, and of the big firms belonging to the white goods sector (washing machines, refrigerators, etc.) … such dynamics cause the death not only of the related supply chain, providing goods and services, but also of all the spin-off firms born from these big firms, set up by managers, employees, who left the leading firm and started their own business there, and so on … when the "mother" fails, all the other small firms which strongly depend on her, fail too … '* Also interviewee (9), talking about Liguria, points out that: *'It is a quite marginal region, in terms of physical geography and of infrastructures'.*

But, according to other interviewees, it is also evident that some other Northern "peripheral" regions, such as Trentino-Alto Adige and Val d'Aosta, have important specific advantages that, even if 'unseen' by most of entrepreneurs, play a definite role in strengthening their attractiveness. For example, according to interviewee (5), who focuses his attention on the case of Trentino Alto-Adige, and on its particular culture and language: *'Some German firms, and also Austrian firms, start in this region, because of the language, and then t from there hey try to spread all over the Italian territory … In Trentino Alto-Adige they can write the certificate of incorporation in Italian, and also they can start to explore the Italian market with people who speak German … And so, if things go well, they also go into other regions, for example, Veneto … it is a kind of linguistic and cultural advantage. Of course, we refer mostly to commercial activities. They do a try-out in Alto-Adige, for example in Bolzano, and, starting from there, they open a second branch in Trento, and then another one in Treviso, a fourth one in Verona, and then they spread all over the country …'.* Also interviewee (4), as regards Trentino, adds that, even if it is a small region where necessarily the mass and size effects are less strong, *'In Trentino there are some excellent specialisations, some highly competitive niches'.* Interviewee (6) instead talks about Val d'Aosta, finding its average rating not understandable, given the great effort of its regional government in supporting firms: *'I am surprised by the rating of Val d'Aosta, I am really astonished by such a low rating. In Piedmont, Val d'Aosta is considered a very attractive region, a very "friendly" region for firms, including Italian firms. Many Piedmont firms who move there can have several incentives, many benefits … Some entrepreneurs, for example, have beeen supported by the Val'd'Aosta government in finding the areas where to build their new plant, getting very low land prices, even for free … actually, an autonomous regional government like Val d'Aosta, different from an ordinary Region, can use such policy instruments in an* *easier way, so I am surprised that such aspects do not emerge from the survey. Maybe the question is that it is a small region …. While the rating of Liguria is more understandable due to its shortages in terms of infrastructures, the rating of Val d'Aosta makes me rather puzzled'.*

5.2.3 The low attractiveness of the Mezzogiorno: only a question of the Mafia?

The role played by organised crime in affecting the perception of a place is widely highlighted by the interviewees. The Mafia is the main element which creates, more than other factors, a kind of prejudice against the Italian Mezzogiorno (and somehow against all Italy!), that even from the beginning prevents (mostly foreign) investors from taking those regions into consideration. That is to say, from the initial stage of the locational decision-making process this key factor induces them to exclude all those Southern areas from the range of the places where they will consider locating a new plant. As said by interviewee (4): *'Many investors tend to say: more Southern than Rome, we do not take any place into consideration… the main reasons why they do not value the characteristics of the locational environments more Southern than Rome is the question of organised crime. Given that, all Southern regions are involved …'* . For interviewee (5): *'There is a kind of prejudice against places in Southern Italy. Firms which we support usually ask questions such as: Are we safe in Southern Italy? Are there problems of organized crime? Is it true that bureaucracy there causes endless delays in getting anything done?".* Also interviewee (9) says that: *'The main problem that comes to mind when one thinks of the Mezzogiorno is the question of safety of the plant and of the people …. It is hard to think about making investments, in particular highly capital intensive investments, in such places where safety is not guaranteed …'.* And, according to interviewee (1), *'For a Northern Italian firm, it is difficult to see Southern Italy as a place where to locate investments, for many reasons among which the perception of the presence of organized crime is surely one of them …'.* As such, some companies even do not include these regions in the shortlist of the places to analyse in-depth as possible locations for their investment, as told by interviewee (4): *'I remember the case of a multinational company that decided to insert in its shortlist a Central region instead of a Southern region, notwithstanding that in the former financial incentives amounted to 15%, and in the latter to 30% …'*

Are the media responsible for that? Yes, but do not forget the reality …

If such a prejudice, such a bad image, is so widespread internationally and makes the Mezzogiorno, notwithstanding some exceptions, so neglected by exogenous investments, it is not by chance, but it is because the Mafia is still strong and powerful, and significantly affects the local economy. That is what actually some interviewees do not forget to remind us. This happens even though they are aware that the Mafia is being vigorously fought by the Italian government, to the extent that in some regions, such as Sicily, it is nowadays considered weaker than in the past. According to interviewee (7): *"An effort to make Southern Italy more civilised, more legal is being made. All forces, such as police, magistrates, are engaged, and even the culture of entrepreneurs is changing … Anyway,* *we should not underestimate the current strength of organised crime, because the war is ongoing, and they toughly try to oppose the hope for changes... "***.** So we cannot consider the media fully responsible for the creation of an image so detached from reality, but we have to attentively examine the actual role played by the media (so frequently criticised!) in shaping the image of the Mezzogiorno. As reminded by interviewee (7): "*We cannot accuse the media of being superficial, it is too easy to do that. ... The information society nowadays is something that has overcome all kind of barriers, and that can help everybody, in every part of the world, to grow up and to make progress ... It is true that the Mafia is a factor that affects the image of the Mezzogiorno, but this is not by chance ...*". For interviewee (9), the media may alter, heighten, overemphasise the reality, but every piece of information they produce is based on reality. And, what is even more interesting is that their role in influencing the geographical destination of foreign investments is not as strong as in the past: *"The media are a marginal element .... I tend to consider that nowadays their impact is quite limited, also because they do not have the same importance that they had in the past. Nowadays, they are rather fragmented. I remember that in the 1990s, when I worked in Milan, any time that everytime there was an article about investments in France in the main Italian economic newspapers, the day immediately after there was someone sending me inquiries. Nowadays a single article does not cause any response. It does not mean that it is not read, it does not mean that it does not remain in the brain of the reader, but while in the past it had an immediate effect, today certainly not. Today there it too much "noise", as they say in English..."*

The exceptional case of Puglia: when policy matters in Mezzogiorno ...

Although organised crime clearly affects the image of the entire Mezzogiorno, the analysis produced in Chapter 3 shows that not all Southern regions get the same average low rating. In particular one of them, Puglia, obtains an average rating that is remarkably higher, thanks to the explanatory factors peculiar to it that many interviewees have underlined: the straightforward and sectorally-focused economic development strategies followed by the regional government. For example, the strong support for the renewable energies sector in Puglia in the last decade caused a considerable increase of investments in this sector. Such political actions have been so strong and continuous that they seemingly contributed to change and improve the the efficiency of the regional and local bureaucracy. According to interviewee (4): '*In Puglia public institutions have a new approach, they pay much more attention to some issues ...there is a better approach, more professional, there is a kind of upgrade of all regional government structures ... It is a question of policy. Puglia decided, for example, that renewable energies are a focus sector for economic development policies. There were strong and clear decisions in terms of industrial policy, which have been followed since then. Consequently, they have invested in the skills and expertise in the administrative structure, in order to be more professional in supporting investments ... when you do that, investors react positively and follow you ...'*. And interviewee (5) said that: *'Puglia has a very active policy for investment attraction. They are more efficient, they have supported investments, and they have even reduced the time needed for the bureaucratic procedures'*. And interviewee (2) added: *'I think that Puglia, within the Mezzogiorno, is the place where the level of economic vivaciousness and dynamism is higher. And I also think that in recent years local public institutions have invested a lot in supporting businesses; they paid much* *attention to several business ventures, in order to create a continuously favourable context for economic development …'*. And interviewee (6) claimed that: *'Puglia is the most developed region in Southern Italy, the most attractive one. For example, as regards industrial districts, in Puglia there is an important aerospace district. They have implemented economic development policies, and had laudable policies for supporting economic development. For sure, in this respect it is the most advanced region in Southern Italy'*. And interviewee (7), finally, considered that one of the merits of Puglia's regional government, which has contributed to building and improving its skills and expertise in investment attraction, has been the ability to attract professional and experienced people from other regions, experts in subjects related to policies for regional economic development: *'Puglia has drained important resources from other regions. Many skilled people employed in Sicily have moved to Puglia, in particular those skilled in the management of EU funds. I talk about highly intelligent people, university teachers who moved to universities in Puglia, or researchers who moved to Puglia, or even experts in EU projects evaluation working in Brussels, who moved from Belgium to Puglia …'*

Local differences in the Southern regions: an 'unseen' issue where good policy practices matter as well

While many of the interviewees confirm that Puglia is the region in Southern Italy that has a considerably different – that is the highest – degree of attractiveness, they also wonder why other local differences in Southern Italy (especially at the provincial level) in terms of attractiveness are not perceived by the entrepreneurs involved in the questionnaire survey.

For example, according to interviewee (7), some areas in Sicily have been able to boost their level of economic development, thanks also to the attraction of exogenous investments in sectors such as tourism, real estate, and agri-food. The key point that strengthened such areas was the ability of the local policy makers who, instead of intervening directly in the local economic activities, created an attractive environment by improving contextual factors: that is, public and private services: *'In the South-Eastern area of Sicily, limited to the triangle Catania-Siracusa-Ragusa, private investments in agriculture, food and tourism have remarkably increased. Here, there are some of the most beautiful tourist establishments in Sicily. In those areas, many services have been notably improved, in particular all those related to tourism, such as restaurants and catering (there are two restaurants with three Michelin stars!). There, the cultural heritage is being adequately preserved. In the province of Ragusa the health system is excellent, and very well known. It is excellent as regards bureaucratic and administrative matters, and the services provided to patients. These provinces are better organised than the others, and are less based on public intervention. Local public institutions are more stable, and therefore they can take decisions within a long-term perspective ... On the other hand, Palermo is an area that the Italian central government should be worried about. It is an area which today survives mostly thanks to public direct intervention in the local economy. After Fiat closed and abandoned the Termini Imerese manfacturing plant, we have been facing a really uncertain situation in that part of Sicily…'*.

In turn, interviewee (4) makes reference to Campania, and to its provinces highly specialised in some sectors: *'Its rating should be close to that of Puglia. When we meet foreign investors it frequently happens that, if they take the Mezzogiorno into account,* *the regions that are nearly always included in the shortlist are Puglia and Campania. Instead, I see in this map that Campania is closer to Calabria than to Puglia, notwithstanding its industrial system in all the provinces of Campania, its excellent places … according to me, this is something explained by a wrong perception. Probably, it depends on the fact that when respondents were asked to rate Campania they immediately thought only about Naples, and about its well-known dramatic problems, such as the waste management crisis or "camorra" … I am in particular surprised by the low rating obtained by Caserta, the province where there are excellent poles of research and development, such as CIRA (Centro Italiano Ricerche Aerospaziali), or where there is one of the most important logistic platforms in Italy … In Campania there are some infrastructures as important as those as in Puglia … although it is true that regional government and local institutions in Campania were not characterised by a new approach and strategy as in Puglia. Maybe that matters …'.* And interviewee (9), when talking about Sardinia, said that: *"I was looking at Sardinia, and I noticed that it was on the same colour. But Cagliari, the regional capital, was able to attract some activities, such as call centres, maritime logistics, etc. … these activities would not be planted in other provinces in Sardinia. If we think about the global attractiveness of Sardinia it is true that it is low, but maybe Cagliari is nevertheless more attractive, so much that it cannot be compared to the attractiveness of the other areas … it is a kind of polarisation effect at the local level, that can be observed not only in Sardinia, but also in other regions …'.* And even about Puglia itself, interviewee (9) pointed out that: *'Even inside Puglia it should be noted that there are differences, even just as regards accessibility…'.* And finally, even about Calabria, interviewee (2) noticed the lack of differences in the average rating of its provinces: *'I am a little surprised by the lack of relevant differences within Southern Italy … even in Calabria, I would expect some internal differences: that is, that some provinces were rated worse – or better – than the others …'.*

5.2.4 The role of legal uncertainty and inefficient bureaucracy

The low level of legal certainty, which depends on the lack of political stability at the level of the central government, and the low level of efficiency and effectiveness of the public administration, are notoriously key factors that negatively affect the attractiveness of the entire Italian economic system. Most of the interviewees are aware of this and refer to it. For example, as underlined by interviewee (5): *'There is, first of all, the lack of stability which concerns all Italy. At the beginning of the current year we have seen that some investments were stopped because investors said "Italy doesn't even have a government, who knows if the rules that are valid now, will be valid in the future!"…'.* Interviewee (1) said that: *'Before taxation, the factor which mostly discourages foreign investors from looking at Italy is the question of legal certainty, and of the time needed to do something. And also the lack of knowledge: how long it takes to do something, the level of labour costs, what are the rules and the regulations, how long it takes to get a "Made in Italy" label, all these issues are the ones which discourage investors …'.* Interviewee (3) specified that in their sector the critical question is the uncertain application of the law by the bureaucratic structures, rather than the laws themselves: *'Firms need certainty, in particular as concerns the application of the rules, which are rather homogeneous everywhere in Italy. What changes, and is not certain, is not the* *rules themselves, but the application of the rules by the bureaucratic structures …'*. And interviewee (5) pointed in particular to the activity of some of the public bodies: '*The real problem is the behaviour of the revenue agency* (the income tax office of the Ministry of Finance), *which tends to ask for money when the rules are not clear about what and when to pay. And even if one person strictly respects the rules, then the revenue agency says that you made a mistake, even just regarding a formal aspect. At times, when you have paid all that was required, you are punished and sanctions are applied anyhow … there are other rules that are not easily understandable. We ourselves – we are lawyers – find it difficult to understand and to apply them … in this respect, the revenue agency is very aggressive. Such behaviour causes the willingness to invest in Italy to vanish …'*.

Whether such problems related to the lack of legal certainty regards Italy as a whole, some specific aspects differ between the Northern-Central regions and the Southern regions. As said by interviewee (8), speaking generally about the quality of the bureacracy: *'Italy is a highly bureaucratised country, and we know that, but between North and South there is a difference, for sure. Some things go slower in Southern Italy. In our firm we took one year and 6 months to apply all the relevant rules, all licences, authorizations, all what we needed. This is the time that bureaucracy takes in Southern Italy. I see that the Northern bureaucracy is faster as it concerns some things, and they even check much more frequently …'*. Interviewee (5) pointed out the question of the trial length, as typical of North-South differences in terms of the efficiency of public institutions: *'The average trial length in Southern Italy is higher … We always have to inform our customers that in the Mezzogiorno, if they have a legal controversy, it might just happen that the next judicial hearing will be in 2016 … it is hard to explain that to our customers, that is why until 2016 nothing will be decided … here in Milan things do not go fast, but, for sure, they go faster than in the Mezzogiorno … '*.

Taking the efficiency of the regional and local governments into account, and without forgetting the exceptional case of Puglia in Southern Italy, other interviewees highlighted several positive cases in Northern and Central Italy. For instance, interviewee (9) pointed out the case of Tuscany: *'There is a difference, yes. If I had an industrial investment project I would carry it out in Tuscany, because I know that there, for any problem, the President of the Tuscany region would call the managers of the body in charge of the authorisation, in oder to release the authorisation'*. Interviewee (6) recalled the reasons for the investment made in Piedmont by an important Italian company, which decided to invest in new plants in Italy, rather than delocalising abroad: *'In the end they established a new plant in Piedmont, where they invested more than 25 million euros, because, on the one hand, they found some economic incentives, amounting to about 2 million euros, but more important was the fact that the regional government, when supporting its investment, was reliable …'*. And, interviewee (6) underlined the well-known and much appreciated role of public actors in Emilia-Romagna: *'I think that what explains the rating of Emilia-Romagna, on top of its centrality and its excellent infrastructural endowment, is the effectiveness and efficiency of the local public institutions, which is something appreciated and well known'*.

5.2.5 How the human capital shape the North-South divide in territorial attractiveness?

The question of the governments' employees lack of efficiency and professionalism provides some evidence about the role played in shaping the territorial attractiveness in Italy by another factor: human capital. According to many interviewees, the North-South divide is a pattern that can be observed with regard to the human capital factor as well, both in general terms, and with reference to some skills, some competencies, and some specific stages of the education process. As recalled by interviewee (5): *'We have for sure the North-South gap, I would put the Centre of Italy more close to the North than to the South ... it is important to have human capital well qualified and prepared, trained in order to be ready to work immediately for a firm ... and probably in the North of Italy the supply of such qualified people is bigger .... And, moreover, you have to consider that many people move from South to North to study and to work, and that's something that does not improve the situation in Southern Italy ...'*. And, as pointed put by interviewee (9)*: 'For sure nobody will go to Rome, or more South than there, to open a research and development branch .... There are good universities in Rome, but in the North the universities are even better ...'*. And, according to interviewee (2): '*There is a broad perception that we still have a macro-regional divide in Italy as it concerns some basic skills. For example, my idea is that nowadays recruiting someone in Southern Italy who speaks English quite well is more difficult than in Northern Italy. And, actually this is something really basic!'*. And interviewee (2), focusing on the quali-quantitative mismatch between demand and labour supply, pointed out that: *'In southern Italy a considerable part of the students choose to build skills (for example, in the humanities) that are less interesting and competitive'*. This same point, the mismatch, was underlined by interviewee (3), who hypothesised that it might be caused by cultural and social factors, and who mentioned one of the few excellent cases of technical training, located, needless to say, in Northern Italy: *'We have a crisis in technical training. We have shortages of qualified workers for the manufacturing industries. Doing technical training in Italy is considered something that cannot improve your social status, which is why families induce boys to choose different educational paths ... Technical schools are supposed to be attended only by foreign extra-EU immigrants! One of the few technical schools which did not lose native Italian students in Italy is in Bergamo, as there they invested in informing boys about the real characteristics of, and chances offered by such training ...'*. And finally interviewee (6), again discussing an investment project realised in Piedmont by an Italian company, said also that: *'Maybe the most important location factor was the availability of the competencies and skills of the workers coming from that area, where there is a long-standing manufacturing tradition ... they recruited about 300 workers, which was not such a small investment...'*.

However, what is also interesting as regards human capital is that the macro-regional gap is not the only valid pattern. In fact, other geographical divides seemingly emerge, such as that between the main regional capital and the other regional areas. As said by interviewee (7): *'Another great problem is the education system, which both in the Northern and in the Southern regions shows great geographical inbalances. For example, foreign investors in Lombardy choose Milan because of its good universities, while in Sicily they prefer Catania to Palermo as there they could find a more efficient and dynamic university, from which they could drain skilled human resources'*. Or, when talking about the quality of the human capital available, and about the external diseconomies of the big and dense agglomerations, according to interviewee (8), there might be geographical divides which somehow even reverse the traditional geographical gaps: *'In Northern Italy it is easier to cover a job vacancy: if you search for a professional* *profile, you can easily have 20 CVs or more. But the quality of the workforce, according to us, in Northern Italy is lower than the one that we have from employees here in Sicily. …. We had a branch in Milan, and we experienced a lower quality of the workforce. In Northern Italy people change jobs very frequently, they can even change jobs just because they want to move to a closer workplace, from 40 km to 10 km from home. In Sicily people are more attached to the company they work for …. Italy has many SMEs which have to work a lot on quality and the services provided, and you can get that only if you have the kind of people who work continuously together with you to improve some processes step-by-step … On the other hand, it is also true that, if we search for managers, here in Sicily, it is much harder to find them, and then you have to train them into the firm'*.

5.2.6 Amenities and quality of life: the positive face of all Italian regions

Amenities, and more generally the quality of life, is definitely considered as a factor which has a positive impact on the image of a place or region, and is definitely one of the strengths of Italy. Different from other factors, according to the interviewees, this specific asset is spread all over the country, and no region or province significantly distinguishes itself from another. Comparing this aspect with the several weaknesses of the attractiveness of Italy, using the words of interviewee (5), it seems that: *'Italy has got two faces: one, not so related to business, which is absolutely positive, the Dolce Vita, the Belpaese, the delicious food products, the fashion, Italians who broadly speaking like everybody … all this surely is positive. It is true for Germans, but also for people from other countries. But, instead, if we look at the economic side, we cannot help but noticing that politics is always chaotic, nobody understands what will happen the day after, they are concentrating only on internal problems, and public administration is ineffective …'*. The quality of life factor creates a kind of positive prejudice which somehow balances the negative prejudices determined by other factors. That is important especially in the first stage of the decision-making process concerning locational choices, according to interviewee (4): *'That's the problem, of course. In the sense that – thinking with the mind of foreigners – it is one of the reasons why, at least, in the initial stage, they take Italy into consideration. Because I believe that all, and in particular non-European, investors, when they think about Europe, they would not mind being in Italy … we lose something regarding other aspects, but this factor for sure mitigates the effects of negative prejudices …just as we have negative prejudices which prevent either the country as a whole or some part of it from being taken into consideration, we have also some factors which, thanks to positive prejudices, favour us, and let us be the first in the shortlist … the final decision is usually taken on the basis of other pragmatic factors, but other things being equal I remember that a Far eastern multinational company preferred Florence to Paris … the latter is not ugly, as we know, but they thought that the former is even better …'*. Beyond building a positive prejudice, amenities can be important for the kind of investments where talented, highly qualified human resources are involved (9): *'Quality of life is important for the activities where human resources are very sensitive to such issues, and so therefore also for headquarters and research and development units. It will be always more difficult to bring a smart and intelligent foreign researcher to a place where there is no international school for his children, where the level of quality of life is low, where there are no cultural activities …'*. As a consequence of such geographical homogeneity in terms of endowment of wonderful places, landscapes, cultural heritage and so on, interviewee (6) made the point that territorial gaps in terms of attractiveness are made by other, well-known, elements: *'Foreign entrepreneurs usually choose while also thinking about closeness to the sea, to the mountains, the presence of international schools for the children. … It is clear that this means whoever gets more satisfaction and pleasure in living in a nice place and earning a lot of money, rather than living in an ugly place and losing money … But Lombardy is a region which is both competitive and attractive, even in terms of amenities, there are many nice places to visit … it is hard to think that entrepreneurs would prefer to leave a region like Lombardy in order to move to the Southern regions only because of the landscape, the weather, the sea …'.*

5.3 Conclusions

Because of their different approach and method, both oru analyses (of the open questions in the survey, and the interviews) have resulted in the emergence of explanatory factors for the mental maps of entrepreneurs. On the one hand, content analysis was able to single out the explanatory factors, and to assign them a degree of importance: that is, to rank them. On the other hand, thematic analysis was able to identify several explanatory factors as well, and even if it was not able to clearly rank them, for each factor or theme it added to an in-depth exploration of the reasons and relationships which make such factors determining in affecting the perception of entrepreneurs. Both methods play complementary roles, given their methodological characteristics: while the former could enable us to focus on ordering them, on highlighting the most important ones, the latter allowed us to deeply investigate their nature and their determinants.

It is clear that the main spatial patterns which shape the mental maps of Italian entrepreneurs, i.e. the North-South divide and the centre-periphery dichotomy (where the *Padana region*, with Milan, is the area with peak attraction for potential investments), are associated with three other dichotomies: agglomeration/dispersion; high accessibility/poor accessibility; and geographical centrality/peripherality. The 'peak area' is so attractive because of its density of economic activites in services and manufacturing (mostly organised in industrial districts), because it is well endowed with transport infrastructures and services (where not only road and rail transport, but also airports play a key role for the attraction which was rather emphasised by interviewees), because it offers a rich and thick labour market, and because it is central with respect to the European markets. Given the geographical centrality, such factors are all interrelated, and have historically created a kind of virtuous mechanism that make them grow and improve continuously, although it might also produce some negative externalities and disdvantages, such as higher land prices, congestion, and a high job turnover).

Surrounding the core regions, regions like Tuscany, Marche, Piedmont and Abruzzo create a kind of a first ring, which on the one hand benefits from the closeness to the central areas, and from being nodal in the Northern-Central transport network, and, on the other hand, thanks to its strong manufacturing specialisation comprising several industrial districts (the case of Tuscany, Marche and Abruzzo) and of important supply chains (the case of Piedmont) it is also rich in firms taking advantage to some extent of the existence of agglomeration economies. At an even greater distance, Lazio mostly bases its attractiveness on its own main urban area, Rome, the capital city. The capital city is, in fact, very well endowed in terms of infrastructures, and enjoys the fact of being the political capital which makes it attractive for some specific companies at the national and global level. We can also consider that somehow, Milan and Rome, with their own specific characteristics, and their nodal role in the transport network, create a kind of dominant axis in the Italian geography of attractiveness. And, lastly, Southern Italy is the farthest ring: that is, the most peripheral one, and therefore suffers from the lack of firms, businesses, the low level of accessibility, and the poverty of its labour market, both in qualitative and quantative terms.

However, the North-South divide, which is the pattern that the main outcomes of the survey and the statistical analyses also revealed, according to the evidence produced by the qualitative analysis of open questions and interviews, cannot be explained only in terms of these factors. The 'threshold' between Northern-Central Italy and Southern Italy, that is in the mind of the entrepreneurs, a kind of 'mental barrier', is also rooted in specific, special factors, identified both as shortcomings of the Southern socio-economic system, and as merits of the Central and Northern one. Organised crime is apparently the main anomalous and unique factor that reasonably explains such prejudice, such 'lack of confidence' of Italian entrepreneurs in the Mezzogiorno. As regards the upper part of the 'threshold', the role played by public institutions and by human capital can, instead, be marked as a special characteristic of many areas in the Centre and in the North of Italy.

While such patterns found several and deep explanations in the answers to the open questions of the survey, and in the words of the interviewees, the latter research activity also allowed us to highlight a number of interesting and hitherto unimaginable new aspects concerning single locations, regions and provinces, that somehow are not consistent with the perception of the entrepreneurs. These new aspects are, for example: the "linguistic advantage" of Trentino-Alto Adige in relation to the German firms; the policies for support investments formulated by Val d'Aosta regional government which is attracting firms from Piedmont and from other regions there; the clear, coherent, and long-term sectoral strategies followed by Puglia, and its process of improvement of governance, which can explain why the score assigned to Puglia is relatively higher than that given to the other Southern regions; the vivacity of some areas in Sicily, in Campania, and in Sardinia, based on some specific sectoral specializations, and on some niches. All this evidence actually enriches the map of the attractiveness of Italy and confirms the variety and complexity of its economic, social, and cultural geography.

Lastly, it is interesting to remark that even the amenities and the quality of life is a factor that seemingly does not produce any picture that coincides with the predominant perception of the entrepreneurs. But, in this case, according to the interviewees, the map does not show any unusual pattern, any unpredictable 'peak', corresponding for example to a location, but it just engenders a flat map, where all places seemingly have the same potential attractiveness for entrepreneurs.