



# Rethinking Regional Attractiveness in the Italian **Region of Campania**



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# Rethinking Regional Attractiveness in the Italian Region of Campania

## 2023



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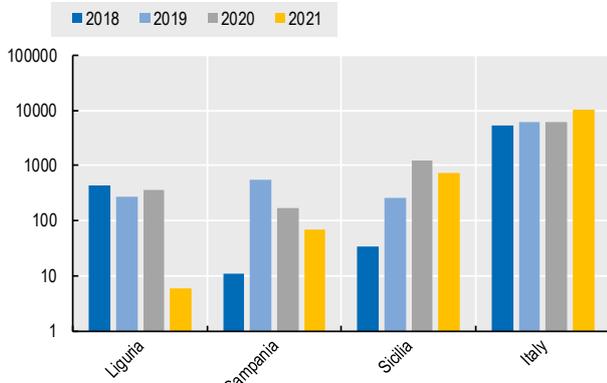
The impact of the COVID-19 crisis, compounded by the consequences of Russia's war of aggression against Ukraine and existing megatrends (e.g. climate change, globalisation, digitalisation and demographic change), continue to produce asymmetric effects within and between countries and regions, with the scope and scale depending on their unique characteristics.

The OECD's work on rethinking regional attractiveness policies in the new global environment, is undertaken with the support of the European Commission (DG REGIO) and is a priority activity of the Regional Development Policy Committee (RDPC). Working closely with 15 regions in 5 OECD member countries (Ireland, Italy, Portugal, Spain and Sweden). It aims to help regional and national policy-makers to better understand the position of regions in an evolving global context, including emerging challenges and opportunities, and identify the policy levers at their disposal to enhance the attractiveness of regions to the key international target groups of investors (including exporters), talent, and visitors. In doing so, it seeks to support regions transition towards new territorial development policies that promote inclusive, sustainable, and resilient development, while enhancing regional attractiveness.

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## A snapshot of Campania in the world

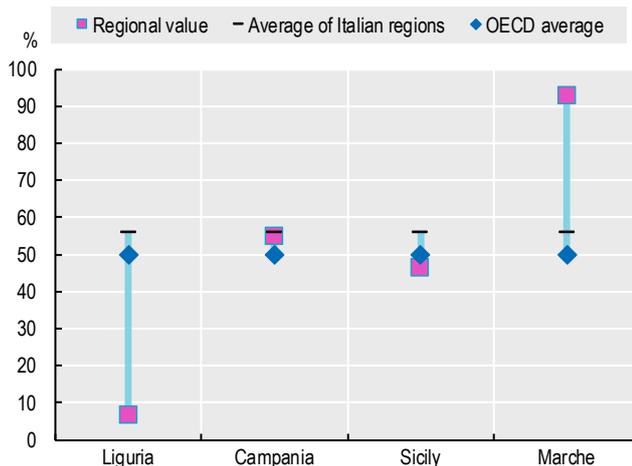
Greenfield FDI Inwards by region (capital expenditure in USD millions)



Note: fDI market database includes declared greenfield inward investments only.

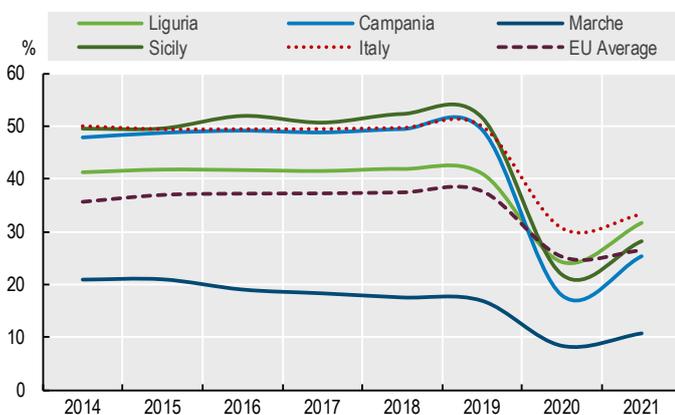
Source: OECD calculations based on fDI market database, 2022.

Share of renewables in electricity generation, 2019



Source: OECD Regional database (2022); OECD regions (TL2)

Share of nights spent by foreign tourists in accommodation establishments



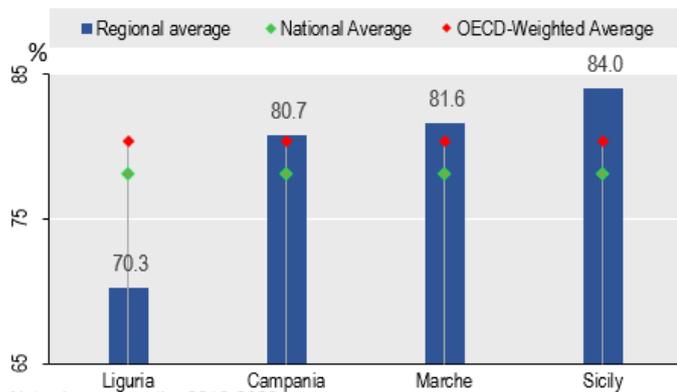
Source: OECD calculations based on I.stat database (2021)

Campania's inward FDI rose from USD 11 million (m) to USD 558m between 2018 and 2019, accounting for almost 10% of the national total. This significant increase was driven mainly by investments made by foreign companies in the energy sector, such as Edison, the Italian Unit of the French company EDF, which invested USD 407m in a natural liquefied gas project, and the German renewable energy company, BayWa r.e., which invested USD 112m in the construction of an expansive wind farm. FDI in the region fell by 70% in 2020 and by 60% in 2021 – to USD 70.5m, or less than 1% of the national total. However, when viewed over the period 2018 to 2021, inward FDI in Campania rose 640%, compared to 194% for Italy as a whole, albeit from a small base (USD 11m). Thus, highlighting an upward trajectory, and the region's attractiveness to foreign investors.

An increase in the use of renewable energy has multiple benefits for society, such as mitigating climate change, reducing the emission of air pollutants and improving energy security. A vibrant renewable energy sector can also induce positive spill-over effects for economic growth and job creation, while providing regions with a pull factor to attract international firms that want to green their production. On the clean electricity production front Campania's share of renewables in electricity generation (54.9%), is above the OECD (50.2%) and slightly below national (55.9%) averages, representing 5% of the total renewable energy produced in Italy.<sup>1</sup> Most of Campania's production comes from wind power (55%), for which it ranked third in Italy, behind Puglia and Sicily – combined these three regions account for over half (57%) of the national production.

The tourism sector plays a key role in the regional economy of Campania, with inbound tourism a significant contributor. The share of nights spent by foreign visitors prior to the COVID pandemic was in line with national average (50%). This figure dropped by over half, to 18%, in 2020; well below the share at the national level (31%). Indeed between 2019 and 2021 Campania moved from the 7<sup>th</sup> to the 10<sup>th</sup> position in terms of total overnights and from 6<sup>th</sup> to 12<sup>th</sup> for total nights spent by foreign tourists in Italy<sup>2</sup>. This reflects the impacts experienced in many other countries, where regions more dependent on international tourists were more heavily impacted. The region experienced a strong recovery in 2021, with the share of foreign nights by tourists increasing to 25%. Preliminary data for the first half of 2022 indicate continued strong growth in international visitor arrivals, exceeding pre-pandemic levels by almost a quarter<sup>3</sup>.

### Share of population satisfied with opportunities to meet people and make friends

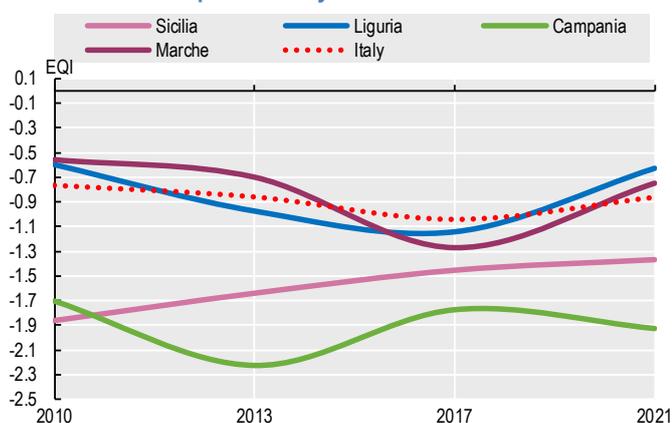


Note: Average on the 2016-2020 years

Source: Gallup World Poll

Indicators that capture participation in social activities can help to measure regional social capital and can illustrate an important relationship between higher levels of social well-being and regional economic growth. In Campania, the share of the population satisfied with opportunities to connect with others and make friends (80.7%) is in line with OECD-weighted (80.4%) average and above national average (78.1%). Campania is well-placed to build on this strength and leverage the social cohesion and well-being of residents to enhance the attractiveness of the region as a place to invest, live and visit.

### European Quality of Government Index



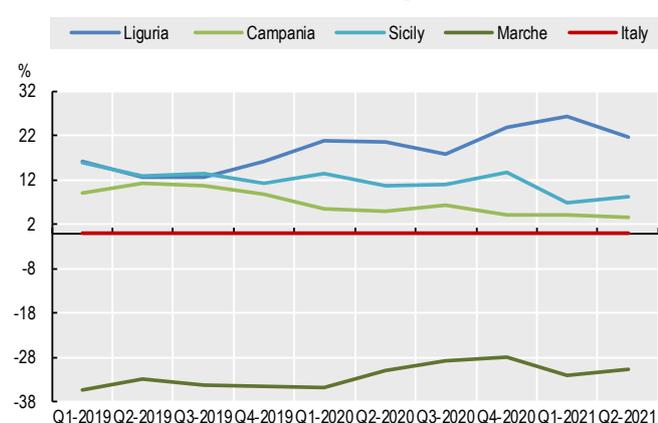
Note : The EU average is represented by the horizontal axis (zero line).

Negative values mean that the regional Government Quality Index is below the EU average.

Source: University of Gothenburg

Perceived quality of government can have significant implications for the attractiveness of territories, and in particular influence the decisions of potential investors and talent when choosing a preferred destination to set up a business or raise a family. The European Quality of Government Index (EQI) captures, at the regional level, citizens' perceptions and experiences in relation to corruption, quality, and impartiality of three essential public services – health, education, and policing. Campania's score over the past 10 years has remained well below the national average (which remains among the lowest in Europe) and the EU average value of 0. Following an upturn between 2013 and 2017 the region's score once again dropped between 2017 and 2021 (from -1.78 to -1.93), highlighting significant scope for improvement in this area.

### Download speed at the regional level



Source: OECD calculations based on Ookla database ; 2021 ; OECD TL2 regions

Campania broadband download speeds have consistently remained above the national average, peaking at +11% in 2019. Perhaps not surprisingly, the region also performs quite well in relation to the share of households with access to broadband (84%), which is in line with the EU average (85%) but higher than for the OECD (75%). Furthermore, the share of access to the internet for businesses with more than 10 employees (99%) is in line with the national average (98.7%). Nonetheless, disparities across the region remain, with inner provinces lagging behind in terms of high speed (100Mbps+) fibre optic coverage, which is currently only accessible to 34.6% of residents<sup>4</sup> - the Nuova Dorsale Infrastrutture ITS project, will install over 400 km of optic fibre throughout the territory to address this issue. Improving download speeds provides opportunities for regions to redefine towns and villages in rural areas through remote co-working strategies.

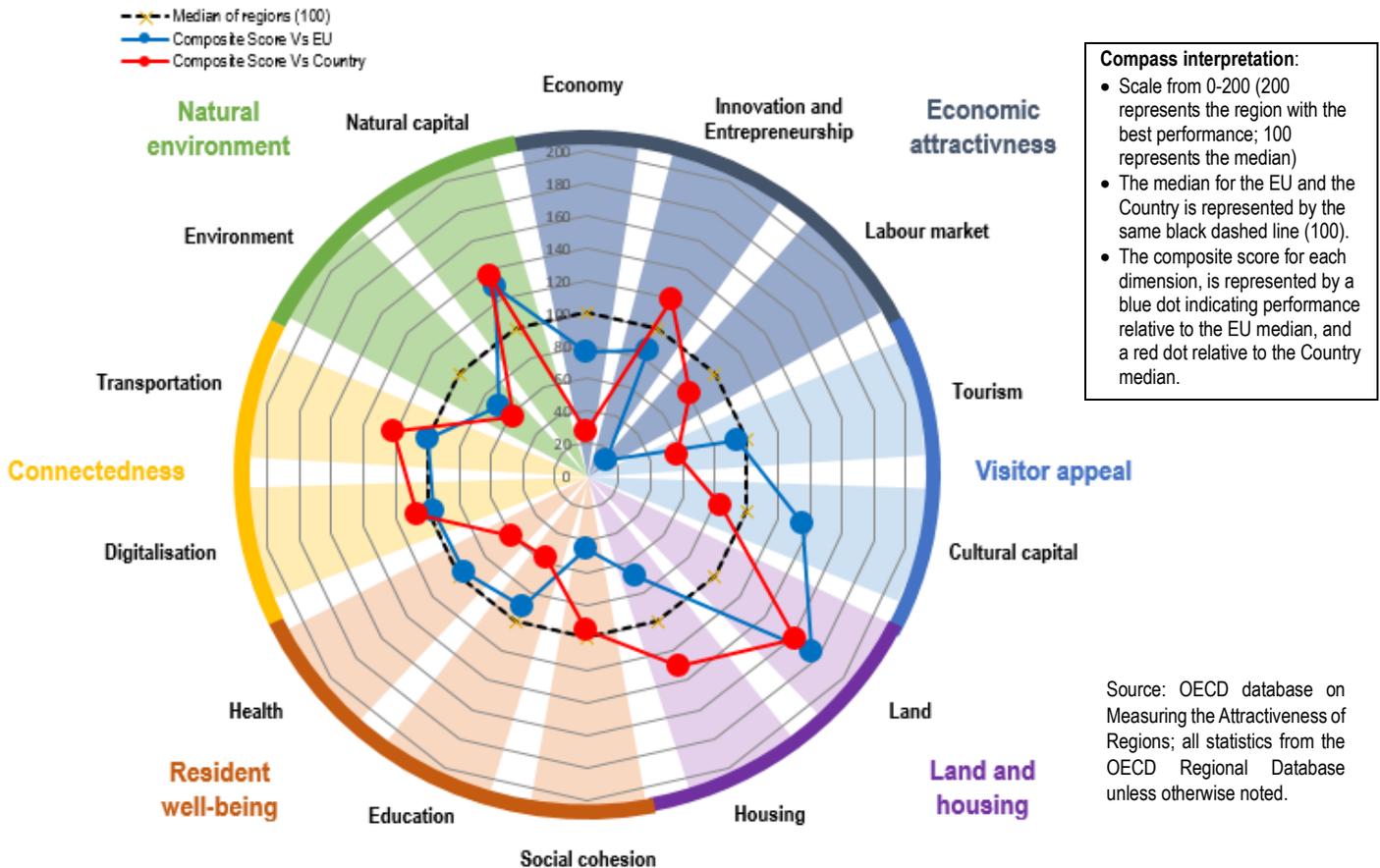
## Attractiveness profile: Campania

Campania has been described as the economic engine of southern Italy: accounting for nearly half of southern Italy's GDP of EUR 274 billion, nearly EUR 110 billion is generated in Naples and surrounds. Nonetheless, the region is still affected by strong structural weaknesses and a slowing economic trend in the South, whose GDP remains only a quarter of that of the North.

Before considering the policy levers available to enhance the attractiveness of a region to international target groups (investors, talent, visitors), it is important to first understand the region's position in the world. To do so, the OECD considers four families of international connections: business, human, knowledge, and infrastructure. In the case of Campania, on the **Business** front, the region shows a **trade openness rate** – a measure of the region's imports and exports as a share of regional GDP – of 23.5%, which is far below both the national (38%) and EU (47.4%) average. In terms of **Infrastructure**, the region shows moderate air transport performance; on average, people in the region can access around 148 passenger flights per day within 90 minutes by car, well below the national (287) and EU average (321). When it comes to **Human** connections, and in particular in relation to visitors, the number of nights spent per sq. km in the region (533), is well below the national average (784) but higher than other EU regions (1126). Finally, in terms of **Knowledge** connections, the number of **international scientific co-publications** (1144) in 2021, while below EU (1531,0) and national average (1328), is up 63% in the last five years, in what is an important measure of a region's participation in the global research ecosystem.

The OECD's innovative and multidimensional approach to assessing regional attractiveness considers global engagement beyond international connections and purely economic factors. In total, the methodology considers more than 50 indicators to develop regional attractiveness profiles, covering 14 dimensions of attractiveness, across six domains (Economic attraction, Connectedness, Visitor appeal, Natural environment, Resident well-being, Land-use and housing).

### Attractiveness Compass: Campania



**Economic Attractiveness:** Campania's key economic indicators are generally below EU and national averages, including GDP per capita (EUR 23 316) and GVA per worker (EUR 64,275). Labour market indicators highlight significant underperformance, particularly in terms of employment rates for 15-64 years-old (34.5%) and for 15-24 years-old (10.3%), when compared to other regions in the EU (58% and 30% respectively). Through the Garanzia Occupabilità Lavoratori (GOL - 2021-2025) Program, the Campania Region is putting in place active policies integrated with training and job placement to improve the employability of workers, raise their level of protection through training, and facilitate employment transitions<sup>5</sup>. Concerning innovation, the employment rate in R&D (2.6%) is above the EU (1.9%) and Italian (2%) averages, while the number of patent applications per inhabitant (16.8) is lower than the rest of the country (56) and the EU (75.3).

**Visitor Appeal:** In this domain, Campania performs above the EU median for cultural capital, benefitting from numerous UNESCO World Heritage sites (five), as well as a wide range of attractions leveraging the region's natural and cultural heritage, including the extensive coastline, and world-renowned gastronomy. In terms of creative and cultural industry employment (0.93%), the region performs slightly below national and EU levels (1.32% and 1.15% respectively). In 2019, the share of foreign tourists was above the EU and in line with the national averages but decreased significantly during the COVID crisis as was the case for most regions around the world<sup>6</sup>. Between 2019 and 2021 the number of nights spent by foreigners reduced by about 8 million and the nights spent by all tourists dropped by 10 million.<sup>7</sup> While the region performs above EU and other Italian regions concerning the share of nights spent by foreign tourists in accommodation establishments demonstrating the regions attractiveness to international tourists, when it comes to the number of beds (40.6) and stays (3834) per 1000 inhabitants, it scores well below than EU on both measures (88 and 8731), demonstrating significant room for potential growth.

**Connectedness:** Campania scores just above or in-line with national and EU median scores. It performs well in terms of download speed, while the share of population with broadband internet access (84%) is in line with the national and EU average (86% and 85% respectively). On the topic of transportation, it shows that a low share of the population are satisfied with public transport (32.2%), equivalent to just over half of the EU and 10% below the national average. On rail performance, a measure of rail accessibility and proximity, the region scores well above both the EU and national averages (2019).<sup>8</sup> Concerning international connections, Campania's main port of Naples was third in Italy for the number of handled containers, as well as for passenger traffic in 2019. Significant investments in public transport and road infrastructure (over EUR 2 billion) have been made to enhance connectedness throughout the region in recent years. This includes 8 programmes totalling over EUR 500 million for the maintenance, completion, reconnection, and safety of the road network in inland areas.

**Land and Housing:** The share of land converted to artificial surfaces between 2004-2019 (1.9%) is well above the EU and Italian averages, suggesting the region has relied more on greenfield land for projects and investments than the redevelopment of brownfield sites. Land prices are considerably above the EU average but compare favourably with the national average. While overall satisfaction with housing affordability (at 56.8%) is high relative to other EU and Italian regions, housing expenses as a share of household income (33%) and the share of population who feel they don't have enough money for housing (11%) are not particular areas of strength.

**Resident Well-being:** In relation to health, education and social cohesion, Campania generally scores below the median for EU and Italian regions. For example, the poverty rate after tax and transfers (41.2%) is around double that for the EU (17.2%) and national average (18.3%). With more than 20% of its population under the age of 20, the region is the youngest in Italy, but also reported among the lowest share of employed youth (10%) and highest share of those 'Not in Education, Employment or Training' (NEETs) (36%) in 2019. In addition, the regional health system has significant opportunity for improvement. While Campania currently falls behind other Italian regions in terms of effectiveness, efficiency, and appropriateness according to the *Meridiano Sanità Ranking* (2022)<sup>9</sup>, and behind only Calabria, when also taking into consideration the social assistance available to citizens (2022)<sup>10</sup>, it tops the rankings in terms of speed in payments for health services<sup>11</sup>, and is taking steps to improve the delivery of digital services related to healthcare<sup>12</sup>.

In terms of education, access to institutions providing primary and secondary education is a strength when considering distances travelled, although it records a high share of school dropouts, combined with a low number of graduates from tertiary education (20%)<sup>13</sup>. Despite this, Campania ranks 2<sup>nd</sup> in Italy for the number of students enrolled in university – enrolments increased by 13.5 percentage points between 2011 and 2021, compared to -3.8 p.p. nationally – and has the 3<sup>rd</sup> highest growth rate in researchers in Italy for the period 2016-2020<sup>14</sup>. Nonetheless, the share of international students (1.3%) remains quite low relative to other EU (7.3%) and Italian (5.2%) regions. Finally, ISTAT data show that, in spite of slight improvements in recent years, Campania remains

behind other Italian regions in terms of availability of childcare facilities, with 11 authorised places per 100 children aged 0-2 years, compared to a national average of 27.2 (the EU target is 33)<sup>15</sup>.

**Natural Environment:** Campania is host to significant natural capital, due to its high share of protected areas (35.3%) and a tree coverage rate in line with EU and national average (about 30%). In the field of waste recycling (53%), the region is still below national (61.2%) and EU levels (60.6%), even though it has improved significantly in recent years. The share of people satisfied with efforts to preserve the environment is quite low (17.2%) when compared to EU (47.6%) and national (23.8%) averages. When considering the green transition, the region performs quite well in terms of the share of renewables used in electricity production (54%), and scores above the EU and Italian averages.

## From recovery to resilience

In recent years, the regional economy has been mainly driven by the agrifood and pharmaceuticals sectors (25% and 13% of regional exports respectively). It hosts some multinational companies within its territory, such as Leonardo, an Italian leader in the Aerospace, Defence and Security sector; Stellantis, one of the largest multinational companies in the automotive industry; and Novartis and Dompè, Swiss and Italian multinational pharmaceutical companies respectively, all of which attract foreign investments and contribute to exports, while providing job and training opportunities.

The region adopted a dynamic approach, based on the **attractiveness to foreign investment** and innovation for its development, expecting “cascade” effects on employment and retention of young talent and multinational companies already located in Campania region. A business assistance service has been activated for location scouting to find solutions tailored to investment projects. Despite such dynamism, Campania suffers from gaps in the provision of essential services and remains a “less developed region” in the EC classification along with the other Southern Italian regions and, as such, it benefits from access to more structural funds than other regions. In the wake of COVID-19 crisis, Campania will be able to benefit from funds from the National Recovery and Resilience Plan and the National Investment Plan (allocated more than EUR 6.5 billion in total and approximately 12% of total funds allocated at the national level)<sup>16</sup> to support its recovery - As “a less developed region” Campania has had the opportunity to establish Special Economic Zones (SEZs), which enable companies to take advantage of important tax benefits and to benefit from significant administrative and bureaucratic simplifications (Box .1).

With the support of *Sviluppo Campania*, the regional in-house company in charge of internationalisation and investment attraction, Campania has recently developed “Doing Business in Campania” (2021), a “business card” providing investors with an overview of the fiscal and other advantages of locating a business activity in the region. Location scouting services are also provided to support entrepreneurs seeking to establish operations in the region. To improve credit access for its SMEs, the region has also launched the *Guarantee Campania Bond* project, involving state-own financial institutions *Cassa Depositi e Prestiti*<sup>17</sup> and *Mediocredito Centrale*<sup>18</sup> as investors. During its first edition (2019-2021) the programme has enabled 65 companies from Campania to access the capital market,<sup>19</sup> through the issuance of EUR 144.1m in minibonds of which more than EUR 36m were covered by a public guarantee from the resources of the 2014-2020 EU funds for Regional Development.<sup>20</sup> Minibonds are bonds of less than EUR 50 million introduced in Italy with the entry into force of the ‘Development Decree’ and the ‘Development Bis Decree’ as of 2012. They are alternative finance bond instruments with which unlisted companies raise the necessary financial resources to finance their investment programmes without resorting to bank credit.<sup>21</sup> The second edition of the *Guarantee Campania Bond* project started in November 2022 with the publication of expression of interest. Concerning FDI attraction, the Regional Council approved the outline of the 2021 memorandum of understanding with the *General Confederation of Italian Industry* (Confindustria) for the consolidation and attraction of foreign investments, including objectives such as the establishment of an assistance desk for foreign investors in the territory.

Concerning talent attraction, while Campania performs better than all southern and several northern Italian regions in terms of mobility in university enrolments<sup>22</sup>, the region continues to suffer from brain drain, as well as high rates of youth unemployment. Indeed, every year, according to the Migrants report, about five thousand people leave Campania<sup>23</sup>. One potential response to this regional challenge, which is not restricted to Campania, is to re-attract the diaspora from abroad, as well as improving the retention of talent, once attracted, by providing good job opportunities and highlighting the quality of life available in the region. In this vein, the region is focusing on developing innovation hubs to attract foreign students and entrepreneurs following the model of the *Apple Academy*, located in Naples, an example of how public-private partnerships can successfully attract many

students from abroad, while providing opportunities to young locals in the field of ICT. In addition, during the period 2010-2018, Campania reported the highest increase in firms established by foreign-born people among all Italian regions (94.5% vs 31.7% on national average)<sup>24</sup>, and there is evidence to suggest that activity and employment rates are higher among the foreign-born than the local-born population in Campania<sup>25</sup>.

### Box .1. Special Economic Zones in Campania

Articles 4 and 5 of the Decree of the 20 June 2017, no. 91 'Urgent provisions for economic growth in the Mezzogiorno' are precisely dedicated to the establishment of SEZs. They indicate that a SEZ a) is a geographically delimited and identified area within state borders; b) can also be made up of territorial areas that are not directly adjacent, provided they have a functional economic link with the port; c) must include a port area, connected to the trans-European transport network (TEN-T). The least developed regions (with GDP per capita below 75% of the European average) as identified by European legislation, are eligible to establish a SEZ in Italy and they include Sicily, Calabria, Basilicata, Apulia, and Campania. National Budget Law 2020 provides that "subject for the administration, is identified in a **Steering Committee** composed of an extraordinary commissioner of the National Government, the President of the Port System Authority, a representative of the Region, a representative of the Presidency of the Council of Ministers and a representative of the Ministry of Infrastructure and Transport' as well as a representative of the industrial development consortia.

With DGR 175/2018, the Campania Region approved the Strategic Development Plan Proposal. It was eligible to the highest maximum SEZ surface area (5.467 ha) that is calculated for each region based on an algorithm based on the surface area and the size of the regional population. The selected areas include ports, freight terminals, airports, industrial agglomerations and logistic areas. The financial and tax concessions include national instruments co-financed with regional resources and instruments with direct regional competence financed through European ERDF and ESF funds. Essentially, they were already existing instruments, although strengthened with the provision of a tax credit of up to EUR 100 million for investments in production and in instrumental buildings and a 50% reduction in IRAP charges (direct regional tax) for 7 years for companies building a new production site in the SEZs, which would amount to around 3.9% of taxable income. The Strategic Development Plan has envisaged administrative simplification measures which, however, are strengthened as a result of the regulatory changes progressively introduced on the Legislative Decree 91/2017, with the introduction of the digital one-stop shop at the Extraordinary Commissioner to which the enterprises interested in starting a new business, subjected to the single authorisation, present the own project. Furthermore, the Plan clearly identified complementarities with the infrastructural interventions. It also reserves a section concerning the forecasts of the impact of the SEZs in terms of exports, employment and added value. Pursuant to art. 5, paragraph 6 of the Decree of the 20 June 2017, no. 91 the Agency for territorial cohesion is entrusted with monitoring the interventions and incentives granted, at least every six months, and reporting to the President of the Council of Ministers, or to the Minister delegate for territorial cohesion and the South, on the trend of the activities and on the effectiveness of the incentive measures granted, making use of a monitoring plan agreed with the SEZ Steering Committee

Source: Valeria Aniello, Francesca De Santis (2020)<sup>26</sup>; D.P.C.M. (2018)<sup>27</sup>; Campania Strategic Plan<sup>28</sup>

While attracting less foreign students than other Italian and EU regions, Campania hosts some excellent higher education facilities, such as the *Institute of Marine Biology Ecology and Biotechnology* ("Anton Dohrn"), which is included among the world's 10 best institutions in the field of marine biology<sup>29</sup>, employing 400 researchers from 9 countries and providing a PhD programme in partnership with the *Milton Keynes University* (UK). In addition, the region plays host to several high-level research centres including TIGEM (Telethon Institute of Genetics and Medicine), CIRA (Italian Aerospace Center) and CNR (Consiglio Nazionale delle Ricerche). In February 2020, the region renewed the operating agreement with which Confindustria, and the National Research Centre committed to developing, together with universities, three-year industrial PhD programmes with a high scientific profile. At

the same time, due to the high shares of NEETS and school dropouts, the region is engaged in implementing the “*Worker Employability Guarantee programme*” funded by Next Generation EU, which provides for the set-up of national minimum levels of training as well as upskilling and reskilling programmes.

Campania has also made significant efforts to boost its entrepreneurial community, including recent agreements with CDP Venture Capital Sgr, an institutional investor, aimed at improving start-up access to finance. In 2021, the region ranked 3<sup>rd</sup> in Italy in terms of innovative start-ups<sup>30</sup>, and while ranking 1<sup>st</sup> in the “Mezzogiorno” (Southern Italy regions) for the number of biotech companies (and for investments in in-house biotech R&D)<sup>31</sup>, it hosted only 5% of total biotech companies in Italy, with most located in Northern and Central regions – a figure that rose to 7.5% in 2022<sup>32</sup>. It will be important to evaluate the effectiveness of such measures in the future, especially in terms of job creation and growth.

In terms of visitor attractiveness, the region aims to spread the benefits of the visitor economy both geographically and temporally, to reduce congestion in the most crowded areas such as Naples and Amalfi Coast and to reduce seasonality. Campania supports many private and public projects, with the aim of encouraging slow and sustainable forms of tourism. These include the promotion of local gastronomy, as well as natural and cultural projects in lesser-known centres. For example, the *Pietrarsa Railway Museum* proposes touristic itineraries through its historic trains to enable tourists to discover less-known areas of the region. The tourism area of Costa d'Amalfi utilising a public-private entity to promote the tourism destination as well as to the well-being of its residents, is adapting its strategy to attract “digital nomads” throughout the year. This aim is to decrease the gap between inner and coastal areas in terms of touristic attractiveness, in partnership with the not-for-profit association “*South Working – Working from the South*”<sup>33</sup>. Another interesting strategy to attract visitors to the hinterland areas is the project “*Tourism of roots*”<sup>34</sup>, conducted by the *State Archive* in Naples, which aims to reconstruct the family tree of foreigners with Italian origins and encourage them to visit the villages of their ancestors. The Region is also investing in movie production (e.g. “*L'Amica Geniale*”) as well as in cinema and theatre festivals (e.g. *Ravello Festival*), to promote the region's image abroad.

## Enhancing multi-level governance and coordination mechanisms

One of the main challenges shared across all Italian regions is the distribution of competences and coordination between levels of government, combined with a general lack of capacity in public administration (OECD, 2021)<sup>35</sup>. As such, Campania is not alone in the need to continue to enhance its governance framework and build institutional capacity at the regional level, particularly, when as outlined above, perceived quality of government can have significant implications for the attractiveness of territories, and in particular influence the decisions of potential investors and talent when choosing a preferred destination to set up a business or raise a family. At the national level, special attention should also be placed on building the institutional capacity of municipalities/local bodies across all Italian regions, as they tend to be the weakest actors in the Cohesion policy implementation cycles.

The *Italian Recovery Plan* has generally been primarily managed by the central administration, which has transferred significant funds to municipalities, while regions play the most important operation role in the management of the *EU Structural and Investments* funds. To support public administration the “*Capacity Italy*” programme has been implemented to provide specialised expertise and technical assistance to public entities at all stages of the implementation of NRP-related investments, as well as the “*Capacity for Cohesion*” programme, to help public administrations manage EU structural funds.

Another important element of effective governance is the effective coordination of key stakeholder activities across levels of government and ensuring that public and private entities are working towards a common goal. Box 2 provides a tangible example of the steps taken by another OECD region (i.e., Région Sud-Provence Alpes Côte d'Azur, France) to ensure active stakeholder engagement in the development of an integrated regional attractiveness strategy.

Special Economic Zones also need to navigate complex governance structures involving national, regional, and local levels of government. As previously mentioned, the SEZ's Steering Committees are composed mainly of national government representatives with only one representative from the Region. In parallel, Campania has also set up the “Director's cabin”, with the role of defining the regional strategy for the SEZs and liaising with the Steering Committee, which includes union of companies, workers, municipalities, and Regional Council's members. It is important that SEZs coordinate with national and regional representatives to avoid overlapping with other financial incentives and other tools provided by national and EU funds. The single procedure manager for all activities related to the settlement and development of economic initiatives within the SEZ areas has been

identified in the Single Desks for Regional Productive Activities (SURAP) which coordinates with municipalities' desks (SUAPs) The SEZs governance is, thus, extremely complex and would gain from clarification. , According to Maurizio D'Amico, a member of the executive board of the *World Federation for Special Economic Zones*, Italy lacks an organic law about SEZs, containing detailed provisions clarifying the real scope of certain incentives proclaimed in the basic law, as uncertainty is one of the main disincentives for investments<sup>36</sup>. Simplification, in particular for investors, can also be based on the implementation of a *one stop shop* facilitating investor information and obliging all stakeholders to coordinate in the back-office building of this tool, an approach recently adopted by the Campania SEZ with a *Digital One stop Shop SEZ*.

### Box 2. The governance of attractiveness: Team France Invest and the Région Sud-Provence Alpes Côte d'Azur

The purpose of the Team France Invest (TFI) charter is to bring together key stakeholders [including, for instance, regional and local authorities, the Central government (DIRECCTE) and its operators (Business France, Caisse des Dépôts, Bpifrance, Atout France), regional/local development agencies, the regional Chambers of Commerce and Industry, foreign trade advisors, and the Club des investisseurs Méditerranée du Futur], to support the development of a shared regional attractiveness strategy.

France's Région Sud (Southern Region) was one of the first signatories of the TFI charter. This TFI is steered by the Region, which ensures its adaptation to the regional internationalisation strategy. The TFI is organised around two committees led by the regional agency for development "Rising SUD":

- The **Regional Attractiveness Committee** defines the strategic orientations related to attractiveness. This committee brings together strategic representatives of TFI members, such as their Presidents and/or Vice-Presidents, once a year.
- The **Technical Committee on Attractiveness** is in charge of implementing the guidelines set, such as: prospecting, processing and monitoring projects; positioning events; attracting talent; identifying opportunities; and sharing information on real estate. It brings together technical representatives from the different TFI members.

The TFI approach follows a previous and successful one devoted to regional export strategies, Team France Export, which is based on a **one-stop shop** at the regional level to facilitate all enterprises' export strategies.

Source: OECD (2022)<sup>37</sup>

## Policy considerations

The following policy considerations are intended to help policy makers to enhance the impact of attractiveness strategies of the Campania Region vis-à-vis investors, talent, and visitors, and provide guidance to improve multi-level governance frameworks and coordination mechanisms

- **Implement sound strategies to improve youth employment and to attract and retain talent.** Active Labour Market Policies are needed to improve employment rates, especially for the youth, and to prevent already employed individuals from losing their jobs. In addition, measures for training and support to start-up creation should be accompanied by fiscal incentives or other services offered to employees and their families, including better access to childcare during working hours.
- **More effectively integrate and match migrant skills with local jobs needs.** Specific research and analysis about the potential of immigration for economic development of the region should be promoted, for example by enriching the regional labour market observatory with a specific unit on migrants. *Regione Campania* should continue to promote projects aimed at favouring the introduction of migrants in the

in the local economies through incentives for start-up creation and skills development.

- **Strengthen public administration capacities** Recruitment plans and shared evaluation involving local stakeholders will strengthen regional capacity to effectively manage funds respecting tight deadlines and increase transparency. In coordination with national and EU representatives, it would be necessary to recruit additional staff and provide specific training to adapt to the new challenges of globalisation, including digitalisation, and ensure that staff managing EU funds have the necessary skills to reflect the region's 'less developed' status.
- **Develop monitoring and evaluation tools to measure the impact of policies to attract investment and provide start-up support.** Such tools would enable policy makers to better understand the expected and unintended effects of policies and strategies designed to attract investments, such as those relating to SEZs, or aligned with S3 priorities, and allow a more selective and strategic approach to investment attraction. Such tools would also inform any reflection concerning potential administrative simplifications, as red tape is a significant obstacle to private and foreign investments. Finally, given the substantial investments in the region to provide start-up support, it will be important to monitor and evaluate the effectiveness of these measures in the future, especially in terms of job creation and growth.
- **Focus on reducing territorial gaps through appropriate investment in infrastructure networks.** Continued investment to enhance public transport and transport infrastructure, as well as broadband connectivity and other infrastructures will increase the attractiveness of Inner Areas and the region as a whole, vis-à-vis investors, talent and visitors, and by taking steps to effectively implement the existing Special Economic Zone strategy to support the sustainable development of inner areas.
- **Promote a common regional brand** Continue strengthening the Campania Divina branding strategy, to ensure that all tourism stakeholders agree on a common identity and promote the whole region, while giving visibility to its multiple touristic destinations, including historic and natural assets, and ensuring that benefits flow to local communities. Monitoring and evaluation of policy impacts would be critical.

## Notes

The data on which these graphs are based comes from several different sources. Most of it is extracted from the OECD database and EUROSTAT ensuring the same source is used for as many countries and regions as possible. Where and when data is missing, it is extracted from databases available through national statistical offices. For some dimensions, the data comes from specific databases, such as the Ookla database for indicators linked to digitalisation. The data are selected using the most robust, available, and frequently collected data at the adequate geographic level (TL2 or TL3). With certain indicators, calculations are done in order to present the indicator at the most relevant and comparable unit of analysis.



- <sup>31</sup> [Bio in Italy Report \(2021\), Biotech companies in Italy, Economic update 2021](#)
- <sup>32</sup> [Bio in Italy Report \(2022\) The Italian biotech industry.](#)
- <sup>33</sup> [South Working - Lavorare dal Sud © in Costa d'Amalfi - Distretto Turistico Costa d'Amalfi \(distrettocostadamalfi.it\)](#)
- <sup>34</sup> [Turismo delle Radici – Ministero degli Affa](#)
- <sup>35</sup> [Studi economici dell'OCSE: Italia 2021 | READ online \(oecd-ilibrary.org\)](#)
- <sup>36</sup> [2020\\_05\\_05\\_zone-economiche-speciali-e-zone-logistiche-semplificate.pdf \(assoporti.it\)](#)
- <sup>37</sup> OECD (2022), "[The Sud-Provence-Alpes-Côte-D'Azur in the world](#)", (accessed on 22 August 2022).

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