Chapter 4

Stated locational preferences of different groups of entrepreneurs and predominant spatial patterns: evidence from the statistical analyses

The images of the Italian peninsula emerging from the descriptive analysis carried out in the previous chapter, invokes two spontaneous and reasonable questions:
- Are these images of Italy shared by all kinds of entrepreneurs?
- Which are the most important, that is, the most predominant spatial patterns that emerge? Are there any hidden and unpredictable spatial patterns present in the minds of entrepreneurs, other than the ones already known?

In this chapter, we will try to answer these questions, making use not only of descriptive statistics and thematic maps, as has been done until now, but also of specific statistical techniques, such as multivariate variance analysis and principal component analysis.

The first three sections are devoted to analysing the mental maps of the different groups of entrepreneurs, classified by firm location (Section 4.1); firm size, sector and export orientation (Section 4.2); and some socio-demographic characteristics of the respondents, such as sex, age, and level of education (Section 4.3). The statistical technique that was used, i.e. multivariate variance analysis, enables us to measure the statistical significance of the differences expressed by different groups (for example, males and females) in the average ratings given to regions. Section 4.4 is focused on the second question. It then shows the results of the principal component analysis, highlighting all spatial patterns (starting from the most important, the North-South divide), that seemingly characterise entrepreneurs’ perception of space in Italy.

4.1 The mental maps of Northern, Central and Southern entrepreneurs: different ratings but similar patterns

The first aspect that needs to be taken into account, in the context of the analysis of the mental maps of the different group of entrepreneurs, is the geographical origin of the interviewees. In fact, looking at the outcomes of the previous chapter, one can easily wonder: is the North-South divide of the mental maps of the Italian entrepreneurs affected by the fact that most of interviewed persons are from Northern and Central regions? In other words, are the mental maps of Italian entrepreneurs affected by what is called the
self-locational effect (‘the best place is the place where I am already located’), as observed in other case studies.\(^{49}\)

The breakdown of the results by location of the firms delivers a two-sided outcome (Figure 4.1 and Table 4.1). On the one hand, as the multivariate analysis of variance points out (Table 4.2), all Southern regions and some of the Central regions obtain a significantly higher rating by entrepreneurs who live there: that is, they evaluate their own location better than the average ratings given by all respondents. For regions like Sicily and Campania, for example, the difference in the average rating between Northern and Southern entrepreneurs is 0.6; for Sardinia and Abruzzo the difference is 0.5. On the other hand, the macro-regional hierarchy – North, Centre, South and Islands – remains the same, although, according to the Southern entrepreneurs, the gap between North and South is smaller (about 0.9, against 1.4 from the point of view of Northern entrepreneurs). Even the regional hierarchy does not differ too much from the one observed in Chapter 3.

We can then observe that, although Southern regions score better in the mental maps of Southern entrepreneurs, the macro-regional and regional ranking in terms of the attractiveness of Italy is essentially confirmed by all three groups of entrepreneurs (Northern, Central and Southern). This result has two considerations.

Firstly, the extremely negative image suffered by most of the Southern regions is due to a certain extent to the bad evaluation given by the Northern and, less severely, by the Central entrepreneurs. Moreover, Northern entrepreneurs seemingly have a less detailed image of southern regions. In fact, the variance of the average ratings given to the worst-rated Southern regions (Sicily, Campania, Calabria, Basilicata, Sardinia) by Northern entrepreneurs is much smaller than that of the average ratings given by Southern entrepreneurs. Clearly, then, the argument according to which there is a misrepresentation of Southern regions in the minds of Italian entrepreneurs gains even more strength, and can be focused only on the Northern entrepreneurs (and to some extent on Central entrepreneurs).

Secondly, the North-South divide: that is, the main spatial pattern of the mental maps of Italian entrepreneurs, highlighted in the previous chapter, is independent from the place where entrepreneurs are located; self-locational preferences, although present and significant, do not change the dominant spatial cleavage existing in the minds of entrepreneurs. In other words, the key issue which concerns the territorial attractiveness of Italy is shared by all Italian entrepreneurs, independent of where they live, thus making all consequent conclusions more robust.

In order to find an explanation for this last remark, as seen in Chapter 3, we have to consider that the macro-regional gap in Italy is a ‘long-lasting issue’, rooted in the history of the country (since the beginning of the 20th century), and which since then has been present and persistent, without registering any relevant change (Svimez, 2011). The endurance and clearness of this economic fact may therefore explain why the awareness of its relevance is so widespread in the Italian public opinion, and, in particular, in the business community.

\(^{49}\) See Meester and Pellenburg, 2006; Meester, 2004.
Northern Italy firms  
Central Italy firms  
Southern Italy firms

Source: questionnaire survey (225 usable questionnaires: 142 by firms located in northern Italy; 40 by firms located in Central Italy; and 43 by firms located in southern Italy and in the Islands)

Figure 4.1: Average ratings of Italian regions (NUTS2) by firm location
Table 4.1: Ranking of Italian macro-regions by firm location

<table>
<thead>
<tr>
<th>Northern entrepreneurs</th>
<th>Central entrepreneurs</th>
<th>Southern entrepreneurs</th>
</tr>
</thead>
<tbody>
<tr>
<td>North</td>
<td>3.41</td>
<td>North</td>
</tr>
<tr>
<td>Centre</td>
<td>2.91</td>
<td>Centre</td>
</tr>
<tr>
<td>South and Islands</td>
<td>1.94</td>
<td>South and Islands</td>
</tr>
</tbody>
</table>

Source: Questionnaire survey (225 usable questionnaires: 142 by firms located in Northern Italy; 83 by firms located in Central and Southern Italy)

*Arithmetic mean of NUTS2 data

Table 4.2: Results of multivariate variance analysis by region (NUTS2) and firm/respondent characteristic

<table>
<thead>
<tr>
<th>Macro-region</th>
<th>Sector</th>
<th>Firm Size</th>
<th>Export orientation</th>
<th>Sex</th>
<th>Age</th>
<th>Education level</th>
</tr>
</thead>
<tbody>
<tr>
<td>Piedmont</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Val d’Aosta</td>
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<td></td>
<td></td>
<td></td>
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<tr>
<td>Lombardy</td>
<td></td>
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<tr>
<td>Trentino Alto-Adige</td>
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<tr>
<td>Veneto</td>
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<tr>
<td>Friuli-Venezia Giulia</td>
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</tr>
<tr>
<td>Liguria</td>
<td></td>
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</tr>
<tr>
<td>Emilia-Romagna</td>
<td></td>
<td>XX</td>
<td></td>
<td></td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Tuscany</td>
<td></td>
<td>XX</td>
<td></td>
<td></td>
<td></td>
<td>XX</td>
</tr>
<tr>
<td>Umbria</td>
<td></td>
<td>XX</td>
<td></td>
<td></td>
<td></td>
<td>XX</td>
</tr>
<tr>
<td>Marche</td>
<td></td>
<td>XX</td>
<td></td>
<td></td>
<td></td>
<td>XX</td>
</tr>
<tr>
<td>Lazio</td>
<td></td>
<td>XX</td>
<td></td>
<td></td>
<td>X</td>
<td>XX</td>
</tr>
<tr>
<td>Abruzzo</td>
<td></td>
<td>XX</td>
<td></td>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Molise</td>
<td></td>
<td>XX</td>
<td></td>
<td></td>
<td></td>
<td>XX</td>
</tr>
<tr>
<td>Puglia</td>
<td></td>
<td>XX</td>
<td></td>
<td></td>
<td></td>
<td>XX</td>
</tr>
<tr>
<td>Basilicata</td>
<td></td>
<td>XX</td>
<td></td>
<td></td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Campania</td>
<td></td>
<td>XX</td>
<td></td>
<td></td>
<td></td>
<td>XX</td>
</tr>
<tr>
<td>Calabria</td>
<td></td>
<td>XX</td>
<td></td>
<td></td>
<td></td>
<td>XX</td>
</tr>
<tr>
<td>Sicily</td>
<td></td>
<td>XX</td>
<td></td>
<td></td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Sardinia</td>
<td></td>
<td>XX</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

X : p < 0.05; XX : p < 0.01
Macro-region: North (Piedmont, Val d’Aosta, Lombardy, Trentino Alto-Adige, Veneto, Friuli Venezie Giulia, Liguria, Emilia-Romagna); Centre (Tuscany, Umbria Marche, Lazio); South and islands (Abruzzo, Molise, Puglia, Basilicata, Campania, Calabria, Sicily, Sardinia)
Sector: manufacturing, services.
Firm size: less than 50 employees; from 50 to 249; equal to or more than 250.
Export orientation (average amount of export on turnover in the last 3 years before the interview): no export; low (from 1% to 19%); moderate (from 20% to 49%); high (from 50% to 100%).
Education level: Junior high school; Senior high school; Bachelor; Msc; PhD/Doctorate.
Source: Questionnaire survey (225 usable questionnaires)
4.2 Entrepreneurs by economic sector, firm size, and export orientation: analyses and reflections

If the analysis of the breakdown by firm location is intuitively very important, then the analysis of the breakdown by economic sector, firm size, and export orientation can be similarly considered to be quite relevant. In fact, the theoretical and empirical literature in regional and local economic development has traditionally used these three variables to analyse the basic characteristics of the economic structure of a region, and to define models of regional economic development. For example, the industrial district model, illustrated in Chapter 2, has as a key characteristic the small size of manufacturing firms. Export orientation, moreover, is the key variable for distinguishing firms in terms of degree of internationalisation, which nowadays, in the age of market globalisation, is the key aspect for firms to grow and expand their business.

Different from the findings concerning the place of residence of the entrepreneurs, the results of the multivariate variance analysis, concerned with a breakdown of entrepreneurs by economic sector and firm size, show that there are hardly any differences in the ratings of the regions given by the different groups of entrepreneurs (Table 4.2). Entrepreneurs belonging either to manufacturing or to services, managing small, medium, or big firms, homogeneously evaluate the Italian regions as a potential location for their firms, and therefore share the same mental maps of the Italian geographical space.

On the other hand, the analyses by level of export orientation (Figure 4.2 and Table 4.3), as a broad outcome, highlight that the higher the level of export orientation, the lower the average rating assigned to the region. This is more or less true for all regions.

In the case of seven Southern and Central regions (Sicily, Campania, Calabria, Tuscany, Umbria, Lazio, Liguria), there are statistically significant differences in the ratings assigned by the groups of firms categorised by level of export orientation (Table 4.2). The more export-oriented the firms are, the worse the rating assigned to these seven regions. As regards the Northern regions, on the contrary, although the ratings given by the less internationalised firms tend again to be lower than the rating assigned by the most internationalised ones, the differences are not statistically significant.

Such outcomes concerning the perception of firms with different degrees of internationalisation can be explained in two ways. The evaluation of many Italian regions given by the most export-oriented firms might be related to the fact that internationalised Italian firms tend to have a negative image of Italy as a whole as a place where to do business, because of some negative locational factors typical of the entire country, and not of some specific regions (for example, the bureaucracy and the lack of clear and definite laws and regulations)\(^50\). In fact, internationalised firms, being present in foreign countries, are able to better compare Italy with other countries than non-internationalised firms.

\(^{50}\) See for example Dubini, 2004 (Chapters 2 and 3), and 2007 (Chapters 3 and 4).
No (Zero export)

Low (from 1% to 19%)

Moderate (from 20% to 49%)

High (from 50% on)

Source: Questionnaire survey (225 usable questionnaires: 53 by firms with zero exports; 43 by firms with 1% to 19% of exports; 39 by firms with 20% to 49% of exports; 55 by firms with more than 50% of exports)

Figure 4.2: average ratings of Italian regions (Nuts2) by export orientation
Table 4.3: Ranking of Italian macro-regions by export orientation*

<table>
<thead>
<tr>
<th>Region</th>
<th>No</th>
<th>Low</th>
<th>Moderate</th>
<th>High</th>
</tr>
</thead>
<tbody>
<tr>
<td>North</td>
<td>3.55</td>
<td>3.37</td>
<td>3.34</td>
<td>3.36</td>
</tr>
<tr>
<td>Centre</td>
<td>3.31</td>
<td>2.91</td>
<td>3.03</td>
<td>2.80</td>
</tr>
<tr>
<td>South and Islands</td>
<td>2.30</td>
<td>2.08</td>
<td>2.10</td>
<td>1.87</td>
</tr>
</tbody>
</table>

Source: Questionnaire survey (225 usable questionnaires: 53 by firms with zero exports; 43 by firms with 1% to 19% of exports; 39 by firms with 20% to 49% of exports; 55 by firms with more than 50% of exports) * Arithmetic mean of NUTS2 data.

Secondly, these results can be related to the question of accessibility. The most export-oriented firms are, by definition, strongly interested in being located in highly accessible places, by any means of freight and passengers transport. The Southern and Central regions, as we also mentioned in Chapter 2, are definitely less accessible than the Northern regions. In particular, they are relatively far from, and more weakly connected to, the main European export markets, especially the West and the North European markets.

4.3 The mental maps by socio-demographic characteristics: sex, age, and education level

Just like with the aspects analysed above, we analysed the effects of the basic socio-demographic characteristics (sex, age, and education level) of the interviewed entrepreneurs on their locational preferences. The exploration of the influence of these socio-demographic characteristics is something new in the context of the mental map line of research conducted at the international level since the beginning of the ‘80s. The empirical evidence concerning the role played by sex, age, and education on the social and economic behaviour collected in decades of studies and surveys in Italy, as well as the importance of some of these variables stated at a theoretical level, led us to insert these variables in questions to be asked to Italian entrepreneurs in the web survey.

As seen in Table 4.2, what comes out from the multivariate variance analysis is that the evaluation of regions does not significantly change according to all three variables (sex, age and education level) except for a few cases. Again, we can draw the conclusion that the entrepreneurs’ view of Italian geography is so clear and established that it is independent from socio-demographic profiles. Young, adult, and old people, and

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51 For example, as concerns entrepreneurship, one of the key topics currently discussed and investigated in Italy among economic geographers, industrial economists, and policy makers is the question of the generational change in the family-owned small and medium-sized firms. The generation of entrepreneurs who were active protagonists of the industrial development in the 1970s and 1980s (and, in particular, protagonists of the industrial district model) either has already retired or is approaching retirement. Their main characteristic was to have a positive attitude to manual work and to entrepreneurship, and a flexible approach to work organisation, notwithstanding their low level of education. On the other hand, the younger generations, when they are willing to replace the first ones in leading firms (though in many cases they choose other jobs), usually have a higher level of education, and higher specialisation in know-how related to economics and management, but they are also less oriented to manual work, and seem to be less flexible (see, for example, Demattè and Corbetta, 1993: Bauer 1997).

52 See, for example, Capello (2004), in order to explore the relevance of human capital in the theories of endogenous growth at the regional level.
graduates and not graduates, do not significantly differ in their opinion about the attractiveness of Italian regions.

4.4 The spatial patterns in the mind of entrepreneurs: results from the principal component analysis

The maps shown in Chapter 3 highlight the entrepreneurs’ average perception of the attractiveness of places, but they do not provide any evidence about the hidden elements: that is, the unrevealed patterns that might pervade their mental maps. Patterns that, furthermore, could be the clue the peculiar to Italy, somehow unthinkable, underlying social, economic, cultural, political, location factors, which otherwise would have remained unknown.

The task of casting light on all the different spatial patterns of entrepreneurs’ locational preferences is performed by the factor analysis technique, in particular by one of its different types, known as ‘principal component analysis with varimax rotation’. The varimax rotation brings the advantage that the matrix of loadings has relatively many high and low values and few intermediate values. This makes it easier to give an interpretation to the rotated components.

Meester (2004, Chapter 7), has applied this technique to the findings of the questionnaire surveys about locational preferences (part of the same international line of research followed here) conducted in the Netherlands and in Germany. It is important to point out that, following his approach, in our application of principal component analysis, the respondents are treated like cases, and the variables are the places subjected to rating. This is why the variables are the rating of Lombardy, Piedmont, Sicily, etc. Considering the low variance of the provincial scores within each region, we have limited our analysis to regions, and selected the 20 Italian regions as variables/places. Moreover, as each variable is associated with a location, we can represent the factor loadings on maps, making it easier to identify any possible spatial patterns.

It is also necessary to add that the signs of the factor loadings have no absolute meaning (they cannot be interpreted as negative and positive ratings). The same remark is valid for the high loadings and low loadings (they cannot be intended as, respectively, high ratings and low ratings). They only highlight the oppositions between certain groups of regions.

The number of components rotated in the analysis presented here is not unique. In fact, considering that this number is not determined a priori (see Dirkzwager, 1996), it was decided to carry out and present three different separate rotations with three to five components: that is, to rotate three, four, or five components53. Such an approach allows us, on the one hand, to evaluate the robustness, in other words the strength of some spatial patterns, such as the North-South divide; and, on the other hand, to produce a sufficiently clear, detailed and rich description of all relevant spatial patterns/layers existing in the

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53 In fact, rotating only two factors, usually does not provide a very clear picture. On the other hand, a number of rotations higher than five tends to give a too disaggregated image of Italy, increasingly corresponding to the individual regions, whereby the basic sense of the analysis is lost.
minds of entrepreneurs, then it reveals other underlying location factors, as explained above. As said by Meester (2004), ‘in this manner, one sees new factors arise, either by splitting a component or by forming new components alongside the existing ones. By following the process of formation and splitting step-by-step, one can gain insight into the structure of the components’ \(^{54}\). As Table 4.4 shows, the level of explained variance grows as the number of explanatory factors rises. We will now present the results of the rotation process for three, four, and five factors.

<table>
<thead>
<tr>
<th>Component</th>
<th>Three</th>
<th>Four</th>
<th>Five</th>
</tr>
</thead>
<tbody>
<tr>
<td>Component 1</td>
<td>25.5</td>
<td>19.3</td>
<td>19.8</td>
</tr>
<tr>
<td>Component 2</td>
<td>13.4</td>
<td>16.4</td>
<td>14.4</td>
</tr>
<tr>
<td>Component 3</td>
<td>12.5</td>
<td>11.7</td>
<td>10.8</td>
</tr>
<tr>
<td>Component 4</td>
<td></td>
<td>11.4</td>
<td>10.6</td>
</tr>
<tr>
<td>Component 5</td>
<td></td>
<td></td>
<td>8.7</td>
</tr>
<tr>
<td>Total</td>
<td>51.4</td>
<td>58.8</td>
<td>64.3</td>
</tr>
</tbody>
</table>

The **rotation of three components** explains 51.4\% of the variance (Table 4.4). The first component (loadings on factor 1; Figure 4.3) clearly shows the opposition between the Italian macro-regions: that is, the divide between Central-Northern and Southern regions. This map is apparently quite similar to the map shown in Figure 3.1, in Chapter 3. High loadings are located in Southern regions, and low loadings in the Northern regions. Loadings for the Central regions are at an intermediate level.

The second component (loadings on factor 2; Figure 4.3) seemingly emphasises the role played by a wide Northern and Central macro-area, which goes on the North-South axis from Milan to Rome, and extends eastward to Venice. This macro-area, which then gains high loadings in opposition to the other areas, includes the most densely populated region, in terms of both people and economic activities. In Italy, this area is usually referred to as the **Padana region** (Veneto, Lombardy, and Emilia-Romagna). It includes highly developed regions, rich in SMEs and industrial districts (again, Lombardy, Veneto, Emilia-Romagna, together with Tuscany), as well as the main urban agglomerations in Italy (Rome and Milan). Furthermore, besides being rich in population, firms, and big cities, it is also strongly endowed with a widespread, efficient and modern transport infrastructural network (see, for example, the high speed rail network that was recently built here). Its centrality in the Italian economic geography is quite evident. What basically emerges from the observation of the second component, therefore, is a kind of centre-periphery pattern.

The third component shows a neat ‘conflict’ between two groups of regions: the regions including the urban areas (Lombardy and Lazio) and the Southern regions, on one side; and the North-Western and North-Eastern areas, together with the other less urbanised Central regions, on the other side. This component is quite difficult to explain, even tentatively. The urban-rural dichotomy, presumably associated with a pattern of

residential preferences (‘residential environment’), might be a tentative explanation. The fact that people tend to privilege as potential locations those areas characterised by a low presence of all negative externalities related to big urban agglomerations (high level of congestion, high land and houses prices, etc.), together with the preference for a good level of endowment of basic infrastructures and services (therefore, areas where the quality of living is better), might be some of the key factors to take into consideration when interpreting this map, although they cannot be considered a complete explanation.

Figure 4.3: Principal Component Analysis (rotation of three components)
In the case of the rotation of four components, which together explain 58.8% of the variance in the ratings (Table 4.4), Figure 4.4 shows how the first component confirms,
first, the opposition among the macro-regions: that is, the gap between the Southern regions and the Central and Northern regions. The only different outcome is represented by Liguria, that gets a high loading, similar to that of the Southern regions.

The second component in the four-factor case suggests a new factor, whose keyword could be Third Italy. Indeed it shows a contrast between a group of regions which basically speaking cover almost entirely what is called Third Italy55 (only the ‘Triveneto’ region56 is missing). The high scoring area on the map coincides with the area where the industrial district spatial development model arose in the 1970s, extending along the Adriatic Sea to the most developed Southern regions (in social and economic terms, and in terms of quality of living). On the map, the Third Italy clearly contrasts with the Northern regions, Lazio, and and the less developed and most peripheral Southern regions.

The third component shows a pattern already revealed by the rotation of three components (see Figure 4.3): a kind of centre-periphery pattern, characterised by high loadings in the Northern and Central core made up of the most densely populated and industrialised regions in Italy (i.e. the Padana region) including the areas of Rome and Milan, and low loadings outside of this core area.

Lastly, the fourth component suggests another new pattern, characterised by the high loadings ascribed to the regions located to the West and East of the Northern macro-region (Piedmont, Veneto, Friuli, Trentino Alto-Adige), and low loadings in all other regions (except Marche and Liguria, that get an intermediate loading). This pattern has a shape that can be picturesquely described as ‘the ears of the Italian peninsula’. What might help to give it an interpretation, on top of some aspects which make these regions preferable for residential reasons (for example, the absence of huge metropolitan agglomerations), is their relative location with respect to some important European market areas and economic systems, such as France in the West, and the Eastern and Northern countries (first, Austria and Germany), through to Brennero in the East. Their locational advantage in terms of accessibility to some important market areas might therefore the underlying location factor which offers a reasonable explanation of such a component. It is important to notice that this fourth component, together with the second one, apparently splits up and sharpens the spatial pattern represented by factor 3 in Figure 4.3, making the tentative explanation based on residential preferences proposed earlier even more questionable57.

Our third case, the rotation of five components, explains 64.3% of the variance in the ratings (Table 4.4). Figure 4.5 shows again that the first component is a further confirmation of the North-South divide. The second component also replicates the image emerging from the four-factor case (see Figure 4.4, loadings on factor 2). A somewhat wider version of the ‘Third Italy factor’ appears here. The third component also depicts a spatial pattern already revealed in the four factor case, viz. ‘the ears of Italy’, in other

55 See also chapter 2.
56 Veneto, Trentino Alto-Adige, Friuli Venezia Giulia.
57 This last remark: that is, the fact that these new factors, Third Italy and ‘the ears of the Italian peninsula’, are the most probable explanatory factors, is further strengthened by the evidence coming from the rotation of five components, where again they emerge.
words the predominance of the Northern regions bordering the Western and Eastern European economies. The maps representing the fourth and the fifth component, on the contrary, make other patterns visible, which are not observed in the three- and four-factor cases, which seemingly split the pattern emerging from Figure 4.4 (loadings on factor 3).
In the first case, the map of the fourth component, the opposition between the high loadings gained by the Padana region and the low loadings of all other regions is very clear. The impression of an important role played by this area in the mental maps of entrepreneurs, as the centre opposed to the other, peripheral, areas, (as originally also derived from the results showed in Chapter 3), seems to be confirmed here again from our statistical analysis.

For the fifth component, an interpretation appears to be harder, at least in strictly economic terms. A group of regions consisting of Lazio, Piedmont, Liguria, and Sardinia score high loadings, while Tuscany, Umbria, Calabria and Sicily are placed halfway. No single economic issue or location factor seems to be common to these regions. At first glance, we just observe a pure East-West geographical divide, In fact, the regions that get high loadings are almost all Eastern regions, facing the Tyrrhenian sea. Looking more closely, and going in depth into the history and the image that especially the four high-score regions seemingly share, we could think about a historical and political divide, where the locational preferences of entrepreneurs are divided between the regions representing and hosting the past and the current political power in Italy, versus all other regions. For this interpretation of factor 5 as a ‘political-economic history’ factor, we may recall a few important historical political and economic facts:
- the Kingdom of Piedmont and Sardinia, before the Unification of Italy, in 1861;
- Turin, as the first capital of Italy, and headquarters of one of the most important companies in Italy, Fiat, whose owners, the Agnelli family, were notoriously influential in Italian politics and society for decades after the Second World War;
- Rome, the current political capital of Italy, and ‘headquarters’ of the Catholic Church.
Looking over the whole of the three-, four- and five factor approaches, we can conclude that some patterns emerge in all of them. Such an outcome of the principal component analysis clearly points to their importance for the mental maps of entrepreneurs. Some other patterns, on the other hand, emerge only once or twice. Notwithstanding this, they reveal at least the existence of other underlying location factors in the minds of entrepreneurs, as supposed at the beginning of this section. The North-South divide is definitely and undoubtedly the most important one, as it is always represented in the first component. The centre-periphery (‘Padana’) factor is also present in all cases, but not always, as the second important one. The ‘Third Italy factor’ and the ‘ears of Italy’ (export orientation) factor emerge twice in the three-rotations cases. The ‘political-economic history factor’, emerges only once.

4.5 Conclusions

In conclusion, it is possible to point out that the analyses carried out here have been rather effective in answering the two questions presented in the Introduction to the chapter.

Addressing the first question, it is rather evident that almost all groups of entrepreneurs substantially share the same image of Italy, at least as concerns the macro-regional gap (Centre-North versus South). We can deduce that this key element of Italian economic geography is so persistent and rooted in Italy that entrepreneurs also clearly perceive and unambiguously highlight it in the evaluations given. In fact, for most of the groups taken into account, differences in the average ratings of regions are not statistically significant. And, even if in some cases they are statistically significant, they do not imply changes in the macro-regional hierarchy.

However, such a conclusion does not imply that some groups of entrepreneurs were not able to express their own individual view on the attractiveness of some regions and provinces, as the multivariate analysis of variance showed. This is then something that enriches the broad picture that emerges, and that, moreover, enables us to indirectly infer the explanatory relevance of some location factors.

For example, the analysis of the ratings by place of residence showed the higher and more heterogeneous ratings given by Southern entrepreneurs to the Mezzogiorno regions, demonstrating that, although they are aware as are others of the greater attractiveness of the Central and Northern regions, they are much more informed than others about the real disadvantages and advantages offered by the various locational environments in Southern Italy. Implicitly, this raises the suspicion that the evaluation of the Mezzogiorno provided by Central and Northern entrepreneurs might be affected by a kind of cultural prejudice.

Instead, the analysis by level of export orientation has allowed us to investigate the perspective of the moderate and high export-oriented firms, a part of the Italian productive system which is becoming increasingly important, because competitive firms necessarily tend to be more internationalised and globalised. These firms are clearly highly sensitive
to some specific locational factors, such as accessibility. Indeed, they gave a significantly lower mark to the most peripheral Southern regions.

When answering the second question, we saw that apart from the pattern based on the North-South cleavage, the principal component analysis permitted us to point out that other spatial patterns can also surface in the locational preferences of entrepreneurs, which are likely to be related to different kinds of location factors: not only economic factors, but also location factors related to the social, physical, cultural, and historical geography.

Therefore in the end, stating once more that the North-South divide is the key aspect in defining the mental maps of entrepreneurs, we can point out that the complexity of Italian geography is something that indirectly also emerges from the statistical analyses that we performed. In fact, several explanatory location factors, several patterns, several layers, related not only to economic issues, but even to political and historical elements, can be taken into consideration, and can contribute to explaining the territorial attractiveness of Italy. Such a richness and variety of ‘geographical issues’ is something that probably makes the Italian case rather unique in the context of European geographies.