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RIVISTA ITALIANA DI ECONOMIA DEMOGRAFIA E STATISTICA

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IN THIS ISSUE

This issue contains the guest papers presented at the 51st Scientific Meeting of the Italian Society of Economics, Demography and Statistics. The topics describe the situation in the Mediterranean area in terms of population, development and environment. The Scientific Meeting was organized in collaboration with the Department of Political Sciences, University Federico II, and the Institute of Studies on Mediterranean Societies of CNR-Naples.

*Claudio Ceccarelli
RIEDS Editor*

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**INTRODUCTION TO THE 51st SCIENTIFIC MEETING
OF THE ITALIAN SOCIETY OF ECONOMICS, DEMOGRAPHY
AND STATISTICS**

Giovanni Maria Giorgi
SIEDS President

When last year, within the SIEDS Council, we talked of a possible topic for this Scientific Meeting, the expertise and the passion of Prof. Luigi Di Comite were decisive in directing us to a subject that today, even more than yesterday, is extremely topical: the Mediterranean area and the problems related to it. So many thanks go to the colleague Di Comite (who has devoted a lifetime of study to this topic) for being so prodigal of advices in the organization of this Congress and in the choice of some interesting issues to be taken into consideration.

The Mediterranean area (slightly larger than 2.5 million square kilometers with 46,000 kilometers of coastline, with a population of around 500 million people distributed in a little more than twenty States) is crossed by a deep socio-economic crisis that inevitably affects not only the relations between the States bordering this sea but that also involves other countries, with the risk of altering their relationships and of creating (dangerous) contrasts. The migration of a large number of desperate, fleeing hunger and war, could become one of the causes of this contraposition if not addressed with appropriate economic-political means.

From an area of marginal importance in world politics, the Mediterranean has, unfortunately, become a center of international tension. Actually, conflicts between states were added to those within states. Only the north-western Mediterranean area seems peaceful, stable and prosperous. The Mediterranean is today the scene of bloody contrasts, such as the Israeli-Palestinian conflict, the Syrian civil war and the internal tensions, jointly with political instability affecting countries involved in 2011 by the so-called Arab Spring. But also the countries of the northern shore of the Mediterranean are not exempt from instability: Spain, Italy, Portugal and Greece are, in fact, under close observation of Europe for their economic situation.

A few kilometers apart, demographic, economic and political situations are deeply different. This difference in levels of economic growth, combined with the imbalance, is a possible key to interpret what it is happening in the Mediterranean basin.

The topics that will be addressed in these days want to be just a contribution in this direction.

Now, since the topics to be addressed are many and interesting, in order to save enough time to debate, I do not go over and for a discussion of some of the issues that I just mentioned I refer to the interesting book "*Report on the Economies of the Mediterranean (2013)*" edited by prof. Paolo Malanima and published by "il Mulino" in 2013.

Finally, let me to thank professors Marco Musella and Salvatore Strozza, respectively Director and Vice-Director of the Department of Political Sciences, University Federico II, and Dr. Maria Rosaria Carli from the Institute of Studies on Mediterranean Societies of CNR-Naples, who -thanks to the efforts of their collaborators- made it possible the realization of the 51st scientific Meeting of SIEDS despite the difficult economic situation, that for some years is gripping our country and in particular the Italian scientific research.

I thank you for kind attention and I declare open the 51st Scientific Meeting of the Italian Society of Economics, Demography and Statistics.

Naples, 29th May 2014

THE MEDITERRANEAN: AN UNSUSTAINABLE WALL TOWARDS EUROPE¹

Antonio Golini, Elena Grimaccia, Tommaso Rondinella, Daria Squillante

1. Introduction

When we think at the past greatness of the Mediterranean we recollect images of the Magna Graecia or of the Maritime Republics of Italy. The merging of Roman and Greek cultures in ancient times led to the flourishing of a sublime culture: Greek idealism, a civilization of music and philosophy, and the Roman pragmatism, made of law and rationality, blended to form a new culture which forms the basis of Western civilization. During the modern age, the control over the sea of the Maritime Republics made possible to build world jewels like Venice, Pisa and dozens of other magnificent coastal cities throughout the whole sea.

Therefore, the Mediterranean Sea was an element of wealth and cultural and economic exchange, while the Alps, in the Italian perspective, were associated with closure and backwardness.

Then, in the last centuries, great tunnels were built through the mountains, the European Union has been created and, more recently, the Iron Curtain has fallen. This led the Alps to become a region of fruitful exchanges while the Mediterranean became a closure element, a natural border, especially to people flows.

Today, in the news and in our geo-political idea, the Mediterranean Sea is much more associated to the tragic migration events: the deaths of thousands of migrants full of hope shipwrecked south of Lampedusa. The Mediterranean sea is the new wall protecting the “fortress Europe”, the old iron curtain which today divides well-being from malaise, full democracy from partial democracy. On both its sides, this novel wall projects worrying shades: human, political, economic. On the side facing the African shore it appears pitiless with the deaths of the migrants pushed to travel by violence, political fragmentation and poverty. On its northern side facing southern European countries – Spain, Italy and Greece in particular-it shows

¹ The themes presented in this paper are part of a long term reflection by the authors and have thus been already presented in other previous conferences. This contribution is an extended version of a paper presented at the Conference "Sustainable management of the Mediterranean", held at the Accademia Nazionale dei Lincei in Rome on March 21st 2014.

a dramatic economic crises which does not show its final ending. Alike people from Eastern Europe who tried to jump over the wall, now migrants try to “jump over” the sea, yet leaving thousands of dead on the ground. A horizontal wall, insatiable of human lives much more than that old “vertical wall” challenged by who longed for a better future in Western Europe. This carnage, happening every other day in the our seas, should be our first concern.

A renewed flourishing of the Mediterranean basin must represent an Italian and European policy priority, looking for stronger cooperation, better economic conditions and the containing of migratory phenomena

2. Demographic trends

The impact on economy, society and geopolitics of demography is crucial: the amount and composition of the world population is one of the major driving force to draw the future, both at national and international level.

World population reached 7 Billion on October 31st, 2011, according to the United Nations Population Division², while the US Census Bureau made a lower estimate, for which the 7 billion mark was only reached on March 2012.

Projections carried out by the UN show that, in 2050, the world population will exceed 9 billion, under the pressure of intermediate developed countries. African population will double from the current one billion to two billion. Population in Asia will show a peak of 5 Billion people in 2050, but will then invert the trend and have a decrease.

Projections for Europe instead foresee a slight decrease from 2010 to 2050, and a further reduction before 2100 (100 thousand people less).

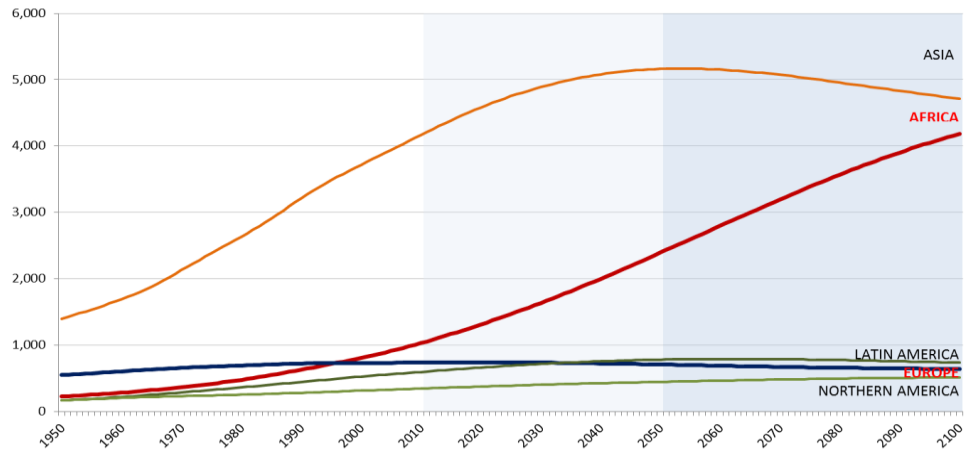
The global demographic centre of gravity is thus moving toward the South of the World.

The Mediterranean area is one – and probably the most important - of the frontiers of this transformation. In the Fifties, the population of Southern Europe represented twice that of North Africa. Today North Africa is the most populous, and in 2050 it is forecasted that it will exceed two-thirds of the population of the entire area, reversing the proportion.

Population growth in sub-Saharan Africa will be in the next forty to fifty years one of the strongest ever recorded in the history of mankind

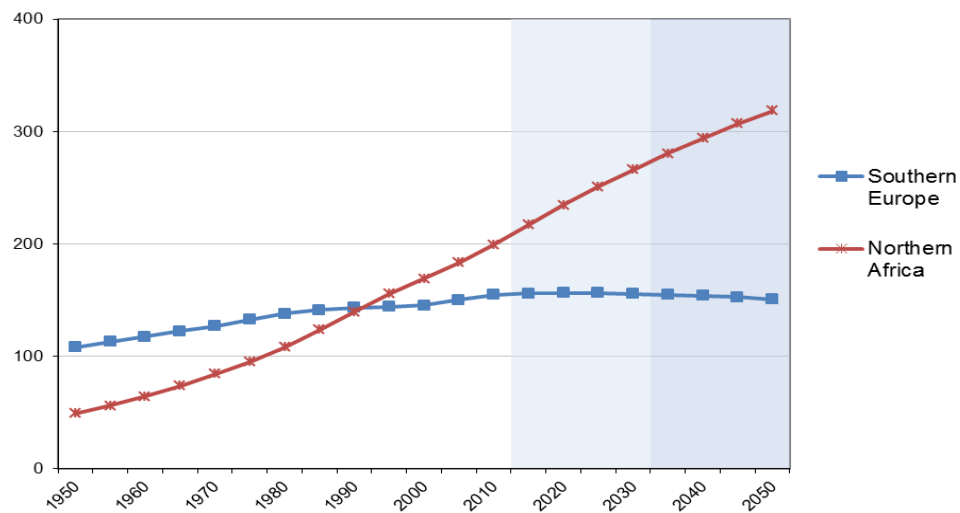
² Considering the average fertility scenario.

Figure 1 – World Demographic trends and forecasts (population in millions)



Source: UN Population Division

Figure 2 – Demographic trends and forecasts in the Mediterranean area (population in millions)

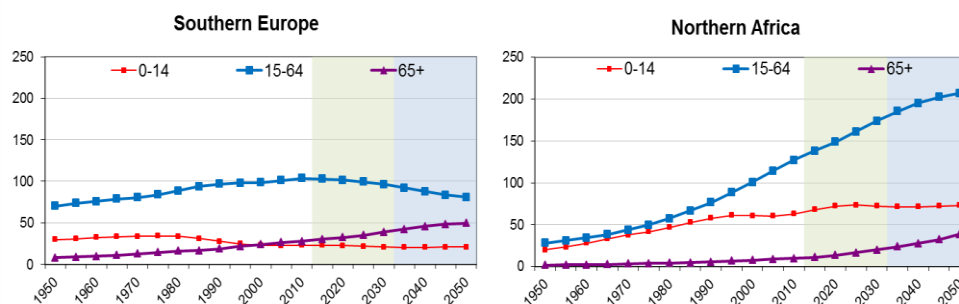


Source: UN Population Division

In particular, by 2060 - that is to say in the space of little more than a generation - it is expected that Africa's population will grow to 1.6 billion people and at the same time that Europe's population decline by 40 million.

In Northern Africa, it will not only be observed a huge population growth, but also a structural transformation: the median age will increase from the current 25.5 to nearly 33.6 years. Total fertility rate, that in the region used to be of more than 6 children per women until the 1980s, is today of 3 and is expected to decrease until 2.16, very close to the 1.8 foreseen in Southern Europe. In 2100, the two rates could be equal. The foreseen demographic structural change will lead to an increase of people aged 65 or older, whose share on the total population will move from current 5 per cent to over 12 per cent in 2050. In the same period, people younger than 14 years old, will remain stable in absolute values, while reducing their share in the population from 31.2 to 22.9 per cent.

Figure 3 – Population in the Mediterranean area by age class (millions)



Source: UN Population Division

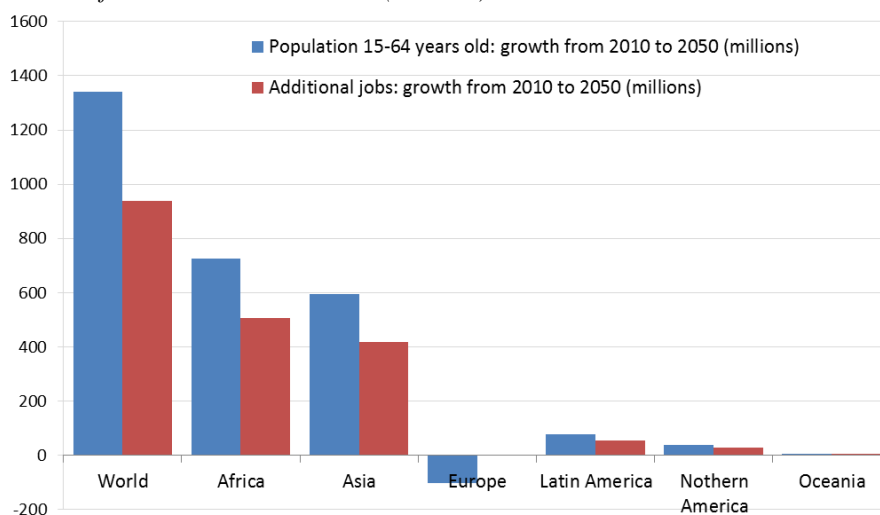
Coming to Italy, demographic trends foresee a country of elderly people (Golini 2009). About a third of the Italian population is projected to be 60 or over in 2050, up from 20 per cent nowadays, and the percentage of people living to their 80s and 90s will increase from the current 5.8 per cent to 13.6. The total population is foreseen to slightly decrease because the low fertility rate, and consequent negative natural growth rate which will not be completely compensated by the arrival of new migrants and by their relatively higher fertility rate. This dynamic is common to most Southern Europe countries, that will show an increase of the median age of the population from the current 43.1 to 50 years³.

Of course, at global level, along with the population, also the amount of the workforce is expected to explode. In Africa, it will be necessary to create about 725 million new jobs in the next 40 years, only in order to absorb the increase of labour supply due to demographic factors. These deep changes in the amount and

³ According to the UN population forecasts (medium fertility scenario).

structure of the population should have very relevant effects on the relationship between the two areas.

Figure 4 – *Expected growth of working age population and number of jobs required to face it – Years 2010-2050 (millions)*



Source: UN Population Division

Africa is in between of two oceans, but above it has only a small sea: the Mediterranean. Therefore, migrations flows from Africa can only go towards North, towards Europe.

Therefore, policies that enhance the economic and social development of the entire Mediterranean area will benefit not only Southern Europe but also Northern Africa. In particular, the North African migration system entered a migration transition. The most salient features of this have been, besides sustained out-migration, increasing immigration from sub-Saharan countries, as well as the new role of North Africa as a transit zone for sub-Saharan and even Asian migrants who want to reach Europe. North Africa now constitutes a filter to a sub-Saharan migration pressure that would be otherwise beyond control.

3. Migrations

Demographic imbalances and the different speed in the economic progress of countries have tended historically to be rebalanced through migratory flows. In 2010, over 160 million people were involved in migrations. The majority of

migrants live in the North of the world (128 million), but come from the South (147 million). However, it is worth noticing that movements take place mostly within the same Regions of the world (45 million migrants within Asia and 38 within Africa in 2010).

The current perspective suggests that migrations, although necessary, may not be sufficient to resolve all the miseries of the world, as they were in the 1800s and the 1900s. The pressure from the southern shores of the Mediterranean- the natural border of Europe - to give vent to the population explosion in Africa, will only continue to increase. The imbalance between the ability of the North of the world to absorb new workers (2-3 million people per year) and the potential number of migrant labour force (20-30 million per years – according to different forecasts) is huge. And there are no “new worlds” to populate. Moreover, the recent financial and economic crisis has burned millions of jobs in Europe, causing an unwanted competition for jobs. On this matter, it is worth to remind that migrations in developed countries are needed also in downturns because they help rebalance not only quantitative labour market disequilibria, but also the qualitative ones.

According to the data on “residence permits” in Italy, Africans account for 30 per cent of non-EU citizens legally residing in Italy in 2013. More than two-thirds of African migrants come from North Africa, and one-quarter from Western Africa. The flows from the Horn of Africa, although doubled in absolute value over the past 20 years, have lost much of their weight on the total of African residents.

The *Mezzogiorno* of Italy (which, as well known, includes the southern regions and the Islands) should have a key role on the Mediterranean area: it constitutes the natural landing place of migrant flows from Africa and the natural Southern border of Europe. But, very few immigrants settle down in the Southern Italy. In the North and in the Centre of Italy on the 1st of January 2013, were registered 10 foreigners every 100 residents, while in the *Mezzogiorno* there were only 3 (7 percent being the national average). The *Mezzogiorno* is currently living a deep demographical crisis, with the lowest values of fertility rate in Italy, and with strong flows of internal migrations towards North, determining a heavy loss of human capital. Therefore, it is losing the opportunity to ensure a demographic rebalance, increasing the numerosness of the younger generation living in the area, through migrants’ inflows.

4. Southern Europe countries: the new “horizontal wall” and the economic crisis

After the period 2008-2013, the southern countries of the European side of the Mediterranean not only have not yet retrieved the previous – and albeit insufficient

– values achieved in the socioeconomic development sector's indicators, but are still crossing a slowdown in the economic activity. During the economic crisis, across the European Union, 5.9 million jobs have been destroyed. Over the same period, Italy, Spain, Greece and Portugal have lost 6 million and 122 thousand jobs, with a shocking decline four times greater than the average decline observed in Europe (-11.5% and -2.6 % respectively).

The European Union has always indicated the employment as a key factor not only for the well-functioning and competitiveness of national States and the European Union, but also for the achievement of an inclusive society. High levels of employment not only reduce inequality and poverty between regions and social groups but play also a wider role in people's lives in identity, participation and inclusion. Large unemployment, on the contrary, not providing opportunities for a meaningful engagement in society and a sense of self-worth, leads to social exclusion, degradation of individual skills and poverty.

Germany, the country of the "fallen wall", realized the best European performance, with an increase of 1 million 909 thousand workers between 2008 and 2013, and a positive trend of its employment rate, which closed the considered period at 73.3% (+3.2 percentage points more than in 2008). In Italy, on the contrary, one of the countries closer to the invisible but firm "horizontal wall" in the Mediterranean, over the same period, the employment rate declined to 55.6% (-3.1 percentage points).

Italy, Portugal, Cyprus, Spain, Croatia and Greece show a combination of a very low current employment rate and a negative trend experimented over the last five years, both for the employment rate and the number of employed people. On the contrary, Germany, Austria, Luxembourg and Sweden not only highlight a current employment rate above the EU-28 average (64,1% in 2013), but also experienced a positive variation (2008-2013) of the employment rate.

Italy, moreover, highlights worrying internal differences, with a *Mezzogiorno* more and more far from the national and continental path of economic growth.

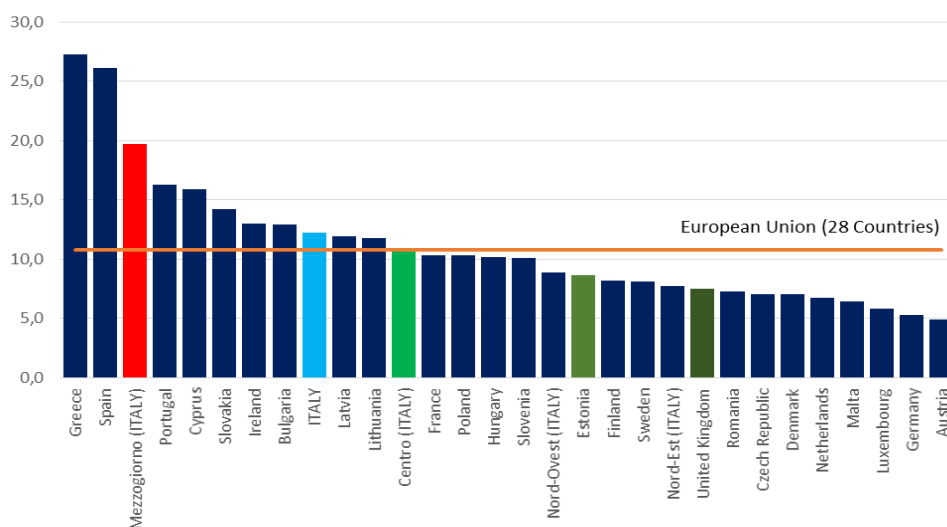
Looking at unemployment, it can be observed that a general negative trend crossed and characterized European Countries over the last five years: in 2013, the European Union reached the unsustainable figure of 26 million and 200 thousand unemployed people, due to an increase of 9 million and 460 thousand from the beginning of the crisis.

But, while in Germany, between 2008 and 2013 unemployed diminished by 866 thousand, the Mediterranean European Countries were at the same time undermined by an unemployment rate significantly higher than the Eu-28 average (10.8%), with percentages that in Greece and Spain even exceed 25%.

In Italy, in 2013 the observed unemployment rate reached 12.2% (+5.4 percentage points more compared with 2008), with an increasing that particularly

involved the *Mezzogiorno* (+7.7 percentage points), where the indicator reached a value of 19.7%, the worst value observed in EU-28 after Greece and Spain.

Figure 5 – Unemployment rate (%) in the European Union and Italia geographical macro-areas (2013)



Source: Eurostat, Labour Force Survey

The economic crisis particularly damaged the youngest generations. The average EU-28 employment rate of the age group 15-34, which in 2013 reached a value of 54.5%, decreased by 4.3 percentage points between 2008 and 2013. One more time, three European southern countries registered the worst decreasing trends: Spain (-17.4 percentage points), Greece (-16.8 percentage points) and Italy (-10.2 percentage points). Indeed, the economic and financial crisis led to a meaningful workforce reshaping by age, the more and more excluding the younger generations from the participation to the productive system.

The lack of a serious Euro-Mediterranean cohesion to find strategic synergies with the “other side of the wall”, which should on the contrary be a natural economic partner and outlet, doesn’t facilitate the healing of this complicated and multidimensional asymmetry between European Countries.

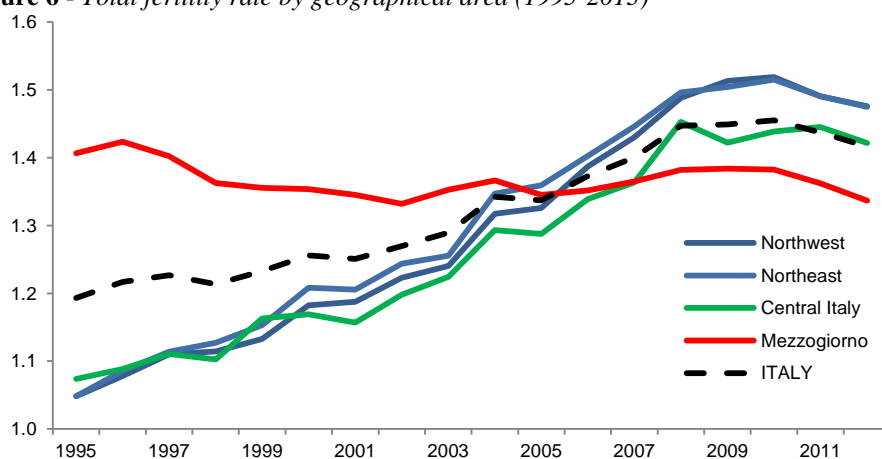
5. Italy outstretched into the Mediterranean: the case of Mezzogiorno

This economic framework, which affects the entire Italian territory, stands out with an exponential intensity and pervasiveness in the *Mezzogiorno* of Italy. The

“southern question” (“la questione meridionale”) has dramatically accompanied the history of Italy since its foundation as a nation-state, and has not been resolved over the decades.

Moreover, over the last decade, the socio-economic imbalance between the northern and the southern regions has been particularly exacerbated by the economic crisis. Consequently, the *Mezzogiorno* region seems to be the more and more a detached socio-economic iceberg both from Italy and from Europe.

Figure 6 - Total fertility rate by geographical area (1995-2013)



Source: ISTAT

In the South of Italy, where started the progressive and widespread loss of jobs, the economic crisis started earlier (in 2009 the male employment rate decreased by 2 percentage points, in comparison with -1.6 at a national level) and has been more serious (-4.2 percentage points compared with a decrease by -3.1 at national level). For the employment rate in the *Mezzogiorno*, the Italian Labour Force Survey registered a decrease by 4.1 percentage points over the last five years, exasperating already persistent inequalities among regions. The employment rate of *Mezzogiorno* was 42.0% in 2013, which is a very low level both in absolute terms and compared with the percentages of the other macro-areas: the 2013 employment rate was 59.9% in the Centre, 63.8% in the North-West and 64.9% in the North-East. Labour market difficulties determine a tragic level of absolute and relative poverty and material deprivation. In 2013, the relative poverty incidence was 12.6% among Italian households but it reached the 26% in the *Mezzogiorno*. Over the last year, the incidence of absolute poverty registered in *Mezzogiorno* was 12.6%, compared to the levels registered in the Centre (6.0%) and especially in the North part of Italy (5.7%), further separating the “two Italies”.

Another factor condemning the South of Italy to dangerously becoming more an “iceberg” detached from Europe is the emerging and abiding demographic crisis, which is weakening the already economically and financially exhausted *Mezzogiorno*, and pushing the southern part of Italy into a very quick and intensive ageing process.

The Italian *Mezzogiorno* is passing through a deep demographic revolution. The demographic transition has been also determined by a deep reorganization - individual and collective- of the life cycle. These changes of demo-social and economic-cultural structures strictly interacts with reproductive choices, impacting on possibility and calendar of life transitions. Consequently, the phenomenon of the postponement of childbearing has been reshaping our country's fertility patterns.

Mezzogiorno, which was the geographic area with the highest fertility rate in Italy still in the 90's, nowadays is characterized by the lowest fertility rate, strongly below the level of substitution, also for a lack of births from foreign women.

Combining the contraction of fertility rates and the increase in life expectancy, “population ageing” is becoming for the *Mezzogiorno* a serious “demographic shock” to cope with. In the following years, challenges tied with the “greying” of the population are expected to more and more impact on the economic, social and cultural sustainability.

6. A renewed governance for the Mediterranean Area

The world is changing deeply in all its fundamental components and in the relationship between states and macro-regions. We are in front of an historical change that seems to remind the glaciation or historical revolutions such as the industrial or the agriculture revolution, also due to the climate changes that with high degree of probability will have devastating effect.

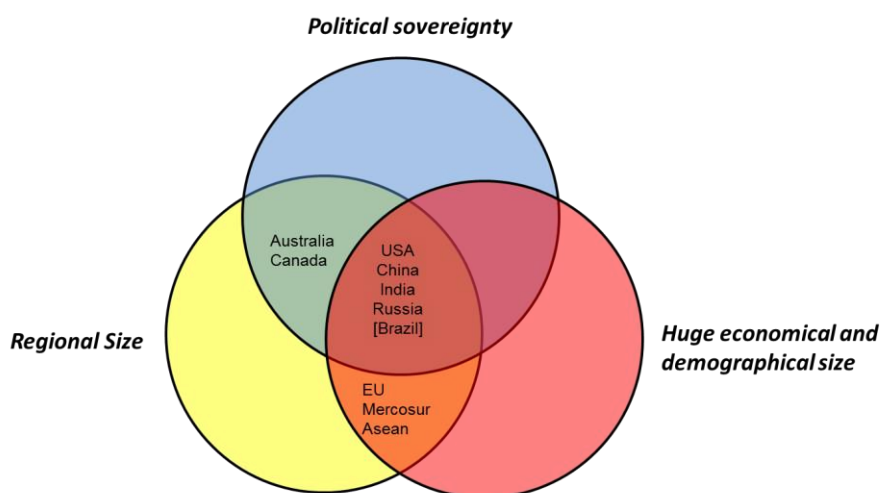
There is a significant difference versus the past: in a global ranking, the world population shows very broad gradients as never occurred in human history. Gradients which can now be known and perceived by individuals and peoples. Flexibility and adaptability will therefore become critical: change will be the driving force of human survival on earth.

All the processes described so far involve new demographic, economic, social, and therefore political relationships in the world. Yet, despite of these very deep changes, we are facing the huge and almost paralyzing problems of global governance. The multilateral model of the United Nations is more than ever in crisis, both at the level of the General Assembly and, even more, at the level of the Security Council, structured in a dated and anachronistic way.

At global level, the world government goes towards a regionalization to be institutionalized through different forms of representation in the international fora.

In the globalization era nation-states alone are no more adequate to define and manage the key political and economic phenomena. As suggested by Daniel Bell (1987), “the nation-state has become too small for the big problems of life and too big for the small problems”, not being able to influence global dynamics nor to address people’s daily life difficulties.

Figure 7 - Spheres of global governance



Source: Golini (2004)

The demographic and economic dimensions are gaining increasing relevance for the political vision and the operative management of international disputes. The absence of a long term global vision and in absence of international agreement on plenty of issues –e.g. financial markets, climate change, ecosystem protection, international migrations- threatens accumulate and risk to become unmanageable. Then too often the will and action of large and powerful corporations prevail both in domestic and global issues.

The process of globalization implies that only countries, or unions of countries, that possess simultaneously full political sovereignty, economic and demographic relevance, and regional influence, may aspire to any weigh and importance the international arena. Two major actions seem to be needed at global and local level. At global level, we are moving towards a regionalization that needs to be institutionalized in international context through new forms of representation within the UN system. At local level, in our area, the Mediterranean Union (i.e. the

Union of the 47 Euro- Mediterranean countries) would be important. Unfortunately, in the short terms, the implementation appears to be stuck.

Within the need for an urgent redefinition of the global governance stands the issue of a new governance of the Mediterranean basin.

For historical, geographical, political reasons, during decades the politics of the Union has looked eastward, leading to the desired enlargement in that area. Yet it is through the Mediterranean sea that many present and future very relevant and often global issues pass, with respect to peace, socio-economic development, peoples' relationships: issues like the enlargement to Turkey, the Israeli-Palestinian conflict, the ones in Syria, Lebanon and Libya, the stabilization and development of Northern Africa and the management of the African demographic explosion. Urgent and unavoidable are the attention and the action of the European Union towards the Mediterranean frontier, alike it has been towards the Eastern frontier before. With regard to the Mediterranean perspective, at least three major open questions remain:

- How will it be possible to sustain the European welfare now threatened on the one hand by the fast population ageing and on the other hand by the reduction of the number of jobs and workers due to both the rest of the world competition and the adoption of new technologies?
- How will it be possible to absorb the huge labour supply proceeding from Sub-Saharan Africa?
- How Northern Africa will face its population aging?

The complex governance of the Mediterranean issue cannot be managed with the modalities and procedures of borders' surveillance of "frontex" or "mare nostrum" (however saving lives in the sea remains a priority).

Instead, the Mediterranean Union may represent a possible answer to these questions.

In this sense few years ago French president Sarkozy re-launched the opportunity for a quick realization of a Mediterranean Union able to put major attention and start an adequate opening towards the basin.

The organization was instituted in 2008 and initially was supposed to include only Mediterranean countries. But after the expression of interest by many neighbouring countries, the Mediterranean Union was approved by 47 countries. Nevertheless the activities of the Union has been abandoned, firstly by the European countries. The economic and financial crisis which hit Southern European countries and the turmoil following the Arab spring contributed to slow the political answer to this wall.

Yet, its strong development would help accelerating the economic growth of Southern European countries and even more the Northern African ones. The latter will be essential to revitalize the whole Mediterranean basin and to at least partially

absorb the demographic pressure from Sub-Saharan Africa. The economic, political and demographic weigh of the whole Mediterranean Union would guarantee to the region a role as a main character in the international arena. Last, but not least, a newly flourishing Mediterranean would also help the Middle East peace processes.

In order to develop the Mediterranean Union, a synergic action would be needed by southern EU Member States at international and EU levels. Moreover, at Italian level, southern regions (the natural Southern border of Europe, as highlighted by Alberto Quadrio Curzio in a recent article). should take the lead in order to make the *Mezzogiorno* a real bridge towards the rest of the basin.

This articulated and complex picture should represent the overall framework to set the Italian action for the semester of Presidency of the European Union started in July 2014. The semester should be used in two major directions. Firstly, the revision of the European governance rules, pushing for the European Union to become a real political union with a further overcoming of the nation states. Secondly, the shifting of the axis of attention from the problems of the Baltic and Eastern area to the problems of the Mediterranean through the rediscovery and focusing of its politics, economy and culture.

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SUMMARY

The Mediterranean: an unsustainable wall towards Europe

The merging of Roman and Greek cultures in ancient times led to the flourishing of a sublime culture: Greek idealism, a civilization of music and philosophy, and the Roman pragmatism, made of law and rationality, blended to form a new culture which forms the basis of Western civilization. During the modern age, the control over the sea of the Maritime Republics made possible to build world jewels like Venice, Pisa and dozens of other magnificent coastal cities throughout the whole sea. Today, in the news and in our geo-political idea, the Mediterranean Sea is much more associated to the tragic migration events: the deaths of thousands of migrants full of hope shipwrecked south of Lampedusa.

The Mediterranean sea represents the new wall protecting the “fortress Europe”, the old iron curtain which today divides well-being from malaise, full democracy from partial democracy. A horizontal wall, insatiable of human lives much more than that old “vertical wall” challenged by who longed for a better future in Western Europe. This carnage, happening every other day in the our seas, should be our first concern.

A renewed flourishing of the Mediterranean basin must represent an Italian and European policy priority, looking for stronger cooperation, better economic conditions and the containing of migratory phenomena.

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HUMAN DEVELOPMENT CHALLENGES IN THE EURO-MEDITERRANEAN AREA

Marco Musella, Giancarlo Ragozini

1. Introduction

The development has to be studied with a new paradigm! In fact many and many researchers are feeling more and more disaffection for the old idea of growth based on the simple increase of income and consumption essentially measured through the variations in the gross domestic product (GDP). Three issues, emerged with strength in recent years, can be considered as causes of this disaffection:

- a) GDP emphasizes just one aspect of well-being and the well-living of people, as the Stiglitz-Sen-Fitoussi Commission focused in his 2009's Report and the subsequent activities (Stiglitz et al., 2009);
- b) GDP ignores the problems of inequality. And inequality has a terrible negative influence on social hardship and poverty (Wilkinson R., Pickett K., 2009).
- c) GDP also disregards the problems of sustainability at many different levels.

The Human Development Approach (HDA) has been elaborated in line with those criticisms and represents a new way for understanding the evolution of social and economical aspects of human life. It presents a lot of advantages in defining a general framework in which we can provide a new representation of the fundamental challenges that the human consortium has to face.

In this paper first of all we want synthetically underline the main theoretical characteristics of Human Development Approach (HDA). Then we try to emphasize the specific link between economic growths, as it is measured by rate of growth of GDP, and human development, as it is measured by human development index (HDI). The last part of the paper is devoted to propose some empirically based considerations on the human development and some of its possible determinants, with a special focus on the Euro-Mediterranean countries.

2. The Human Development: definition and measures

Sen in many of his essays gives a definition of Human Development: "Human development, as an approach, is concerned with what I take to be the basic

development idea: namely, advancing the richness of human life, rather than the richness of the economy in which human beings live, which is only a part of it (Amartya Sen, Professor of Economics, Harvard University Nobel Laureate in Economics, 1998).

In another essay, he clarifies: "In judging economic development, it is not adequate to look only at the growth of GNP or some other indicators of over-all economic expansion. We have to look also at the impact of democracy and political freedoms on the lives and capabilities of the citizens." (Sen, 1999, p. 150) and in the introduction of this book: "Freedoms are not only the primary ends of development, they are also among its principal means." (ibid, p.10).

According with the human capabilities approach, therefore, the central focus of the development is not the growth of the quantity of material goods that people consume, but increasing the liberty of the people to be or to do what they want, because the freedom is the much important characteristic of human beings. Indeed human life consists "of a set of 'doings and beings' – we may call them 'functioning' – and relates the evolution of quality of life to the assessment of the capability to function" (Sen, 2003, p. 4). It is important to underline that Sen emphasizes that the growth in availability of material goods can promote the expansion of freedom and it is not in contradiction with it. On this issue Sen's ideas is quite different with respect to the theory of degrowth of Serge Latouche (Latouche, 2009). However, Sen's theory of growth highlights that there is not an automatic effect of a greater availability of material goods on the improvement of the quality of life. Therefore it is needed to deeper investigate how and why the former generates the latter.

The Sen's approach, in which the development is considered an extension of the space of opportunities of individuals, has conquered the mind and the heart of all those who believe in the values of justice and equality, but, at the same time, are attached to the value of freedom. The connection between human development and the expansion of opportunities that prompted scholars and institutions to reason about the development as elimination of un-freedom produced by hunger, poverty, ignorance, preventable morbidity, discrimination, conditions of the absence of democracy and the indiscriminate exploitation of natural resources.

3. Human Development and Economic Growth

According to human development perspective, it is crucial to analyse the link between economic growth – i.e. increase in production, monetary income, amount of goods and services available to people and social groups - and human

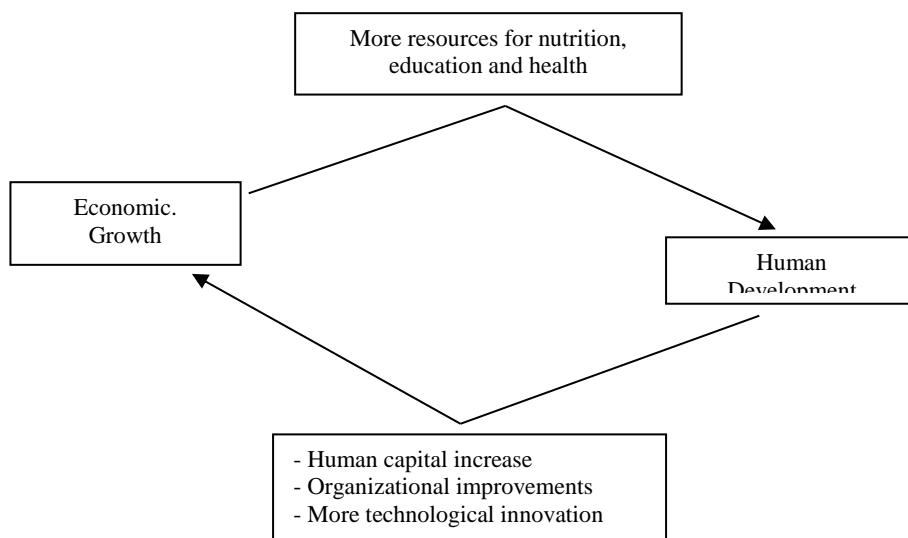
development – i.e., in Sen's language, enlargement of the space of opportunity to choose the life you want to do and to which you assign the value.

We have already said that the utilization of the adjective human to qualify the noun development means giving up the believing that there is an automatic effect of the growth of material wealth on the real space of freedom of the people to be and to do what they wish. Actually we must give more substance to this idea and reflect in constructive terms on the positive link of both the economic growth on the human development and of the human development on the level of income.

From the point of view of the capabilities approach to the first question is just to make it clear that the two phenomena are different and, therefore, require different measures (i.e. GDP rate of growth for the economic growth and improve of an index, such as HDI, human development index, for human development). There is also to make it clear that, in the view of Sen, Nussbaum and the scholars who are inspired by their thesis, the relationship between the two phenomena are bidirectional and not unidirectional, as dictated by the orthodox economic vision for which causality is always and everywhere from economic growth to human development. For scholars of the capabilities approach the links between growth of GDP and human development should, therefore, be studied in-depth and it is also important trying to measure their strength with empirical investigations refers both to different national and regional contexts and to different historical periods. However it is correct to build a theoretical interpretive framework that can adequately take into account bidirectional causality relations which, for many reasons, may be at work.

The diagram in Scheme 1, can help us to better focus the two "chains" -as they are called in the contribution of Ranis, Stewart and Ramirez published in the Handbook of Human Development (Ranis *et al.*, 2000) - which act to make economic growth as a source of human development and, at the same time, human development as a cause of economic growth. The former effect is based on the increase of resources that make it more workable strategies for human development, the latter on the effect of enlargement of the space of capabilities on the productivity of labor and technological innovation.

We begin to examine the factors that link the higher levels of GDP to human development. They are associated with a greater chance of a good life for the people and for the communities. First of all, the greater amount of resources available in the system raises the possibility of increasing the revenue from the tax and so to reinforce the commitment of the government to support programs for nutrition, education and health. It is self evident that the increased resources that flow to the State and public administrations are a necessary, even if not sufficient, condition for the purpose: the fight against hunger, ignorance, disease and poverty requires both political choices and economic resources.

Scheme 1 – *The Human Development - Economic Growth chains*

Consider also that an increase of the income produced and distributed will provide even more private resources that can be used to buy goods and services on the market. These latter can improve the health and nutritional status, as well as increase years of education and the participation in vocational courses and training.

According with the literature (see Ranis *et al.* 2000, and references therein) the link from the economic growth to human development is stronger when some specific conditions occur. In fact, the programs against hunger, ignorance and disease, have a better implementation, when the following conditions are verified:

- a) a greater weight of women in the administration of resources;
- b) a more equitable distribution of income;
- c) a greater share of public expenditure allocated in health, education or food programs.

The first condition regards most of all the countries in the developing world: many empirical studies show that women are more careful than men to the problems of correct diet for the family, education of children (all children, men and women) and health of family members. Data seem to confirm that when the women manage economic resources -both at home and in the institutions of public administration- the share of both private and public expenditure devoted to acquire products promoting human development tends to increase.

The second condition can be expressed as follows: with the same overall per capita income, when the income is distributed more equitably between the different

social groups of the community, there is a greater overall spending in education, health and nutrition in order to generate more high performance in terms of human development. The explanation of this stylized fact can be found in at least two elements: first of all, the poorer deciles of population spend a higher share of income for the satisfaction of the needs related to nutrition, health and education, secondly the positive association between greater equity in income distribution and degree of the attention of public institutions to the basic needs of the human persons.

The devolution of further shares of public expenditure programs against hunger, ignorance and for the health obviously has a direct and immediate positive effect of improving the standard of life (well-being) of the people. Moreover, we have to consider the positive effect on the private expenditure given by a higher public expenditure in education, good food and health. In fact, the education and health, in particular, but also the area of the production and marketing of food, especially in developing countries, are sectors in which private goods and services are complementary to public ones. As an example, we can consider that a health service is consumed by the individual, but is the result of a well-functioning of the system and it is possible only if there is an integration of different elements that are necessary for this purpose. Physical structures (such as a hospital, equipment, etc..), medical and health personnel adequately trained (and motivated), an organization of efficient service within a local network well thought out. Those conditions requires at least two elements: 1) an adequate commitment of the public sector (the Sovereign, Smith would have said) to ensure those public goods that no private has the convenience to produce; 2) a set of rules and institutions that only the public sector can ensure and enforce with rewards and punishments.

As regards the connection between human development and economic growth, the literature has highlighted a lot of ways in which the best results in terms of human development can support greater economic growth.

First of all we have to consider the positive effects on labour productivity of more education, better health and, why not, better nutritional status. This is especially true in those countries where hunger and malnutrition are still relevant social problems affecting large part of population.

Let's look in more detail the ways through which the human developments exert these positive effects on labour productivity. It is obvious that both better health care and better situation of nutrition reduce absence from work due to illness. At the same time they increase the effort of the workers and their efficiency, as the first models of *efficiency wage* clearly put in evidence when explain why it would be convenient, for the same firms, pay higher wages to the workers (Dasgupta and Ray, 1986, 1987).

With respect to the role of education, from an individual point of view, more knowledge, skills and abilities means for the economic agent an enlargement of the area of her/his freedom. It implies for him a better ability to fit in useful and profitable way in the economic process and in social life, gaining a lot of benefits both for herself/himself and for the community, i.e. a greater labor productivity provides benefits for firms and for the whole economic system.

On this point it is worth mentioning that the recent literature on growth (the so-called Endogenous growth models (Lucas, 1988; Rebelo, 1991)) emphasizes the role of the human capital in the introduction of technical innovations and, in this way, for the promotion of economic growth. Education has great relevance for the R & D that has a significant impact on total productivity increases and, through this way, on the growth of outputs and income. Moreover, the education has other positive economic effects:

- a) has a positive impact on exports;
- b) increases the equality
- c) reduces the problems of overpopulation

A greater attention should be devoted to the detailed analysis of each of these effects. However, for the sake of brevity and for the scope of this paper, we limit the present discussion to some short considerations.

The increase in exports is given by the chance for a country to improve their specialization and to occupy sectors with higher value added in the international division of labor, thanks to the higher qualification of its workforce. Assuming exports as the completely autonomous components in effective demand – as highlighted in an important and interesting body of literature that relates to Keynes and Hicks (Thirlwall, 2011) – we understand the macroeconomic relevance of this additional channel that can link human development and economic growth: more education, higher exports, higher level of aggregate demand and income.

The link between education and equality has been studied by a vast literature, both theoretical and empirical, that has analyzed the connections between differences in income and differences in education in various directions and from different points of view. On one side a lot of studies have deepened the reasons for which different levels of education generate higher inequality in wages and salaries emphasizing the way in which it start a cumulative causation mechanism. On the other side many studies have sought to understand how and why inequality produce different investments in human capital and, also in this case, the literature emphasizes “vicious and virtuous circle” that cause a progressive enlargement of the social distances. Finally we should mention the studies that have focused on the impact of education (and public programs to improve the levels of education for all) on equality, noting that in societies where it is the higher the average level of education, income distribution is more egalitarian.

4. The empirical analysis

All the theoretical issues discussed above lead us to construct and estimate some linear models that relate the human development and the other socio-economic features.

In order to collect the data we need for the models we analyzed several database. We focus on the Word Bank database for economic issues, Unesco databases for the education, on the International Labour Organization, on the Stockholm International Peace Research Institute (SIPRI), Yearbook: Armaments, Disarmament and International Security for the military expenditures, and Inter-Parliamentary Union (IPU) for the gender issues in politics. We fix as reference year the 2010. Within this large database, we selected all countries with a population larger than 300,000 people. Standard descriptive analyses have performed for variability, skewness, curtosis, presence of missing data and outliers.

With respect to the presence of missing data we decide to adopt a multiple imputation procedure with constraints (Scafer, 1997; Little and Rubin, 2002). The imputation procedures have been performed by using all the information available in the large database and not only the variables we selected for our purposes.

On the other hand, to deal with the presence of outliers, we decide to adopt a robust estimators for our linear regression models and in particular we use the least Trimmed Squares (LTS) estimators (Rousseeuw, 1984; Rousseeuw and Leroy, 1987).

In addition we considered also a dummy variable coding for each country being or not a Mediterranean country. Indeed, despite of relevant economic, socio-political, and cultural differences that characterize different countries, in our opinion the Mediterranean Area represents a very interesting laboratory for studying the relationship between economic growth and human development. The factors, that have been highlighted in literature as key determinants of virtuous circles fostering a positive relationship between human development and economic growth, seems to have larger effects in that Area with respect to the rest of world. For this reason we decided to test also the effect of the Mediterranean Area. The first relation that we tested was between the logarithm of GDP per capita and the HDI:

$$\text{Log}(\text{GDPperCapita}) = \beta_0 + \beta_1 \text{HDI} + \varepsilon \quad (1)$$

In the second and third models we tested also the effect of being a Mediterranean country by adding both a simple dummy and the interaction effect:

$$\text{Log}(\text{GDPperCapita}) = \beta_0 + \beta_1 \text{HDI} + \beta_2 \text{Med} + \varepsilon \quad (2)$$

$$\text{Log(GDPperCapita)} = \beta_0 + \beta_1\text{HDI} + \beta_2\text{Med} + \beta_{12}\text{HDI} \times \text{Med} + \varepsilon \quad (3)$$

Looking at results reported in Table 1, we can conclude that there is a strong positive effect of the human development on gross product per capita. The estimated coefficients through the OLS and LTS slightly differ. This latter performs generally better in terms of adjusted R^2 and estimate standard error spotting the presence of some anomalies. However, as the differences between the coefficients are not very large we can conclude that such outlying observations are not so influence.

Table 1 – Estimated regression models (M1-M3). Estimated coefficients through OLS and LTS, their standard errors (in *Italic*), R^2 for the estimated models. (Significant parameters are marked by: $^{\circ}p < 0.10$, $*p < 0.05$, $**p < 0.01$, $***p < 0.001$).

<i>Log(GDP)</i>	M1		M2		M3	
	<i>OLS</i>	<i>LTS</i>	<i>OLS</i>	<i>LTS</i>	<i>OLS</i>	<i>LTS</i>
Constant	2.38***	2.38***	2.82***	2.56***	2.85***	2.54***
	<i>0.22</i>	<i>0.19</i>	<i>0.23</i>	<i>0.19</i>	<i>0.23</i>	<i>0.19</i>
HDI	7.98***	8.58***	8.01***	8.30***	7.96***	8.33***
	<i>0.33</i>	<i>0.27</i>	<i>0.34</i>	<i>0.28</i>	<i>0.34</i>	<i>0.28</i>
Med	-	-	-0.07	-0.03	-1.26	-1.83
			<i>0.17</i>	<i>0.14</i>	<i>1.40</i>	<i>1.13</i>
HDI*Med	-	-	-	-	1.55	2.23
					<i>1.81</i>	<i>1.46</i>
R^2	<i>0.78</i>	<i>0.86</i>	<i>0.77</i>	<i>0.85</i>	<i>0.77</i>	<i>0.86</i>

There is no effect of being a Mediterranean country (the coefficient is close to zero and not significant at all), while there is a slight positive interaction effect, even if not significant.

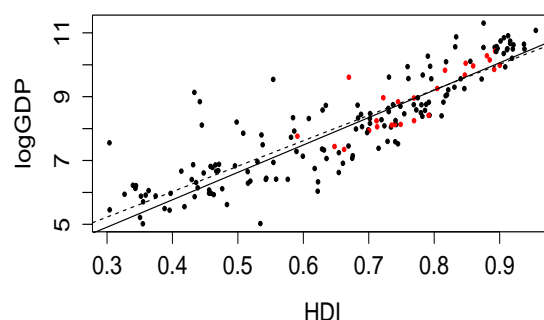
In Figure 1 we represent the relationship between the GDP and the Human Development Index adding the two estimated Models 1 (LTS solid line and OLS dashed line) and highlighting the Mediterranean countries as red dots. A small group of countries with low human development but a relatively higher GDP are evident on the left upper side of the scatterplot (Republic of the Congo, Djibouti, Equatorial Guinea, Somalia and South Sudan).

In order to go deeper in the analysis, we verify the idea of a relationship between the human development and the role of women in managing the resources, the income inequalities, and the amount of public expenditure in education, health and wellbeing.

Among all possible variables we have at disposal we select the gender parity index in tertiary school and the proportion of women seating in national parliaments to measure the relevance of women in the economy and in politics; the

Gini index for the income as measure of inequalities; and the military expenditure (the logarithm due to the high positive skewness) as measure of bad public expenditure. Note that in other models we test the expenditure for education but it is not significant at all in any models.

Figure 1 – Relationship between the GDP and the Human Development Index – (Model1)



Finally we add a dummy variable coding if the country belongs to the Mediterranean area. The two estimated models are:

$$\begin{aligned}
 HDI = & \\
 & \beta_0 + \beta_1 Women_{Seats} + \beta_2 GenderParityI + \beta_3 GiniI + \\
 & + \beta_4 \log(Military_{Expend}) + \varepsilon.
 \end{aligned} \tag{4}$$

$$\begin{aligned}
 HDI = & \beta_0 + \beta_1 Women_{Seats} + \beta_2 GenderParityI + \beta_3 GiniI + \\
 & + \beta_4 \log(Military_{Expend}) + \beta_5 Med + \varepsilon.
 \end{aligned} \tag{5}$$

Table 2 reports the results for models 4 and 5 with the parameter estimates obtained through both OLS and LTS estimators.

Looking at results reported in Table 2, we note that in these models the LTS estimators perform better than the OLS, in term of both standard errors of coefficient and of global goodness of fit measured by the adjusted R^2 . In particular, this latter highlights that the two models can be considered adequate and that the presence of the dummy variable coding the belongings to the Mediterranean area (with a significant coefficient) relatively improves the model. Moreover, being the coefficients estimated through the two methods quite similar, we can conclude that the result are stable even if there are some outliers.

Table 2 – Estimated regression models (M4-M5). Estimated coefficients through OLS and LTS, their standard errors (in *Italic*), R^2 for the estimated models. (Significant parameters are marked by: ° $p < 0.10$, * $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$).

<i>HDI</i>	M4		M5	
	<i>OLS</i>	<i>LTS</i>	<i>OLS</i>	<i>LTS</i>
Constant	0.777*** <i>0.0625</i>	0.632*** <i>0.057</i>	0.732*** <i>0.0628</i>	0.601*** <i>0.057</i>
Women Seats	0.0019* <i>0.00095</i>	0.002* <i>0.0008</i>	0.0023* <i>0.00094</i>	0.00199* <i>0.0008</i>
Gender ParityI	0.127*** <i>0.0158</i>	0.258*** <i>0.022</i>	0.126*** <i>0.0154</i>	0.252*** <i>0.0213</i>
Gini Index	-0.0046*** <i>0.0012</i>	-0.004*** <i>0.0099</i>	-0.0040*** <i>0.0012</i>	-0.0038*** <i>0.0094</i>
Log(Military Expend)	-0.0507*** <i>0.011</i>	-0.053*** <i>0.0096</i>	-0.047*** <i>0.0105</i>	-0.050*** <i>0.0094</i>
Med	-	-	-0.086** <i>0.028</i>	0.064** <i>0.024</i>
Adjusted R^2	<i>0.453</i>	<i>0.655</i>	<i>0.479</i>	<i>0.667</i>

As in our hypothesis, an higher presence of women in the economy and in the management of the resources, as well as higher levels of gender parity positively affect the human development. On the contrary, higher level of social inequality and higher level of public expenditure not in education, health, wellbeing, negatively affect the human development. Finally, given all the other effects, being a Mediterranean country has a positive effect on the level of human development.

These results combined with the ones related to models M1-M3 in Eqs. (1-3), in a path analysis perspective, allow us to establish a relationship between the role of women in the economic, the social inequalities, the quality of public expenditure and the GDP mediated by the human development. Note that we estimated a model with the same explanatory variables of models M4 and M5 and the HDI, considering as response variable the GDP. In such a case the only significant effect is for the HDI and also the adjusted R^2 are comparable with the models M1-M3. We estimated also a model that considers the GDP as response variable and the same regressors of models M4 and M5. In such a case we find some significant effect for the gender parity index and for the belonging to Mediterranean area (results are reported in Table 3), but quite poor adjusted R^2 . Moreover, in such a case the OLS estimates differ from the LTS one, highlighting a certain instability of results due to the presence of outliers. This confirmed our hypothesis that the considered variables affect the GDP passing through the human development.

Table 3 – Estimated regression models (M6). Estimated coefficients through OLS and LTS, their standard errors (in *Italic*), R^2 for the estimated models. (Significant parameters are marked by: $^{\circ}p < 0.10$, $*p < 0.05$, $**p < 0.01$, $***p < 0.001$).

<i>Log(GDP)</i>	M6	
	<i>OLS</i>	<i>LTS</i>
Constant	8.511*** <i>0.623</i>	5.743*** <i>0.607</i>
Women Seats	0.0139 <i>0.009</i>	-0.0029 <i>0.009</i>
Gender ParityI	1.131*** 0.154	2.210*** 0.204
Gini Index	-0.033** 0.0114	-0.0056 0.010
Log(Military Expend)	-0.314** 0.105	-0.028 0.099
Med	0.615* 0.278	0.71** 0.25
Adjusted R^2	<i>0.375</i>	<i>0.481</i>

5. Conclusion

This paper has emphasizes the need to study problems of development through a new paradigm: the *human development approach*, introduced by Amartya Sen has been presented as this new paradigm and has been expounded in its foundations underlining the bidirectional links between growth of economic magnitudes and development of set of people capability. In the empirical part of the paper we have underlined how the data confirm that the links are very strong in Mediterranean area and encourage new analysis in which human development approach is utilized for understanding the evolution of countries that border Mediterranean Sea.

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SUMMARY

Human development challenges in the euro-Mediterranean area

The Human Development Approach (HDA) has been elaborated in line with those criticisms and represents a new way for understanding the evolution of social and economic aspects of human life. It presents a lot of advantages in defining a general framework in which we can provide a new representation of the fundamental challenges that the human consortium has to face.

In this paper first of all we want synthetically underline the main theoretical characteristics of Human Development Approach (HDA). Then we try to emphasize the specific link between economic growth, as it is measured by rate of growth of GDP, and human development, as it is measured by human development index (HDI). The last part of the paper is devoted to propose some empirically based considerations on the human development and some of its possible determinants, with a special focus on the Euro-Mediterranean countries.

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INCOME INEQUALITY AND ECONOMIC GROWTH: AN EMPIRICAL INVESTIGATION IN MEDITERRANEAN COUNTRIES

Adalgiso Amendola, Roberto Dell'Anno

1. Introduction

Sizeable economic differences still exist among Mediterranean countries, which complicate the economic integration of the two shores of the Mediterranean. Examining the personal income distributions of these Mediterranean countries reveals structural differences in their levels of income inequality. However, over the last decade, disparities in economic development have decreased while the dynamics of income inequality have diverged among countries in different geographic and political areas of the Mediterranean (Capasso and Astarita, 2011; Amendola and Ferragina, 2011; El-Lahity 2012; Daniele and Malanima, 2013). Given this scenario, this article analyses the relationship between inequality and economic growth in Mediterranean countries.

The relationship between income inequality and economic development has spawned a large theoretical and empirical body of literature (for a survey, see Barro 2000, Forbes 2000, Kanbur 2000, Banerjee and Duflo 2003, Knowles 2005, etc.). Notwithstanding, the following puzzles remain: (i) whether a correlation between inequality and economic growth exists and the direction of the association, (ii) the nature of this relation (short or long run), and (iii) whether causality runs from economic growth to inequality or vice versa.¹ In this paper, we focus on the first question - the nature and direction of the correlation between income inequality and economic growth - focusing on 18 Mediterranean countries over the period 1995–2012. Banerjee and Duflo (2003) argue that three main sources of bias contribute to the inconclusive results produced by this strand of research: (a) measurement error in the inequality data, especially because many studies do not consistently distinguish between income distributions before and after taxes and transfers; (b) selection of an estimator approach; (c) non-linearity in the relationship between the level of inequality and growth. Similarly, Ehrhart (2009)

¹ See Amendola and Dell'Anno (2013) for an analysis of these issues for EU countries.

provides two main reasons for these controversial results. First, the statistical relationship between income inequality and growth may reflect the effect of omitted variables. For instance, Birdsall et al. (1995) claim that the strong negative correlation observed is due to the omission of educational variables. The second issue in empirical analyses is that this literature does not measure inequality consistently because of comparable data are lacking (Ehrhart, 2009). Knowles (2005) argues that studies predating the Deininger and Squire (1996) dataset include data of dubious quality. Recently, Thewissen (2013) observed that the most important concerns in research on inequality are the availability and quality of data. Atkinson and Brandolini (2001) emphasise that the larger income inequality databases that include observations for developing countries suffer from measurement error, low comparability among countries, and heterogeneity in survey design.

Keeping in mind these caveats, this paper contributes to this empirical literature using a new income inequality database recently proposed by Solt (2009): the SWIID dataset. This dataset addresses some of previously identified limitations, e.g., by reducing both measurement error and bias due to heterogeneity in survey design and by distinguishing between the pre- and post-tax income distributions.

We observe the following main results in this analysis of Mediterranean countries: (1) there is tentative empirical evidence that Granger causality runs from income inequality to economic growth, and we can unambiguously reject the hypothesis that Granger causality runs in the other direction; (2) an inverted U-shaped curve exists between income inequality and the growth rate of GDP per capita. However, the latter result depends on the data source used for the index of income inequality.

This article is organised as follows. Following this introduction, some stylised facts characterising income development and inequality in the Mediterranean are presented in Section two. Section three summarises the main theories of the relationship between inequality and economic development. The fourth section provides the econometric approach and empirical results. Section 5 concludes.

2. Some stylised facts about economic development and inequality in the Mediterranean

An interesting body of literature addresses disparities in economic development among Mediterranean countries and their causes (Amendola and Ferragina, 2011). These studies emphasise that Mediterranean countries experience significant differences in both medium- and long-run levels of development. In Table 1, we report values for the Human Development Index (HDI), 2012 Gross National

Income (GNI) per capita and annual growth rate of Gross Domestic Product per capita. The last two columns report the inequality-adjusted HDI and GNI Loss, which are calculated by the UNDP to incorporate losses in HDI and GNI due to the distribution of these achievements among the population by discounting the average value of each dimension by its level of inequality (UNDP, 2013).

As these data indicate, in 2012, the per capita GNI of the EU countries and Israel ranges from \$30,277 in France to \$19,907 in Portugal, while in the Balkan and Middle East and North African (MENA) countries per capita GNI ranges from \$26,224 in Israel to less than \$5,000 in Morocco and Tunisia. Similar differences can be observed in the HDI values. For high-income countries, HDI ranges from 0.90 in Israel to 0.81 in Croatia, while in middle-income countries HDI ranges from 0.79 for Montenegro to 0.59 for Morocco. Smaller development disparities are observed among Mediterranean countries than those recorded at the global level (Daniele and Malanima, 2008; FEMISE, 2013).²

Utilising long-term data from 17 Mediterranean economies, Daniele and Malanima (2013) demonstrate that income inequality, as measured by the Gini index of GNI, slightly increases until 1970, decreases until the mid-80s and then increases again. They conclude, "on the whole, between 1950 and 2000, inequality has grown and Mediterranean countries have gone through a phase of economic divergence" (Daniele and Malanima, 2013, p. 18).

This long-run increase in development disparities in the Mediterranean is a consequence of the effectiveness of the European integration process, which favoured economic convergence among the EU countries of the Mediterranean, at least until the beginning of the new millennium. However, because of the partial failure of the Euro Mediterranean Partnership, the absence of a similar process of trade and economic integration, has contributed to the divergence of the MENA countries (Amendola, 2011).

Over the last decade, differences in income and development decreased, especially as GDP growth slowed in more developed countries. Moreover, since 2008 the EU Mediterranean economies were deeply involved affected by in the global financial crisis and, since because 2011, they were also affected by the negative effects of the so-called "sovereign debts crisis" (Daniele and Malanima, 2013; Amendola and Ferragina, 2014). However the improved economic performance observed in MENA countries appears to be led by non-innovative sectors, such as energy and raw materials exports, migrant remittances, tourism and constructions (Corm, 2011; Ansani and Daniele, 2014).

² The recent crisis revealed that EU Mediterranean countries are also characterized by this weakness (Stiglitz, 2013; OECD, 2012).

Development is a multidimensional concept that considers not only per capita material living standards but also the distribution of income and non-material goods and services among individuals. Standard measures of development and growth, including HDI, ignore discrimination among household members who may not receive a proportional share of the outcomes considered. Hence, inequality in income and other dimensions of welfare should be addressed, especially in Mediterranean countries (El-Laithy, 2012).

Table 1 – *Mediterranean countries: human development and income indexes.*

	HDI*	GNI per capita*	Growth GDP per capita**		Ineq.-adjust. HDI Loss*	Ineq.-adjust. GNI Loss*
	2012	2012	mean '95-'08	mean '09-'12	2012	2012
Albania	0.749	7,822	6.8	2.8	0.139	0.183
Algeria	0.713	7,418	2.2	0.9		
Bosnia	0.735	13,300			0.115	0.192
Croatia	0.805	15,419	4.3	-1.9	0.151	0.278
Egypt	0.662	5,401	3.2	1.7	0.241	0.142
France	0.893	30,277	1.4	-0.4	0.090	0.133
Greece	0.86	20,511	2.9	-5.1	0.115	0.181
Israel	0.900	26,224	2.0	1.7	0.123	0.237
Italy	0.881	26,158	1.1	-1.3	0.119	0.181
Jordan	0.700	5,272			0.190	0.211
Lebanon	0.745	12,364			0.228	0.300
Macedonia	0.740	9,377	2.2	1.1		
Montenegro	0.791	10,471	3.4	-0.2	0.074	0.126
Morocco	0.591	4,384	2.7	3.3	0.297	0.23
Portugal	0.816	19,907			0.108	0.208
Serbia	0.769	9,533	4.5	-0.2	0.095	0.103
Slovenia	0.892	23,999			0.058	0.099
Spain	0.885	25,947	2.3	-1.8	0.101	0.197
Syria	0.648	4,674	1.3	1.7	0.204	0.183
Tunisia	0.683	8,103	3.8	0.8	0.252	0.218
Turkey	0.722	13,710	3.1	2.5	0.225	0.265
<i>Average (21)</i>	0.77	14,299	2.95	0.35	0.150	0.190
<i>EU (5)</i>	0.87	24,560	1.54	-1.72	0.110	0.180
<i>Balkans (7)</i>	0.78	12,846	3.03	0.23	0.090	0.140
<i>Middle East (5)</i>	0.74	12,449	1.28	1.18	0.190	0.240
<i>North Africa(4)</i>	0.66	6,327	2.98	1.68	0.200	0.150

Sources: *UNDP (2013); **WDI. Note: Turkey is included among Middle Eastern countries. Croatia and Slovenia are included in the Balkans countries.

Columns 3 and 4 of Table 1 report the percentage loss in HDI and GNI per capita values due to income inequality, which were recently calculated by the UNDP (2013). These two indicators help assess the economic performance of

Mediterranean countries with reference to the relationship between income disparities and economic development.

In 2012, the highest inequality adjusted GNI losses are observed for Lebanon, Croatia, Turkey, Israel and Morocco, with losses ranging from 30% for Lebanon to 23% for Morocco. This indicator suggests that excessively high inequality in the personal income distribution of a country can reduce per capita national income by approximately one-quarter. The smallest inequality adjusted GNI losses are observed for Slovenia, Serbia, Montenegro, France and Egypt, with smaller losses ranging from 10% for Slovenia to 14% for Egypt.

However, following Stiglitz (2012), examinations of the level and inequality of income should focus on the link between inequality and well-being. Inequality actually refers not only to income or consumption but also to the distribution of education, health services and security among individuals in a country. In Table 1, we also report the inequality adjusted HDI losses for 2012. The highest losses are again observed for Morocco (30%), Lebanon (23%) and Turkey (23%), but very high losses are also observed for Tunisia (25%) and Egypt (24%). The smallest HDI losses are observed for Slovenia, Montenegro, France, Serbia, Spain and Portugal, with losses ranging from 5.8% for Slovenia to 10.8% for Spain.

Several studies analyse the levels and medium- and long-run patterns of income inequality in the Mediterranean (Capasso and Astarita, 2011; El-Laithy, 2012; Sameti and Farahmand, 2013). These studies emphasise similarities and differences in both the levels and dynamics of income inequality among the different geographic and political areas of the Mediterranean. In Table 2, we report the income share held by highest 20% divided by the income share held by lowest 20% (the quintile income ratio), the ten-year income inequality indexes calculated by Capasso and Astarita (2011) and three measures of the Gini index. These data indicate that countries such as Tunisia, Morocco, Israel and Turkey are characterised by relatively high inequality. Other countries, such as Egypt and Algeria in the MENA region, France and Slovenia in the EU, and Serbia and Montenegro in the Balkans, exhibit relatively low inequality. However, the overall differences in income inequality are less prominent than expected given the observed disparities in development.

A peculiarity of the non-EU Mediterranean countries is that they are characterised by more equal personal income distributions than other middle-income countries, especially for monetary poverty incidence (FEMISE, 2013). Nevertheless, these countries show fragile income distribution structures. Significant shares of the populations of these countries live on the edge of the poverty threshold, and slight increases in food or fuel prices or unemployment can affect economic and political equilibrium (FEMISE, 2013).

As we can observe from Table 2, the EU countries exhibit lower inequality than other Mediterranean countries. From the mid-70s until the 2007 crisis, they also experienced slight decreases in the Gini index. This tendency is evident for France, Italy and, to a lesser extent, Spain and Greece, while Portugal represents a special case (OECD, 2011; Amendola and Dell'Anno, 2013). Several country studies reveal significant differences in the levels and long- and medium-term dynamics of income distribution as well as their causes. For example, the constant long-run decline in income inequality observed for France has been credited to particularly effective fiscal and transfer policies that favour the unemployed (Capasso and Astarita, 2011). Most recent studies suggest that Spain typically exhibits countercyclical behaviour in inequality indices (Pijoan-Mas and Sanchez-Marcos, 2010).

The Balkan countries also experienced slight decreases in inequality. However, missing data before 1990 does not allow reliable assessment of the long-run dynamics of the income distribution in these countries. Capasso and Astarita (2011) identify two common traits in the dynamics of inequality in Balkan economies. The first relates to the initial level of inequality, which is particularly low, as in all countries with centrally planned economies. The second common trait is the initial strong increase in the Gini index, which is a structural effect of transitioning to market economies characterised by greater competition and inequality. However, the dynamics of income inequality differ also among Balkan countries. For instance, Croatia and Slovenia were characterised by a stable level of inequality over the period 1990-2008 and strong growth following the period of central planning. For other Balkan countries instead, the Gini index presents a cyclically fluctuating trend (e.g., Macedonia) or an increasing dynamics (e.g., Montenegro, Serbia) (see Rutkowski, 1996; World Bank, 2006).

The patterns of inequality vary significantly across MENA countries. El-Laithy (2012) states, "only a slight change in the distribution of expenditure was detected for the majority of countries over the past two decades. In addition, with a few exception, inequality within countries is generally sluggish over time" (p. 12). Table 2 indicates that the highest levels of inequality are observed in Turkey, Tunisia and Morocco, while Egypt, Algeria and Syria are characterised by levels of inequality that are more moderate. Since the 80s, Middle Eastern countries have experienced continuous increases in income disparities and reached an intermediate level of inequality during the period 2000-2009. However, these results are strongly affected by inclusion of Turkey, which is characterised by very high levels of inequality. Therefore, by excluding this outlier, the average inequality in Middle Eastern countries decreased to the lowest rates in the Mediterranean. North African countries exhibit the highest levels of inequality. However, global income disparities have increased dramatically since the 90s (Karabsheh, 2001; World

Bank, 2002, 2006; Achy and Sekkat, 2004; Bourguignon, 2004; Khattab, 2005; El-Laythy, 2012; Femise, 2013).

Table 2 – *Mediterranean counties: human and development and income indexes.*

	Quintile Ratio	Income Inequality measure*				Gini ^{mkt}	Gini ^{net}	Gini
	<i>mean</i>	<i>mean</i>	<i>mean</i>	<i>Mean</i>	<i>Mean</i>	SWIID	SWIID	WDI
	'00-'10	'70-'79	'80-'89	'90-'99	'00-'08	'95-'12	'95-'12	'95-'12
Albania	5.3			29.3	29.6	34.8	30.2	31.2
Algeria			39.9	35.4		35.2	33.6	35.3
Bosnia	6.5			32.9	30.9			
Croatia	5.2		26.1	29.2	29.7	32.5	29.2	29.9
Egypt	4.4	35.8	35.5	37.7	36.1	34.9	35.3	31.5
France		37.4	34.9	29.3	27.6	46.1	28.3	32.7
Greece	6.2	41.7	36.3	34.7	33.3	40.3	33.6	34.3
Israel	7.9	36.6	39.6	38.9	38.1	44.8	35.6	39.2
Italy	6.5	38.6	33.4	33.8	33.9	45.8	33.5	36.0
Jordan	5.7	39.1	36.6	40.7	38.8			
Lebanon					36.0			
Macedonia			32.2	31.2	32.6	37.2	35.6	39.2
Montenegro	4.6			27.0	30.1	35.5	31.0	29.9
Morocco	7.3	56.8	41.0	39.2	40.9	41.1	38.4	40.3
Portugal		40.1	35.7	35.9	37.2	52.8	35.2	38.5
Serbia	4.2			27.0	35.5	35.2	30.6	30.7
Slovenia	4.8		21.9	26.0	26.1	34.0	23.1	29.9
Spain	6.0	34.8	30.3	32.0	32.1	42.1	32.9	34.7
Syria	5.7			33.7	37.4	37.4	34.8	35.8
Tunisia	8.1	44.6	40.7	40.6	40.6	39.6	37.6	40.0
Turkey	7.9	48.9	46.8	45.7	43.6	47.0	44.9	41.0
<i>Average (21)</i>	6.02	41.3	35.4	34.0	34.5	39.79	33.52	35.01
<i>EU (5)</i>	3.74	38.52	34.12	33.14	32.82	45.42	32.70	35.24
<i>Balkans (7)</i>	4.37		11.46	28.94	30.64	29.89	25.67	27.26
<i>Middle East (5)</i>	5.44	24.92	24.60	31.80	38.78	25.84	23.06	23.20
<i>North Africa(4)</i>	4.95	34.30	39.28	38.23	29.40	37.70	36.23	36.78

3. Income Inequality and Economic Growth

The relationship between economic disparities and economic growth has been explored in many empirical studies (e.g., Aghion et al., 1999; Temple, 1999; Kanbur, 2000; Barro, 2000; Banerjee and Duflo, 2003; Knowles, 2005; Ehrhart, 2009). Various theoretical explanations of how inequality affects growth have been suggested. A full discussion of these subjects is beyond the scope of this paper; however, following Ehrhart (2009), we classify this literature into two main types of explanations: (i) political economy and (ii) purely economic explanations.

Within political economy explanations, a first group of models argues that greater inequality motivates social demand for redistribution throughout political processes (e.g., Bertola, 1993; Alesina and Rodrik, 1994; Persson and Tabellini, 1994; Perotti, 1996). Typically, transfer payments and their associated taxation distort economic decisions; therefore, through this channel, inequality reduces growth. The second group of models (the socio-political unrest theory proposed by Barro, 2000) argues that high economic disparities cause political instability (Alesina and Perotti, 1994, 1996) and motivate the poor to engage in crime and disruptive activities (Bourguignon, 1999). Through socio-political unrest, inequality tends to reduce overall productivity and economic growth.

Of the “purely economic” explanations, a first approach hypothesises a (negative) relationship between inequality and growth due to the presence of imperfect capital markets (Galor and Zeira, 1993; Aghion et al., 1999). This proposition assumes that an unequal distribution of assets increases the number of individuals who do not have access to credit and, thus, cannot engage in productive investment. Through this channel, inequality reduces growth rates. According to the so-called endogenous fertility approach, income inequality noticeably reduces the future growth rate by positively affecting inequality in the overall fertility rate (e.g., Becker et al., 1990; Galor and Zang, 1997). Thus, worsening inequality jointly generates an increase in the fertility rate and a decrease in the rate of investment in human capital, which reduces the future growth rate of per capita GDP. A third approach claims that unequal distributions of income produce smaller domestic markets (Murphy et al., 1989). Domestic demand is thus too small to sustain fully developed local industries and to attract foreign direct investment. According to this approach, inequality reduces growth rates through lower exploitation of economies of scale and fewer incentives for foreign direct investment.

Many studies attempt empirical tests of theoretical hypotheses; however, these analyses often provide conflicting results. For instance, Alesina and Rodrik (1994), Persson and Tabellini (1994) Clarke (1995), Alesina and Perotti (1996), Deininger and Squire (1998) Kremer and Chen (2002), Josten (2003), Knowles (2005), Davis (2007), Pede et al. (2009), and De la Croix and Doepke (2009) observe that inequality reduces economic growth. Other studies observe a positive relationship between inequality and economic growth (e.g., Partridge, 1997; Li and Zou, 1998; Forbes, 2000; Castelló-Climent, 2004). Still other studies observe evidence of non-linear relationships similar to Kuznets (1955), e.g., an inverted U- shape (Barro, 2000; Banerjee and Duflo, 2003; Pagano, 2004; Voitchovsky, 2005; Bengoa and Sanchez-Robles, 2005; Barro, 2008; Castelló-Climent, 2010; Charles-Coll, 2010). Finally, some studies produce statistically insignificant or inconclusive results (e.g., Lee and Roemer, 1998; Panizza, 2002; Castelló and Doménech, 2002).

We contribute to this debate by exploring this issue for Mediterranean countries using different sources of inequality data. Accordingly, we provide an indirect test to control for measurement error in this empirical literature.

4. Empirical Analysis

In this section, we investigate the nature (i.e., long- or short-run dynamics) and direction of the relationship between income inequality and economic growth in a sample of Mediterranean countries. Two limitations usually affect empirical cross-country analyses of income inequality and growth: (i) measurement error and heterogeneous definitions of inequality; (ii) time horizons that are too short to analyse structural relationships and, more recently, a break in the data due to the economic crisis (2008–2009).

To control for measurement error, we use both the pre- and post-redistribution Gini index values estimated by Solt (2009) and collected in the Standardized World Income Inequality Database (SWIID) and the Gini index, decile and quartile share ratios collected by the World Bank in the World Development Indicators database³. The SWIID dataset maximises comparability of the Gini index by standardising observations from different data sources using the Luxembourg Income Study data.

This dataset also extends the sample period (from 1995 to 2012). The SWIID dataset provides the broadest available set of country-year observations by applying a custom missing-data multiple-imputation algorithm. Reducing missing values improves the analysis of the dynamic properties of inequality. Using of two data sources also verifies the robustness of the findings on the relationship between inequality and growth. Following Amendola and Dell'Anno (2013), this analysis first investigates whether (Granger) causality runs from economic growth to inequality and/or vice versa. We conduct Granger (1969) causality tests in the context of panel data to test whether previous changes in one variable help explain current changes in other variables. To control for spurious causality and potential omitted bias, we adopt a multivariate dynamic autoregressive model with fixed effects and a vector of control variables.⁴ The variables employed in the Granger test should be stationary; therefore, we employ the growth rate of real GDP per

³ The SWIID dataset is available at: <http://myweb.uiowa.edu/fsolt/swiid/swiid.html>.

⁴ These variables include potential causes of economic growth, i.e., log level of GDP per capita in 1992, propensity to invest in fixed capital (*K*), growth rate of the working age population as a percentage of the total population (*H*); openness to international trade (*Trade*), human capital measured by tertiary school enrolment (*Edu*), proportion of seats held by women in national parliaments (*WomP*). Two control variables are included in the regressions of income inequality: *Edu* and *WomP*.

capita (*GrGdp*) and the log level of income inequality (*Gini*) that consistent with panel unit root tests are $I(0)$.

According to redundant fixed effects, the best model specification is a one-way fixed-effect model, i.e., a model that includes only cross-country and time dummies for regressions (1) and (2), respectively. The two regressions for Granger causality test are specified as follows:

$$Ineq_{it}^{SWIID} = d_i + \beta_0 + \sum_{l=1}^m \alpha_l GrGdp_{i,t-l}^{cap} + \sum_{l=1}^m \beta_l Gini_{i,t-l} + \gamma_1 Edu_{it} + \gamma_2 WomP_{it} + \varepsilon_{it} \quad (1)$$

$$GrGdp_{it}^{cap} = d_i + \beta_0 + \sum_{l=1}^m \alpha_l GrGdp_{i,t-l}^{cap} + \sum_{l=1}^m \beta_l Gini_{i,t-l} + \gamma_1 Edu_{it} + \gamma_2 WomP_{it} + \gamma_3 K + \gamma_4 H + \gamma_5 Trade + \varepsilon_{it} \quad (2)$$

where *GrGdp* is the first difference of the logarithm of GDP per capita and all other variables are in logarithmic form. The χ^2 (Wald) statistic for the joint hypothesis: $H_0: \beta_1 = \dots = \beta_m = 0$ is the usual test used to identify Granger causality. We fix the length of lags (m) equal to three to conserve degrees of freedom. *Table 3* and *4* provide a selection of model estimates.

The Wald tests suggest rejection of the hypothesis that Granger causality occurs from economic growth to income inequality. Unfortunately, the results of the Wald tests are inconclusive for Granger causality from inequality to growth. For regressions (VII) and (IX), the statistical tests suggest rejection of the null hypothesis that the Gini coefficients (pre-transfers and pre-taxes) are jointly equal to zero but only at the ten percent level of significance. Similarly, tests of Granger causality from the Gini index (after redistribution: *Gini^{net}*) to growth cannot reject null hypothesis at the 1% level of significance in regression (XII). However, models XII and IX include only 83 observations; therefore, this result may depend on the sample composition.

In conclusion, there is only partial empirical evidence that Granger causality runs in one direction from income inequality to economic growth; however, we can unambiguously reject the hypothesis that Granger causality runs in the other direction.

Given these results, we investigate the effect of inequality on GDP growth over the long run. This methodology follows the original proposal of Mankiw et al. (1992) to estimate the rate of income convergence among countries, which has been recently used in inequality and growth research (e.g., Arjona *et al.* 2002; Voitchovsky 2005; Rooth and Stenberg 2011; Thewissen 2013). In this model specification, the dependent variable is measured as the average annual growth rate of GDP per capita adjusted for the business cycle; therefore, this value tentatively converges on its steady state value. In particular, we fix the period for computing average growth rates to four years. We assume that such a period reflects a

reasonable trade-off between a sufficiently long time to control for business cycle fluctuations and preserving the sample size to assess the growth of GDP.

Table 3 – Granger causality tests: regressions (1).

Dependent Variables	$Gini^{mkt}$			$Gini^{net}$		
	I	II	III	IV	V	VI
$GrGdp_{t-1}^{cap}$	-0.09*	-0.03	-0.08	-0.07	-0.04	-0.08*
$GrGdp_{t-2}^{cap}$	-0.02	-0.04	-0.01	-0.05	-0.06	-0.06
$GrGdp_{t-3}^{cap}$	0.08	0.04	0.06	0.003	0.01	-0.03
$Gini_{t-1}^{mkt}$	1.10***	1.31***	1.06***	1.00***	1.32***	1.01***
$Gini_{t-2}^{mkt}$	0.09	-0.02	0.08	0.18	-0.04	0.19
$Gini_{t-3}^{mkt}$	-0.33***	-0.33***	-0.28**	-0.29***	-0.30***	-0.26***
$Gini_{t-1}^{net}$	--	--	--	--	--	--
$Gini_{t-2}^{net}$	--	--	--	--	--	--
$Gini_{t-3}^{net}$	--	--	--	--	--	--
<i>Educ</i>	--	--	0.01	--	--	0.01
<i>WomP.</i>	--	--	0.00	--	--	-0.00
<i>K</i>	--	--	--	--	--	--
<i>H</i>	--	--	--	--	--	--
<i>Trade</i>	--	--	--	--	--	--
Gdp_{1992}^{cap}	--	0.00	--	--	-0.00	--
<i>Const.</i>	0.52***	0.10***	0.44**	0.38***	0.09**	0.18*
Obs.	189	168	171	189	168	171
years/count.	(13/17)	(13/15)	(13/17)	(13/17)	(13/15)	(13/17)
Fixed Eff.	count.	--	count.	count.	--	count.
R ² -adjusted	0.986	0.984	0.984	0.992	0.990	0.992
χ^2 Wald p-value	0.12	0.48	0.41	0.18	0.36	0.16

Notes: ***, ** and * denote significance at the 1%, 5% and 10% levels, respectively. Fixed effects are not reported. Standard errors are robust to heteroskedasticity (White method).

The variables on the right-hand side include an income inequality index with a lag of two years.⁵ The choice of lags reflects that the income distribution does not immediately affect economic growth but may take time (i.e., approximately five years). Other potential determinants of economic growth are taken at the beginning of each growth period. This lagged specification is also useful for preventing

⁵ The dependent variable is measured as averages over four years (from t+1 and t+4), which implies that the lag between the potential cause (i.e., inequality) and the effect on the centred value of income growth is approximately five years (i.e., from t-2 to t+2). We also estimate the model with three lags without qualitatively affecting the results.

endogeneity problems (Thewissen, 2013). The benchmark regression is specified as follows:⁶

$$\begin{aligned} GrGdp_{i,(t+1,t+n)}^{cap} = & d_i + d_t + \beta_0 + \beta_1 Ln(Ineq_{it-2}) + \beta_2 [Ln(Ineq_{it-2})]^2 + \\ & + \beta_3 Ln(K_{it}) + \beta_4 Ln(H_{it}) + \beta_5 Ln(Edu_{it}) + \beta_6 Ln(WomP_{it}) + \varepsilon_{it} \end{aligned} \quad (3)$$

where $i = 1, \dots, 18$ countries; $t = 1, \dots, 18$ years; $n=4$; and d_i and d_t are cross-sectional and time dummies, respectively. $Ineq_{it-2}$ indicates the proxies of income inequality extracted from the SWIID database (i.e. $Gini_{it}^{net}$, $Gini_{it}^{mkt}$) and WDI (i.e., $Gini_{it}^{WB}$, $Decile_{it}$, $Quintile_{it}$);

Table 4 – Granger causality tests: regressions (2).

Dependent Variables	$GrGdp_t^{cap}$					
	VII	VIII	IX	X	XI	XII
$GrGdp_{t-1}^{cap}$	0.41***	0.35***	0.31**	0.43***	0.34***	0.28**
$GrGdp_{t-2}^{cap}$	0.07	0.08	-0.19	0.09	0.09	-0.22
$GrGdp_{t-3}^{cap}$	0.01	0.01	-0.03	0.04	0.02	0.03
$Gini_{t-1}^{mkt}$	-0.10	-0.07	0.17*	--	--	--
$Gini_{t-2}^{mkt}$	0.12	0.08	-0.10	--	--	--
$Gini_{t-3}^{mkt}$	-0.04	-0.02	-0.05	--	--	--
$Gini_{t-1}^{net}$	--	--	--	0.00	0.07	0.26*
$Gini_{t-2}^{net}$	--	--	--	0.05	-0.10	-0.16
$Gini_{t-3}^{net}$	--	--	--	-0.05	0.02	-0.08
<i>Educ</i>	--	--	0.04**	--	--	0.04**
<i>WomP.</i>	--	--	-0.01***	--	--	-0.01***
<i>K</i>	--	--	0.03**	--	--	0.03**
<i>H</i>	--	--	5.54***	--	--	5.12***
<i>Trade</i>	--	--	0.01	--	--	0.004
Gdp_{1992}^{cap}	--	-0.01**	-0.01*	--	-0.01***	-0.003
<i>Const.</i>	-0.07	0.10**	-0.03*	-0.003	0.09	-0.24**
Obs.	206	183	83	206	183	83
years/count.	(14/17)	(14/15)	(7/15)	(14/17)	(14/15)	(7/15)
Fixed Eff.	years	years	years	years	years	years
R ² -adjusted	0.480	0.478	0.686	0.467	0.478	0.700
χ^2 Wald p-value	0.07*	0.84	0.08*	0.97	0.82	0.00***

Notes: see table 3.

⁶ We omit the control variable *Trade* because its missing values considerably reduce the sample size.

$GrGdp_{i,(t+1,t+n)}^{cap} = \left[\ln(Gdp_{i,t+n}^{cap}) - \ln(Gdp_{i,t+1}^{cap}) \right] / n$ indicates the average annual growth rate of GDP per capita at constant prices from t+1 and t+n.⁷ Furthermore, as usual in this literature, we include a set of control variables to reduce omitted variable bias.

Table 5 – Regression estimates (3) - Inequality indexes from SWIID.

Dep. Var.:	XIII	XIV	XV	XVI	XVII	XVIII	XIX	XX
$\overline{GrGdp}_{t+1,t+n}^{cap}$								
$Ln(Gini_{t-2}^{mkt})$	1.12***	0.84***	0.54*	-0.002	--	--	--	--
$[Ln(Gini_{t-2}^{mkt})]^2$	-0.15***	-0.11***	-0.07*	--	--	--	--	--
$Ln(Gini_{t-2}^{net})$	--	--	--	--	2.96***	-0.31	-0.37*	-0.007
$[Ln(Gini_{t-2}^{net})]^2$	--	--	--	--	-0.41***	0.04	0.05*	--
$Ln(K)$	-0.06***	-0.01**	-0.01	--	-0.06***	-0.01**	-0.01*	--
$Ln(H)$	1.29**	-0.61	--	--	0.56	-0.10	--	--
$Ln(Educ)$	-0.02***	-0.01	--	--	-0.03***	-0.01	--	--
$Ln(WomP)$	0.004**	0.0003*	0.002**	--	0.01***	0.0003*	0.003**	--
$Ln(Gdp_{1992}^{cap})$	--	-0.01***	-0.01***	-0.01***	--	-0.01***	-0.01***	-0.01***
Const.	-1.81***	1.40**	-0.89	0.08***	-5.04**	0.70*	0.77**	0.11***
Observ.	167	154	165	170	167	154	165	170
(time/cross)	(12/17)	(12/15)	(12/15)	(12/15)	(12/17)	(12/15)	(12/15)	(12/15)
Fixed Eff.	Countr. Years	Years	Years	Years	Countr. Years	Years	Years	Years
R ² -adj.	0.675	0.472	0.440	0.433	0.667	0.464	0.449	0.437

Notes: see table 3.

These include the propensity to invest in physical capital measured as the average annual of gross domestic fixed investment as a percentage of GDP (K); the growth of the working-age population as a percentage of the total population (H); the gross tertiary school enrolment rate (*Educ*); and a proxy for institutional quality, the proportion of seats held by women in national parliaments (*WomP*). The empirical analyses are conducted both with and without the initial level of real

⁷ We also estimate the regressions using moving averages of the GDP growth rate as follows: $GrGdp_{i,(t+1,t+n)}^{cap} = \sum_{n=1}^4 GrGdp_{i,t+n}^{cap} / 4$. The results are qualitatively unaffected and are available upon request from the corresponding author.

GDP per capita (Gdp_{i1992}^{cap}). Due to convergence, the level of income in 1992 is thought to negatively affect subsequent growth. As is common in the growth literature, all variables are expressed in natural logarithm form (Islam, 1995). The appendix provides detailed variable definitions and data sources.

Table 6 – Regression estimates (3) - Inequality indexes from WDI.

Dep. Variable:						
$GrGdp_{t+1,t+n}^{cap}$	XXI	XXII	XXIII	XXIV	XXV	XXVI
$Ln(Gini_{t,t-2}^{WB})$	0.84	-0.00	--	--	--	--
$[Ln(Gini_{t,t-2}^{WB})]^2$	-0.11	--	--	--	--	--
$Ln(Quintile_{t,t-2})$	--	--	0.18	-0.00	--	--
$[Ln(Quintile_{t,t-2})]^2$	--	--	-0.04	--	--	--
$Ln(Decile_{t,t-2})$	--	--	--	--	0.05	-0.00
$[Ln(Decile_{t,t-2})]^2$	--	--	--	--	-0.004	--
$Ln(K)$	-0.07**	--	-0.06**	--	-0.06**	--
$Ln(H)$	0.92	--	0.59	--	0.59	--
$Ln(Educ)$	-0.01	--	-0.01	--	-0.01	--
$Ln(WomP)$	0.00	--	0.00	--	0.00	--
$Ln(Gdp_{1992}^{cap})$	--	-0.01***	--	-0.01***	--	-0.01***
Const.	-1.31*	0.09**	0.06	0.07**	0.16	0.08**
Observations (time/cross)	80 (12/16)	83 (12/15)	80 (12/16)	83 (12/15)	80 (12/16)	83 (12/15)
Fixed Effects	Countr. Years	Years	Countr. Years	Years	Countr. Years	Years
R ² -adjusted	0.500	0.309	0.521	0.308	0.512	0.311

Notes: see table 3.

We consider two specifications of the least-squares dummy variable (LSDV) estimator: an LSDV that includes country and time dummies (LSDV two-ways) and a LSDV one-way with period dummies and initial GDP per capita.

Keeping in mind Banerjee and Duflo's (2003) hypotheses, we consider whether the relationship between income inequality and growth is robust to measurement error in inequality indexes. We also test for non-linearity by including a quadratic term for the measures of income inequality in the models.

Tables 5 and 6 present the results of regression (3) using SWIID and WDI data, respectively.

The indexes of inequality extracted from the WDI database include only 68 observations of 324 (i.e., 80% of the values are missing). Using these statistics produces statistically unreliable estimates using the lagged specification of regression (3). For that reason we compute moving averages over three years for the WDI statistics. These values are calculated as $Ineq_{i,(t,t-n)} = \sum_{n=1}^3 Ineq_{i,t-n-1}/3$, which doubles the number of observations included in WDI index of inequality, and supports the hypothesis that there is no simultaneous effect of inequality on economic growth. Table 6 provides the main results of this econometric exercise.

Tables 5 and 6 provide several model specifications with a number of additional standard growth determinants. The findings of this analysis suggest that an inverted U-shaped curve exists between the lagged value of income inequality and the annual growth rate of GDP per capita adjusted for business cycles. We do not observe empirical validation of a statistically significant relationship between inequality and economic growth when data extracted from the WDI are used. This result is likely a consequence of sample bias. In fact, the number of observations, despite using three-year moving averages is approximately half of number of observations provided by the SWIID data. Consequently, the statistical relationship between growth and income inequality suffers from data limitations in this analysis as well.

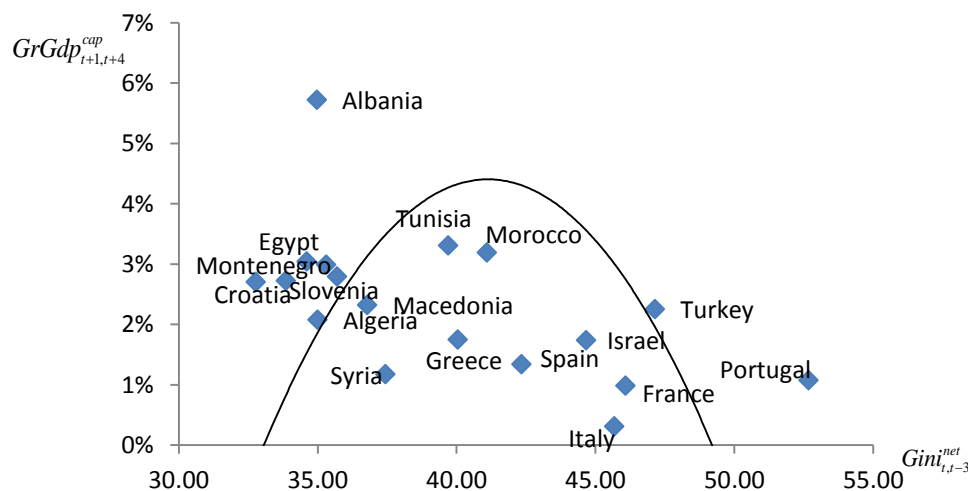
The final empirical exercise aims to capture a non-linear relationship between income inequality and economic growth utilising the steady state values of these variables. This analysis regresses the annual moving averages of the Gini index (pre-taxes and pre-transfer) over the previous four years ($Gini_{i,(t,t-4)}^{mkt}$) on the moving averages of GDP growth over the subsequent four years ($GrGdp_{i,(t+1,t+4)}^{cap}$). Using the LSDV two-ways estimator, the regression is specified as follows (t-statistics are in brackets):

$$GrGdp_{i,(t+1,t+4)}^{cap} = d_i + d_t - \underset{(-2.00)}{1.96} + \underset{(1.88)}{1.05} Ln(Ineq_{i,(t,t-3)}) - \underset{(-1.76)}{0.14} [Ln(Ineq_{i,(t,t-3)})]^2 + \varepsilon_{it} \quad (4)$$

where $i = 1, \dots, 18$ countries; $t = 1, \dots, 18$ years; 229 observations and $R_{adjusted}^2 = 0.570$. Figure 2 displays this relationship as estimated by regression 4 graphically, which reveals a relationship *à la Kuznets* between pre-redistribution income inequality and growth of real GDP per capita.

From a positive perspective, these findings suggest that the real GDP per capita turning point of this concave relationship occurs approximately at a pre-taxes and transfers Gini value of 42.5.

Figure 1 - Growth of GDP per capita and pre-redistribution Gini index (SWIID)



In conclusion, our data provides evidence of a non-linear inverted U-shaped relationship between income inequality and growth.

5. Conclusions

This article pursues two objectives: one focused on methodological concerns and one on public policy concerns. From a methodological perspective, the article compares the empirical findings produced by different sources of data on income inequality. In particular, we focus on 18 Mediterranean countries over the period 1995–2012. This approach reflects the authors' view that measurement error in the indexes of income inequality represents an important disadvantage within the empirical analysis of the relationship between inequality and economic growth. We observe varying findings obtained through different inequality statistics, and we agree with Banerjee and Duflo (2003) that measurement error is among the most serious limitations in this empirical field of study. The following potential shortcomings of this paper suggest cautious interpretation of the results: (i) inequality is a multidimensional phenomenon; therefore, scholarly attention to income inequality alone may produce a biased view of the relationship between inequality and growth (see Amendola, Dell'Anno, 2008, 2013 on this issue); (ii)

inequality and economic growth are known to be persistent phenomena; therefore, both of these processes are expected to exhibit slow dynamics. Although the sample period, which has a maximum length of 15 years, is long in this body of literature, it may still be insufficient to capture the long-run interactions between inequality and economic growth.

From a public policy perspective, two main results emerge for the 18 Mediterranean countries considered in this study. First, we observe that income inequality (as measured by SWIID) may Granger cause economic growth while we can unambiguously reject the hypothesis that Granger causality runs from growth to inequality. Second, we demonstrate that there is a statistically significant non-linear relationship (i.e., an inverted U-shaped curve) between inequality and economic growth. We observe that as the Gini index increases in Mediterranean countries, the GDP growth rate of the steady state first decreased, peaked, and then increased. However, this result only holds for SWIID data. There is no empirical evidence of a statistical correlation between WDI indexes of inequality and growth. Keeping in mind this caveat, applying the SWIID data, we observe that Mediterranean countries characterised by medium income inequality (i.e., a pre-redistribution Gini index of approximately 40-45) have the highest growth rates. In other words, countries with lower GDP per capita growth rates are characterised by inequality that is either too high or too low.

Appendix: Database

Variable	Description	Source [Code]	Mean	Max	Min	Obs
$Gini^{net}$	Estimate of Gini index of inequality in equivalized (square root scale) household disposable (post-tax, post-transfer) income, using Luxembourg Income Study data as the standard	Solt (2009) - SWIID 4.0 [gini_net]	33.52	48.34	22.06	256
$Gini^{mkt}$	Estimate of Gini index of inequality in equivalized (square root scale) household market (pre-tax, pre-transfer) income, using Luxembourg Income Study data as the standard	Solt (2009) - SWIID 4.0 [gini_market]	40.41	54.79	27.28	256
Redist	Estimated percentage reduction in market income inequality due to taxes and transfers: $100(Gini^{mkt} - Gini^{net}) / Gini^{mkt}$	Solt (2009) - SWIID 4.0 [redist]	16.06	40.04	-12.77	256
$Gini^{WB}$	Gini index measures the extent to which the distribution of income (or, in some cases, consumption expenditure) among individuals or households within an economy deviates from a perfectly equal distribution.	World Development Indicators (WDI) [SI.POV.GINI]	34.77	44.20	26.82	68
Decile	Decile share ratio is calculated as Income share held by highest 10%/Income share held by lowest 10%	WDI [SI.DST.10TH.10/SI.DST.FRST.10]	9.89	16.72	5.45	68
Quintile	Quintile share ratio is calculated as Income share held by highest 20%/Income share held by lowest 20%	WDI [SI.DST.05TH.20/SI.DST.FRST.20]	6.14	10.02	3.91	68
Gdp_{1992}^{cap}	GDP per capita is gross domestic product in the 1992 in constant 2005 US\$ divided by midyear population.	WDI [NY.GDP.PCAP.KD]	9389	28292	895.7	288
Gdp^{cap}	GDP per capita is gross domestic product in constant 2005 US\$ divided by midyear population.	WDI [NY.GDP.PCAP.KD]	11247	34982	956.9	317
$GrGdp^{cap}$	Annual percentage growth rate of GDP per capita based on constant local currency. Aggregates are based on constant 2005 US \$. GDP per capita is gross domestic product divided by midyear population	WDI [NY.GDP.PCAP.KD.ZG]	2.34	14.19	-10.88	318
K	Gross fixed capital formation (% of GDP)	WDI [NE.GDLFTOT.ZS]	21.82	38.25	9.95	311
H	Population ages 15-64 (% of total)	WDI [SP.POP.1564.TO.ZS]	65.44	71.07	53.03	324
WomP	Women in parliaments are the percentage of parliamentary seats in a single or lower chamber held by women.	WDI [SG.GEN.PARL.ZS]	14.41	36.60	0.60	265
Educ.	School enrolment, tertiary (% gross). It is the ratio of total enrollment, regardless of age, to the population of the age group that officially corresponds to the tertiary level of education.	WDI [SE.TER.ENRR]	40.44	94.97	9.09	264
Trade	Trade openness Index. (Exports of goods and services in current US\$ + Imports of goods and services in current US\$) / GDP in current US\$.	WDI [(BX.GSR.GNFS.CD+BM.GSR.GNFS.CD)/NY.GDP.MKTP.CD]	0.77	1.46	0.45	135

Note: The countries included in the empirical analysis are: Albania; Algeria; Croatia; Egypt, Arab Rep.; France; Greece; Israel; Italy; Macedonia, FYR; Montenegro; Morocco; Portugal; Serbia; Slovenia; Spain; Syrian Arab Republic; Tunisia; Turkey.

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SUMMARY

Income inequality and economic growth: an empirical investigation in Mediterranean countries

This article analyses the relationship between inequality and economic growth in Mediterranean countries over the period 1995–2012. We pursue a twofold objective. From a methodological point of view, the article compares empirical findings based on different sources of data on income inequality. This analysis supports the view that the measurement errors on the index of income inequality represents an essential drawback in this literature. From a public policy perspective, for Mediterranean countries: (i) we find that income inequality may Granger causes economic growth while we can unambiguously reject the hypothesis that Granger causality runs to the other way; (ii) we find an inverted U-shaped curve exists between income inequality and growth rates of GDP per capita. That is inequality is detrimental for growth only if it is relatively high while, when the size of income disparities is low redistributive policy may influence positively the economic growth.

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ANALYZING MARITIME ECONOMY IN THE MEDITERRANEAN: A FOCUS ON THE CAMPANIA REGION

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1. Introduction

In the competitive game among different territories which characterizes global economy, the integrated management of adjacent and complementary sectors for the realization of large business clusters strongly affects regional economic development and competitiveness (Porter, 1998, 2000). According to Porter, firms and other actors are recognized to belong to a cluster if they run business in close technological and organizational proximity with neighboring economic activities, boosting value creation and successful inter-firm relations for innovation. The fruitful interaction among the key players in a cluster becomes, indeed, both the determinant and the consequence of the focalization of various business domains around “converging” economic activities (De Langen, 2004).

In this perspective, maritime economy constitutes a rather unique array of neighboring industries in which players closely interact and compete with each other. Maritime transportation is composed by a number of highly specialized businesses where shipowners aim to ship cargoes on a global scale. Sea-side operations are inextricably linked to port and hinterland economic activities which, in turn, heavily affect the competitiveness of the whole supply chain. Port-cities and surrounding territories are engaged in a hard challenge, which asks to combine the provision of efficient logistics services with the societal and green claims of local population (Parola and Maugeri, 2013).

This paper performs an empirical investigation on the maritime economy in Campania, unveiling how maritime-related businesses contribute to foster the economic development of the entire region. With the aim to study in more detail the maritime economy of this region, we sampled two diverse clusters of interlinked maritime businesses, composed as follows: i) Cluster 1; sea-fishing, sea-land logistics activities, sea-related key activities, and tourism in maritime provinces (i.e. macro-cluster); ii) Cluster 2; sea-land logistics and sea-related key activities (i.e. micro-cluster).

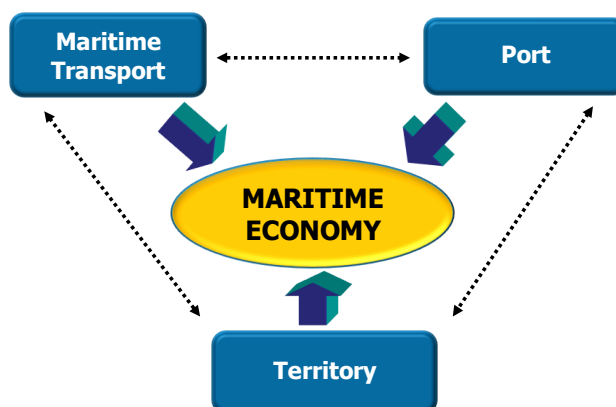
The paper is structured as follows. Section 2 illustrates the dominant paradigms which characterize maritime economy, focusing on definitions, critical trends and

the notion of port competitiveness. Section 3 investigates the economic relevance of maritime economy in Campania, against national and Mediterranean contexts. Finally, Section 4 addresses some concluding remarks and raises potential weaknesses and threats that might affect the development of maritime economy in Campania.

2. Maritime economy: definition, critical trends and port competitiveness

As widely recognized, maritime economy constitutes a complex and multi-facet business environment, which embraces a number of interconnected economic activities and involves both public and private actors. Maritime economy represents a business ecosystem originating from sea transport operations and port activities and (also) includes those entrepreneurial initiatives which take place in the hinterland in close connection with port businesses (e.g., road and rail transport, warehousing, bank and insurance companies, etc.). In particular, port activities comprehend economic initiatives such as: cargo handling, logistics and distribution, maritime industrial development areas – MIDAs (e.g., refineries, steel plants, power plants, etc.), specific manufacturing activities (e.g., postponement, final assembly, etc.), shipbuilding, and tourism (i.e., cruise, ferry and pleasure passengers). Indeed, these businesses are rather heterogeneous in nature and show different claims in terms of space, investments and resources to be committed (Goss, 1990; Notteboom and Winkelmanns, 2001).

Figure 1 – *Maritime economy: a multi-facet business environment.*



Source: authors' own elaboration.

The value released by port activities and maritime economy as a whole is basically affected by the degree of integration among various sea-related businesses and by the potential flourishing of synergic inter-firm interactions. These economic activities quite often hold diverging interests in terms of ultimate strategic objective and /or resources to be gathered. For such intrinsic conflictual games which take place in ports, public organizations and regulators are growingly called to pursue a sustainable development, in economic, social and environmental terms (i.e., triple bottom line) (Parola and Maugeri, 2013).

2.1. Main challenges and path-breaking events

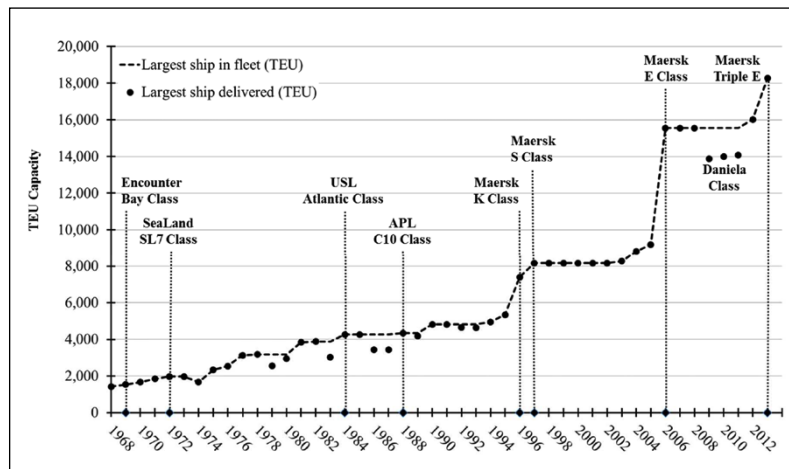
Over the last decades the maritime and port industries experienced profound transformations, which imposed to public institutions and private firms enormous efforts for keeping the pace of market changes. The economic globalization widened the geographic scope of inter-firm competition and the environmental context became more complex and volatile. In manufacturing sectors, technological innovations have turned the organization of production and distribution, driving multinationals to require logistics services; of higher quality and degree of customization (Baudoin and Collin, 2006). The maritime transport industry has been facing the dramatic expansion of world trade, characterized by superior growth rates of high value cargoes (e.g., components, semi-finished products, manufacturing goods, etc.) against raw materials (e.g., oil and derivatives, coal, iron ore, etc.). In this context, the adoption of the maritime container and intermodal solutions became the dominant logics in the organization of flexible and geographically outstretched supply chains (Notteboom and Rodrigue, 2005; Frémont, 2009). The standardization and massification of transport operations along the foreland-hinterland continuum generated harder and more complex interactions between ports and their own territory. Gateway ports, in fact, risk now to become simple “transit nodes” within the supply chain, unable to “capture” for their own territory a significant portion of the value of transported goods. Besides, we have to recognize that modern ports produce relevant negative externalities, in terms of pollution (e.g., air, water, noise, etc.), road congestion and accidents, which have an impact on the social and economic activities of the city and its citizens. As a result, gateway ports seriously risk to be perceived as an “extraneous body”, and not like a powerful strategic lever for generating economic growth and wellbeing in a sustainable perspective (Debie et al., 2013).

In recent years, the shipping industry experienced some radical changes which quickly transformed the relation among maritime transport, port operations and hinterland transportation. In this vein, the growing resort to economies of scale in

vessel size (a) and the proliferation of consortia and global alliances (b) have been provoking a shift of the competitive paradigms in the industry.

Since the beginning of the containerization the average vessel size has been increasing steadily (Cullinane and Khanna, 2000). Typically, shipowners try to reduce transport costs per unit in order to be more competitive and preserve financial margins. After a period of relative stability between 1988 and 1996 a major step change in ship size occurred with the introduction of Maersk K-Class ships, with capacity above 6,000 TEUs. A further breakthrough took place in 2006 with the deployment of Maersk E-Class ships, breaking the barrier of 15,000 TEU capacity. Despite the economic crisis (2008-2009) major shipowners decided to speed up on the pathway of vessel gigantism, imposing a tremendous acceleration over the last five years. Top market players such as Maersk, MSC and CMA-CGM were forced to pursue that aggressive option for reducing costs and managing the collapse of global demand. This cost leadership strategy finds now its ultimate solution in the deployment of megavessels reaching 18,000 TEUs and beyond (400 mt length) (Martin et al., forthcoming).

Figure 2 – *The growing economies of scale in container vessel size (1968-2013).*

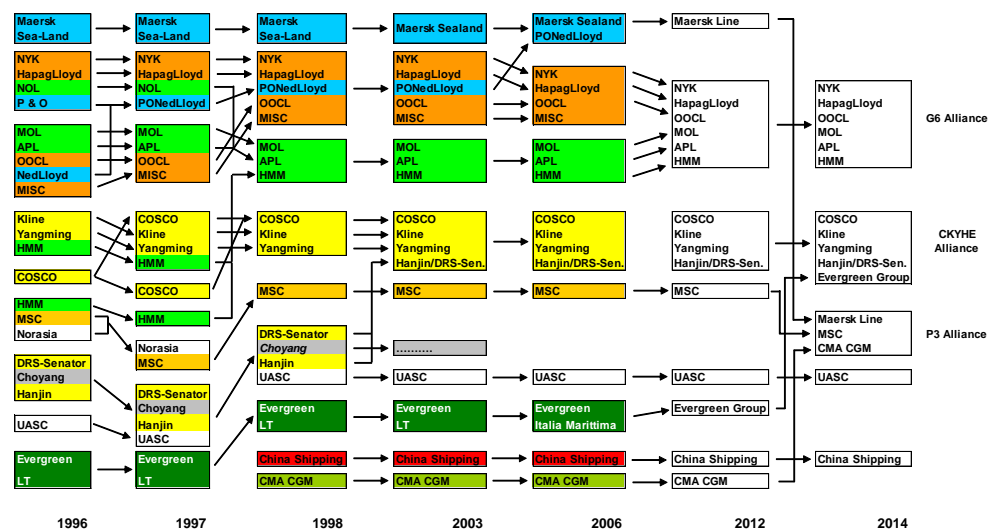


Source: Martin et al. (forthcoming).

The utilization of such giant ships inevitably drives to key challenges from various perspectives. Port nautical accessibility, port turnaround time increase, and growing port costs are just some of the major managerial threats that shipowners are called to address. In addition, the adoption of larger vessels makes the achievement of break-even targets more difficult. As a result, shipowners

necessitate to aggregate demand flows for compensating the growing vessel size and safeguarding utilization ratios. For this reason, the last few years showed an unprecedented surge of cooperative agreements among carriers, with the aim of sharing commercial risk and investment burden (Heaver et al., 2001; Panayides and Wiedmer, 2011). Container shipping industry has thus increasingly introduced cooperative strategies into its organization, resulting in a growing market concentration. Several types of cooperative strategies, from consortia to strategic alliances, are present in the container shipping market. Strategic alliances are agreements where carriers manage several joint shipping services worldwide, and by doing so, alliance members also share investment risks (Lorange, 2001). Two major strategic alliances currently operate in the market: G6 Alliance, derived from the merger between Grand Alliance and New World Alliance, and CKYHE Alliance, which recently absorbed Evergreen Group; it is noteworthy that these two alliances involve many of the world’s leading carriers. In June 2013 (Financial Times 2013) a new agreement known as P3, among Maersk, MSC and CMA-CGM concerning the Far East-Europe shipping route, was announced. The agreement involves the “big three” shipping companies in the world and therefore it is subject to formal approval by regulators and policy makers: so far it has got contradictory advices by antitrust agencies in various countries/continents (June, 2014).

Figure 3 – The evolution of global alliances in liner shipping.



Source: authors’ own elaborations from Midoro and Parola (2013), corporate websites, annual reports and specialized press.

The introduction of megavessels and the recent momentum in shipowners collaborative ventures questioned the sustainability of the port industry and posited new challenges to port managers and policy makers. From an operational viewpoint ports have now to deal with much bigger vessels needing more profound draughts, longer berths and technologically advanced handling equipment. The larger amount of cargo loaded and unloaded by each ship (i.e. “call size”), indeed, brings new challenges in organizing and managing the handling process as well as in safeguarding the quality of operational performance (e.g., queuing time before berthing, moves per hour, reliability of vessel turnaround time, etc.). Maritime operational challenges also strongly affect hinterland transportation (Notteboom and Rodrigue, 2010). The bigger call size of vessels inevitably requires the utilization of inland transport modes capable of facing the enormous amount of cargo generated by sea, i.e. suitable rail and barge services, in terms of frequency and size of connections.

In order to address operational challenges private firms and public institutions (i.e. primarily Port Authorities) have to realize growing investments in port and inland infrastructures, handling equipment, warehouses, and technology. The large amount of financial resources which are needed to carry out such investments has generated a new pressure on Port Authorities and imposed emerging public-private partnership (PPP) schemes. This dynamics often translates into the development of reform process in port governance and administration, as well as into the introduction of innovative funding procedures for long-term planning.

The quest for additional investments is not just an issue of capacity (operational concern) or funding (financial coverage), but it growingly relates to sustainable development and environmental constraints. Port Authorities, in fact, are forced to find conciliating solutions in port expansion and restructuring, in order to preserve their relationships with the most salient stakeholder groups (Dooms et al., 2013).

2.2. Port competitiveness

The notion of competitiveness has often been debated in port economics literature (Notteboom and Winkelmanns, 2001; Tongzon and Heng, 2005), as a comparative concept that deals with the capacity to provide value proposition (goods, services, hybrid offers, etc.) in a specific market at better conditions than competitors (Porter, 1980; Grant, 1991). A firm can be defined as competitive if it is able to create and sustain a competitive advantage in the short, medium and long term. This notion is widely used in strategic management in regard to business behaviour but it has also been extended to the competition among nations (Porter, 1990). Coherently, in the maritime industry we have observed during last two decades an increased competition among ports with reference to: a. technological

and organizational innovations (i.e. containerisation and intermodalism); b. the emergence of international players such as carriers and terminal operators. Nowadays, port hinterlands are increasingly contestable and discontinuous. In such a context, the drivers of competition have become more complex and are not merely bound to stand-alone factors such as handling productivity, infrastructural equipment, nautical accessibility, etc. (Notteboom, 2008). External factors such as hinterland connectivity, national transport policy, clustering of logistics activities are becoming increasingly important, along with factors regarding the supplying of “soft” services, such as information technology, customs clearance and security (Parola and Coppola, 2011).

In order to be competitive major ports have to manage a growing complexity, both in terms of structural variables (i.e. plants, infrastructures, superstructures, etc.) and service variables. Indeed, these factors are able to produce value added to a port: investing in single elements, without a wider development plan, does not always generate expected results in terms of competitiveness (Parola and Coppola, 2011). Achieving goals such as the speeding up of operations is not feasible if at the same time infra- and supra-structures (structural variables) and faster systems able to guarantee security (services variables) have not evolved. For this reason, major ports can be classified as port complexes fully adequate to the needs of maritime trade. These ports hold a leadership position thanks to the effectiveness of their organization, which aims to enlarge operational areas and cannibalize competitors’ market share. Achieving these goals is the outcome of a process of continuous modernization of structures, professionalization of personnel, and awareness of cutting-edge topics at international level, such as environmental protection, security and safety. In major ports, as mentioned, the pursuit of such objectives is made difficult by the complexity of shipping networks and the relationships among actors. The theoretical paradigm of the perpetual throughput growth is therefore challenged by operational, social and environmental concerns, given the risk of overcapacity and diseconomies of scale.

3. Maritime economy and port competitiveness in the Mediterranean area: a focus on the Campania Region

Until the early '90s, the Mediterranean area was virtually excluded from the main East-West trade routes within maritime transportation networks. Shipping companies preferred to call Northern European ports for both transatlantic and Europe-Far East services. In this period, major Mediterranean ports were mainly involved in short sea shipping services and North-South routes. The ports of Southern Europe were relegated to a secondary role within global transport

networks. This scenario was generated by some competitive factors which notably characterized Mediterranean ports such as: a. the persistence of the public port system; b. the monopolistic structure of the port labor; c. the lack of a strategic planning able to define long-term port development; d. the lack of reliable intermodal connections with the hinterland; e. a secondary role within global (maritime) transport networks (Parola and Musso, 2007).

Over the last two decades, however, the scenario has significantly changed. Globalization, the delocalization of economic activities in areas with a lower labor cost and the abolition of tariff barriers to trade are the main factors that have profoundly transformed the structure of deep-sea maritime services (Notteboom and Winkelmanns, 2001; Ferrari et al., 2008). Transatlantic routes have suffered a stagnation in the volumes transported whereas Europe - Far East services have experienced impressive growth rates, reaching values close to those of the transpacific route. In this context, the Mediterranean area has gradually regained its centrality in trade patterns thanks to its geographic baricentric position compared to Europe-Far East services (Zohil and Prijon, 1999; Parola and Musso, 2007). Moreover, the process of governance reform that has been developed in many Mediterranean nations has enabled a significant increase in operational performance, thus strengthening port competitiveness (Gonzalez Laxe, 2008).

The Mediterranean has experienced the development of some historical gateway ports - such as Barcelona, Valencia, Genoa, Marseilles, etc. - coupled with the dramatic surge of new transshipment hubs located in both advanced and emerging economies. These transformations have allowed Mediterranean ports to capture increasing traffic volumes, particularly from the Far East.

In relation to the competitive games taking place in the Mediterranean, it is worth mentioning that in advanced economies port development is a rather complex deal. Gateway ports are commonly forced to manage spaces which are more and more limited, encounter problems in funding infrastructures as well as difficulties in managing conflictual interactions between the port and its territory (i.e. *demaritimisation*: Benacchio and Musso, 2001; Moglia and Sanguineri, 2003). Besides, European transshipment ports now suffer the aggressive strategic development of North African hubs (e.g. Morocco, Egypt, Algeria), and experience traffic diversions as a result of the delocalization choices of major shipping companies.

3.1. Campania and maritime economy: an empirical investigation

In order to assess to what extent the economy of Campania is deeply rooted in sea related activities, we collected and processed firms' data carrying out two different aggregations. Cluster 1 (macro-cluster) comprises companies that operate

in fishing activities, sea-land logistics, sea-related key activities and the tourism in maritime provinces. Conversely, Cluster 2 (micro-cluster), which is narrower, includes only firms operating in sea-land logistics and sea-related key activities.

Table 1 – *The macro-cluster of maritime economy in Campania: main economic data.*

Variables	Values (2011)	% on regional economy	% on national economy	Δ% 2006-2011
Revenues	6,141.94*	7.61%	4.43%	14.38%
Employees	40,282.00	9.70%	6.29%	138.52%
Value added	1,618.10*	9.90%	6.75%	25.54%
Exports	276.45*	2.93%	1.10%	31.50%
Imports	1,680.64*	13.23%	15.96%	-16.49%
No. of firms	7,102.00	6.86%	8.84%	N.A.

Notes: * million Euro.

Source: authors' own elaboration from AIDA and ICE.

In regard to Cluster 1 (Table 1¹) the aggregated firms' revenue is equal to 6,141 million Euro (2011), with a 14% increase from 2006. The value added of such activities amounts to 1,618 million Euro, showing a higher growth (about 25% from 2006). This cluster occupies more than 40,000 employees in around 7,000 firms, unveiling a significant increase also driven by the development of tourism in the region.

This broad maritime cluster holds a relevant role in both Campania and national economy. Indeed, these firms occupy 9.70% of the total number of regional employees, holding a 9.90% share of the regional value added. In comparison with national statistics, Cluster 1 in Campania accounts for 6.29% on the total amount of Italian firms that operate in the same cluster, with a value added equal to 6.75% of the overall national value.

Conversely, Table 2 shows the main economic statistics of the micro-cluster² (Cluster 2), focusing on companies that operate in sea-land logistics and sea-related key activities (maritime transportation, logistics and warehouse services, shipbuilding, etc.).

In this second cluster the total revenues of firms is around 4 billion Euro (2011), with a slighter increase from 2006 (2.42%). The value added of such activities amounts to 900 million Euro, with a 15.72% growth (from 2006). These statistics show that, even if the profitability of the cluster had a weak growth, the value added generated by these firms greatly increased in the sample years.

¹ ATECO codes: 3.01, 19.2, 33.11.06, 33.15, 38.31.2, 46.14, 52.1, 52.22, 52.29, 77.34, 55, 56, 79.

² ATECO codes: 19.2, 33.11.06, 33.15, 38.31.2, 46.14, 52.1, 52.22, 52.29, 7.7.34.

Table 2 – The micro-cluster of maritime economy in Campania: main economic data.

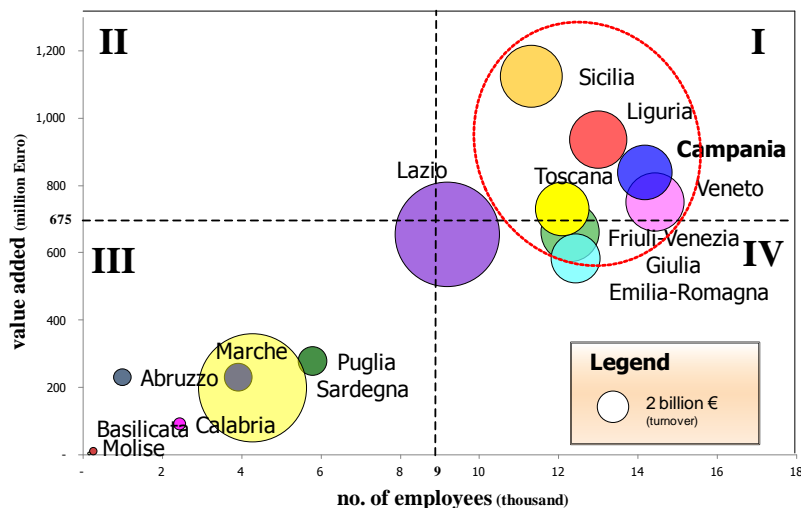
Variables	Values (2011)	% on regional economy	% on national economy	Δ% 2006-2011
Revenues	3,942.33*	4.88%	4.02%	2.42%
Employees	13,928.00	3.35%	7.36%	51.41%
Value added	890.35*	5.45%	7.80%	15.72%
No. of firms	1,681.00	1.62%	10.60%	N.A.

Notes: * million Euro

Source: authors' own elaboration from AIDA.

Cluster 2, that amounts to 1,681 firms and occupies around 13,000 employees, increased by around 50%. This aggregation of maritime businesses plays a weaker role on regional economy whereas it is relevant in comparison with the amount of Italian firms that operate in analogous regional clusters, in terms of employees (7.36%) and in value added (7.80%).

In addition, we also computed industry specialization indices of both clusters. It emerged that regional maritime economy in Campania (Cluster 1) records an industry specialization index on the whole country equal to 1.76 (revenues) and 2.02 (employees). Conversely, the aggregation of firms composing Cluster 2 unveils a rather high industry specialization index compared to the whole country: 1.63 and 3.02, in relation to revenues and number of employees respectively.

Figure 4 – Maritime economy: a cross-regional analysis (Cluster 2).

Source: authors' own elaboration from AIDA.

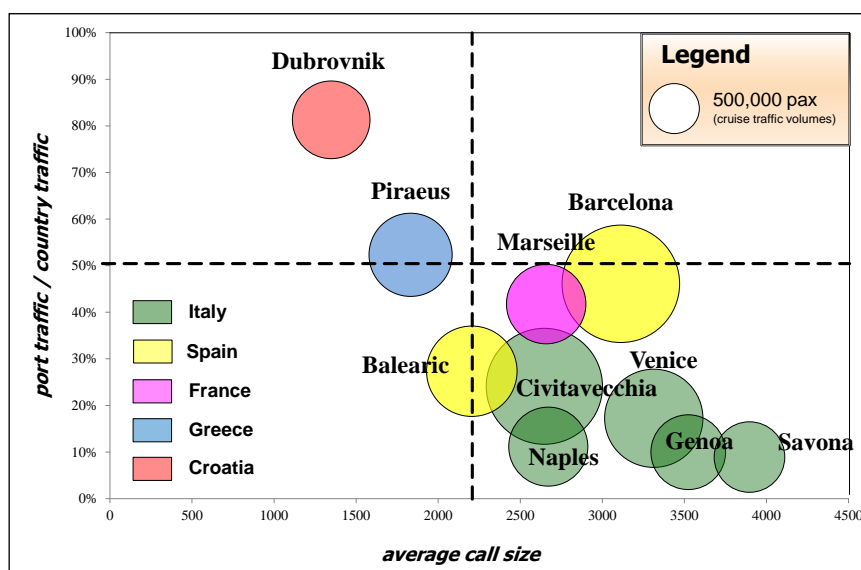
In order to estimate with more detail the contribution of Campania in second cluster and to compare it with the other maritime regions, we developed a matrix using the value added and the number of employees as variables (Figure 4). Registering both a value added and a number of employees higher than the national average, Campania ranked among leading regions, which also include Sicilia, Liguria, Toscana and Veneto.

Only Sardinia and Lazio registered a higher amount of maritime-related revenues thanks to the presence of two big oil companies, Saras S.p.a. and Kuwait Petroleum Italia respectively.

3.2 . Campania: cruise industry and passenger traffic

The cruise sector worldwide continued to grow in 2013 (MedCruise, 2013). Given the strong customers interest in cruising, the widening of available destinations and itineraries, and the ongoing recovery of global economy, this positive trend is expected to continue in the near future, consistently with stakeholder expectations.

Figure 5 – Cruise ports competitiveness in the Mediterranean.

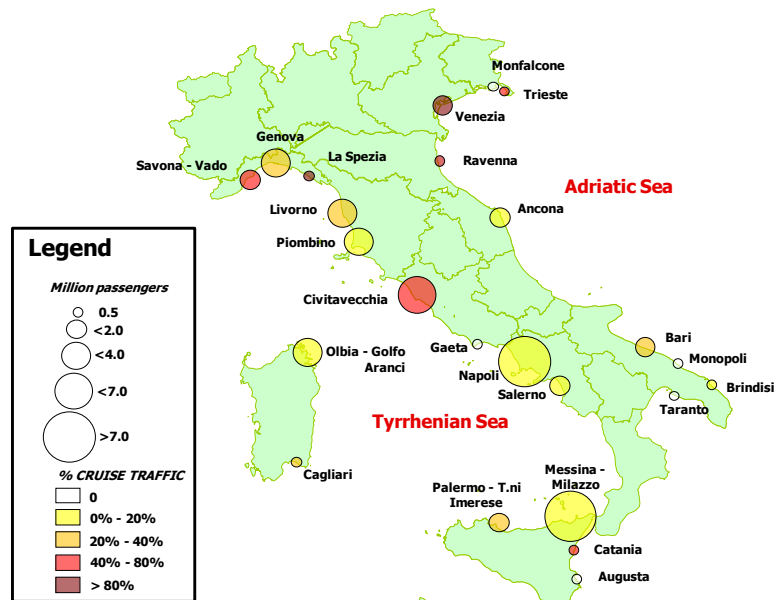


Source: authors' own elaboration from MedCruise data.

The Mediterranean market is one of the most dynamic cruise regions in the world. Vessels deployment patterns around the globe indicate that the share of the

Mediterranean increased from 17.6% of the total in 2008 to 21.7% in 2013. According to Cruise Lines International Association (CLIA) the dynamics in the second major world region demonstrate that ports and their stakeholders have worked effectively to promote cruise activities and satisfy tourists (MedCruise, 2013). In 2013, around 27 million cruise passengers transited in (65) Mediterranean ports, generating 14,500 ship calls. The port of Naples ranks among the top ten in the region, with 400 ship calls, and a traffic volume of around 1,200,000 passengers. In order to compare the competitiveness of various Mediterranean ports, we developed a matrix, including the top ten cruise ports in the area (Figure 5). On the horizontal axis we calculated the average call size in each port, while on the vertical one, we assessed the relevance (% passengers) of each port in its own country. As shown in Figure 5, Barcelona is the biggest port in terms of cruise passengers in the Mediterranean. Ports positioned in quadrant II, as Piraeus and Dubrovnik, are cruise ports which hold a dominant position in their own country. The Italian cruise market, instead, is more fragmented: the five major ports generate a traffic of 8.9 million passengers, about 45% of the country market size. Besides, the port of Naples shows an average call size of 2,670 passengers, which is smaller than in the ports located in the Northern part of the country, e.g. Venice, Savona, and Genoa.

Figure 6 – Passenger traffic in Italy.



Source: authors' own elaboration from Assoport.

Finally, Figure 6 compares Italian ports by passengers. The ports of Naples and Messina/Milazzo account for more than 7 million passengers in 2013, generated by tourism and local passengers (commuters to and from the islands). The port of Salerno, instead, accounted for 620,000 passengers, of which 18% comes from cruise tourism.

The strong touristic vocation of the region is also demonstrated by the availability of several touristic harbors and piers. In particular, in Campania are located 37 yacht harbors, 16 piers, 4 canal ports and 4 private marinas that provide places for 12,000 boats.

4. Conclusion

Maritime economy is made up by a multi-facet business ecosystem, which embraces a number of interconnected economic activities and involves public and private actors. Maritime economy not only includes sea transport and port operations but also those entrepreneurial initiatives which take place in the hinterland and are closely connected with port businesses. Being aware of the new centrality gained by the Mediterranean sea within deep-sea trade patterns, this paper carried out an empirical investigation on the maritime economy in Campania, unveiling how maritime-related businesses contribute to foster the economic development of the entire region.

The outcomes confirmed the eminent role played by maritime economy both in absolute and relative terms against other economic sectors. In particular, the number of people employed in the maritime cluster (Cluster 2) tremendously increased over the last years. In Campania this cluster is really significant in comparison with the amount of Italian firms that operate in analogous regional clusters, both in terms of employees and value added. Further in-depth investigations confirmed the high ranking of Campania at national level, as it is positioned in the leading group of maritime regions together with Sicilia, Liguria, Toscana and Veneto.

In addition, passenger and tourism activities demonstrated to strongly contribute to the development of the maritime cluster in Campania. Grounding of the fast growth of cruise and ferry industries at Mediterranean level, Campania was able to keep the pace of market evolution, becoming one of the leading passenger area in this geographic market. Besides, this result is enabled by the development of a dense network of local boat services connecting the major touristic highlights in the beautiful Gulfs of Naples and Salerno.

Despite the advantageous strategic positioning of maritime economy in Campania some weaknesses and threats have to be contemplated in drawing the

whole picture. First, major ports suffer an intrinsic lack of space which imposes severe operational bottlenecks, also related to hinterland connectivity. In a similar vein, spatial constraints emphasize diverging interests arising across the stakeholder community. One of the main challenges seems indeed the pursuit of a sustainable port and hinterland development, in harmony with economic, social and environmental claims (i.e., triple bottom line). Second, the emergence of off-shore hubs in North Africa (e.g., Morocco, Egypt, etc.), counting on a lower cost of space and dock labour, notoriously constitutes a serious threat for Italian gateway ports. Such cost-leadership hubs in fact might stimulate the delocalization of value added activities by carriers and logistics providers, taking away maritime traffic and related businesses from the Campania Region. Finally, cruise and tourism segments would benefit from a closer integration between port vs. city planning and management. The scarce accessibility of the territory which is often experienced by cruise tourists enjoying inner city highlights is a clear sign of the lack of an overarching territorial marketing strategy by public institutions.

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SUMMARY

Analyzing maritime economy in Campania

Maritime economy is a multi-facet business ecosystem, which embraces a number of interconnected economic activities and involves public and private actors. This business aggregate not only includes sea transport and port operations but also those entrepreneurial initiatives which take place in the hinterland and are closely connected with port businesses. Being aware of the new centrality gained by Mediterranean sea within deep-sea trade patterns, this paper carried out an empirical investigation on the maritime economy in Campania, unveiling how maritime-related business segments contribute to foster the economic development of the entire region.

The outcomes confirmed the eminent role played by maritime economy in Campania both in absolute and relative terms against other economic sectors. In particular, the number of people employed in the maritime cluster tremendously increased over the last years. In Campania this cluster is really significant in comparison with the amount of Italian firms that operate in analogous regional clusters, both in regard to employees and value added. Further in-depth investigations confirmed the high ranking of Campania at national level,

positioning it in the leading group of maritime Regions together with Sicilia, Liguria, Toscana and Veneto. In addition, passenger and tourism activities demonstrated to strongly contribute to the development of the maritime cluster in Campania.

Finally, this paper raises some weaknesses and threats which have to be taken into account in drawing the overall picture. Lack of port spaces, inefficient hinterland connections, growing competition from off-shore hubs in low-cost countries and limited integration between port vs. city planning and management are critical factors which undermine the pursuit of a port development in harmony with economic, social and environmental claims.

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A GEOPOLITICAL OVERVIEW ON THE MEDITERRANEAN SEA THE APPROACH OF THE EURO-MED POLICY TOWARDS THE COUNTRIES OF THE SOUTHERN FRONT (FROM MOROCCO TO EGYPT)

Tullio D'Aponte

1. The Mediterranean Sea, a restless area.

Nowadays, geopolitical studies are more and more interested in dynamics and assets which are typical of the Mediterranean area. At the beginning, before being considered as center of power and economic relationships, the Mediterranean sea has been a cradle of civilization, a cradle in which has been growing up our literary and poetical tradition. In fact, everyone knows the great heritage, represented by Homer's poems, Archimedes' astronomy and Strabone's geography. In the last century, the Mediterranean Sea was the cradle of some of the most important intellectuals in the world (for example, Fernand Braudel¹, Predrag Matvejevic² and Georges Duby³).

Nevertheless, in the last decades of 20th century, it was the same idyllic idea of the Mediterranean Sea as a prosperous and peaceful place to create problem in the international scientific debate.

In fact, it was no possible for the scientists to share a kind of 'geopolitical optimism' because of different reasons: the decolonization, the Jewish exodus and the struggle to build a new state in Israel let public opinion to think that Mediterranean area is also full of contrasts, violence and war. In fact, the Mediterranean area is a complex framework in which it is possible to find tolerance and culture, but also discontinuity and contradiction, created by a different territorial potentiality.

The geopolitical crisis is also linked with the ethnic complexity of the whole Mediterranean area, in which different communities and religions live side by side: in this case, the dialogue is not always simple.

It is possible to divide the whole Mediterranean framework in two parts: the first is represented by the Northern part, in which the European Union could assure

¹ He is the author of the essay *The Mediterranean sea: space, history, protagonists and tradition*, which has been published in Italy in 1987.

² He is the author of the book *Mediterranean Compendium*, published in 1987 and updated in 1991.

³ He is the author of *Historical Atlas* (1992).

to its citizens a high standard of life; the second is the Southern part of the Mediterranean area and the Middle East, in which there is a great political instability. This political instability, which has ancient and more recent roots, damages not only the role and the importance of the territorial framework between East and West Union, but also the political institutions based from Israel to Syria, from Caspian Sea to Afghanistan.

On the other hand, the African border has overcome, in different ways shared by local communities, the effects determined by French, Spanish and Italian colonization.

In fact, in the recent years, in North Africa also the civil war, which has determined a new political balance, has testified the development of a new, local and common identity.

This new course, called “Arabic spring”, has been considered in different ways: for example, in Morocco, the local government has opened a new season of reforms⁴, while in Tunisia a political system more democratic and ‘occidental’ has been established. In Algeria, otherwise, the local government has defined positive commercial relationships with European countries: these relationships are based on the development of hydrocarbon market (from Algeria towards EU) and high technology (from EU to Algeria).

Otherwise, the political framework in Libya is really different: after Gheddafi’s death, it is not possible to establish a strong political system, damaged by the contrast among local communities and clans. This situation is getting more and more difficult, because Libya is the center of hydrocarbon market in North Africa.

Furthermore, in Egypt, the same concept of democracy is passing a period of deep crisis, because of violent conflicts determined by religious reasons, among local clans and political parties: these conflicts are contained by the armed forces of local government.

This strong geopolitical complexity has deeply changed the same concept of Mediterranean philosophy, which could not be expressed in a single and limited territorial framework, but in a small world with its contradictions and conflicts.

According to our point of view, nowadays we can only think about a “broaden” Mediterranean sea, analyzing these three concepts:.

⁴ Despite the opposition, in the recent April 2014, the President Bouteflika was re-elected on the first ballot. The country's political stability is ensured by a balance of power between the presidency crossing, executive, military, administration and judiciary. In 1992, after the unexpected electoral victory of the Islamic Salvation Front, to stop the bloody anti-Western actions by the Fundamentalists, the Secret Service's Gen.Le Mohamed Médiène realized a violent repression, which led to the marginalization of the FIS and the stabilization of the power of Bouteflika, supported by the Army.

- *Progressive dynamism*, because the Mediterranean, with its numerous countries, is the center from which our modern democracy will grow up. In this process of democratization, European Union will play a fundamental role, mediating between North Africa and Middle East;
- *Commercial perspective and transnational relationships*, because, in the middle term, the Mediterranean Sea will be the main corridor of international market, thanks to an interactive dialogue between West and East countries;
- *Geopolitical strategy*, in order to imagine the Mediterranean Sea as the first guarantee for the stability of a “broaden” Middle East, until Caucasus, Hindu-Kush and Afghanistan. In this “broaden” Middle East it is possible to build a new form of ethnic and religious dialogue, based on the same Mediterranean roots.

2. The “broaden” Mediterranean Sea

In geopolitics studies, the concept of “broaden” Mediterranean Sea is not only based on a geographic point of view, but on a transnational one. In fact, thinking about a broaden Mediterranean Sea means that there is not only a common geographic framework among Mediterranean nations, but also an economic and political one. For this reason, the broaden Mediterranean Sea touches also Iran, Caucasus and Afghanistan, which run out the same geographical and political area of economic interests.

In this complex scenario, there are strong geopolitics relationships which determines the political instability of the whole area: the need of a more diffused social welfare is mixed with the explosion of radicalism and religious integralism, which cause violent forms of social division. Furthermore, the broaden Mediterranean Sea could be expressed in different areas, which are characterized by different forms of political stability and instability. In order to have a global view on this asset, we could distinguish the whole Mediterranean area in different sides, which establish also different relationships with the Western countries. We could define these sides in this way:

NORTH CORNER

A) Stable areas (UE countries)

North-West Mediterranean Sea (Spain, Italy, France)

North-East Mediterranean Sea (Greece, Bulgaria, Romania, Slovenia, Croatia)

B) Areas in transition and moderately instable

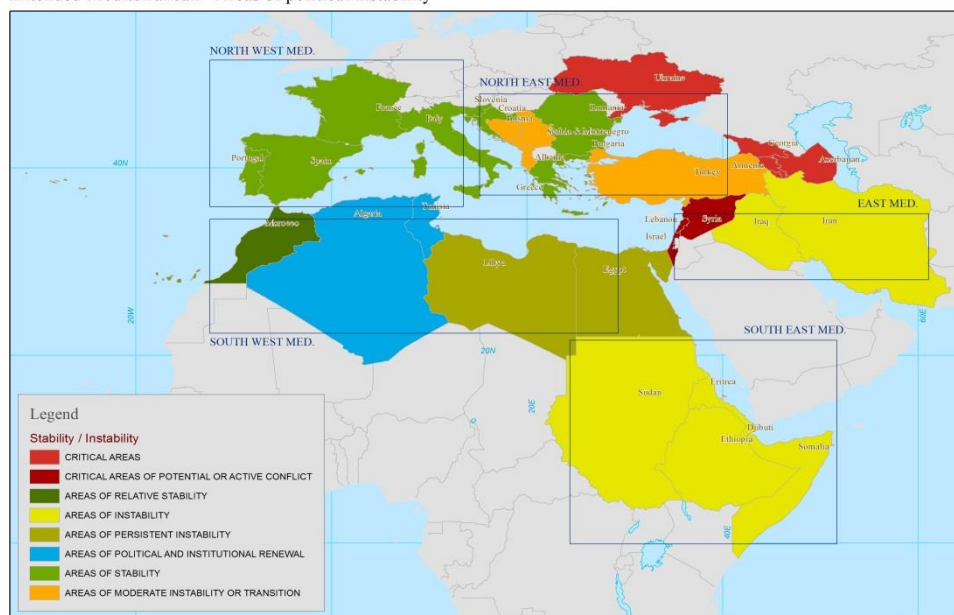
North-East Mediterranean Sea (Bosnia, Turkey, Serbia, Montenegro, Albania)

C) Instable and critic areas

Caucasus and Russian corner: (Ukraine, Georgia, Armenia, Azerbaijan⁵)

Figura 1 – *Critic areas of political instability in the Extended Mediterranean*

Extended Mediterranean - Areas of political instability



Source: Prof. T. D'Aponte, elab. from World Population Prospects

Note: Cartography by C. De Luca- Dip.Sc.Pol.

SOUTH CORNER

South-West Mediterranean Sea⁶

- A) More occidental and stable areas (Morocco)
- B) In transition with a new political system (Tunisia and Algeria)
- C) Countries which are still in a condition of political and economic instability (Libya and Egypt)

EAST CORNER

South-East Mediterranean Sea⁷

⁵ Russian Corner has been instable since the last Nineties: from that period conflicts are based on religious problems, energetic needs, political and military oppositions.

⁶ There are some countries in which conflicts have been based on the opposition against local government, which has been seen as a regime by local population. The 'Arabic spring' has shown to the rest of the world that in North Africa it was necessary not only to establish a new political course, but also a new political balance. Nowadays, also if local regimes have been demolished, there is still difficult to find a new democratic course for local affairs.

- A) Instable and critic areas (Sudan, Eritrea, Gabon, Ethiopia, Somalia)
- B) Instable area in the East corner (Iraq and Iran)

East Mediterranean Sea⁸

- A) Critic areas where conflicts are potential or real (Israel, Lebanon, Syria)

The common Mediterranean character, which has been emphasized in the last years, is that in the whole Mediterranean area (apart from EU countries) is offended by political instability and, for this reason, also the flow of foreign direct investment indoor is deeply damaged.

Nevertheless, the Mediterranean area, also being considered at risk of instability, is still a point of reference for the development of the future geopolitical assets.

It is necessary to underline that there are some international actors who are interested in defining their authority and power in the Mediterranean area: these actors are active, when their political action is aimed at conquering a more positive role in the Mediterranean Sea, and passive (or latent) when their transnational relationships are not really influent on the local asset of Mediterranean regional economies.

It is obvious that active actors are represented by occidental and more developed countries, who not only have a military and political control on the whole Mediterranean area, but also a diplomatic role in the Mediterranean region.

Recently, some actors have had a more aggressive intervention in the Mediterranean area, while others have assumed a more diplomatic and protective role: for example, the United States have still a strong influence in the area, thanks to their aero-naval bases.

Also the Russian Federation is more and more present in the global scenario and, in particular, in the Mediterranean area, connoting its power as alternative to United States' control on the rest of the world.

For this reason, Russian Federation is still supporting economically and militarily all the countries which, more or less openly, are establishing political contrasts with US.

Also China's role in the Mediterranean Sea has been changing: in fact, China has been trying to establish a new economic control on the Mediterranean.

This control has been based on strong commercial relationships, which are linked with agribusiness and high technology: in particular, it is really appealing the great quantity of raw material which characterizes African territories.

⁷ Arabia, which is really important in the balance of global geopolitical relationships, is not directly included in Mediterranean framework for geographic and political reasons.

⁸ The East corner of Mediterranean Sea is characterized by different problems: for example, the dearth of hydro resources and the food requirements are social pathologies not still resolved in that area. The exploitation of energetic resources and the emergency of religious contrasts define the deep criticism of the whole area.

On the other hand, regional actors are not able to establish a process of international cohesion, because they are deeply involved in a recent mechanism of social and economic modernization: for example, African corner is still lazy in adopting a common perspective of economic organization.

In this complex and various framework, European Union is adopting an unsettled and changeable position, which could be compared with the waves of Mediterranean Sea: European Union could not avoid to be involved in the “Mediterranean problem”, but the dialogue between North and South corner of this area is not always simple.

For this reason, it is possible to conclude that in the “broaden Mediterranean Sea” the central problem is the energetic one, because the energetic dependence introduces factors of risk both in the Occidental countries (US and Europe) or in South Asia (especially in China).

In this framework, it is getting more and more relevant the role of Russian Federation, the main energetic authority closer to Europe with its Caspian corridor, on which European energetic needs are based. Summarizing, there are a lot of problems in the “broaden Mediterranean Sea”: the question of Palestine, the role of Iran and the instability of Afghanistan define a complex scenario in which active actors are in instable balance⁹. At this point of our research it is useful analyses the territorial framework of North Africa, which is really important for different reasons: in effect, North Africa is the closest African corner to Europe and it represents, in particular for South Italy, a center of interest but also a great problem because of the continuous exodus of migrants who unload on Italian coasts.¹⁰

3. The North African “theater” in the Mediterranean Sea

In the countries of the Southern part of Mediterranean Sea there are in some cases uniform indicators (birth rate, mortality rate, fertility rate, life expectancy at birth), while, for example, in Algeria and Egypt growth rate is different from Libya, Morocco and Tunisia.

⁹ More recently, during the preparation for printing of this paper, new serious events occurred between Syria and Iraq. We refer to the fierce advance of ISIS militants of Al-Baghdadi, leader of the terrorist group that seeks to establish the Caliph of the Islamic State of Iraq and Greater Syria (or the Levant), or, more simply, “the Islamic State

¹⁰ South Italy could play an important role in the relationships with North Africa: 1) in fact, South Italy could determine a new political balance in the Northern corner of Africa, increasing import and export flows; 2) furthermore, South Italy could have a diplomatic role, emphasizing the dialogue between African and Europe, establishing also a more positive approach towards the country of MENA (Middle-East North Africa) framework.

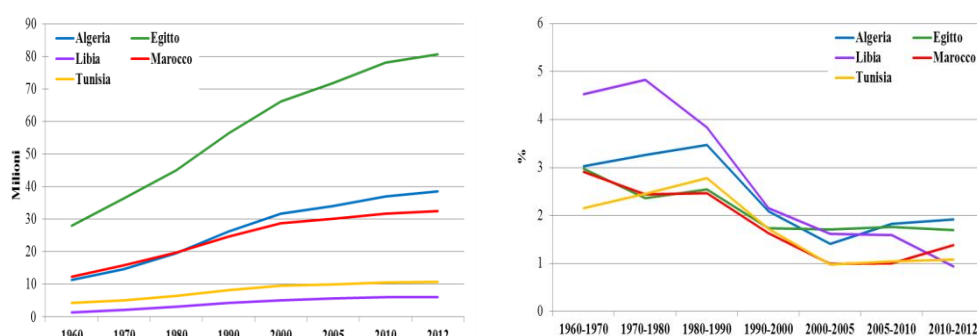
Table 1 – Demographic Indicators

Indicators	Algeria	Egypt	Libya	Morocco	Tunisia
Population (million inhabitants)	38.5	80.7	6.2	32.5	10.8
Birth rate (%)	24.4	24.2	17.5	19.0	17.3
Mortality rate (%)	4.3	4.8	4.9	4.8	5.9
Infant mortality rate (%)	23.4	24.2	12.7	26.5	25.0
Growth rate	2.0	1.9	1.3	1.4	1.1
Life expectancy at birth (years)	75	73	78	76	75
Fertility rate	2.8	2.9	2.1	2.2	2.0
Net migration rate (%)	-0.27	-0.2	Not available	-3.67	-1.78
Urban population (%)	66	43	78	58	67

Source: The World Bank.

3.1. The demographic dynamics

It is obvious that this current asset is the natural consequence of a trend which has been determined in the last fifty years.

Figure 2 – Population growth rate (1960-2012)

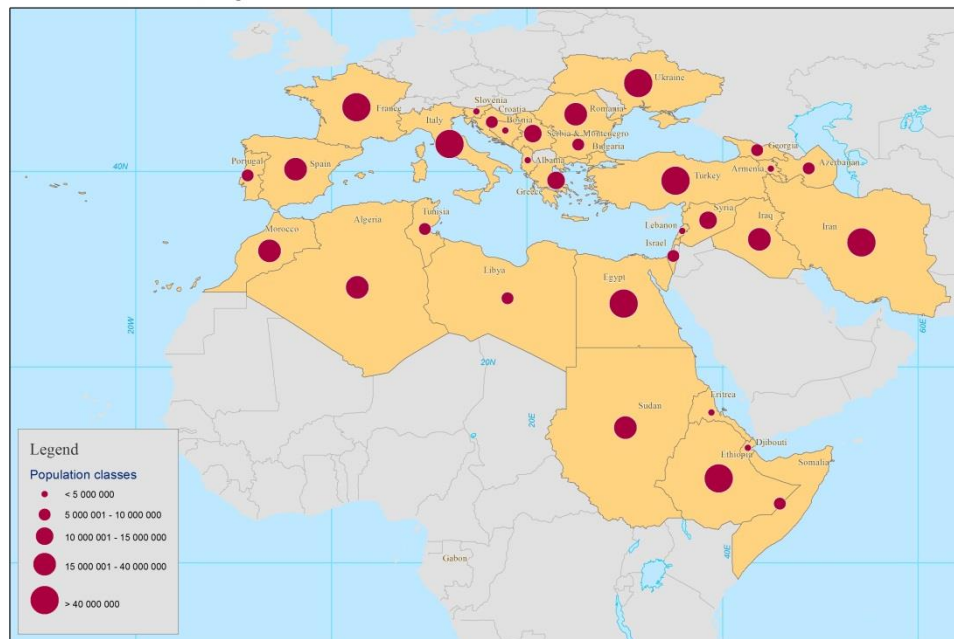
Source: The World Bank.

The most interesting element among demographic indicators is that North African population has been quickly growing: inhabitants are now 170 millions (they were 75 millions in the last decades) and, in 2030, they will reach 200 millions, with a prevalence of young people.

In the following figure 3, it has been shown that both in the two most populous countries (Algeria and Egypt) or in the two less populous (Libya and Tunisia) the pyramid has a large base and it means that young people are a prevalent component in local population.

Figure 3 – Population of the countries of the North and South of the Mediterranean

Extended Mediterranean - Population



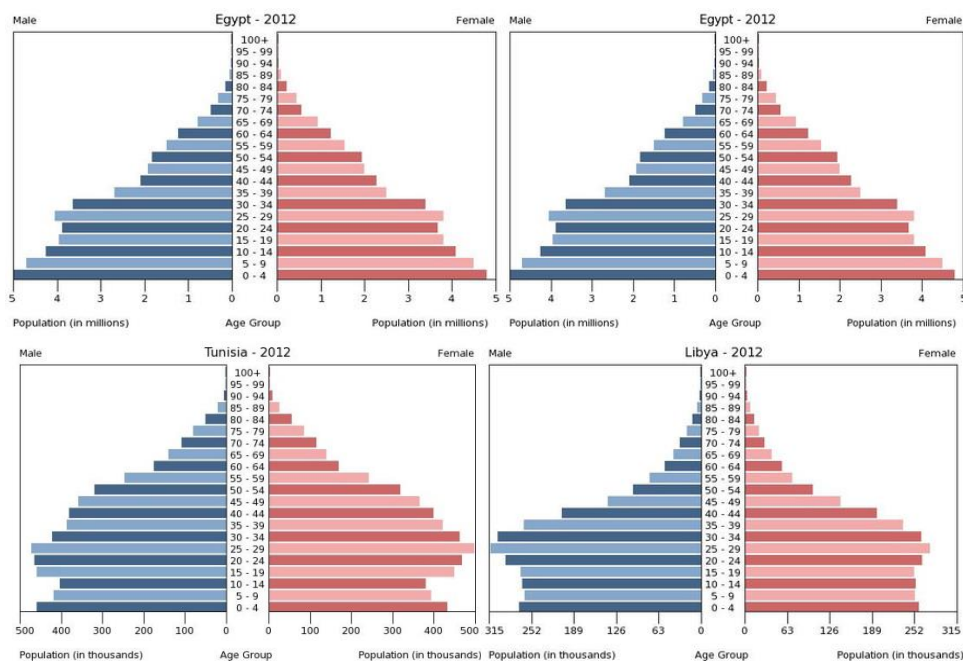
The most important aspect that emerges from the analysis of the demographic size of the area is represented by the fact that in just 35 years it has gone from 75 million to 170 million inhabitants. That is, the time interval of a single generation, has more than doubled the population of the area.

In perspective, so even taking into account an expected decline in birth rates, it is estimated that in 2030, the "market" of North Africa will reach 200 million people, with a strong presence of young population.

The structure of the age-pyramid for the two most populous countries (Egypt and Algeria) and least populous (Libya and Tunisia) shows very clearly that in all the countries will have an enormous expansion of the base, ie, the band where he focuses most young population.

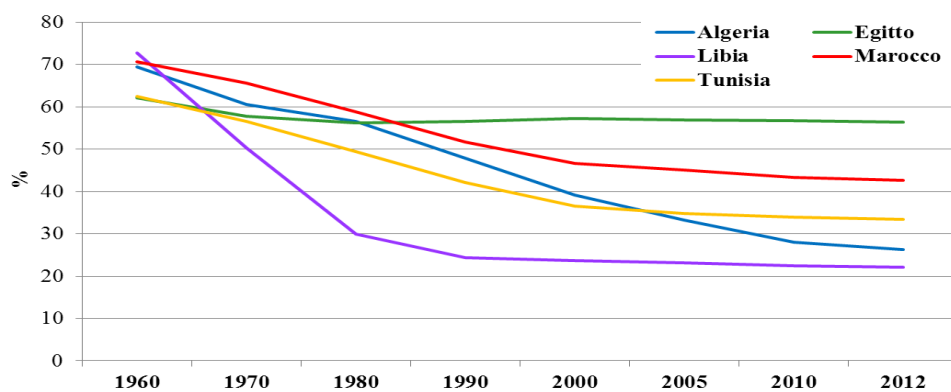
The recent transformation of population settlement has been showing that numerous inhabitants have been concentrated not only in the coastline, but also in cities and capitals, avoiding, in this way, the poor and difficult social context of hinterlands.

Figure 4 – Population age in the most and less populated countries



Source: our elab. based on World Bank data

Figure 5 – Decrease of rural population and urbanization



Source: our elab. based on World Bank data

Internal migration, always directed from the interior to the coastal cities, is only one aspect of the redistribution of the population of North Africa. In fact, very often, reached the coast of the population, along with many other immigrants from

different countries (Mali, Niger, Nigeria, Ciad, Camerun, Ethiopia, Somalia, Eritrea), try the adventure to Europe. With first preference destination in Italy. Not only because the nearest European country, but also because the Italian military fleet at sea provides security.

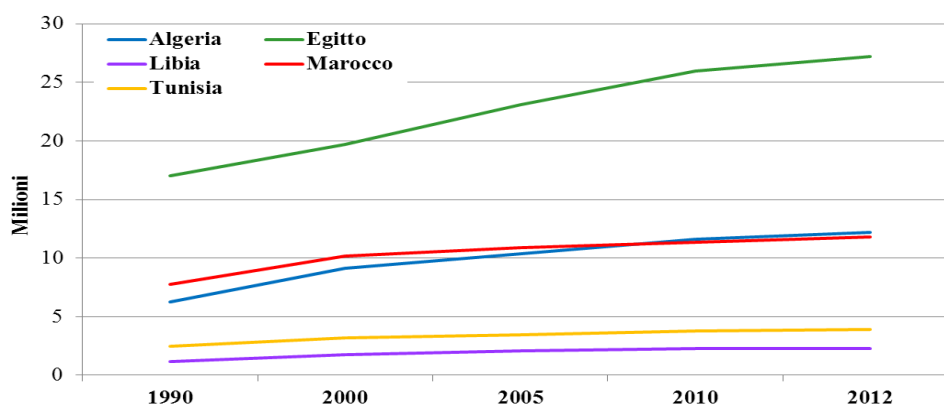
UN projections speak of a North Africa intended to gradually normalize in terms of population, thanks to the improving global economy and the gradual increase in the average education of young people, especially women. However, the problem remains unsolved for a corresponding, appropriate growth of skilled jobs and, what is most important, fairly paid.

It is also essential to consider that the modest differentiation of inter-sectoral composition of the economy, overly influenced by the energy component, even in countries with a higher rate of growth of domestic product, does not allow adequate employment developments, as it determines strong exposure of component migration more educated¹¹.

3.2. The “gocioeconomic” context

The demographic structure, the size of the available labor force and the presence of huge energy resources, together with the opportunities for tourism development and good traditions in the field of manufacturing, make it decidedly high growth potential of the countries of the southern Mediterranean.

Figure 6 – Dynamics of Labour force 1990-2012



Source: our elab. based on World Bank data

¹¹ Before the fall of Gaddafi's 90% of the Libyan population enjoyed a high rate of school attendance and a standard of living that, despite the economic sanctions imposed on the Western Alliance, the early nineties, had reached one of the highest levels of well-being the region.

The most important negative factor for foreign investors, is represented by the excessive level of political instability that persists, even more so in recent years, in different countries of the area.

The World Bank shows that the countries in question, despite the structural reforms and the advances achieved in socio-economic, tend to place themselves in positions still decidedly marginal in the international rankings.

The report of the World Economic Forum (2014) puts Algeria, Libya and Egypt among the last places in the ranking of 147 countries surveyed. The main causes of this backwardness are to be related to the persistent rigidity of the labor market, poor diffusion of innovation, but also the difficulties of security of financial capital, the bad bureaucracy, widespread corruption, the lack of vocational training, the opacity of economic policies.

If, then, we examine the values of the "Global Competitiveness Index" ¹², all the countries of the southern shore, are at greater distances than those in the EU belonging to the northern shore of the Mediterranean.

Table 2 – *Global Competitiveness Index (GCI)– 2013*

PAESE	Index	Posizione	PAESE	Index	Posizione
Francia	5,05	23	Tunisia	4,06	83
Spagna	4,57	35	Grecia	3,93	91
Italia	4,41	49	Algeria	3,79	100
Marocco	4,11	77	Libia	3,73	108
			Egitto	3,63	118

Source: *World Economic Forum*

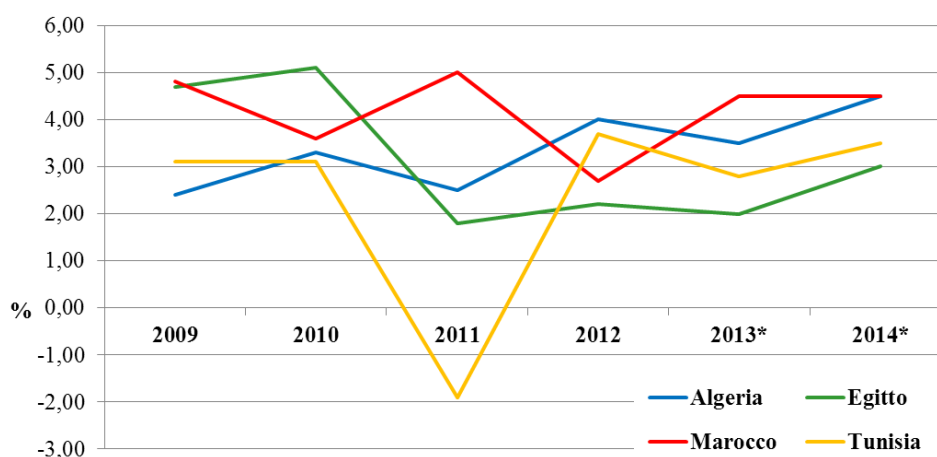
In terms of economic potential, it is possible to distinguish between these countries in only two groups: a) the large energy producers (Algeria and Libya), with strong sector concentration of exports (over 90% made up of energy and derivatives) oriented mainly toward large EU countries; b) countries with a more diversified structure of the economy (Tunisia, Morocco and Egypt), with moderate growth in manufacturing output in sectors with high labor intensity and significant trade relations with the EU.

Although the countries of the Southern Mediterranean have, currently, a modest economic position even in the global context, they take on special importance on a plan of development opportunities. Not only for the extremely relevant role of alternative suppliers of energy compared to Europe, but because of the growth opportunities and business related to the processes of diversification of national

¹² The Global Competitiveness Index (GCI) aims to quantify the impact of several key factors that contribute to creating the conditions for competitiveness, with particular focus on the macroeconomic environment, the quality of institutions, and the state of technology and infrastructure. Only the Greece for the recent economic situation that has affected, is ideally rearmost Morocco and Tunisia

economies to be realized in the coming years. To all this, we must add that must have been completed a further redistribution of social welfare, with a consequent increase in income levels and capabilities resulting from consumption of the local population.

Figure 7 – Recent changes in the growth rate of GDP (after the 2008 crisis)



Source: our elab. on World Bank data; to Libya data not available

The graph shows that, after an initial sharp decrease in growth rates, caused by the socio-political revolutions that have crossed the economies of North Africa, from 2011 records a strong recovery, with a stable trend GDP growth of between 3 and 5 % per annum.

A major problem depends on the consideration that the bank deposits, which would finance the productive system indoor, depending mainly on the economy, the main form of households' financial wealth, (and, in part, by remittances from emigrants) is rather small. This explains the modest role of the banking system that, by itself, can only to a limited extent to finance the development, the progress of which essentially depends mainly on the role played by the State¹³.

In summary, the set of observed conditions and the prospects for further progress of the North African countries, there are substantial opportunities for

¹³ The presence of the state in the economy is very important. In Libya, in particular, during the regime of Gaddafi represented as much as 90% of the total national investment. Privatization processes have been initiated in various countries, although recently slowed down with the onset of the global financial crisis and domestic political instability. The presence of foreign banks is marginal in Algeria and Libya; while an important role is played mostly in Morocco and Tunisia by French banks. Recently, Egypt has grown in the position of Italy, after the purchase, in 2006, the Bank of Alexandria by the Gruppo Sanpaolo-IMI.

cooperation in the modernization of the productive apparatus that those countries will have to achieve. At the same time there is an unquestionable strategic interest of the European Union to support economic growth and the strengthening of collaborative links with an area which, geographically, plays a role as a bridge between north and south, and, simultaneously, between the eastern and western gate of the Mediterranean.

Table 3 – Matrix of the risks and prospects of development

COUNTRY (COUNTRY RISK)	GDP growth	CRITICAL ISSUES	FACTORS OF DEVELOPMENT	POLITICAL EXPECTATIONS	FOREIGN TRADE EXPORT	FOREIGN TRADE IMPORT
ALGERY	In recent years realizes robust growth (+4%). Unable to compensate for the critical period and stands at ten-year average (3.5%)	Extreme dependence on oil (95% of exports and 45% of GDP). Excessive state presence in the economy. Lack of sectoral diversification. Tensions with Morocco for control over the Western Sahara	Significant reserves of hydrocarbons. Wide availability of funds. Substantial public investment in infrastructure. Provision of state subsidies to support the population to support domestic consumption.	Productive innovation with greater presence of private component. Further development of infrastructure and construction. Containment of unemployment. Consequent increase in private consumption.	Spain Italy United Kingdom France US	Cina France Italy Spain Germany
EGYPT	He has affected to some extent of the crisis, but even more to recent political instability. In the face of a previous trend close to 5%, after 2001, the GDP fell by around 2%	Need to reduce debt and control inflation. Investing in agriculture (28% of employment) by increasing the arable land. Extreme social gap with high weight of poverty.	Exploitation of energy reserves. Large internal market. Strategic Geographical Location. Development of tourism (falling because of the political crisis). Proceeds of the Canal always high. IDE in strategic sectors	Plan of investment in transport, infrastructure, telecommunications, health and water treatment. Contrast unemployment. Recovery of IDE, especially from the Gulf Emirates. Political stability as an antidote to the crisis in tourism and foreign investment.	Italy India USA Saudi Arabia Turkey	Cina USA Germany Russian Fed. Ukraine Turkey Italy
LIBYA	Lack of reliable data. Undoubtedly, the condition of extreme political instability adversely affects all values of economic fundamentals.	Overweight of oil remittances. Lack of product diversification. Crisis due to lack of competitiveness of the processing industry. Tribal contrasts.	Important energy reserves and not marginal development opportunities in the private component, boosted by the opening of the market.	Private sector development aimed at diversifying independently from mining. Use of oil revenues for the import of goods aimed at raising the standards of consumption of the population. Rapid implementation of a reconstruction plan. Fight against corruption.	Italy Germany Cina France Spain	Italy Cina Turkey Egypt South Korea
n.d. (D4?)						

Table 3 (continue) – Matrix of the risks and prospects of development

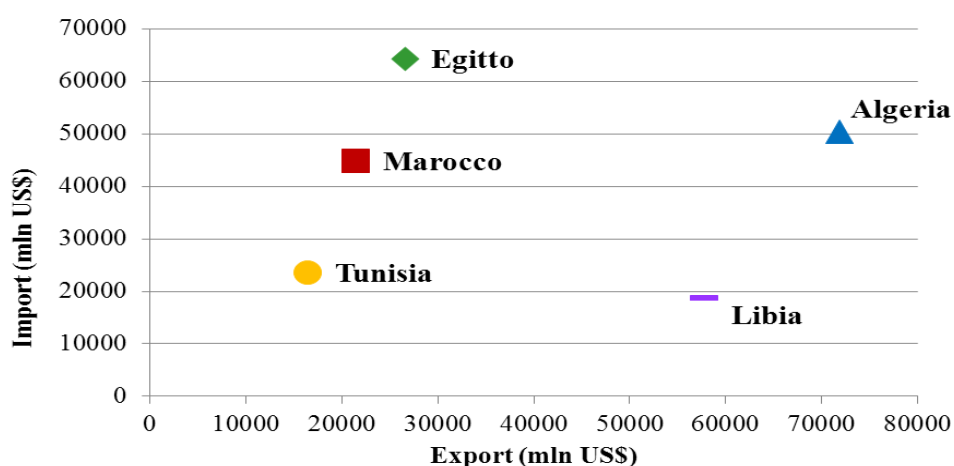
COUNTRY (COUNTRY RISK)	GDP growth	CRITICAL ISSUES	FACTORS OF DEVELOPMENT	POLITICAL EXPECTATIONS	FOREIGN TRADE EXPORT	FOREIGN TRADE IMPORT
MOROCCO	Little effect of the crisis, both economic, and political, quickly retracted. Changes in GDP in 2012 (2.7%) compared to the long-term trend (4.5%) derive from the effects of drought. A stable growth is expected.	Agricultural sector highly exposed to atmospheric variables. High weight on GDP dependence. Dependence on remittances from emigrants. Social differences and widespread poverty.	Intense economic relations with Europe (the main partner of Morocco). New impetus for government intervention as a result of popular protest, immediately absorbed. Significant role of Tangier in the movement of container.	Substantial investment in road infrastructure, ports, airports, highways, high-speed (Tangier - Rabat via Casablanca) in agreement with France. Creating over 1 million jobs. International Collaboration (FDI growth). Significant effects of the agreement with the EU for the Free Trade Area of commercial and industrial goods for the benefits produced by the ENP (European Neighbourhood Policy)	France Spain Brasil India USA	Spain France Cina USA Saudi Arabia
B 2		Slowdown of FDI. Lack of presence of the private sector. The crisis in Europe has affected economy by reducing exports and tourism. Agriculture fueling the export leaves in debt domestic consumption. Heavy weight of Remittances of emigrants.	High potential for agriculture and tourism. Relief of mining (phosphates). Possible reduction of energy dependence for new exploration of deposits of modest consistency. The service sector is fairly dynamic.	In the manufacturing sector are essential interventions to support production. The need to reduce dependence on food by intervening on the types of crops (less export). Need for political stability. Urgency of infrastructure in transport and in electricity.	France Italy Germany Libya Switzerland	France Italy Germany Cina Algeria
TUNISIA	The annual growth rate of GDP is aligned around a 3%. A sharp fall (-1.9%) was recorded in 2011 as a direct effect of the political crisis					
B 3						

The problems and prospects of more obvious interest are summarized in the following table, which has been taken into account both the country risk, both buoyancy of trade relations already currently in progress.

4. The relations with Italy and the outlook of the “MEDA” UE program

Although there are many doubts and uncertainties about the political stability of countries including, mainly, Libya and Egypt, the commercial movement in the southern Mediterraneo is anything of modest economic dimension.

Figure 8 – Trade with the rest of the world



Source: our elab. from IMF data 2012

The largest firms, traditionally present in the area¹⁴, remain firmly active in the sector of the IDE, otherwise an expansive trend of foreign investment, aimed at small and medium enterprises, is, still, held back by the high "country risk".

To overcome this obstacle, countries, such as the Egypt, they have established a program of tax incentives, reduction of the energy costs and commitments in vocational training and, (what more should reassure foreign investors), assurances about the safety and inviolability of invested capitals.

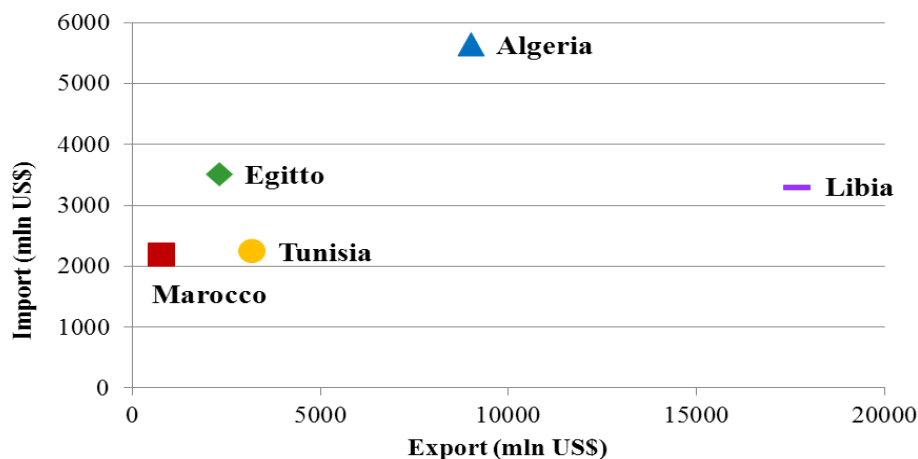
Italy's position, although not reaching high levels (about 8% of national total) is interesting. Mainly considering the specialization of the productive sectors, on the one hand, and the evolution of social and economic dynamism that, in the short term, tends to involve the countries of North Africa.

¹⁴ Among the major Italian companies, active in the area, the main operator is represented by ENI, in the energy sector. But even Edison, Italcementi, Ansaldo, Breda, Italgas, Techint Group Cementir and others, play a leading position in their respective fields.

In fact, many productive sectors, affecting the industry of the southern shore Mediterranean Sea appear effectively connected and associated to the type of the Italian model of enterprise, and to the many and various specifications that constitute its competitive appeal.

Moreover, if we consider the direction and the geographical distribution of the Mediterranean's trade flows involving Italy, is very clear as the percentages tend to double, when calculated against the interchange with the southern regions of the Italy. This fact confirms the special interest "meridionalista" to the interaction between the two shores of the Mediterranean basin. Clarifying the sense that it assumes particular importance that connects the Italian economic growth through a significant increase in the role of the South in the economic development of the whole of Italy.

Figure 8 – Trade with Italy



Source: our elab. from IMF data 2012

A further important aspect of the "Mediterranean question" is the relative marginal attention of the country's "non-Mediterranean" of Europe, first of all on the political level, and, consequently, also in terms of business interests and support the process of development of the economies of North Africa.

On the one hand, it is always important the French presence in Algeria, Morocco and Tunisia; the other is the United States, and even more, China, Russia, Turkey, and even South Korea, who are competing for top positions such as "customer" or "supplier" of the countries of the southern Mediterranean. In the EU, only marginally, Germany and the United Kingdom appear interested in significant positions in the trade with the countries of the Southern Mediterranean Sea.

The European Union plays a role in the application of the "Barcelona Process", in 1995, had seemed quite effective in achieving a strong Euro-Mediterranean Partnership between the Europe and the countries of the southern Mediterranean¹⁵.

However, the "Barcelona Process" has achieved modest results achieved, while there has emerged a broader strategic vision of the role that the EU would dovutto play in that area, specifically in relation to the affirmation of the concept of "enlarged Mediterranean." For this reason, at the Summit for the Mediterranean held in Paris in July 2008, was approved the establishment of the Union for the Mediterranean¹⁶.

The partners of the Union for the Mediterranean¹⁷ there are multiple interesting objectives:

- The de-pollution of the Mediterranean Sea;
- The development of maritime and land transport routes;
- The organization of civil protection against natural disasters and those caused by humans;
- The production of solar energy;
- The development of enterprises, (particularly micro and small enterprises).

In this context, particular importance is attached to a special program "MEDA", designed to support the economic transition in the Mediterranean countries and the establishment of a Euro-Mediterranean free trade area. The program seeks to promote economic and social reforms for the modernization of enterprises and the development of the private sector through:

- Support for small and medium-sized enterprises (SMEs) and the creation of jobs;
- The opening of markets;
- The promotion of private investment, industrial cooperation and trade between the different partners;
- Upgrading of economic infrastructure and financial and taxation systems;

¹⁵ The main objective was to be the creation, by 2010, an area of Euro-Mediterranean free trade with all the countries of the southern Mediterranean Association Agreements by concluding bilateral agreements with the EU. The association agreements and comply with a common aim to promote: a) A regular dialogue on political and security, to promote mutual understanding, cooperation and joint initiatives; b) Economic, commercial and financial, for the progressive liberalization of trade, sustainable development of the region and the increase in investments; c) Cooperation in social, cultural and education, especially through intercultural dialogue, migration control, skill development, promotion of employment law and equality between women and men.

¹⁶ The Union for the Mediterranean provides for the presidency to rotate among the partners in the North and South and establishing a permanent secretariat, based in Barcelona, to ensure the management of the regional, sub-regional and trans-nationals.

¹⁷ Important steps have been taken for the financing of projects and for the support of SMEs, within the framework of the Alliance des Banque pour la Méditerranée, by a group of twelve banks in the region as an investment fund's long-term average was formed by the Caisse des Depots et Consignations (France), from the Deposits and Loans Fund (Italy), EFGHermès (Egypt), the Caisse de Dépot et de Gestion (Morocco).

- Restoring financial equilibrium and the creation of an economic environment favorable to accelerated growth (structural adjustment support).

5. Conclusion and remarks

In conclusion, it seems evident that the need to allocate resources to promote virtuous acceleration of the processes of economic growth in North Africa stems from the growing view that the EU is biased against the centrality that takes on a western Mediterranean, peaceful and prosperous, geopolitical and geo-economic. Moreover, the entire Basin, because of its geographical configuration, as natural sea corridor for east-west trade relations, on the one hand, it suggests the creation of adequate infrastructure for logistics and for exports, while, from 'other, is presented as an essential "bridge" for the consolidation of a profitable positive climate for business, actions by imposing policies that create an environment of absolute political stability.

In this perspective, the position of logistics hubs, covered by the southern European countries, gives the EU a significant role in the southern front, "pivot", in the expansion of regional trade, even to other EU partners.

The dynamism planned for the southern Mediterranean can set in motion a process of propagation of growth with cascading effects: the planned consolidation of economic activities in North Africa will be supported by the increase in interventions both on the demand side (expansion of the middle class, increase of national wealth) and the supply (increase in economic investment and human capital).

It is apparent, with increasing evidence, a "theater" in which the mutual advantage of Europe, the Mediterranean and Africa, are emphasized by an initiative of development and peace ruled by Europe, but by establishing forms cohesive and shared with the countries of the southern Mediterranean Sea.

Annex

Northern Africa as the Southern European Front	
<p style="text-align: center;">Reciprocity Factors</p> <p>advantageous geographical location special instruments for intervention (MEDA-Un. For Med.)</p>	<p style="text-align: center;">Critical Issues</p> <p>increase in "no energy" flows Import of innovative technologies Incremental investments (IDE)</p>
<p style="text-align: center;">Commitments to be undertaken</p> <p>Political stabilization Social Policy and Humanitarian Law Progress in democracy employment and widespread prosperity (fight against poverty) investments in infrastructures development of the private sector in construction, small and medium-sized enterprises, diversification of production (contain the oil revenue)</p>	<p style="text-align: center;">Sensitive Sectors</p> <p><u>Agriculture</u> food self-sufficiency cultural diversification mechanization</p> <p><u>Industry</u> investments in infrastructures private sector growth commercial agreements import of technology promotion of foreign investments</p> <p><u>Services</u> <u>network infrastructure for ports and transportation</u> <u>telecommunications services</u> <u>cooperation in the field of tourism</u> <u>safety and hygiene</u></p>
PROGRAMS AND OBJECTIVES	
<p style="text-align: center;">MEDA program</p> <ul style="list-style-type: none"> - Support for small and medium-sized enterprises (SMEs) for the creation of jobs; <ul style="list-style-type: none"> - Opening of markets; - Promoting private investment, industrial cooperation and trade between the different partners; - Upgrading of economic infrastructure and financial and taxation systems; - Support for structural adjustment 	<p style="text-align: center;">Union for the Mediterranean</p> <p>Priority objectives:</p> <ul style="list-style-type: none"> - The de-pollution of the Mediterranean Sea; - The development of maritime and land transport routes; - The organization of civil protection against natural disasters and those caused by humans; - The production of solar energy; - The development of enterprises, particularly micro-enterprises and SMEs.
<p style="text-align: center;">Alliance Bank for the Mediterranean</p> <p>among twelve regional banks Investment Fund for medium - long term Caisse des Dépôts et Consignation (France), Cassa Depositi e Prestiti (Italy), EFGHermès (Egypt), Caisse de Dépôt et de Gestion (Morocco).</p>	

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SUMMARY

A geopolitical overview on the Mediterranean Sea the approach of the euro-med policy towards the countries of the southern front (from Morocco to Egypt)

Nowadays, geopolitical studies are more and more interested in dynamics and assets which are typical of the Mediterranean area. At the beginning, before being considered as center of power and economic relationships, the Mediterranean Sea has been a cradle of civilization, a cradle in which has been growing up our literary and poetical tradition.

Nevertheless, in the last decades of 20th century, it was the same idyllic idea of the Mediterranean Sea as a prosperous and peaceful place to create problem in the international scientific debate.

The geopolitical crisis is also linked with the ethnic complexity of the whole Mediterranean area, in which different communities and religions live side by side: in this case, the dialogue is not always simple.

In the recent years, in North Africa also the civil war, which has determined a new political balance, has testified the development of a new, local and common identity.

This new course, called “Arabic spring”, has been considered in different ways: for example, in Morocco, the local government has opened a new season of reforms, while in Tunisia a political system more democratic and ‘occidental’ has been established. In Algeria, otherwise, the local government has defined positive commercial relationships with European countries: these relationships are based on the development of hydrocarbon market (from Algeria towards EU) and high technology (from EU to Algeria). The political framework in Libya is really different: after Gheddafi’s death, it is not possible to establish a strong political system, damaged by the contrast among local communities and clans. This situation is getting more and more difficult, because Libya is the center of hydrocarbon market in North Africa. In Egypt, the same concept of democracy is passing a period of deep crisis, because of violent conflicts determined by religious reasons, among local clans and political parties: these conflicts are contained by the armed forces of local government.

This strong geopolitical complexity has deeply changed the same concept of Mediterranean philosophy, which could not be expressed in a single and limited territorial framework, but in a small world with its contradictions and conflicts.

Is apparent, with increasing evidence, a “theater” in which the mutual advantage of Europe, the Mediterranean and Africa, are emphasized by an initiative of development and peace ruled by Europe.

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TRANSPORT AND LOGISTICS IN THE DEVELOPMENT PROCESS OF THE MEDITERRANEAN COUNTRIES

Rocco Giordano

1. Foreword

In recent years, it is forming a "conflict" between traffic flows and points of generation and destination of movements of passengers and goods that logistics still can't manage!

On a global scale, the economies that generate these conflicts are schematically defined as follows:

- **North America** - Area with a strong research and innovation with high value-added production and markets with high consumption
- **Northern Europe** - Area of value-added production and consumer markets
- **Euro Asiatic area** given by Middle-Eastern Countries - Arab Emirates - Area with a strong presence of oil and natural gas
- **African continent** - Area with the largest deposits of raw materials (minerals)
- **Far East** - Area of production with low labor costs and strong financial surpluses
- **Italy** tries to position itself in the new geography of development as a production area with facilities for SMEs and as area of consumption with strong advantages for the geographic positioning inside the trading market.

We verified, after evaluations and audits on the documentation, the context outlined, and the possible scenarios that can happen in the coming months about the evolution of traffics in the field of transport and logistics on an international and global scale, we were able to verify that the results given by the application of econometric models in 2008 in order to define the scenarios from 2020 to 2030, were, compared to the actual data, completely unrealistic!

The greater disappointment came not just from the results themselves, but from observing that the parameters at the base of the model results were highly restrictive in explaining complex phenomena such as a process of economic globalization.

It is now becoming increasingly clear the "fracture" between the methodologies developed and the complex economic issues that need to be represented.

The variables with most impact on the premises of the economic cycles that, in turn, are becoming shorter and interrelated are:

a) Population

Demographers point out that the official statistics count 7 billion people worldwide. Estimates made on the basis of consumption in the different continents and the migrations driven by the big megalopolises, count approximately 1 billion people (value rounded down) more than the official report. The "rate" of greater demographic deficit are found in China, India, Africa, Latin America.

b) Energy and energy consumption: from oil to natural gas

Despite the "green" politics, oil needing continues to grow parallel to the resource depletion. This brings to a price of oil, on global scale, subject not only to the market's logic, but used as a tool of "political pressure" by producing Countries against consumer ones.

c) International finance and financial flows

Producing Countries with low labor costs, very high productivity levels for labor and capital and the ownership of energy assets (China, Brazil, India, Russia, etc.) have used financial surpluses to support the public debt of Countries not producers anymore, but consumer ones, such as North America and Europe. The movement of financial flows, even if minimal, from one Country to another could lead to instability processes such as to put a strain on the economies of many Countries, creating also complex geopolitical situations.

d) Research and innovation

The field of research and innovation, both on side of private companies and on side of public policies, is depleted by the scarcity of resources, but also due to the halt given to the sector by the low predisposition to invest during a time of severe economic crisis and shortage of private funds.

Some production lines are outdated for the new consumers' demands. This is the case of automotive and other mature industries such as air and rail.

This situation is further worsened by "conflicts" that are happening among the specified sectors in the world-wide delicate balance, where the economic-financial system is more and more harsh to govern even if control and/or support institutions are set up for those Countries struggling to find a new growth cycle.

In this macroeconomic context, the economic cycles are getting shorter. The duration of a business cycle over the past 10 years has lasted, on average, 3 years and a half.

This fluid and cyclical economy fails to consolidate a worldwide logistics system capable of monitoring and improving the geography of trade and the positioning of the operators.

The crisis of the economy is now every day more clear; industry analysts give us a clue, with all due respect, a little short-sighted and only concerning the internal market.

Some corrective policies have been identified to define a market for transport and logistics more balanced in the different modalities, more competitive in productivity, more transparent in the supply-demand relationship, but it still lacks a strong political direction!

The experts believe that the issue of logistics and cargo transport, and even more the mobility, are usually perceived as a "nuisance" and not as a real factor of development.

Yet the level of internationalization of the enterprises is more than good.

The Italian economy for the "made in Italy", and the ability of its operators, still holds a high level of exports.

Exports support the Italian economy with a net positive balance on energy products, and with a great degree of "openness" on a global scale.

The analytical indices that measure worldwide competitiveness for some economic sectors, such as transport and logistics, give us a little regression about our ability to compete, measuring the overall productivity of the system in a somewhat aggregate way.

If we disaggregate the export data for the number of relationships we have with the "world" outside, and for the value of trade, the result is that we are at the 12th place in the world for number of relationships and ability to hold the exchange relations, but we go back to the 22th place in intensity and value!

We need to work alongside the operators to provide them less generalist interpretations, but also to stimulate and create a new way of doing business, thinking a new model of service management, especially for large international players.

One of the critical points is certainly the theme of customs in Italy that significantly slows down the competitiveness of our ports, airports, freight villages; but are customs the only culpable?

We believe that, more than customs, it's a system of controls' global fault: 73 planned operations and 16 different bodies involved in the monitoring and control of operations.

This mechanism so bureaucratized imply a good's delay of 10 days for exports and 9 days for imports.

Having compared timing and behaviors of the Italian public policies with other Countries, it is clear that:

- In Germany and the Netherlands for the control duties the times are reduced by 2/3 than those recorded by our operators.

- logistics is at the 3rd place among the economic sectors, vice versa in Italy it loses 40 billion Euros per year.
- knowledge of new markets, new business opportunities, are primary elements to improve the competitiveness of the sector companies.

We need to expand the framework of knowledge following the operators, especially those that operate in Countries that are not "historical" but have seen a sharp increase in trade, as the Balkans, the Mediterranean African Countries, the Middle Eastern Countries.

It's needed a timely and accurate picture of the weaknesses and strengths in our trade, in particular in the Mediterranean.

2. The euro Mediterranean context and the positioning of Italy

The Country as a whole has so far underestimated the strategic role of ports for the economy and the mobility of the entire system: without ports or, indeed, without efficient ports, Italy will not be able to rely on one of its more important features: the geographical location together with the close relations that its economy has tightened, and is starting to tight, with other areas of the world.

The ports' network, as well as the role of the ports in the field of energy supply, territorial continuity, links with the Balkans and the Iberian Peninsula, is quite present in the common consciousness, together with their importance to the tourism industry. What is hard to be perceived is the role that ports have inside the new structure of the global economy; Italy is always told being a "*natural logistics platform in the middle of the Mediterranean*" but this slogan requires appropriate and correct policies in short.

Foreign trade of our Country in the European market, net of energy supply, is still for the 70% bound to the fate of Europe, the European Union, the euro area. In such a configuration modes are overwhelmingly prevalent in the terrestrial ones.

A new challenge arises for our Country: to adapt its logistics system starting from the road and rail infrastructure, with particular regard about the port facilities, so that it can represent an alternative outlet to northern European ports for the traffic generated by the economies of Central Europe. The European Union is pushing in this direction, putting primary emphasis, among the European rail corridors for freight, on the Rotterdam-Genoa (see the decision of the EU Regulation 913/2010, published in the EU Official Journal L276 of 20.10.2010).

Environmental considerations endorse this approach and the market will have to take them into account. *A container which, after passing through the Suez Canal, reaches the European market through the Italian ports, and then by rail, produces*

less CO2 than the same container that arrives through the ports of Northern Europe.

Second aspect: as the unexpected resumption of maritime traffic in the first half of 2010 demonstrated unequivocally, the world economy will be driven by Countries like China, Brazil, India; Italian industrial districts and the manufacturing system as a whole have significant potential in these markets, where the overall incidence in the interchange of our Country is expected to increase. On these lines, the mode of transport with overwhelming prevalence is maritime.

The third key aspect is, in turn, what concerns the Mediterranean, where it is necessary, in the logic of the national and Mediterranean widespread network, and accordingly with the Community directives in the sector, to strengthen the ways of the sea by leveraging and enhancing the national shipping that exactly in the Short Sea and the RO/RO services of the Motorways of the Sea is a leader in Europe and the World.

The Mediterranean basin is a natural infrastructure at no cost on which passes the 19% of the world traffic and where there are as many as 80 ports of international importance. A basin that spans 25 Countries on three different continents and that in 2020 will represent a potential market of 525 million people. It's often said that the ports of North Africa are a danger for the rapidity with which they have built their infrastructure, and their labor costs lower than ours. There is no doubt that if, from the trade point of view, they are an opportunity for cooperation, on the other hand, with regard to the transshipment market, they represent a strong element of competition and threat to the Italian ports (Europeans).

But we must be aware that the North African coast and the Asian Countries of the Eastern Mediterranean (primarily Israel and Turkey) may represent the third important pillar of our foreign trade by sea. North Africa should be thought of as an opportunity, not a threat. That's witnessed by the many Italian companies that have invested in the area. And it's witnessed above all by the Italian commercial fleet, which is already the second world fleet for ferries and is continuing to invest heavily in new ships that represents a transport hub of excellence: taking into account just the RO/RO cargo and/or passengers line traffic, there are currently over 450 weekly departures, served by more than 100 vessels that connect the Italian ports with other ports (domestic or foreign) in the Mediterranean.

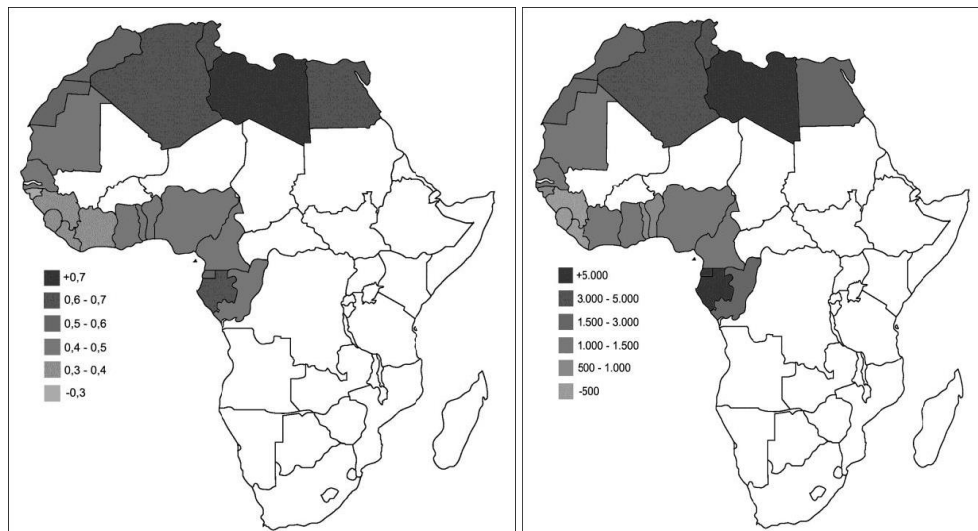
The four pillars of future development are: an alternative to the ports of northern Europe, increasing the share of intercontinental trade, development of infra-Mediterranean traffic, growth of the maritime connections domestic as an alternative to the all-road. That requires therefore to focus on four types of actions. Being understood the need to maintain the highest level of efficiency (or reclaim at least the efficiency margins eroded by the substantial elimination of the

maintenance resources) for the port facilities with more traditional activities in the service of production facilities, which constitute the basis for the industrial activity, and activities related to the cruise business. The before mentioned four areas of implementation are:

1. The ports of final destination, in the multi-port logic, northern Tyrrhenian and Adriatic, which are the ones best positioned to intercept the traffic flows routable from the Mediterranean to Central Europe;
2. The seaports, also coincident with those in service for big areas of consumption, which own international lines;
3. Airports with large shares of transshipment traffic;
4. The lattice of nodes port terminal for infra-Mediterranean and national connections.

The first consequence of this approach is about the concept of competitiveness: *this can't be limited to the efficiency of port operations but must include the entire supply chain until the end user*. Italian ports may have handling or technical-nautical services' costs inferior to those of Antwerp and Rotterdam, may have comparable depths, but *as long as the logistics system will not be able to offer a competitive systemic cost, shore to the end user and vice versa, comparable to that of those Countries in terms of port infrastructure, network connection, suitable joints behind, timing of completion of the import and export procedures, it will always be out of the game or it will just continue to play mostly a regional role.*

Figure 1 – Demographic and macro-economic features



A work framework on the expansion of the European exchange lines can be provided by a prospective analysis of the North and Equatorial Africa, in particular with regard to the Mediterranean and Atlantic Countries¹.

The human development indicators (HDI 2010) and GDP per capita outline the following macro-economic features:

The areas with the highest degree of socio-economic development are the Mediterranean Countries and the area of oil in Equatorial Guinea and Gabon.

Despite the maritime trade for the area in question is concentrated in relatively few ports (about a dozen), their share of the world total is estimated to vary between 25% and 30%. This fee, of absolute importance, is played mostly in the Mediterranean, and particularly in the ports of Libya and Egypt. At a commodity level, the exchange concerns mainly energy products (concentrated in the southern Mediterranean) and metallurgical (concentrated in Mauritania, with the 77.4% of the total trade of the study area).

The Countries that offer the best development prospects, with all the cautions for the future outcome of the recent political developments, are therefore those of the Mediterranean. These Countries in fact, in addition to the relative goodness of their socio-economic indicators, already benefit from better infrastructural facilities for ports and industry. In second place there is the interesting case of Equatorial Guinea, which could become a major oil terminal in the short, sealing a place without equal in terms of wealth per capita in all of Black Africa. Similar developments or derivatives, although in a minor key, might be expected in Congo and Gabon. Finally, much in the background, new prospects for trade could open up with Senegal, Ivory Coast, Ghana, Nigeria and Cameroon, once improved their infrastructure delay.

2.1. Italy in the Mediterranean: Italy's position in relation to its European competitors

The trend of the interchange (import + export) between the Mediterranean Countries in the last decade grew roughly constantly for all EU Countries (apart from the widespread collapse of 2009)². The data is segmented considering in particular three main maritime regions of non-EU Countries:

- **South Med** (Morocco, Algeria, Tunisia, Libya, Egypt)
- **East Med** (Israel, Lebanon, Syria, Turkey)

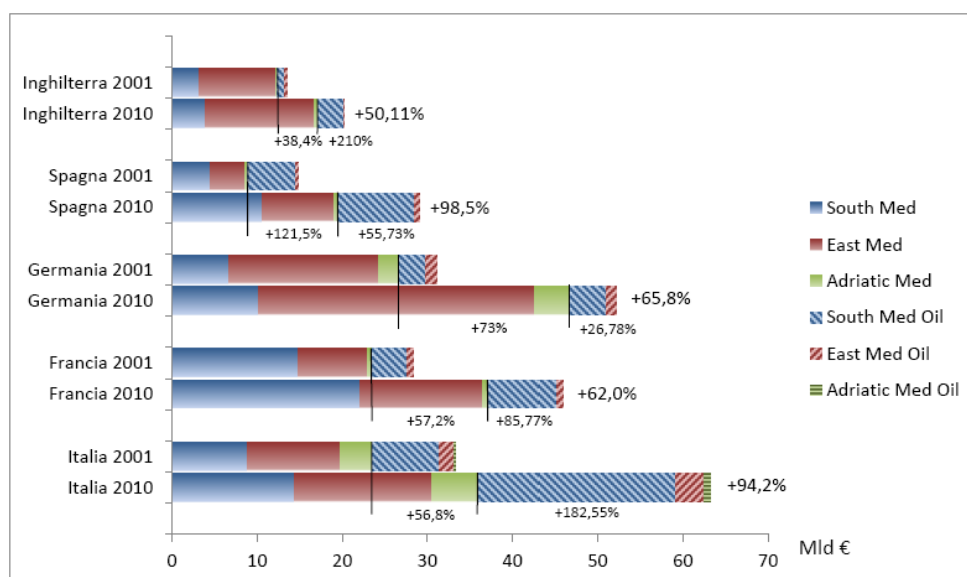
¹ All sources: a study from the University of Bari for the Advisory Council for Road Transport and Logistics.

² All sources: "The economic relations between Italy and the Mediterranean - Annual Report 2011", SRM, 2011.

- **Adriatic Med** (Albania, Bosnia, Croatia)

Is given hereafter a pattern that highlights the interchange, distinguishing one related to energy products (parts streaked) from the rest of the traffic. There are given the percentage changes of the parties and of the total. The following diagram shows the absolute value of the interchange (in billion):

Figure 2 – Interchanges Mediterranean areas and major European Countries



In absolute terms, Italy is the Country that recorded the strongest growth, rising from € 32.6 billion in 2001 to € 63.3 billion in 2010 (+ 94.2%), with a huge contribution from the interchange of energy products, that in Italy hold the largest share of traffic in absolute terms (€ 27.38 billion, 43.3% of all interchange Italian-Mediterranean).

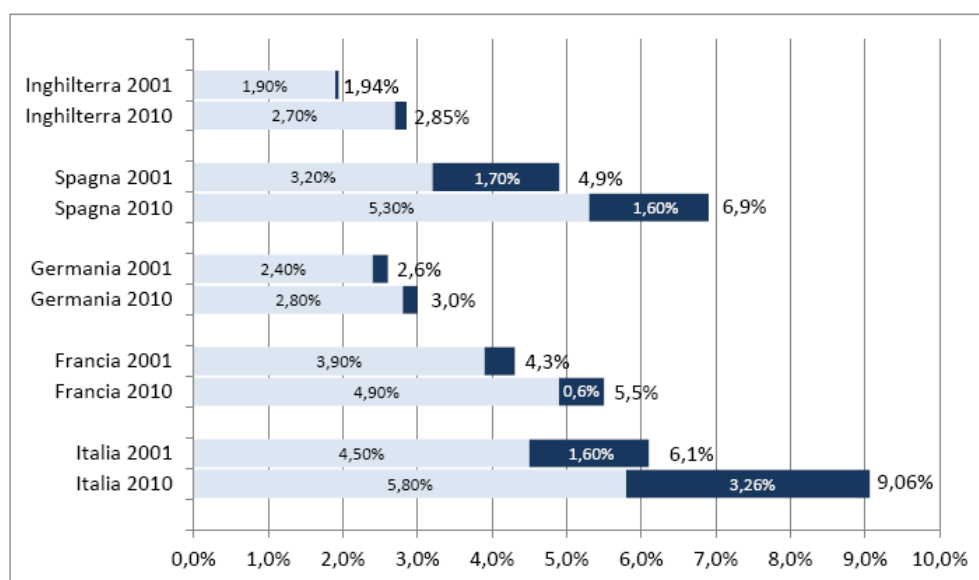
In relative terms, Spain is having the most significant growth, increasing from € 14.88 billion in 2001 to € 29.03 billion in 2010 (+98.5%), surpassing England in the units of traffic. This result is mainly given by the "non-oil", that in Spain has the highest relative growth (+121.5%). It should be noted, however, the weight of the oil (9.56 billion €, 32.6% of the entire Spanish Mediterranean interchange).

In absolute terms, Germany has the largest share of 2010 interchange net of energy products (€ 46.61 billion), confirming the primacy for this segment in 2001 (at the time, with € 26.7 billion). England on the other hand marks the greatest relative growth for energy products (+210%), even if confined to minimal levels in

absolute terms (3.1 billion € Total: lower even than Germany, which counts 4.5 billion €).

The South Med emerges from this scheme as the main interlocutor for energy products, leaving this sector a limited role to the other Mediterranean areas. Its market share is predominant in France, Spain (since 2010 also excluding energy products) and Italy (considering gross energy products). The exchange of petroleum products in 2009 in the area was distributed as follows: 35 146 t Libya, Egypt 21,150 t, 3,437 t Algeria, Tunisia 1,203 tonnes, 216 tonnes Morocco.

Figure 3 – *Interchanges between the major EU countries and the rest of the World*



The East Med is the area that, not to mention energy products, records the highest growth rates in all EU Countries. This is also the reference area for England (representing 64.3% of all its Mediterranean interchange) and Germany (62% of all its Mediterranean interchange).

The Adriatic Med is an area altogether marginal, mainly in relation with Italy and Germany. Its impact on the EU energy market is almost nothing (only Italy has recorded some barely visible portion).

Comparing this data to the total interchange of the various EU Countries with the rest of the world, we can better quantify the importance of the Mediterranean in the overall framework. The following scheme will give the percentage values of this relationship, distinguishing the part of energy products (darker).

The digits of the energy interchange (attested to a maximum of 3.26% of the interchange Mediterranean) should not mislead: the weight of the Mediterranean in

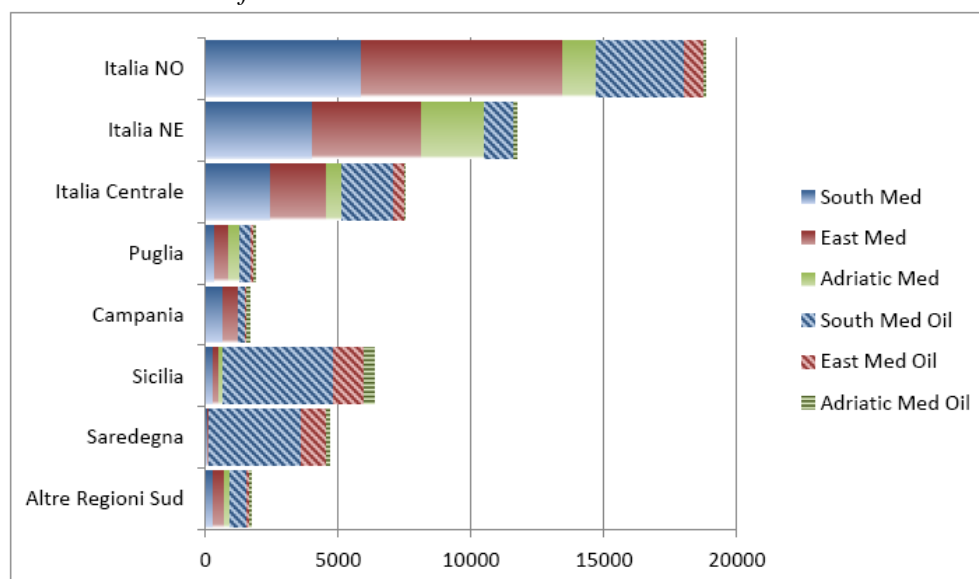
relation to the global energy interchange, even though in slight decline, is indeed very relevant. In particular, the ratio Mediterranean/rest of the world is: Italy: 31.9%; France: 11.6%; Germany: 5.1%; Spain: 20%; England: 3.6%.

2.2. The regional detail: the flows distribution and the role of Southern Italy

For Italy, the aforementioned 63.3 billion € of Mediterranean interchange in 2010, € 54.2 billion are attributable to specific regions (€ 34.6 billion + € 19.6 billion oil). In particular, the values, as distinct from energy products (darker) are broken down (in millions of €)³.

The area that totals more traffic quotas is NW Italy, with € 19,260 million. This is also the area that shows overall (oil or not) the most intense exchanges with the South Med (€ 9,290 million) and the East Med (€ 8,607 million). Following, NE Italy with € 12,185 million. This is also the area that records the most intense exchanges with the Adriatic Med (€ 2,639 m). The weight of Southern Italy (Apulia, Campania, Sicily, Sardinia, Other) in Italian-Mediterranean exchanges is 28.3%, more than twice its weight in trade between Italy - rest of the World. This indicates the importance of the Mediterranean for the South Med.

Figure 4 – The distribution of flows between different areas of the Country and the areas of the Mediterranean



³ All sources: "The economic relations between Italy and the Mediterranean - Annual Report 2011", SRM, 2011.

The total exchange is therefore distributed as follows:

Italia NO	Italia NE	Italia Centrale	Sicilia	Sardegna	Puglia	Campania	Altre Regioni Sud
35,3%	22,3%	14,2%	11,7%	8,5%	3,4%	3,1%	1,5%

Note the role of Sicily and Sardinia in the energy interchange (mainly South Med), due to the specializations of the energy ports of Augusta and Cagliari. Net of energy interchange, their values plummet to low levels of traffic. In particular it would be:

Italia NO	Italia NE	Italia Centrale	Sicilia	Sardegna	Puglia	Campania	Altre Regioni Sud
42,7%	30,4%	15%	1,9%	0,4%	3,8%	3,8%	2,1%

Italy NW is also confirmed in the net of energy the overall leader with € 14,723 million as well as the first partner for South Med (€ 5,876 million) and East Med (€ 7,587 million). Following NE Italy with € 10,485 m. It also confirms itself first partner for the Adriatic Med (€ 2,356 million).

Considering instead only the trade in energy, we would have the following scheme:

Italia NO	Italia NE	Italia Centrale	Sicilia	Sardegna	Puglia	Campania	Altre Regioni Sud
21%	6,1%	12%	29%	23%	3%	2,2%	4%

The area that totals more traffic quotas is then Sicily with € 5,673 million. Sicily is also a key partner for both the South Med (€ 4,189 million), the East Med (€ 1,152 million), and for the Adriatic Med (€ 332 million). Within the energy interchange Sicily and Sardinia together account for roughly 93% of all Southern Italy in all areas of the Mediterranean. The composition of energy trade (except approximately € 1 billion "lost" in the data) is strongly biased towards imports (73.14% of the interchange in question), with exports mainly (84%) entrusted to the regions of Southern Italy. In particular, the Central-Northern Italy and Southern Italy import respectively 6.1 and 6.1 billion € from the South Med (89.57% of imports); 0.8 and € 0.5 billion from the East Med; 0.1 and € 0.02 billion from the Adriatic Med. Exports for the same areas instead applies: 0.2 and € 2.2 billion for South Med (48% of exports); 0.3 and € 1.7 billion for the East Med; 0.02 and € 0.4 billion for the Adriatic Med.

Taking into account the difference of about € 8 billion "lost" in the transition from national to regional data, it is confirmed that the share of trade in energy between Italy and the Mediterranean, in relation to the rest of the world has been gradually reduced (while increasing volumes traffic) from 36.5% in 2001 to 29.5% in 2010 (similarly Southern Italy has gone from 45.8% to 32.2%).

The manufacturing sectors more interested in the Mediterranean interchange are textiles, metals, chemicals, transport equipment. The highest value of interchange

is given precisely by the textile industry, with about € 6 billion. Followed by metals (€ 4.8 billion), and chemistry (€ 3.3 billion). By segmenting the data we have:

- **South Med:** textiles (€ 2.6 billion), metals (€ 2.2 billion), chemicals (€ 1.1 billion).
- **East Med:** transport (€ 2.8 billion), textiles (€ 2 billion), metals (€ 1.9 billion), chemicals (€ 1.8 billion).
- **Adriatic Med:** textiles (€ 1.4 billion), metals (€ 0.7 billion), chemicals (€ 0.4 billion), transport (0.3 billion €).

3. Conclusions

The data and information collected give us a clear picture of the "health state" of our trade economy in the Mediterranean.

We believe that for the next 10-15 years, the African continent, in particular the Mediterranean Africa, will have a significant development for the richness of raw materials and the geo-economic and geo-political positioning.

In this context, why don't we think of an ambitious project?

Making a big "front port" which runs from Messina to Pachino in Sicily, specializing the ports there present. In this context, comes back the theme of the bridge across the Strait of Messina.

Acknowledgments

Thanks to Prof. Luigi Di Comite for the demographic analysis and the article on the level of development of the African continent and to Dr. Riccardo Crevatin for the English translation of the text.

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SUMMARY

Transport and Logistics in the Development Process of the Mediterranean Countries

In recent years, it is forming a "conflict" between traffic flows and points of generation and destination of movements of passengers and goods that logistics still can't manage!

This fluid and cyclical economy fails to consolidate a worldwide logistics system capable of monitoring and improving the geography of trade and the positioning of the operators.

We need to work alongside the operators to provide them less generalist interpretations, but also to stimulate and create a new way of doing business, thinking a new model of service management, especially for large international players.

A BRIEF HISTORY OF MEDITERRANEAN MIGRATIONS ¹

Eros Moretti, Eralba Cela

1. Introduction

This brief study relies on two key words: ‘Mediterranean’ and ‘migration’. As regards the Mediterranean region, reference will be made in general to the countries with access to that sea, but whose borders and zones of influence have frequently changed, also significantly, in the course of history. We shall therefore have to use highly elastic geographical references, considering Europe (or part of it), a Middle-Eastern area of varying dimensions, and northern Africa.

As regards migration, the first distinction will be between historical and modern migrations: in the former case, we shall refer to those which modified the territorial order, and which over the centuries (and the millennia) have assumed very different connotations. Moreover, we shall distinguish invasions from colonizations: in all cases, however, they involved peoples in search of new territories which were already inhabited. With the migrations that we shall call ‘modern’, even if mass migrations, migratory projects have concerned individual families (or persons) in search of a better life.

The analysis conducted in sections 2 to 4 will not necessarily follow a historical sequence. Our objective will be to identify some critical junctures with significant influences on the history of the region, and sometimes on that of humanity as a whole. We shall seek to show their causes by referring to factors of both expulsion and attraction. We will also look for possible similarities with modern migrations, and particularly with those currently changing, once again, the image of the world and the peoples that inhabit it.

¹ Sections 1 and 6 may be attributed to both authors, sections 2, 3 and 4 to Eros Moretti, and section 5 to Eralba Cela.

2. The origins of the Mediterranean region

Between 10,000 and 8,000 years ago, Europe, northern Africa and the Near East were the theatre of events of extreme importance which unequivocally marked out the Mediterranean region. The end of the last ice age around 8,700 years ago led to increasing temperatures and rising sea levels in Europe, with a consequent increase in the surface area covered by forests. Numerous wild animal herds – reindeer in particular – moved towards higher latitudes, and large numbers of hunters followed them northwards. Europe's geography, but also its demography, was profoundly modified as a consequence: between 9,000 and 8,000 years ago, the overall population of the continent slightly diminished, with marked variations in its territorial distribution². Then, around 9,000 years ago a process of desertification began in the Sahara which lasted for some thousands of years, causing the isolation of northern Africa from the rest of the continent, with the exception of the Nile Valley.

During that same period, in the Near East a large demographic increase occurred in the area situated amid Syria, Lebanon, Palestine, Jordan and Iraq known as the 'Fertile Crescent'. Indeed, it has been estimated that the population grew from 200,000 to 500,000 persons. The ensuing demographic pressure evoked two responses: (i) a search for new technologies to serve the needs of the population (in agriculture and pasturage) with the consequent onset of what is termed the 'Neolithic Revolution'; (ii) a greater propensity to emigrate to adjoining territories: from the Nile Valley to Persia, from Anatolia to Greece.

The Neolithic Revolution was a gradual one. With the spread of agriculture, pasturage, and then trade, the nomadic hunters became settled, the first villages were established, and in some cases they grew into cities³. Agriculture in the Near East was of particularly ancient origin: the first wooden scythes (with flint blades) were made more than 10 thousand years ago. The first pottery was produced 8 thousand years ago on the Mediterranean coast of Anatolia and in the Fertile Crescent, while a thousand years later the use of copper began in Mesopotamia. The Neolithic villages and towns could evolve into great civilizations because of the presence of important communication routes. This role was not performed by the sea, which was an impassable obstacle to trade, but by large rivers. The

² The rising sea levels transformed the Strait of Gibraltar, probably dry during the Ice Age, into an impassable barrier which separated Europe from Africa for some millennia until suitable vessels made the crossing possible.

³ Jericho (in Palestine) is considered the most ancient of cities. The first settlement dates back to more than 8,000 years ago. The site has undergone several urban phases over the millennia. The biblical Jericho, destroyed by Joshua in around 1200 BC, is believed to have been the sixth city on the site.

Sumerians, who probably originated in the East, settled on the lower reaches of two rivers, the Tigris and the Euphrates, in the second half of the fifth millennium BC. Just over 1000 years later, the construction of navigable canals and efficient irrigation systems had transformed mudflats devastated by unpredictable floods into highly fertile land which yielded crops three times a year. When in 3300 the Sumerians made their greatest discovery – cuneiform script – they were already using sailboats, animal-drawn ploughs, and wheeled vehicles⁴. As Braudel wrote (1997, p.60), only ‘at the beginning of the second millennium did two maritime zones emerge, producing ships and sailors: the Lebanese coast and the islands of the Aegean’.

The Nile Valley was the natural continuation of the Fertile Crescent, even if agriculture⁵ began there much later than in the Near East. The first direct contacts between the Nile Valley and southern Mesopotamia probably date to 3400 BC, the period when urbanization began in the Nile Delta, and where the first documents in hieroglyphic script⁶ appeared in around 3100. At the beginning of the next millennium the Kingdom of the North (Lower Egypt) conquered the Kingdom of the South (Upper Egypt) and founded the first dynasty of the archaic period.

The second millennium can be considered the most luminous period of the Bronze Age despite episodes of darkness⁷. The Cretans,⁸ and after the decline of Crete the Mycenaeans, had control of the eastern Mediterranean and trade; the kingdoms and empires of the entire area – often at war with each other – were their clients, and a similar function, albeit with some difficulties due to their problematic independence, was performed by the towns on the Syro-Lebanese coast. This order began to disintegrate in the thirteenth century, and the period was followed by what are known as the ‘Ancient Middle Ages’.

3. From crisis to rebirth

In the mid-thirteenth century, or perhaps a few decades later, Troy was destroyed by the Mycenaeans, and in 1235 the last great pharaoh, Ramses II, died.

⁴ Also significant was the invention of the potter’s wheel; a device which can be considered the first industrial machine.

⁵ The first forms of agricultural economy arose in 5000 BC.

⁶ It is likely that the cuneiform script of the Sumerians, though it was highly abstract, influenced the birth of the hieroglyphic system, whose signs were much more concrete.

⁷ Consider the invasion in around 1750 of Lower Egypt by the Hyksos, who remained there for two centuries; the wars among the Hittites, the Khurrites, the Mitanni, the Assyrians, and the Egyptians; and the instability of the Mesopotamian empires.

⁸ Knossos was constructed in 1900 BC.

In the same period certain endogenous factors and mass invasions⁹ altered the physiognomy of the entire region from Greece to Egypt. The best known invasions were those by the ‘Peoples of the Sea’ – probably originating from the north – which in around 1200 first devastated Greece and various islands of the Aegean and then invaded Anatolia and the entire coast of the Near East¹⁰: they were halted on their entry into Egypt. A few decades previously, flows of people originating from the Arabian desert had invaded Mesopotamia, Palestine, and the Syro-Lebanese coast¹¹. In the twelfth century, the Dorics from the north invaded Greece and reached some of the Aegean islands¹². The result of these population flows was the destruction of the Mycenaean civilization, of the Hittite Empire, and the towns on the Syro-Lebanese coast, as well as the decadence of the Egyptian Empire. When these events combined with turmoil in Mesopotamia and the endogenous factors outlined above, the result was the collapse of trade in the region. At least three centuries would pass before there was once again a significant presence of ships and trade in the eastern Mediterranean, testifying to a resurgence which would lead to conquest of the western Mediterranean.

After the destruction wrought by the Peoples of the Sea, the Phoenicians were the first to reconstruct the towns along the Syro-Lebanese coast. The collapse of the Hittite Empire, and the decadence of the Egyptian and Mesopotamian ones, had allowed those towns to enjoy an unprecedented level of independence. Moreover, the disappearance of Mycenaean power gave them absolute control over the Mediterranean routes. After the Phoenician towns had resumed trade relations with the Egyptians and established small colonies on some islands of the Aegean, they began to move westwards, following the north-African coastline. The first colonies were established in around 1000, while Carthage was founded towards the end of the ninth century. A second movement, probably more recent, used the main Mediterranean islands (Cyprus, Crete, Malta, Sicily, Sardinia, the Balearics) as its ports, and established large colonies on them. With the rebirth of the eastern

⁹ Archaeologists do not always agree on the causes of so many catastrophes in such a brief period of time. The barbarian hordes (nomadic or semi-nomadic armed peoples) which repeatedly invaded the region certainly played a significant role, but so too did endogenous factors like droughts, earthquakes and tsunamis.

¹⁰ Probably to be included among the Peoples of the Sea are the Philistines, who are believed to have settled in Palestine (in the zone of Gaza) in around 1150.

¹¹ Among these peoples were the Jews, whose arrival in Palestine, at least of some tribes, is dated to around 1220.

¹² As said, in around 1200 the Peoples of the Sea had already sacked and destroyed the Mycenaean towns. But the final blow was the arrival of the Dorics, who in around 1130 utterly destroyed Mycenae. This provoked the dispersion of the Mycenaean throughout peninsular and insular Greece, with the diffusion during the dark centuries of the Mycenaean language, Greek myths, and the Homeric tradition.

empires, the situation began to change: in the eighth century the Assyrian Empire gained control over the Phoenician towns (Byblos, Sidon, and Tyre), which after the collapse of the Assyrian Empire (sixth century) came under Babylonian dominance. The most significant Phoenician town was Carthage, whose ships passed the Pillars of Hercules in the fifth century; whereafter they headed first towards Britain and then southwards as far as the coast of present-day Cameroon.

After the crisis of the Mycenaean civilization, Greece took longer than Phoenicia to reconstruct its towns and to become once again a maritime power. In the ninth century, while the Phoenicians were expanding westwards, the Greeks began to colonize the coasts of Anatolia; only in the eighth century did they set sail for Italy. Diverse factors induced the Greeks to push westwards: in some cases, their main concern was to expand trade; in others, to acquire land to ease excessive demographic growth; while political reasons sometimes induced groups to migrate. The ships followed the European shores: from Greece, via its islands, to Corfu, and then through the Otranto Channel to the coast of Puglia, and thereafter to other destinations in southern Italy and Sicily. To be noted is that the new towns were entirely independent from those of their origin, with which they maintained only cultural affinities and close commercial ties¹³. Also to be stressed is that the colonists occupied lands which were already inhabited. The task of the new arrivals was to construct good relations with the natives, many of whom soon realized that their freedoms would be increasingly curtailed. Nor should one neglect the second-generation colonies: from the end of the seventh century onwards, the towns of western Greece colonized the coasts of the Adriatic and Tyrrhenian seas¹⁴. In the latter case, they reached the French and Spanish coasts, where they clashed with the Phoenician colonies. Further colonies were founded in Sicily, which was divided between areas of Greek and Phoenician influence.

4. History repeats itself

A similar pattern can be discerned in the crisis of the Roman Empire. Already in the third century BC the pressure of the Germanic peoples on its borders had created problems for the legions, but the migratory pressure became irresistible during the fourth century when the Huns, chased out of their territories in central Asia by other peoples from eastern and northern Siberia, invaded eastern Europe. Germanic tribes in search of new territories increased the pressure on the periphery

¹³ The main division among the Greek colonies, based on the towns of origin, is among Doric, Ionic and Achaean.

¹⁴ The main contribution was made by the colonies of Magna Grecia, while Spartan ones moved principally towards the Adriatic.

of the Roman Empire, and frequently crossed its borders. The Empire of the West,¹⁵ poorer and less inhabited than that of the East, suffered several invasions,¹⁶ and new peoples settled in what had been the Roman provinces. After the Vandals settled in Andalusia¹⁷, they created a kingdom in northern Africa which the Byzantines dismantled in the mid-sixth century. The Visigoths conquered Spain, and their kingdom resisted until the Arab conquest at the beginning of the eighth century. The Franks, after they had settled in northern Gaul, extended dominion across broader territory which culminated in the ninth century with the foundation of the Holy Roman Empire. The Saxons (with the Angles and the Jutes) colonized England, where they founded a kingdom that would endure until the Norman Conquest (eleventh century).

The Emperor of the West had left Rome before his definitive ousting in 476, and then a new authority, the Bishop of Rome, imposed itself. The new Western Empire arose around the Pope and the newly settled peoples. The Eastern Empire resisted for some centuries, but in the seventh century, owing to the advance of Islam from the south and the pressure of the Slav peoples from the north, it lost most of its provinces.

The great invasions continued for centuries. The most important concerned the Turkish Seljuks, a nomadic people from central Asia that occupied Persia in around 970, and in the eleventh century invaded Syria and Palestine, and then wrested Anatolia from the Byzantines. This empire began to crumble in the twelfth century and then definitively disintegrated following the Mongol invasion of the thirteenth. In the fourteenth century there arose from its fragments the Ottoman Principality, which moved the capital to Thrace, and in 1453 to Byzantium, after putting an end to the Eastern Roman Empire. The Ottoman Empire achieved its maximum expansion during the sixteenth century: in Europe it extended to the gates of Vienna and to southern Russia; elsewhere it expanded into northern Africa (except for Morocco) and the Near East (including Iraq). The new empire eventually controlled large part of the Mediterranean and the Black Sea, as well as gaining an important outlet on the Indian Ocean.

One of the main effects of the Ottoman expansion was the blockage of trade with the East; an obstacle that induced the recently-formed European nation-states to seek new routes to the East. The first country to do so was Portugal: in 1487

¹⁵ Only with the death of Theodosius, in 395, did the definitive distinction between the Western and Eastern Empire come about, although it had already existed in practice for many years, with the two western prefectures (Gaul and Italy-Africa) on the one hand, and the eastern ones (Illyria and the East) on the other.

¹⁶ Most notable among the invasions of Italy in the fifth century were those by the Huns of Attila (452), the Visigoths of Alaric with the sack of Rome (410), and the Vandals (455).

¹⁷ Originally Vandalusia.

Bartholomeu Dias rounded the Cape of Good Hope¹⁸, and in 1498 Vasco de Gama circumnavigated Africa and landed on the coast of western India. Between these two dates was the more important one of 1492, when Christopher Columbus, seeking a more rapid route to the Indies, set sail from Palos watched by the Spanish royal family. Due to a series of errors, however, he crossed the Atlantic Ocean and reached the islands of the Caribbean¹⁹. This accidental discovery of America definitively shifted the world's centre of gravity away from the Mediterranean.

Besides Portugal and Spain, also Holland, France and England participated in colonization of the East and West Indies. For three centuries, from the sixteenth to the eighteenth, European immigration was extremely modest: the colonization of Latin America by Spaniards and Portuguese brought only pillage and destruction. According to Chesnais (1993), before the arrival of the conquerors (1500), the population of Latin America was approximately 13 million and that of North America one million. During the sixteenth and seventeenth centuries, massacres and diseases decimated the population, with the consequent importing of around 2.5 million slaves from Africa. In 1800, after three centuries, the population of Latin America has been estimated at around 17.5 million and that of North America at 6.5 million²⁰.

The overall situation changed decisively in the nineteenth century, with the beginning of mass immigration. In North America, in the space of one century, the population rose from 6.5 to 81 million. First to arrive, in strict relation to mortality transition in Europe, were Anglo-Saxons, followed by Scandinavians and Germans. This period was characterized in the USA by the conquest of the new frontier which concluded in 1889 with assignment of the last tracts of fertile land in Oklahoma. The period between the late nineteenth and early twentieth centuries saw a new kind of immigration. It was still Europeans who migrated, but they now originated from the Mediterranean countries and those of Eastern Europe. In Latin America, where immigrants predominantly originated from Spain, Portugal and Italy, the population rose from 17.5 to 64 million in the course of the nineteenth century. More modest was the role played by Australia and New Zealand, the remaining countries with a European population, where the immigrants were

¹⁸ Previously known as the Cape of Storms.

¹⁹ The distance between the Canary Islands and Japan is 10,600 miles; on the basis of Ptolemaic calculations it would have been 8,500 miles. However, Columbus committed two further errors concerning evaluation of the length of a degree and the extent of the Asian continent, obtaining an estimate of the aforementioned distance of 2,400 miles.

²⁰ The settlement of whites in the New World provoked an enormous decrease in the American population, a substantial reduction of the demographic level in Africa, and scant emigration from Europe (Reinhard et al., 1971). Only in the eighteenth century did it have some limited positive effects.

prevalently of British origin. Overall, around 40 million people left Europe between 1800 and 1930.

5. Modern migrations

The restrictive immigration policies adopted by the American government to curb incoming migratory flows (Immigration Act 1924) and then the Great Depression of the 1930s put an end to mass emigration, which concluded before the beginning of the Second World War.

Between the two wars, Europe was traversed by refugees and entire populations forced into exile by conflicts between different ethnicities and religions. Following the rise of the totalitarian regimes and with the beginning of the Second World War, voluntary exoduses and mass deportations caused population movements to swell even more rapidly until, between 1941 and 1943, they involved around 23 million Europeans.

The second post-war period marked a new shift in European migratory dynamics. The economic and geopolitical scenario had profoundly changed. Although substantial numbers of Europeans continued to emigrate to America and Australia during the 1950s, post-war Western Europe progressively changed from a region of departure to one of the principal destinations of migratory flows. Post-war reconstruction and industrial development required labour that was often in short supply at local level owing to the huge losses of life during the conflict. The solution was provided by the migrations that began in the 1950s and 1960s. In that period of Fordist economic development, the Mediterranean region performed the function of a natural reserve of low-cost labour. The European countries undergoing strong economic expansion opened their labour markets to foreign workers through bilateral agreements. In France, Germany, Switzerland, Belgium and Holland, workers came from the countries of the Mediterranean's northern shore (Italy, Spain, Portugal, Greece, Yugoslavia) and southern one (Algeria, Morocco, Tunisia, Turkey).

The 1973 oil shock and the ensuing worldwide recession induced the adoption of restrictive immigration policies by the labour-importing European countries. The recession irreversibly changed the global and European geography of migratory flows.

The movements of people generated increasing migratory pressure from the developing countries. Migrants were not halted by the closure of frontiers but found ways to adapt and to evade the normative obstacles. Flows from North Africa headed towards the familiar northern shore of the Mediterranean, which changed from a 'land of transit to either a definitive destination or a 'waiting room'

in regard to European closure. These countries were faced by a new phenomenon for which no regulatory legislation was adopted so far, and they bore the entire burden of immigration. At the same time, although the countries of the northern shore of the Mediterranean had been the main sources of labour for the expanding economies of the North, the process of economic development had involved Europe as a whole, albeit at different rates, and it had given the working class access to relative affluence.

Secondly, the end of colonialism in Africa and Asia and the progressive improvement of living standards in numerous former European colonies enabled the citizens of those countries to emigrate, mainly to what had been the motherland during the colonial regime thanks to linguistic-cultural affinities. Primarily north-western Europe, France and England, but also Holland, Belgium and Germany, therefore began to register increasing flows of immigrants from their former colonies.

The European countries with Mediterranean coastlines, except for France, have exhibited a number of shared features with regard their socio-economic development and immigration: indeed, one may speak of a 'Mediterranean migratory model' (King 2000). Various factors have contributed to transforming Italy, Spain, Greece and Portugal from destination countries into the recipients of growing flows of immigrants. Firstly, flows in this region have evolved spontaneously. They are no longer organized as they were in the 1960s and 1970s. Spontaneity and the unpreparedness of the receiving countries stimulate entries, producing the widespread irregularity that is the distinctive feature of this model. To remedy the lack of regulation and to cope with increasing numbers of irregular immigrants, the countries concerned make frequent use of amnesties. Initially, this instrument made it possible to regularize illegal immigrants already present in the country, but the lack of serious planning and the reiteration of amnesties continue to attract irregular immigrants hoping for regularization.

Secondly, migrations to southern Europe do not now originate solely from the Mediterranean basin as they did during the post-war period, but rather from a great number of countries. The result is a highly complex phenomenon characterized by strong linguistic, ethnic, cultural and religious heterogeneity. Unlike the migrations of the past, strong gender asymmetries are created, so that male immigrants predominate in some national groups. By contrast, others consist solely of female first migrants. These latter are partly assisted by the support of the Catholic Church, which has played a major role in aiding female migrants in countries like the Philippines, Cape Verde and the Dominican Republic. Moreover, female migratory flows have been facilitated by the collapse of the socialist regimes of the East and by the progressive enlargement of the European Community.

Increasing ageing populations and weak welfare states in Southern Europe have given rise to increasing demand for domestic workers in the elderly care sector.

Also the human capital of migrants has changed in comparison with that of the post-war period – although it perhaps partly resembles that of inter-continental migrants – since migration is undertaken by people of all social classes: migrants from the countryside and from cities, poorer individuals (but not the poorest) and more affluent ones, less educated and more educated (brain drain), persons in search of better lives.

Unlike the migrations of the past, there is no place in the Mediterranean migratory model for migrants if not for those in ‘3-D jobs’ (dangerous, demanding, dirty) where social ascent is a mirage for most of them. This aspect is bound up with the economic development of the southern Europe societies, where immigrants are no longer part of a process of industrial and technological growth (as happened in the years of Europe’s economic boom). Rather, they are more frequently employed in heavy manual jobs, underpaid, with scant protection and social recognition, and in the interstices of the informal economy. This latter is at the basis of the development model of the southern Europe societies, which often exhibit two-speed growth rates. There are marked North-South contrasts within countries whereby the south, on the margins of the industrial revolution, has often based its development on seasonal sectors, like Mediterranean agriculture, services, construction, or fishing, which are characterized by demand for precarious labour and often survive by relying on informality to remain competitive.

Also the north of the Mediterranean countries, except for some large industrial groups (e.g. Fiat in Italy) is characterized by a network of small and micro family-run firms – as in the case of Italy, where the coexistence of a formal and informal labour market enables immigrants to find employment in those firms. Moreover, the transformation of production processes, as well as the decentralization and sub-contracting of activities, have led to the disappearance of large part of the jobs that once represented stable and protected employment. Activities and sectors subject to scant technological innovation (hotels, catering, construction, personal care services), and in which it has not been possible to eliminate manual work, have attracted immigrant labour very willing to accept jobs in them.

This economic phenomenon is flanked by an important social one: the rise in education levels of natives, also due to their greater affluence. Because the strong inter-generational solidarity typical of the southern European countries has sustained young people’s aspirations for economic and social ascent, it has helped create a shortage of the low-cost labour required by local economies, which have consequently resorted to immigrants. However, the improved living standards of natives and their aspirations to upward social mobility have not been matched by equally high employment levels. This has produced a phenomenon typical of the

Mediterranean migratory model: immigration coexists with high unemployment among natives.

The rapid ageing of the Mediterranean European countries and their weak welfare systems are flanked by a process of female emancipation. The greater labour-market participation of Western women frees them from care work; the vacuum thus created is a strong pull factor for female immigration into those countries.

In the Mediterranean migratory model, most migrants, especially men, find jobs in agriculture, mainly at the beginning of their migratory experience: Albanians in Greece, Moroccans and other Africans in Italy and Spain, are employed in the seasonal harvesting of tomatoes, oranges, grapes, etc. The work is done in the hottest months of the year, often in greenhouses. The living conditions of the immigrants are at the limits of decency, and relationships with the native population are almost non-existent, except when conflicts and protests erupt. Another sector that attracts immigrants is the construction industry, which pulls Cape Verdeans to Lisbon, Moroccans and Poles to Madrid, Albanians, Egyptians and Poles to Athens, Albanians and Romanians to Italy.

The tourism industry is a further source of employment for both male and female immigrants. In this sector too, as in agriculture and construction, the seasonal work available is mostly informal and precarious. Mass immigration from the Third World to southern Europe is most visibly manifest in street hawkers – who are male migrants, for the most part African and Asians.

Immigrants also find employment in industry, where jobs are steadier and better protected, and afford a certain amount of stabilization and integration into the host country.

As said, the domestic services sector is the main source of employment for female immigrants. Their inflows did not begin with the crisis of 1973. Also previously in Europe there had been immigrant women employed in domestic work (Filipinos in Italy, Spain and Greece, Cape Verdeans in Portugal and Italy). But it has been especially since the end of the 1980s that inflows of female first-migrants from Eastern Europe have intensified. This type of work is typically urban, and it concentrates largely in big cities: Madrid, Barcelona, Milan, Rome, and Athens. The labour of immigrant women provides services undelivered by the welfare state and sustains the emancipation of native women in southern Europe. With a constantly growing elderly population and the state's continuing reluctance to provide personal services, the demand for so-called 'badanti' (carers) has consolidated. There has consequently developed an informal welfare system often supported by native families and based on the exploitation of immigrant women, who, especially if co-resident with the care recipient, are deprived of freedom and a personal life-space.

Between the late 1980s and early 1990s, a series of major international events – the fall of the Berlin Wall, the Gulf War, the break-up of the Soviet Union – changed the patterns of migration and opened the way for migratory flows from Eastern Europe.

The dissolution of the communist regimes of Eastern Europe and the Balkans increased the migratory pressure on Western Europe, in some cases generating outright exoduses to neighbouring countries – for example by Albanians to Italy and Greece. In other cases, political changes created instability and provoked forced migrations, as did the conflicts in former Yugoslavia.

Geopolitical changes, the progressive enlargement of the European Union, and increasing migratory pressure on Europe, have heightened awareness among the European countries of the need for a shared policy on immigration. Debate has begun on the European Community's management of immigration, and on the process of convergence that should characterize the immigration policies of the EU member-countries. Nevertheless, the efforts of member-states seem to focus more on the closure and impermeability of their borders than on dialogue and cooperation.

In the Mediterranean context, the incapacity of the receiving societies to view migration within a substantially changed geopolitical world order, and the adoption of largely restrictive legislation, have in no wise helped governance of the phenomenon and abatement of entries by immigrants. On the contrary, policies of closure to immigration have turned the Mediterranean into a cemetery of migrants. Moreover, the failure to adopt or implement integration policies has often impeded the social inclusion of immigrants already present in the European countries, and it has increased the precariousness of their legal status, with a consequent lack of rights and social marginalization.

The recent political conflicts in the Mediterranean region and the obstacles to entry into the European countries have increased the number of people seeking to reach Europe on makeshift boats across the Mediterranean. The tragedy off the island of Lampedusa on 3 October 2013, which caused the deaths of around 350 people (mainly Eritreans), returned trans-Mediterranean migration to a place high on the political agenda.

The European Commission's response to the Lampedusa tragedy has been the creation of a Mediterranean task force (October 2013) which has suggested the following ways to prevent further deaths in the Mediterranean: closer cooperation with third countries; the development of regional protection schemes; an increase in legal ways to enter Europe; a fight against human trafficking, smuggling and organized crime; stronger surveillance of maritime borders; cooperation between the Frontex and Eurosur agencies; and assistance to EU member-states subject to

significant migratory pressures. Again, the focus seems to be on security, and Europe continues to hide behind the scenes of its enchanted fortress.

The 1995 Barcelona Conference, whose purpose was to enhance the role of the Mediterranean as an opportunity for dialogue with the Arab countries, gave rise to hopes which have not been fulfilled because of the EU's Eurocentric policies. Since September 11, the shift of interest to issues such as security, anti-terrorism, and the fight against illegal immigration has demonstrated that Europe considers the Mediterranean to be a sea barrier between two worlds, one of which perceives the other as a threat to its identity. Consequently, relationships with the southern Mediterranean countries are based, not on reciprocity and inclusive policies, but on unilateral impositions and policies.

6. Conclusions

In our brief excursus through the history (and prehistory) of Mediterranean migrations we have concentrated on two main types: invasions and colonizations. Invasions are by definition migrations of peoples bearing arms, and they are defined such by the peoples attacked. The cases that we have considered (thirteenth-twelfth centuries BC, and since the fourth century AD) concern great civilizations overrun, and sometimes destroyed, by nomadic or semi-nomadic people; they are cases, we may say, in which a more advanced technological level has been of no help in repelling the invasion. It is very difficult to find general explanations as to the causes of these flows, which should instead be sought case by case. Movements of nomadic (armed) peoples have existed for millennia, and the most likely reason for them is excessive demographic pressure²¹. The problem consists in correctly interpreting the aims of the invaders: most evolved civilizations are wealthy, and they are attractive prey. Therefore, the richer the prey, the greater the risks that the invader is willing to take to capture it. Only in a few cases do we have historical information on the peoples that destroyed the bronze-age civilizations: the Dorics in Greece, the Jews and Philistines in Palestine. In regard to the more recent invasions (since the fourth century BC.), some peoples have contributed to creating the present-day Mediterranean region and Europe: the Franks, the Longobards, the Saxons, the Normans, the Slavs, the Bulgars, the Arabs, and the Ottomans, to mention only some.

In regard to the term 'colonization', although it generally has a positive connotation, it may cover very different patterns with some elements in common:

²¹ For hunter peoples, excessive demographic pressure may also come about with low levels of density, especially in the presence of significant climate changes.

for instance, it may refer to a civilized people which sends a few ships to more or less distant lands. Also in this case we have men bearing weapons, but it is the higher technological level of the colonizers that ensures their success despite their numerical inferiority. The Greek and Phoenician colonies were such only in name; in reality, they were autonomous towns that maintained cultural and commercial ties with the motherland. Those of the sixteenth-seventeenth centuries were indeed colonies: their task was to procure wealth for their countries through trade, but also through piracy, the exploitation of the native population, or the slave trade. This was certainly the case of Latin America, Africa, and the East Indies, while it was less so in North America, where the colonists – though they were initially very few in number – constructed a new country. In all cases and in all historical periods, however, largely the same treatment has been reserved for the native population, and which in some cases – for instance the North American Indians and the Australian aborigines – has led to their almost total extinction²².

To return to the USA, as we have seen, the symbolic date marking conclusion of its colonization is 1889. Subsequent immigrants – Europeans from the Mediterranean countries and from Eastern Europe (mainly Italians, Spaniards and Poles)– were no longer colonizers; rather, they were migrants who found employment in the large cities, mainly on the Eastern seaboard: blue-collar workers in manufacturing industry, bricklayers and labourers in the construction industry, dockers in the harbours, and workers in services. This type of immigration diminished after the First World War, also because of the immigration policies adopted in the 1920s (the Immigration Act was passed in 1924) and the Great Depression of the 1930s. These migrations do not seem to differ from those of the present day, although at that time illegal immigration was not a problem. Despite the policies enacted by the various US governments to discourage such immigration, the construction of walls, and tight controls on the Mexico border, the Hispanics who have entered during the last half century and are mainly present in the states of the South, and who continue to enter with a certain intensity, constitute a social reality that has attracted considerable political attention in recent years. In the USA the new immigrants are assuming a positive role in both economic and demographic terms. In many states fertility is above the generation replacement

²² On the other hand, the same thing has happened since the first colonizations, even if the process has sometimes taken thousands of years, *Homo sapiens sapiens*, our direct progenitor, appeared on earth around 100,000 years ago in East Africa, and only 30,000 years later do we have evidence (fossils) of his overcoming of the African continent. We find *homo sapiens sapiens* 70,000 years ago in Palestine, and 50,000 years ago in Afghanistan and Russia, on the one hand, and in Morocco on the other. In the Mediterranean area, 5 thousand years later we find him in Spain and around 40 thousand years ago in Eastern Europe. In this process, the previous hominids (*homo sapiens arcaico* in Africa and Asia and the Neanderthal man in Europe) were confined to increasingly small areas, until they definitively disappeared between 35 and 30 thousand years ago.

level; and the national average TFR – uniquely among the developed countries – stands at around 2.1²³.

The current European situation is very different, and especially so that of the Mediterranean countries, where the demographic, economic and social crisis is profound and apparently irreversible²⁴. The migratory pressure from Africa and the Near East is certainly very high, and the migrants wanting to enter Europe, passing through Italy, probably exceed the European countries' capacity to absorb them. However, many of them are asylum seekers, and in other cases migrants with individual or family projects of immigration and integration seeking to improve their lives. The situation as regards migratory pressure it is not very different from the American one. The differences are in the immigration countries: the USA, on the one hand, and in the European Union on the other.

The USA is a great country born in recent centuries from migrations, and which, despite the numerous difficulties and political problems caused by irregular and unlawful immigration, knows how absorb migrations and prosper. The European Union is no more than an unfulfilled project. It should have become a federation but perhaps will never realize this dream of its founding fathers. At the same time, the strong demographic, economic and social crisis, which is particularly severe in the Mediterranean area but also affects the majority of the other countries, makes insurmountable problems that in a different context could be dealt with; and all this has been exacerbated by an economic crisis from which there seems to be no way out.

Therefore, urgently needed at EU level is coherent and non-sporadic legislation that makes it possible to govern the phenomenon of immigrant entries for reasons of both work and asylum. We know that bilateral political agreements can yield good results, even if the current political situations in some North African countries do not facilitate them. The 1995 Barcelona Conference, as said, raised hopes that have not been fulfilled, also because of the EU's Eurocentric policies. On the other hand, the Arabic springs have too often turned into late autumns, and this has complicated matters further.

In Mediterranean Europe, and in Italy in particular, the situation seems irremediable. After the regularization campaigns, and despite restrictive immigration policies, until 2008 immigrants' labour integration, even in the

²³ The TFR is the total fertility rate, and 2.1 children per woman is the value that ensures, in countries with very low mortality rates, a number of children able to replace the previous generation. The current demographic increase is to a large extent due to immigration. But because the population is quite young, also because of immigration, the natural balance (births minus deaths) is still positive.

²⁴ This situation recalls that of Italy and other European urbanized areas in the fourth-fifth century BC. which led to the crisis and then disappearance of the Western Roman Empire. Fortunately, today there are no armed peoples in search of territory on which to settle.

residual spaces of a dual labour market, produced interesting results in relation to their integration into the host society. The stabilization of immigrants even in small municipalities, housing opportunities, the formation of new families with positive effects on the birth rate, were slowing the ageing process. The prolonged economic crisis has reversed the integration of immigrants: at present, the lack of jobs affects immigrants, but without immigrants' integration demographic ageing may become explosive.

We need immigrants, but we should integrate them; and the prime means of integration is work entry.

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SUMMARY

A brief history of Mediterranean migrations

This brief study relies on two key words: 'Mediterranean' and 'migration'. Our objective is to identify some critical junctures with significant influences on the history of the region, and sometimes on that of humanity as a whole. We show their causes by referring to factors of both expulsion and attraction. We also look for possible similarities with modern migrations, and particularly with those currently changing, once again, the image of the world and the peoples that inhabit it.

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MIGRATIONS TODAY

Adriano Giannola

1. Introduction

Since 2007 the Italian economy has been going through a deep recession; much deeper than those in other European Countries (Tab.1).

This negative trend continued throughout 2013 (- 3.5% in Southern Italy, -1.7% in the rest of the country). As for the future, SVIMEZ forecasts a general negative performance for 2014, and, limited to Southern regions, also for 2015.

Such a dramatic weakening of the already distressed Italian Economic System (IES) was determined by a series of policy measures aimed at putting *i conti in ordine*; i.e. at keeping public finance under control so as to reduce the Debt/GNP ratio. This Austerity policy had strong asymmetrical territorial effects, causing the economy to collapse in the southern regions and this happened without even nearing the target that had been set. In fact the Debt/GNP ratio continued to rise. These asymmetries, while confirming the persistent dualistic features of the Italian economy, have had serious effects on the domestic market and consequently, also on the economy in the north. In spite of a relatively good performance in Italian exports, shrinking demand in the south was actually decisive in worsening overall economic activity. Table 2 gives evidence of the policies' asymmetric effects.

The varying impact of the austerity regime on different regions is mainly due to the different impact determined by cuts in public expenditure on the capital account (-1.7% in the South compared with -0.6% in the rest of the Country).

The fall in southern Italian GNP (-14% between 2008-2013, -8% in the Center-North) takes the Italian Mezzogiorno back to pre-1992 conditions.

Looking at the different components of internal aggregate demand, the fall of final consumption in the period 2008-2013 is of 10.3% in the South and 5.1% in the North. Household consumption for food decreased by 1.6% in the South (-10.7% in the North). As well as this drop in consumption, there is also, as we will see, increasing mass unemployment, which affects mainly the young and the female components of the labour force.

As for the gross fixed investment, its continuous fall (-33% in the South and -24.5% in the North) has been accompanied since 2008 by a worrying reduction of net capital formation in the Italian manufacturing sector (i.e. the “core” of the IES).

Table 1 – Economic indicators by geographical areas.

Aggregates	2011	2012	2001-2007		2008-2013		2001-2012	
			Average	Cumulate	Average	Cumulate	Average	Cumulate
Mezzogiorno								
GNP	-0,6	-3,2	1,0	7,1	-2,1	-13,	-0,3	-3,8
Final Internal Consumption	-0,6	-4,3	0,9	6,4	-1,7	-8,3	-0,2	-2,4
Household Consumption	-0,2	-4,8	0,5	3,2	-1,9	-9,3	-0,5	-6,3
Gross Investment	-3,9	-8,6	1,5	11,3	-5,8	-25,8	-1,6	-17,4
North-Center								
GNP	0,7	-2,1	1,3	9,7	-1,2	-7,5	0,3	3,3
Final Internal Consumption	0,1	-3,6	1,2	8,4	-0,6	-3,0	0,4	5,1
Household Consumption	0,4	-3,8	0,9	6,2	-0,7	-3,5	0,2	2,5
Gross Investment	-1,1	-7,8	2,0	15,0	-4,8	-21,7	-0,9	-10,0
U E (27 countries)		-0,3			-0,7			16,3
Eurozone (17 countries)		-0,6			-1,2			13,2
Germany		0,7			3,6			14,3
Spain		-1,4			-4,2			21,2
France		0			0,5			14
Greece		-6,4			-20,1			6,4

Source: Rapporto SVIMEZ 2013 sull'economia del Mezzogiorno

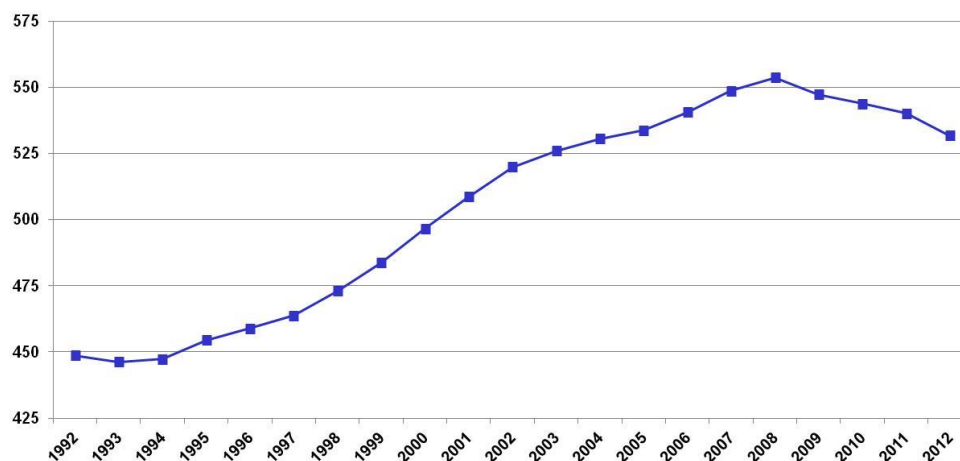
Table 2 – Asymmetric effects of policy interventions (2010-2012)

	Mezzogiorno	Center-North	Italy
GNP variations (%)	-3,5	-1,4	-1,9
Impact on GNP due to policy interventions:	-2,1	-0,8	-0,9
Fall in capital expenditure	-1,7	-0,6	-0,4
Increase in taxation	-0,3	-0,2	-0,4

Source: SVIMEZ

The state of the labour market is more and more critical, both in the northern and southern regions of the country (Scheme 1).

Figure 1 – Net stock of capital. Manufacturing sector (Billions of € current prices)



Source: ISTAT

Scheme 1 – The state of the labour market

Half million jobs lost in 4 years I sem. 2008 - I sem. 2012 -535.000 total loss		More 400000 jobs lost in one single year 2008 - 2013 -984.528 total loss	
South	North	South	North
-366.000	-169.000	-582.868	-401.5660
27% employment	73% employment	26,3% employment	73,7% employment
69% loss	31% loss	59,2% loss	40,8% loss

Source: ISTAT

These tables are noteworthy because they show how serious and interconnected the effects of the crisis in both areas are. While southern regions (which account for less than 30% of total employment) have suffered in four years almost 70% of total job losses, in a single year northern regions have lost more than 300,000 jobs. This figure gives further evidence of how mass unemployment in the South and the consequent sharp decline in demand lead to strong negative effects in the northern regions.

A more accurate analysis of official data provides realistic evidence of the actual extent of unemployment in Italy in general and also the dramatic differences by region.

2. Background to the Italian crisis

In order to fully understand the structural nature of Italian economic problems, we need to disentangle the evidence of these years, looking back at least to the late Nineties when many observers started to talk of the Italian decline.

Common sense used to admire the “Italian model”, which was based on industrial districts characterized by the dominance of many very successful medium and small companies, but since the period between 1995 and 1998 it has been possible to detect growing difficulties. The structural problems of the IES became increasingly evident since the introduction of the Euro made it impossible to rely on devaluation of the exchange rate. Actually it can be said that devaluation of the exchange rate between 1974 and 1995 had been the most relevant tool of “industrial policy”, decisive for the success of the made in Italy model. The difficulties are quite obvious if we consider the dynamics of the product per capita and of the product per hours of work. In 1991 Italy was lagging behind by 10% compared to the average of the 17 most advanced OECD Countries, whereas in 2011 the gap had increased to 20% and 25% respectively. In addition commercial trade with the rest of the world deteriorated. The surplus of the mid '90s changed after 1998 into a deficit. The share of Italian exports in the world market declined from 4.5% in the mid '90s to 3% in 2011.

This “decline” is a general phenomenon affecting southern regions and those in the north as well. The cumulate growth of the per capita GNP from 2000 to 2007 (just before the financial crisis) was 17.6% in the south, 15% in the north against the average of 31.6% of the UE -27. Considering the ranking of the 271 European regions (NUTS2), Lombardia falls from 17th to 29th place in the Union. Emilia Romagna dropped from 19th to 38th place in 2007 and to 44th place in 2010; Veneto from 28th to 46th then to 55th place, Piemonte from 40th to 62nd and in the end to 84th place. The same trend is evident in all the underdeveloped regions including Sicily, which has fallen from 196th to 217th place and Campania from 200th to 224th.

The “decline” was a consequence of the increasingly competitive integration of the international market; the introduction of the Euro, which prevents any autonomous possibility of managing the exchange rate; the overall cultural and political climate very much oriented to promote “privatization and liberalization” under the assumption that the invisible hand of the market would induce private capital (in Italy mostly small firms or micro-firms) to adjust, in terms of technical progress and managerial organization.

Since industrial policy has been dismissed so too has the policy aimed at promoting the convergence of the Southern Italian economy's lost momentum. Three reforms of the labour market (1998, 2000, 2011) were promoted in order to

cope with the increasing loss of national competitiveness. The confidence in the so called “internal devaluation” (a euphemism to avoid saying 'wage reduction') has not been able to promote technical and structural upgrading of the SMEs. On the contrary –as it was easy to predict- flexibility, wage undercutting, and precarious working conditions have been a sort of surrogate of the already extinct exchange policy. In the end, in 2007 when the financial crisis broke out, the IES was comparatively much weaker than fifteen years before and the North-South divide had increased.

3. Social impact of the economic crisis

The decline, before, and the critical conditions of the economy after 2007, affected social stability in many respects. The effects of mass unemployment hit more severely Southern regions where many families rely on a single breadwinner, and where the share of low income families is quite high.

If we classify a family's income by quintiles we have a clear measure of the sharp territorial inequality of income distribution in Italy. In the Mezzogiorno 38% of families belong to the lowest quintile against a figure of 12% in central and northern areas. Vice versa, only 9% of Southern families is included in the “upper” quintile which accounts for 25% of the families in the Centre- North. Over 60% of Southern families belong to the two lowest quintiles and only 21% to the two most rich quintiles, while the in the Centre-North these figures are respectively 29% and 50%. Still more worrying is the picture concerning the phenomenon of poverty. Both in terms of absolute values and of its dynamics, poverty is increasing in Italy and the gap between North and South is becoming wider.

Table 5 – Absolute poverty (thousands of unities) Mezzogiorno and Center-North

	2007	%	2012	%	2013	%
Centro-Nord	532	3,3	933	5,4	1.014	5,8
Mezzogiorno	443	5,8	792	9,8	1.014	12,6
ITALIA	975	4,1	1.725	6,8	2.028	7,9

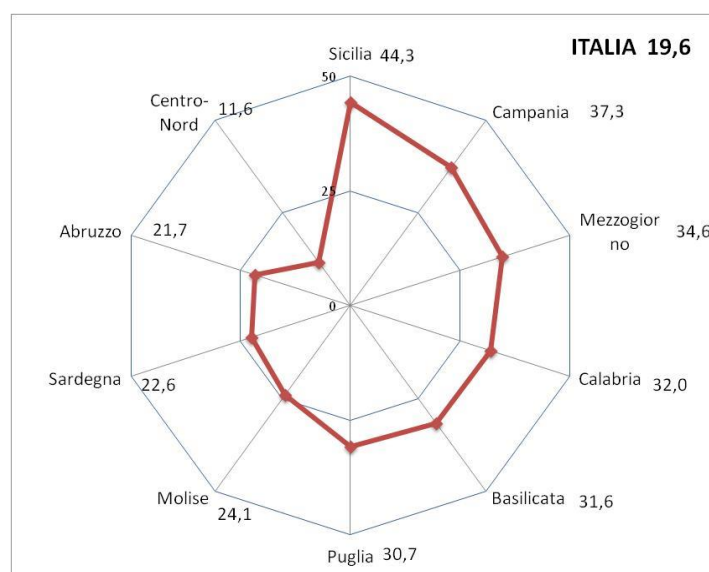
Source: SVIMEZ.

The dramatic North-South difference is reinforced if we compare the share of citizens at risk of poverty in the Southern regions against the average national or Center-North figures.

Over 35% of Southern citizens is exposed to the risk of poverty (with a peak of 44% in Sicily) against a probability? of 11% in Northern Italy.

It is hardly surprising that the dynamics and the territorial concentration of the crisis are reflected in quite strong pressure to migrate from the Mezzogiorno regions.

Figure 3 – Individuals at risk of poverty per Regions - 2011 (in %of resident population)



Source: SVIMEZ

4. Traditional dualism and new migration

For almost ten years, the upsurge of mass migration has been a well-known phenomenon. It has been denounced and analyzed quite regularly in documents like the SVIMEZ yearly reports.

This phenomenon has specific differences from the mass migrations of the Fifties or Sixties when, over twenty years, 5 to 6 million people left the Italian Mezzogiorno to migrate to Northern regions. That migration was a substantial ingredient of the “Italian Economic Miracle”; it happened thanks to an “attraction effect” exerted by the industrial areas of intensity coherent to the pressure of a “push effect” operating in the backward agrarian southern regions. There, the agrarian reform was contributing to transforming the old and backward agrarian

society allowing the massive flow of labour force to leave the primary sector. In the present situation the “new” migration happens in a completely different general situation of the economy. Its consistency in numbers appears to be decisively less impressive compared to the “old” migration. It is quite a selective “mass” migration and, therefore, there is a serious risk that it could produce quite relevant structural effects on the regions of origin, much more negative than in the past.

The demographic effects of present migration are potentially heavily destabilizing because in a few decades they could lead to a progressive mutation of the Mezzogiorno population through a progressive depletion of its human capital endowment. In other words it could produce a waste of one of the main valuable resources of these regions. If this happens –as it surely will if the process goes on– the South will be more and more in need of assistance instead of development policies. The problem of the Italian dualism would be finally solved through a sort of (quite expensive) euthanasia.

Table 6 – *Residents in Italy; census data (thousands of unity)*

	Center-North	Mezzogiorno
Residents in 2001	36.480	20.516
Residents in 2011	38.814	20.620
Abs. Variations 2001-2011	2.334	104
Abs. Var. without foreign people	6	-263

Source: SVIMEZ

Table 7 – *Internal migration balance 2001-2011 (general and metropolitan areas)*

Sistemi Locali del Lavoro e Ripartizioni	Immigrates	Migrates	Balance
Milano	44.477	33.732	10.745
Torino	115.899	62.501	53.398
Roma	142.193	77.723	64.470
Center-North	1.182.849	660.300	522.549
Napoli	63.318	160.005	-96.687
Bari	12.286	26.628	-14.342
Palermo	28.095	50.689	-22.594
Mezzogiorno	651.700	1.175.426	-523.726

Source: SVIMEZ

In 2011, the SVIMEZ report pointed out the problem, talking of a demographic tsunami that in thirty years would determine the loss of four million residents and of two million people under thirty years of age. This process, consequently, would upset the physiological demographic pyramid. In 2035 the number of people over 75 years of age in the south would overtake that in the north, and the Mezzogiorno would become the area of the country with the greatest number of elderly people.

The negative impact would be reinforced by the reduction in fertility (from 1998 to 2010 it has fallen from 1.36 to 1.34 offspring per woman while in the North it has risen from 1.12 to 1.42. In both cases less than 2.1 offspring per woman necessary to ensure the generational turnover). At the same time the inflow of immigrants would not compensate in the south for the demographic decline; the opposite would happen in the northern regions.

To show how real this perspective is we have to consider the experience of the last decade (Tables 6 and 7).

Table 8 – Residents in the South and in the North from 2012 to 2065 (thousands of units)

Geographic area	2012	2065	2012-2065	2012	2065
Mezzogiorno	20.914	16.711	-4.203	34,3	27,3
Center-North	40.002	44.594	4.592	65,7	72,7
Italy	60.916	61.305	389	100	100

Source: SVIMEZ

A sign of the critical demographic situation is offered by the analysis of population trends in metropolitan areas for the last intercensal decade. Table 7 shows a significant symmetry, while the northern metropolitan areas register an increase of 130000 residents; the southern ones suffer a loss of 133000 residents. In a more general perspective, Table 8 shows the result of a simulation in the light of the last ten years' experience of internal migration, taking into account parameters like fertility, life expectation, etc.

Table 9 – Migration from South towards North and foreign Countries, by educational degree

Years	No degree	Primary degree	Secondary degree	High School No Univ	High School with Univ	Degree	Total
To Northern Regions							
2000	2.911	12.982	31.032	7.272	24.508	12.592	91.297
2007	647	8.191	24.790	3.836	24.419	16.461	78.344
2012	1.089	7.680	25.018	5.342	29.154	25.058	93.341
Total 2000-2012	14.483	115.137	322.497	70.102	315.870	217.254	1.055.343
To a foreign state							
2000	465	2.965	6.289	3.685	1.502	1.034	15.940
2007	202	1.498	3.259	463	2.031	1.800	9.253
2012	183	1.516	5.305	971	4.583	3.820	16.378
Total 2000-2012	2.840	27.897	66.208	21.001	30.767	23.353	172.066

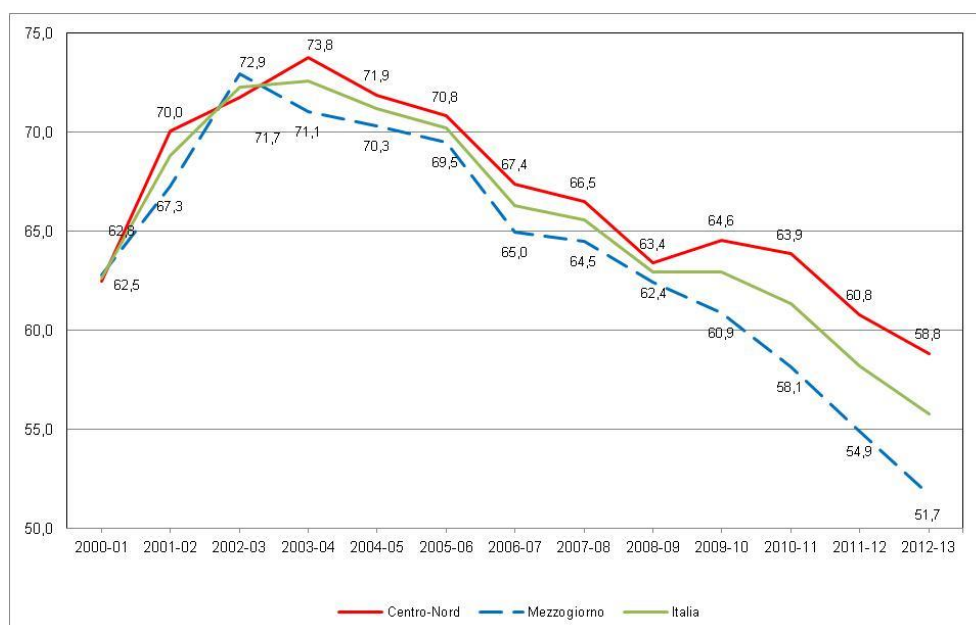
Source: SVIMEZ

The prediction is for a drastic demographic downsizing of the Italian Mezzogiorno, which is expected to lose around four million people by 2065 falling from 34% to 27% of the Italian population (immigrants included).

As has already been said, one of the main features of the “new migration” is its selectivity, which makes this process completely at variance with the mass migration of the Fifties and the Sixties.

Table 9 provides significant evidence both of the quantitative relevance and of the qualitative specificity of migration in the period 2000-2011.

Figure 4 – Share of young people registered at the University after high school



Considering the flow of people from south to north by the type of school qualification they obtained it is evident the decline of the less qualified section of the migrant labour force; the most intense flows of people belong to two sections: people with a high school qualification (with potential access to University) and people with a University degree (laureati), which is the most dynamic component, although in terms of numbers the most relevant component is still the one with access to University. These two components account for more than 60% of the phenomenon. A similar pattern is shown by migration to foreign countries (16% of the total). As for the most numerous component it is worth noticing that it includes a great number of young people who, after graduating from southern high schools,

choose to enrol directly in northern universities. In recent years this has been a rapidly increasing phenomenon and it accounts for almost 25% of young southerners who register for University curricula. This peculiarity may provide some explanation for the fact that, in the general and quite worrying decline in Italian university enrolments, those in the south have been falling much more dramatically since 2008 (figure 4).

It is not appropriate to classify these tendencies within the category of People mobility, first of all because it is a strictly unidirectional process. It is more accurate, therefore, to talk of an important migration process that is taking place from Southern Italian regions-a migration centered on the most qualified share of human capital. The consequence has a detrimental effect on the “quality” of the population that is left and, in addition, it imposes a heavy burden on the places of departure. The average young person who leaves the Mezzogiorno takes with him as a gift to the places of arrival, in fact, the cost of his education. In addition, his family quite often has to help for his upkeep in the new place because his status in the work force will be on the whole rather precarious and underpaid. Contrary to the experience of migration in the past, in this case it turns out to be quite correct to define a “new” category of transfers from south to north: the remittance to the emigrant, which substitutes the traditional remittance of the emigrant which the families in the place of origin benefited from in the past. The same applies to the emigrants to foreign countries. In the past the remittance of these emigrants contributed substantially (although this phenomenon has been almost ignored) to the equilibrium of the current account of the Italian balance of payments.

5. Migration: a final solution for the 'Questione Meridionale'?

What is frustrating is that many years after the mass migration of the Fifties and the Sixties, and after many versions of development policies that followed the ages of “external industrialization”, Italy (supposedly an advanced country) is forced to witness a new wave of mass migration instead of a normal circulation of citizens.

Part of this frustration comes from the evidence that, as usual, mobility remains a unidirectional process, and that its selectivity is progressively determining a depletion of human resources in the places of origin.

One novelty is the combination of migration with the more recent phenomenon of immigration of foreign workers (mainly from non-EU countries) who are employed in jobs abandoned by the residents in more favorable years and, most importantly, in the more developed areas of the country.

This novelty makes the problem of explaining and interpreting the “emigrazione” much more complex than in the past. Immigrants represent a

competitive feature that restrains the possibilities of a generalized mass migration like the one experienced in the past. In other words, there is a segmentation of the phenomenon that clearly ends up in the selective type described above.

Due to immigration, the “supply price” for many traditional work activities has fallen while the “cost opportunity” to migrate gradually has increased thus making it almost not convenient for residents to move. This sort of competition developed in years of relatively “normal” economic activity; immigrants filled the empty spaces created by a general improvement in living conditions and, at the same time, by the increasing costs of moving when compared with the income earned at home (from underground activities, and/ or received public assistance) . As a consequence traditional forms of migration were limited both because of a reduction in the “attraction effect” and a parallel reduction of the “push effect”. Nonetheless, we continue to see the northern regions interested by flows of residents from the south side by side with a constant influx of immigrants. For most of those people leaving the south (mainly young and educated people – as we mentioned previously) it is correct to talk of 'migration' rather than 'mobility'.

Let's try to investigate more accurately “new” aspects of this migration. For this purpose it is crucial to bear in mind that policies aimed at checking and hopefully reducing the dualism while having had after 1992 a strong “localistic” emphasis failed the target of reducing disparities between Northern and Southern Italian regions. This failure is at the basis of the “push effect”, the selective characteristic of the “new” migration.

As a consequence of the nature of these policies, the *Questione Meridionale* from the national issue was de-rubricated to a regional problem whose management since 1998 has been delegated to the European convergence strategy. As a result, each single region has had to follow its own “localistic” development strategy. As expected, this experience has completely missed the target and the *Questione*, officially “abrogated”, after three “Agendas” is now more critical than ever. In short, the so-called “Nuova Programmazione Economica” (NPE) resulted in a failure of objective. The NPE wanted to have a supply-side policy resurrected, completely new compared to the active intervention of the past. Its provisions are aimed at concentrating European resources to incentivize the accumulation of social capital through active intervention of a local nature. This attitude exasperated the inclination of each region to disperse resources in non-strategic projects. The most relevant issues became the ability to spend and the ability to report according criteria that comply with the rules established by the European bureaucracy.

The disastrous results of the diagnosis that inspired such a therapy became fully evident at the beginning of the severe crisis with its devastating asymmetric effects. The carrying capacity of the situation in the south proved to be much weaker after

twelve years of NPE than before. So migration is at the same time an instinctive reaction and a rational choice imposed by a lifeless/jaded context that offers no reasonable perspectives. As we have already noticed, the push effect no longer works on the less qualified section of the labour force by virtue of competition from immigrant workers and because of the additional effect of the general crisis, which is also affecting the most developed regions. The pressure to migrate is therefore exerted on the most valuable section of human capital in the south. Not only; since its young people are willing to accept very poor conditions in terms of work stability and wages. In order to safeguard expectations for a better future, the financial support of their families is much needed. On the other hand, there is an obvious negative impact on the “social environment”. This is why the present migration gives rise to a contradiction. Traditional migration, in contrast, had a more neutral and in many cases positive effect on the “environment” contributing to a physiological redistribution of demographic pressure on resources.

In the Fifties and the Sixties, mass migration was accompanied by strong external state intervention (agrarian reform, infrastructures, industrialization) which induced rapid structural change. Mass migration was a planned process, an ingredient of the so-called “modernization” aimed at getting rid of the old social regime (the so-called “Blocco Storico”). The reforms enabled structural evolution from a backward equilibrium to a new one. In this framework it was quite possible to produce a carrying capacity in rapid positive expansion, instrumental –among other things- in redistributing more evenly demographic pressure on national resources. The idea at the basis of that experience was quite the opposite of the pretended new “supply side policy”. Actually the NPE encouraging each region to adopting a local policy aimed to replicate the most celebrated model of “industrial districts”, was in the end detrimental exactly for that carrying capacity of the “social environment” that it was expected to improve.

Migration selectivity tends to have potentially serious negative demographic consequences. Its dynamics may rapidly undermine the ratio between the whole non- active population (less than 15 years and more than 65 years of age) and the population between 15 and 65 years of ages; let’s call it the “virtual” dependency ratio.

The exit of young people diminishes the denominator, makes this index rise. Apparently, a correction could happen in the long run through the effect of a reduction in the component of people younger than 15 due to the erosion of the “demographic pyramid”. But this, far from being a correction, is something absolutely not to be encouraged for the sake of the survival of the community in the long run.

Selective migration, therefore, operates in the direction of increasing the ratio, a tendency that would turn out to be magnified if we consider an “effective”

dependency ratio where at the denominator we consider only the people between 15 and 65 years of age who are really employed. The gap between the “virtual” and the “effective” ratios is an index of the state of the economy. In the case of structural, massive unemployment the economic sustainability becomes more and more problematic. To compensate this tendency, a plan for adequate flows of transfer is needed. If this does not happen, the perspective of a “biological solution” driven by an increasing selective migration will prevail. The shirking of the youngest section of the population affects in several other ways the demographic structure (expectation of life, fertility, ecc.). In the long run a new equilibrium between “economy” and “demography” will be fixed by the dramatic reduction of the carrying capacity of the context.

To sum up, the revival of migrations is radically diverse from emigration in the past, although it is strictly dependent on the persistent dualistic nature of the Italian system. While in the past migration was instrumental in bringing about “miracles”, today it is a defensive reaction to deep problems with no benefit for the place of origin. In perspective, this specificity puts under pressure the survival of the unity of the State.

In such a situation of social emergency, the Hirschmanian exit prevails as a forced solution over the alternative voice. In order to control this dangerous tendency it is absolutely necessary to stop the progressive destruction of the economic apparatus. To give young educated people a real opportunity of choice between migration and mobility, the real issue is the ability to provide a real functional positive role for the Mezzogiorno in the framework of a recovery plan for the Italian economy.

At present such hypothesis seems out of reach. Today, financial austerity is still the unique certainty in the perspective of a quite worrying future.

CENTRALITY OF ITALY IN THE MEDITERRANEAN MIGRATION SYSTEM: ASPECTS OF FOREIGNERS' PRESENCE¹

Stefania Girone, Sabin Dragulin, Sara Grubanov-Bošković

1. Premises

Nowadays the Mediterranean confirms itself, much more significantly than in the past, as a place where considerable migration flows take place as well as a geographical area that holds together emigration countries but also immigration and transit countries.

There is a more widespread perception of being part of a World in constant motion whose actors are being driven by factors of different nature, all of which linked by a common cause: the desire – and in some cases the need – to find elsewhere better life conditions². In this sense, the area of the Mediterranean Basin represents a case of high interest since it constitutes, together with North America (USA and Canada), one of the main areas of attraction for long-range as well as short and medium range flows that originate, mostly, from the areas commonly defined as developing countries.

The end of the Seventies, following the oil crisis (1973), triggered a period of recession which induced all developed countries to reassess their economic strategies, generating a complete transformation of the global economy, including the Euro-Mediterranean one. In this context, a new phase of the Mediterranean migration process has unfolded bringing, among others, changes regarding the direction of the flows, set off by the adoption of “stop” policies by the European Governments (such as France and UK) as a restrictive measure to the foreign labour force demand. This type of policy, set up in order to stop migration flows

¹This work originates from the research activities in the topic of demographic dynamics and international migration in the Mediterranean Basin and, in particular, it refers to two most recent research programs on these issues:

I) “Determinanti e conseguenze socio-economiche della mobilità territoriale delle popolazioni in ambito intermediterraneo: il caso italiano”, financed by the Istituto di Studi Politici San Pio V and under scientific coordination of Luigi Di Comite and Stefania Girone (2013-14);

II) “Dinamiche ed equilibri demo-economici nel continente africano: implicazioni sulla presenza straniera in Italia”, financed by the University of Bari and under scientific coordination of Luigi Di Comite (2013-14).

²Di Comite L., Girone S., Galizia F. 2012. *La popolazione. Geopolitica delle migrazioni*, in Malanima P. /eds/, *Rapporto sulle economie del Mediterraneo. Edizione 2012*, Bologna, il Mulino.

originating from poor countries, has had an effect to deviate these flows toward countries where the access would have been easier. It is at this moment that countries like Italy and Spain, traditionally countries of origin of migrants, first became countries of transit and then destination countries for migrants: as a matter of fact, given the geographical proximity and their permeability, due to the lack of adequate policies and laws on migration issues, these countries were initially seen by migrants as transit areas only on their route to economically stronger areas³.

What is more, the official policy of closure adopted in relation to foreign workers along with the simplicity of recruiting the labour force illegally in the Southern Mediterranean has fomented a growing illegal migration leading to additional restrictive measures in the issue of immigration.

During the '70s and the '80s Tunisia and Morocco were the countries that had contributed mostly in shaping the flows of immigrants directed to the new Mediterranean countries of immigration. The situation partially changed after 1989 when, following the fall of Berlin wall, the (exit) borders of many former URSS countries opened and set new East-West migration flows in motion.

In Italy, the North African immigration became gradually accompanied by the Albanian one and later by inflows of workers from Former Yugoslav republics⁴, Romania, Ukraine, etc. In such a frame of reference, it is understandable why the Italian state has been called up to cover a crucial role in the Mediterranean migration network and why in the last thirty years it hosted an amount of foreigners that increased remarkably reaching, at the end of the 21st century, a value of almost 4 thousand units⁵. Therefore the current levels of foreigners' presence in Italy have been shaped, since the beginning of the 90s, by different type of flows. Such as, in specific, the South-North flows (the oldest ones), that essentially take place within the Mediterranean and regard mainly Africa, considered both as a whole as well as in its northern and Mediterranean part; the short/medium-range East-West flows that concern largely the Balkans (Romania, Albania, entire Former Yugoslavia, Moldova) and also Poland and Ukraine; the long-range East-West flows pertaining mainly to the Philippines, India, Bangladesh and Sri Lanka; and finally those originating from Latin America – directed mainly to Spain, and then Italy – that concern in particular Peru and Ecuador.

³Pace G. /eds./, 2003. *Economie Mediterranee. Rapporto 2003*, Economia e storia delle società mediterranee n. 3, Edizioni Scientifiche Italiane, Naples.

⁴Pugliese E. 2001. *Migrazioni e mediterraneo*, in Aymard M., Barca F. /eds./, *Conflitti, migrazioni e diritti dell'uomo. Il Mezzogiorno laboratorio di un'identità mediterranea*, Arela, Maison des Sciences de l'Homme, Rubbettino.

⁵Girone S., Lollo G. 2011. *Las migraciones de tránsito: Estrecho de Gibraltar vs Canal de Sicilia*, Investigaciones Geográficas, n. 54, Instituto de Geografía de la Universidad de Alicante, Enero-Abril.

Given these premises, the focus in the following paragraphs will be put both on the evolution of foreigners' presence in Italy in light of past and recent census surveys as well as on nationalities that are mostly represented in the country, relating it to the demographic and socio-economic context. In order to do so, we will use the existing official sources on the topic of foreigners, i.e. the Population and Household Census (Istat), the Survey on non-Italian pupils (Ministry of Education, Universities and Research), labour force surveys (Rcfl, Istat) and, lastly, surveys on inmates (Ministry of Justice).

2. Presence of foreigners through the lens of censuses⁶

The census tool, which has allowed us to create the time series of foreigners' presence between 1981 and 2011, has highlighted its considerable increase especially in regards to the last two surveys. As a matter of fact, it is possible to clearly estimate, from the Table 1, how the share of foreigners per 1000 surveyed, increased between the first and the last considered census, going from 3.7‰ to 67.8‰, with the variation rate that was equal to 68.8% between 1981 and 1991 and got to 274.8% in the last census interval.

Hence, in the census interval 1991-2001 our attention is drawn in particular to the pace of increase of foreigners which became ever more intensified.

Between 2001 and 2011, despite the fact that foreign population continued to increase, it underwent a modest deceleration by recording a variation of 201.7%.

Table 1 – *Foreigners in Italy according to last censuses.*

Census year	Foreigners in a.v.	Foreigners per 1,000 surveyed	% variation with respect to the previous census
1981	210,937	3.7	-
1991	356,159	6.3	68.8
2001	1,334,889	23.4	274.8
2011	4,027,627	67.8	201.7

Source: authors' processing based on Istat data (various years).

There has clearly been a sort of a demographic revolution in the Italian migration scenario over these three decades, not only because it went from recording two hundred thousand of foreigners in 1981 to exceeding four millions in

⁶Girone S. 2014. *La presenza maghrebina in Italia*. Research paper elaborated within the research program "Determinanti e conseguenze socio-economiche della mobilità territoriale delle popolazioni in ambito intermediterraneo: il caso italiano", financed by the Istituto di Studi Politici San Pio V.

2011, but also and foremost in view of a different “ethnic framework” that can be derived from data reported in the Table 2.

In the case of 1981 census all top five nationalities belonged to a group of the so called developed countries and it was necessary to scroll down to the sixth place to come across Tunisia; ten years after Morocco and Tunisia appeared among the top five positions; in 2001 among the top seven positions there were Morocco, Albania, Romania, the Philippines, Yugoslavia, Tunisia and China and none of these countries was part of highly developed countries; finally, today none of the developed countries results among the first fifteen positions.

In less than three decades, thus, the foreign presence evolved from having modest dimensions with the prevalence of the highly developed European countries and the USA to another type in which prevails the presence originating mainly from South-North and East-West flows.

Moreover, currently there has been a trend of a progressive extension of predominance of top ranked nationalities (Romania, Albania, Morocco, China and Ukraine) that alone absorb more than 50.0% of the total number of foreigners surveyed in our country⁷.

Table 2 – *Top 15 nationalities, EU and non-EU, represented in Italy according to the last census surveys (percentage).*

Country of citizen.	1981	Country of citizenship	1991	Country of citizenship	2001	Country of citizenship	2011
France	10.9	Morocco	11.2	Morocco	13.5	Romania	20.5
USA	8.8	Germany	6.4	Albania	13.0	Albania	11.3
Switzerl.	8.2	Yugoslavia	4.8	Romania	5.6	Morocco	10.1
F.R.G.	7.0	Tunisia	4.7	Philippines	4.0	China	4.8
UK	5.3	France	4.4	Yugoslavia	3.7	Ukraine	4.4
Tunisia	3.9	Philippines	4.3	Tunisia	3.6	Philippines	3.2
Belgium	3.3	USA	4.2	China	3.5	Moldova	3.2
Greece	2.9	UK	3.9	Germany	2.6	India	2.9
Yugosl.	2.4	Senegal	3.0	Senegal	2.3	Peru	2.3
Iran	1.9	Albania	3.0	Peru	2.2	Poland	2.1
Austria	1.8	Switzerl.	2.9	France	2.2	Tunisia	2.1
Libya	1.6	Romania	2.7	Macedon.	2.1	Ecuador	2.0
Canada	1.6	Egypt	2.7	Egypt	2.0	Banglad.	2.0
Venezuela	1.6	China	2.1	Poland	2.0	Macedon.	1.8
Argentina	1.5	Argentina	2.1	India	2.0	Senegal	1.8
<i>Tot.(a. v.)</i>	<i>210,937</i>		<i>356,159</i>		<i>1,334,889</i>		<i>4,027,627</i>

Source: authors' processing based on Istat data (various years).

⁷Di Comite L. 2011. *From Emigration to Immigration: the Italian Experience*, Rivista Italiana di Economia, Demografia e Statistica, n. 2.

Over census periods the non-EU presence has gained an increasingly larger size than the EU one: in fact, in 2011 it was equivalent to 72.5% of total foreigners and 1.9% of the total population – Italian and foreign together – surveyed in Italy.

The entire non-EU contingent results essentially formed of Europeans, Africans and Asians (17.7%), while on the other hand there is a low share of Americans and a completely marginal share of migrants from Oceania.

3. Demographic profile of foreigners in Italy: specific case of three mostly represented nationalities

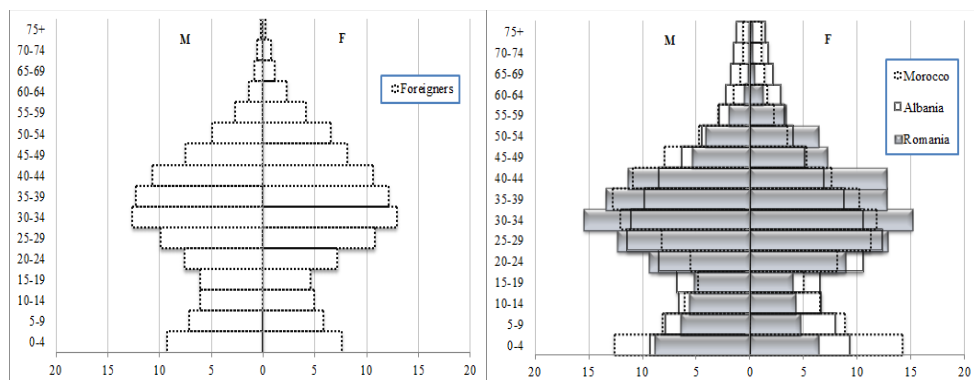
In order to initially identify the most important homogeneities and/or heterogeneities among various nationalities represented, it is necessary first to draw a structural demographic profile of foreigners currently present in Italy.

The most widely used operative tool in studies of the structural state of any given population is the age pyramid and accordingly, in our specific case, it has been retained that a construction of a triple pyramid related to three nationalities mostly represented in Italy (Romania, Albania and Morocco) could provide an instrument of immediate comparison

Therefore, by observing the three pyramidal profiles (Figure 1) one can easily noticed how the structures of the Romanian, Albanian and Moroccan population differ, albeit modestly in certain traits, in terms of age and sex: the first one appears as a stretched “spin top-shape model”, i.e. large in the central age groups and narrow at the two opposite ends; the second one is the one that among those considered tends to be mostly similar to the pyramidal form of the entire foreign population seen together, presenting a base and central age groups moderately extended with the exception of the highest age groups for which the Albanians, in comparison to the total of foreigners, have slightly lower shares; while the third one is particularly emblematic of the transitional state, which is still in course, proper to Morocco since it appears as a funnel shape “model” with a base significantly large and narrow vertex, effect of a clear growing population.

In the near future the age structure of foreigners and in particular the one concerning Romanians, Albanians and also Moroccans, that by now claim prolonged periods of stay (decennial and sometimes even bidecennial) on the Italian soil, should uniform and thus approach, before other nationalities, the pyramidal state that is proper to the Italian population: the base will tend to narrow down while the opposite effect will concern central age groups and foremost those above 65 years of age that will go extending as a clear effect of the increase in the mean age as well as the effect of the demographic ageing that has been affecting, with different ways and rates, all highly developed populations.

Figure 1 – Age pyramids related to foreigners and the top three nationalities present in Italy according to the 2011 census (percentages).



Source: authors' processing based on Istat data (2011 Census).

At this point, the employment of some common indicators (Table 3) is not only useful but also necessary to complete what has already been said regarding the age structure of considered foreign populations.

The analysis of gender composition, carried out using the masculinity ratio (known as sex ratio), reveals a higher incidence of women in comparison to men when considering the entire foreign population ($R_m = 87.6\%$) and it appears even more pronounced for Romanians ($R_m = 76.7\%$), while on the contrary Moroccans as well as Albanians register values of R_m equal to 118.1% and 109.2% respectively.

The mean age of the Moroccan population is 28.7 years and, in comparison to the entire foreigner population (31.5) and, in specific, to Romanians (30.8) and Albanians (30.2), it results to be the youngest one.

The generally marginal presence of the over60 population – and in the case of Romanians (0.6%) almost non-existing – comes along with a share of under18 that is all but insignificant, especially for Moroccans that register the highest share (31.1%) among the main immigrant groups and consequently higher even than the share of minors of the entire immigrant population (23.4%).

Reading it through dynamic lens, it is quite obvious that in opposition to an undisputedly regressive type of the Italian population, since the amount of younger population is lower than one of the older, the population of foreigners is evolving according to a progressive type of a trend, having shares of youth abundantly higher in comparison to scarce shares of over60.

Table 3 – Indicators of age structure related to the foreign population and main immigrant nationalities according to the 2011 census (percentages and completed age).

Citizenship	R _m	Under18	Over60	Mean age	Main regions
Romania	76.7	20.3	0.6	30.8	Lazio 18.1%
Albania	109.2	27.6	4.8	30.2	Lombardy 21.0%
Morocco	118.1	31.1	2.8	28.7	Lombardy 24.2%
Foreigners	87.6	23.4	2.3	31.5	Lombardy 23.5%

Source: authors' processing based on Istat data (2011 Census).

4. Concentration and distribution of foreigners on the territory

The territorial distribution of foreigners confirms one typical trait of the Italian migration phenomenon: the foreign population has always been distributed on the Italian soil in a highly irregular way and it holds both for the entire foreign population as well as for single groups distinguished by nationality.

Foreigners reside primarily in Northern and Central Italian regions and only in minor share in the South and on the Islands⁸. According to the last census data, Lombardy results as the leading region with 23.5%; followed at a distance by Veneto (11.4%) and Emilia Romagna (11.2%).

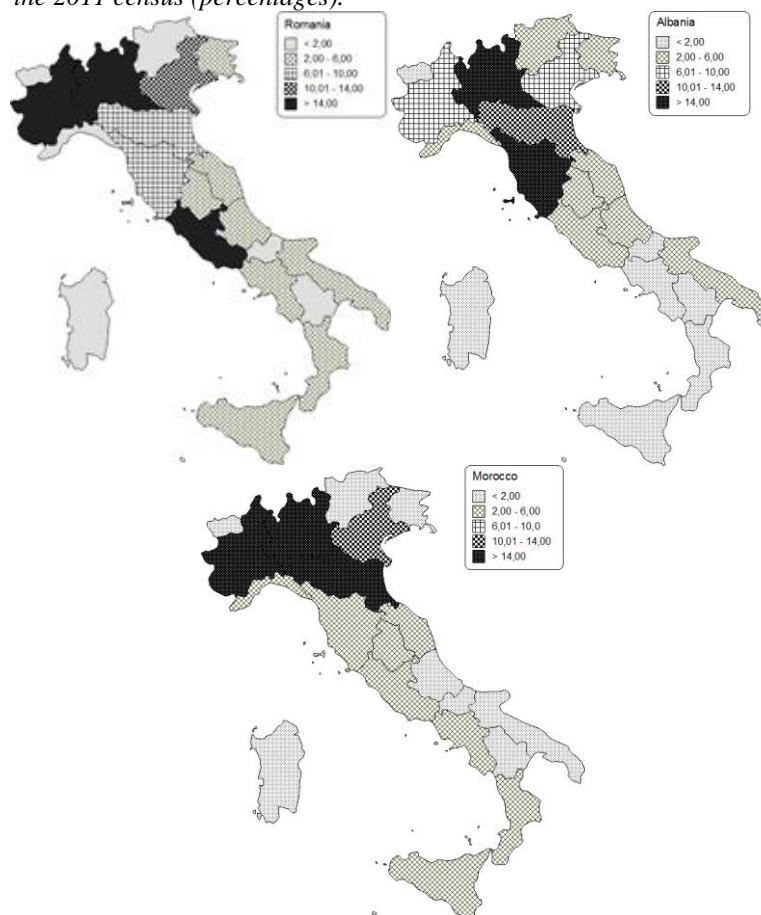
Therefore, the regions of Northern Italy are at the top of the classification of regions with the highest share of foreigners and it is necessary to go to the 4th rank to trace one Central region (Lazio: 10.6%) and to go further down to the 7th place to trace the Southern one (Campania: 3.7%).

More specifically, the following can be highlighted in reference to three main nationalities considered (Figure 2):

- a) Romanians with 58.3% are divided between Lazio (18.1%), Piedmont (14.8%), Lombardy (14.4) and Veneto (11.0%);
- b) Albanians with 57.4% are concentrated in Lombardy (21.0%), Tuscany (14.2%), Emilia Romagna (12.7%) and Piedmont (9.5%);
- c) Moroccans with 67.0% are distributed between Lombardy (24.2%), Emilia Romagna (15.8%), Piedmont (14.1%) and Veneto (12.9%).

⁸Over the last decade a major number of foreigners has poured into and settled in Southern regions, however this increase has not had enough impact yet to change the consolidated and traditional territorial scenario.

Figure 2 – Territorial distribution of Romanians, Albanians and Moroccans according to the 2011 census (percentages).



Source: authors' processing based on Istat data (2011 Census).

Besides Lombardy and Piedmont that remain a constant for all three nationalities, there are no Southern Italian regions among areas with the highest share of Romanians, Albanians and Moroccans, while only two regions appear in the case of the Central, namely Tuscany for Albanians and Lazio for Romanians.

Romania, Albania and Morocco come out as the top three nationalities mostly represented in each Italian region – often in a different order between regions – in 12 cases out of 20. So in only eight regions besides Romanians, Albanians and Moroccans there can be found: Serbs in the 3rd position in Friuli-Venezia Giulia, Ecuadorians ranked as the 1st in Liguria, Chinese as 3rd in Tuscany and Sardinia,

Filipinos and Poles at the 2nd and 3rd rank respectively in Lazio, Ukrainians as 1st in Campania and as 3rd in Calabria and, finally, Tunisians as 2nd in Sicily (Table 4).

Table 4 – Regional distribution of the three mostly represented nationalities in Italy according to the 2011 census.

Region	First 3 main countries		
	1 st Country	2 nd Country	3 rd Country
Piedmont	Romania	Morocco	Albania
Valle d'Aosta	Morocco	Romania	Albania
Lombardy	Romania	Morocco	Albania
Trentino-Alto Adige	Albania	Romania	Morocco
Veneto	Romania	Morocco	Albania
Friuli-Venezia Giulia	Romania	Albania	Serbia
Liguria	Ecuador	Albania	Romania
Emilia-Romagna	Morocco	Romania	Albania
Tuscany	Romania	Albania	China
Umbria	Romania	Albania	Morocco
Marche	Romania	Albania	Morocco
Lazio	Romania	Philippines	Poland
Abruzzo	Romania	Albania	Morocco
Molise	Romania	Morocco	Albania
Campania	Ukraine	Romania	Morocco
Apulia	Albania	Romania	Morocco
Basilicata	Romania	Albania	Morocco
Calabria	Romania	Morocco	Ukraine
Sicily	Romania	Tunisia	Morocco
Sardinia	Romania	Morocco	China
<i>Italy</i>	<i>Romania</i>	<i>Albania</i>	<i>Morocco</i>

Source: authors' processing based on Istat data (2011 Census).

Among the top five municipalities in which the nationalities of our interest result mostly concentrated there are all the cities of Northern Italy (Bologna, Genoa, Milan, Padua, Turin, and Verona), except for two Central Italy municipalities (Florence and Rome). Whereas the capital city is present in all three rankings, Florence appears relevant only in the Albanian ranking as the last position (Table 5).

Table 5 – *Distribution of the three mostly represented nationalities in Italy among their prime municipalities of residence according to the 2011 census.*

Municipality of residence		
Romania	Albania	Morocco
Rome	Rome	Turin
Turin	Turin	Milan
Milan	Genoa	Rome
Padua	Milan	Genoa
Verona	Florence	Bologna

Source: authors' processing based on Istat data (2011 Census).

5. Socio-economic aspects: school, work and detention

Within the Italian scholastic system, the increase of foreign students is largely attributed to the raise of enrolments registered in the past years.

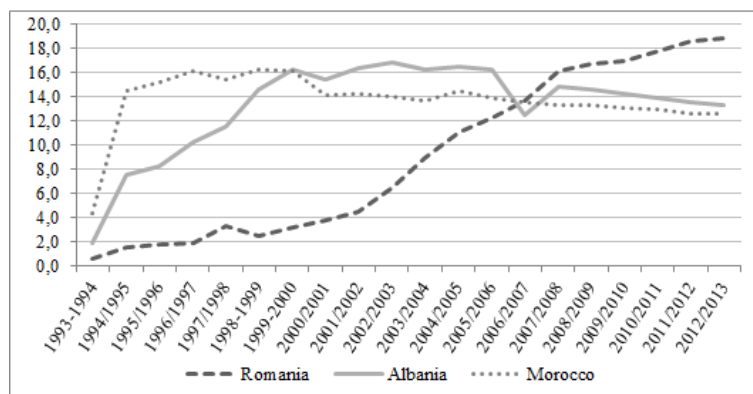
According to the last available data of Education, Universities and Research Ministry for the SY 2012/2013, the number of non-Italian students has reached 800 thousand units that correspond to a share equal to 8.8% of the total amount of students enrolled in the Italian schools⁹. Also, there is a considerable share of “second generation” students, i.e. those born in Italy, which went significantly increasing over the last years and currently represents 47.2% of the total number of non-Italian students in the Italian school system.

Romanian students (18.9%) together with Albanian (13.3%) and Moroccan ones (12.5%) are the most numerous ones, representing together 44.7% of non-Italian enrolled students. Other nationalities register a share lower than 5.0%.

Over the last two decades, from 1990/91 school year to 2012/13, the share of Romanians showed a tendency of constant and almost systematic raise, whereas the share of Albanians and Moroccans has underwent with the new millennium a modest contraction with not so regular trends, especially in the Albanian case (Figure 3). Among educational stages, the mostly attended stage by non-Italian students is the primary school, followed by the upper secondary school (22.3%), the lower secondary school (21.7%) and, finally, the preschool (20.9%). In comparison to the total of non-Italian students, Romanians, Albanians and Moroccans ones are also the most numerous in the primary school, but in contrast the Romanians and Moroccans result less numerous in the upper secondary school, whilst Albanians in the lower secondary school (Figure 4).

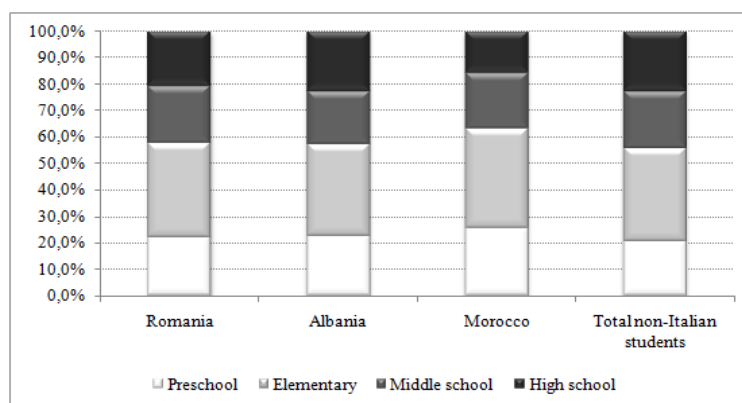
⁹Ministero dell'Istruzione, dell'Università e della Ricerca. 2014. *Alunni con cittadinanza non italiana. L'eterogeneità dei percorsi scolastici. Rapporto nazionale A.s. 2012/2013*, Ismu n. 1.

Figure 3 – Non-Italian students in the Italian school system (main 3 citizenships), SY 1990/1991 – 2012/2013 (percentages).



Source: authors' processing based on Miur data, 2013.

Figure 4 – Non-Italian students in the Italian school system according to the educational stages, SY 2012/2013 (percentages).



Source: authors' processing based on Miur data, 2013.

The analysis of the economic context, carried out by using the Istat data on labour force¹⁰, has allowed us to evaluate the level of labour participation of foreign population, distinguished by EU and extra-EU, residing on the Italian territory¹¹.

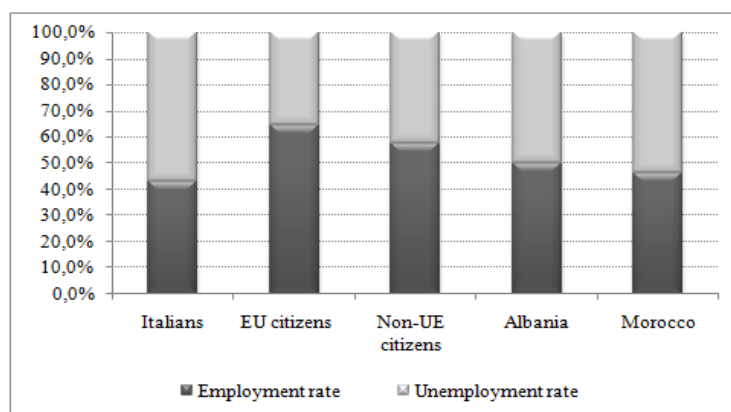
¹⁰ Labour force survey micro data (Istat, 2013).

¹¹The data currently available on economic aspects do not allow to carry out an analysis for all the nationalities: they do not include data for EU nationalities and hence, in our specific case, on Romanians.

Over the last years, the economic crisis in Italy has been downsizing employment levels and increasing unemployment. The effects of this economic situation continue to engage also non-Italians that traditionally have been recording higher employment levels than the Italian labour force.

Whilst discussing conditions and employment types, one should bear in mind that only the population that has generally concluded the mandatory school, and thus has an age equal and/or higher than 15 years, is being considered. In reference to the first aspect – employment conditions – it can be noticed that among non-Italians the employment rate is assessed at around 60%, while for Italians this percentage goes down to around 40%. Albanians and Moroccans register employment rates (50.0% and 46.4% respectively) that are higher than the Italian average, but on the other hand lower than the non-Italian, both EU and extra EU, average (Figure 5).

Figure 5 – Employment rates by nationality (age 15 and above) on 2012.



Source: authors' processing based on Rcfl micro data (Istat, 2013).

Even though there are no specific data on Romanians for this type of the study, it is sufficient to observe EU foreigners in order to get a clear idea of how the employment levels of the main nationality in Italy should be much higher than those pertinent to Albanians and Moroccans.

In order to have some more specific information about Romanians – together with Albanians and Moroccans – on the subject of employment, this study additionally employed the database extrapolated from the Istat's survey ("Income

and Living Conditions”) which offers greater details about foreigners by single nationalities¹².

The construction of the profiles related to the three examined nationalities – that correspond to three models reported in the table 6 – was carried out by means of a logistic regression analysis that allows confronting odd ratios of being employed while controlling for sex, age, education level, health status and the length of the permanency in Italy.

Accordingly, the multivariate analysis results show that the propensity of being employed is higher for:

- a) men rather than for women in all three models, however the gap in favor of men is least marked for Romanians;
- b) those aged between 35 and 44, a trend that emerges from all three cases;
- c) those who have higher education, a trend that is also present in each of the three models;
- d) those who report their health conditions as good, as shown in the model for Albanians and Moroccans¹³;
- e) those who reside in Italy less than 10 years, as indicated for Romanians¹⁴.

Among the three observed nationalities, Albanians and Moroccans show very similar attitudes in contrast to Romanians that, albeit modestly, appear to distinguish themselves.

In the conclusion of this paper, a study on the detention of foreigners in Italy was held to be of high interest given the particular historical moment characterized by the phenomenon of prison “overcrowding”¹⁵. According to the data provided by the Amministrazione Penitenziaria di Grazia e Giustizia Department, on March 2013 in 206 Italian prisons there were 140 “caged” per 100 regulatory places.

The Italian penitentiary contingent reveals a consolidated foreign component for years now: 35.6% of detainees in Italian prisons are, in fact, non-Italians.

At regional level (Table 7), as reported by the latest Dap statistics (31st March 2013), the 65,831 units that compose the population of inmates, Italians and foreigners, are largely concentrated in Lombardy (9,289), Lazio (7,231) and Sicily (7,081) that embody together around 50.0% of the national amount of inmates; on other hand, the lowest number is registered in Valle d’Aosta and Trentino Alto

¹²The survey “Income and Living conditions” was carried out for the first time by the Istat in 2009, following the example of the survey “Income and Living Conditions, Eu-Silc (European Statistics on Income and Living Conditions)”, on a sample of 6,000 families that have at least one foreign family member residing in Italy.

¹³The variable concerning health conditions is not statistically significant for Romanians.

¹⁴The variable concerning the length of residency is not statistically significant for Albanians and Moroccans.

¹⁵De Palma F., Girone S. 2014. *The Ones “Caged” in Italy: a Focus on Foreigners*, Rivista Italiana di Economia, Demografia e Statistica, n.1.

Adige (181 and 280 units respectively) where the share of detainees, generally equal to 1.0%, is basically marginal.

Table 6 – Logistic regression models.

Variables	Odd ratios of being employed		
	Romanians	Albanians	Moroccans
	Exp (β)	Exp (β)	Exp (β)
SEX			
Female (ref. Male)	0,27 ^{***}	0,13 ^{***}	0,14 ^{***}
AGE			
25-34	2,56 ^{***}	4,89 ^{***}	2,94 ^{***}
35-44	4,08 ^{***}	6,79 ^{***}	4,88 ^{***}
45+	3,59 ^{***}	1,60 ^{**}	2,84 ^{***}
(ref. 15-24)			
EDUCATION	1,65 ^{***}	1,27 [*]	1,46 ^{**}
GENERAL HEALTH			
Negative (ref. Positive)	0,94	0,63 ^{***}	0,71 [*]
RESIDENCY			
<10 years (ref. > 10 years)	1,63 ^{**}	1,15	1,15
Pseudo R ²	17,2%	35,8%	35,9%
N	2.092	1.239	1.013
<i>p</i> < 0.05 [*] ; <i>p</i> < 0.01 ^{**} ; <i>p</i> < 0.001 ^{***}			

Source: authors' processing based on Istat dataset "Reddito e condizione di vita".

Moreover, by decomposing the detained population into Italians and foreigners, the highest density of Italian inmates is observed in the South of peninsula while for the foreign detainees in the North. Among regions with the bigger amount of Italian detainees there are Campania, Sicily, Lombardy, Lazio, Apulia and Calabria; whilst among those with the higher number of foreigners are Tuscany, Veneto and Emilia Romagna, besides Lombardy, Lazio and Piedmont that are generally "disputed" both by foreigners and Italians.

The "overcrowding" is an unviable condition which, except for Sardinia and Basilicata, affects all Italian regions and it is true even if the national average (139.9%) was to be considered as the reference criterion with only nine regions recording a lower overcrowding index (I_s ¹⁶) than the average. More specifically,

¹⁶The condition of "overcrowding" was computed by means of the indicator ($I_s = P_d/C_r * 100$) that expresses the relation between the inmate population and the regulatory capacity of the penitentiary institution under consideration.

61.2% (40,309 units) of the total penitentiary contingent “suffers greatly the overcrowding”, since they are being incorporated in regions with overcrowding levels above the national average¹⁷. Also, it is impressive the number of regions with strong foreign connotation: only seven regions (Abruzzo, Basilicata, Calabria, Campania, Molise, Apulia and Sicily) have a share of foreigners lower than the national average (35.6%); and even though in small, in terms of capacity, regions (Valle d’Aosta and Trentino Alto Adige) the incidence of foreigners is remarkable (foreigners compose $\frac{3}{4}$ of detainees in each region), it is actually in the case of region with large capacities that the phenomenon of “over-representation” of foreigners gains major significance. It is the case of Veneto, Liguria, Friuli Venezia Giulia, Tuscany, Emilia Romagna and Piedmont, where more than 50.0% of the inmate population are foreigners (Table 8 and Figure 5).

Table 7 – Inmates, regulatory capacity and overcrowding of Italian prisons by Region of detention - March 31st 2013.

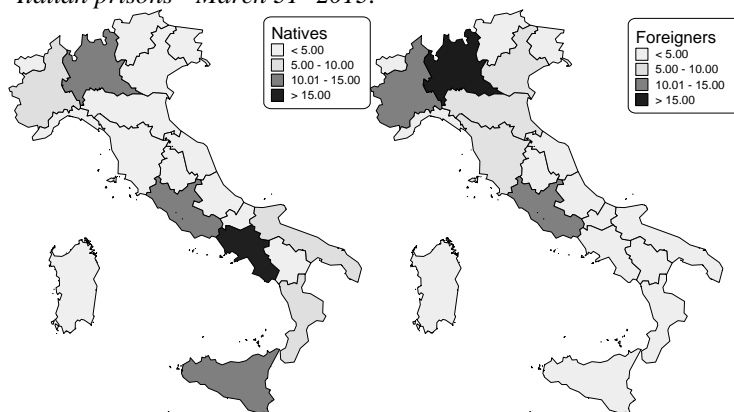
Regions	Number Prisons	Standard Capacity	Prisoners*			O _v	Foreigners (%)
			Total	Females	Foreigners		
Abruzzo	8	1,512	1,860	79	304	123.0	16.3
Apulia	11	2,459	4,078	221	741	165.8	18.2
Basilicata	3	441	441	16	60	100.0	13.6
Calabria	12	2,151	2,879	72	395	133.8	13.7
Campania	17	5,794	8,296	360	981	143.2	11.8
Emilia Romagna	13	2,465	3,631	131	1,871	147.3	51.5
Friuli Venezia Giulia	5	548	838	28	462	152.9	55.1
Lazio	14	4,834	7,231	482	2,974	149.6	41.1
Liguria	7	1,088	1,881	72	1,098	172.9	58.4
Lombardy	19	6,051	9,289	572	4,095	153.5	44.1
Marche	7	777	1,200	35	558	154.4	46.5
Molise	3	391	520	0	63	133.0	12.1
Piedmont	13	3,679	4,979	168	2,497	135.3	50.2
Sardinia	12	2,257	2,010	34	785	89.1	39.1
Sicily	27	5,559	7,081	179	1,279	127.4	18.1
Tuscany	18	3,261	4,124	160	2,225	126.5	54.0
Trentino Alto Adige	2	280	395	22	281	141.1	71.1
Umbria	4	1,332	1,628	72	681	122.2	41.8
Valle d'Aosta	1	181	271	0	199	149.7	73.4
Veneto	10	1,985	3,199	144	1,887	161.2	59.0
<i>Total</i>	<i>206</i>	<i>47,045</i>	<i>65,831</i>	<i>2,847</i>	<i>23,436</i>	<i>139.9</i>	<i>35.6</i>

*The inmates in day-release are totaled in the number of prisoners.

Source: authors' processing based on DAP data.

¹⁷De Palma F., Girone S. 2013. *Overcrowding in Italian Jails. A Quantitative Analysis on Foreigners*, Polis - Journal of Political Science, Bucharest, October.

Figure 5 – Territorial distribution of the (native and foreign) population detained in the Italian prisons - March 31st 2013.



Source: authors' processing based on DAP data.

Moreover, the regional analysis reveals that while there are only two areas (Apulia and Campania) of major suffering for Italian inmates, on other hand there are six regional areas (Liguria, Veneto, Emilia Romagna, Valle d'Aosta, Friuli Venezia Giulia and Trentino Alto Adige) for foreign detainees (Table 8).

It is, however, true that the distress suffered by foreigners in the mentioned regions is less heavy than the one suffered by the Italians in Campania and Apulia. Finally, in Lombardy and Lazio the overcrowding is almost equally relevant among Italians and foreigners.

Table 8 – Inmates in Italian prisons by Regions with great O_v (above national average = 139,9%) - March 31st 2013.

Region	O_v	Natives		Foreigners		Total	
		Units	%	units	%	units	%
Liguria	172.9	783	41.6	1,098	58.4	1,923	100.0
Apulia	165.8	3,337	81.8	741	18.2	4,160	100.0
Veneto	161.2	1,312	41.0	1,887	59.0	3,240	100.0
Marche	154.4	642	53.5	558	46.5	1,254	100.0
Lombardy	153.5	5,194	55.9	4,095	44.1	9,345	100.0
Friuli Venezia Giulia	152.9	376	44.9	462	55.1	883	100.0
Valle d'Aosta	149.7	72	26.6	199	73.4	298	100.0
Lazio	149.6	4,257	58.9	2,974	41.1	7,290	100.0
Emilia Romagna	147.3	1,760	48.5	1,871	51.5	3,679	100.0
Campania	143.2	7,315	88.2	981	11.8	8,384	100.0
Trentino Alto Adige	141.1	114	28.9	281	71.1	424	100.0
Total	-	25,162	62.4	15,147	37.6	40,371	100.0

Source: authors' processing based on DAP data.

Among foreigners caged in Italian prisons, there is a clear prevalence of Africans (49.0% of the total amount of foreign prisoners), most of all coming from the Maghreb (35.8%). They are followed by Europeans, both members of EU (20.7%) and not (19.9%), and then Americans and Asians who certainly report much lower shares (respectively 5.7% and 4.9%) than the former ones. In the above context, it does not go unnoticed the great female percentage among Nigerians, distinctive almost negligible in other African countries¹⁸ (Dap, 2013).

The most outstanding nationalities¹⁹ among the foreign inmates are the Moroccan (19.0%), the Romanian (15.8%), the Tunisian (12.5%) and the Albanian (12.3%) ones, which all together sum 60.0% of the total, i.e. nearby 14,000 of the whole foreigners housed in Italian prisons.

Those four representative foreign inmates are differently distributed in the Italian territory (Figure 6): a) Moroccan prisoners are mainly concentrated in the area of Lombardy, Tuscany and Piedmont; b) Romanian detainees are greatly located in Lazio, though their lesser extend presence in Lombardy and Piedmont cannot be completely ignored; c) Tunisian inmates are the most spread on land, as they are housed in Tuscany, Emilia Romagna, Lombardy and Veneto; d) the Albanian ones are essentially positioned in Lombardy and Tuscany. Besides, the only Regions gathering significant presence of the four nationalities together (that is, more than 1,000 units) are Lombardy (2,358), Tuscany (1,540), Lazio (1,476), Piedmont (1,439), Veneto (1,262) and Emilia Romagna (1,254).

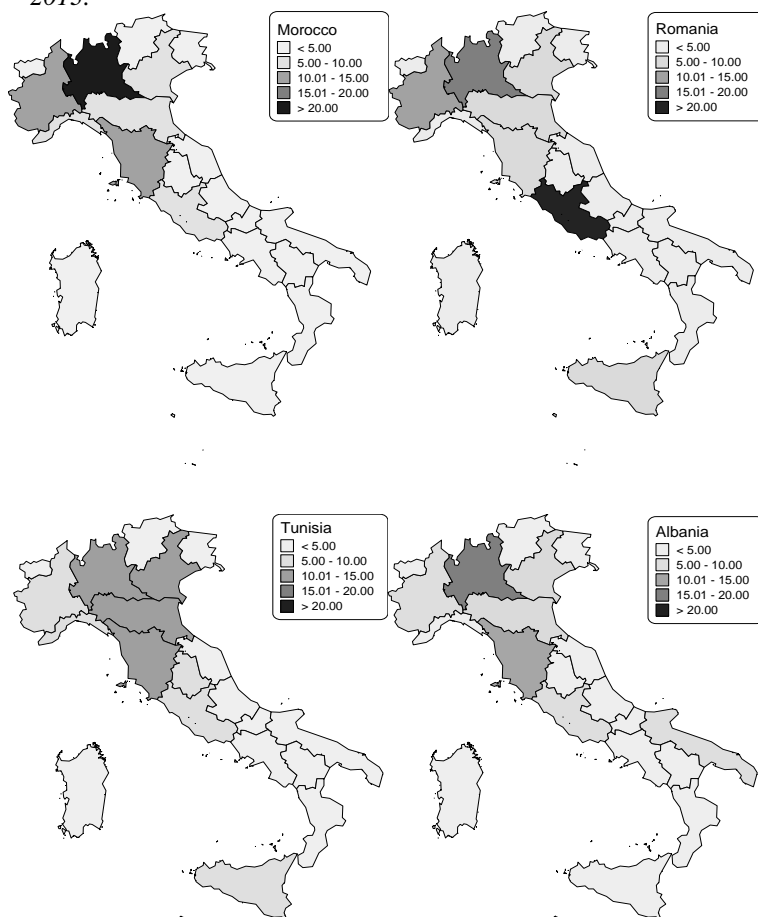
At this point, in order to deepen the study on the four major foreign nationalities, it has been selected those Regions having the following features in their penitentiary structure: i) a very high overcrowding rate, that is, above the national average (139.9%); ii) a percentage of foreign inmates greater than the national one (35,6%); iii) a considerable prison capacity (above 1,000 regulatory places)²⁰.

¹⁸Cfr nota 15.

¹⁹Due to scarce space available, this paper doesn't report the table showing the ten most representative foreign nationalities in Italian prisons which, specifically, are: 1) Morocco (19.0%), 2) Romania (15.8%), 3) Tunisia (12.5%), 4) Albania (12.3%), 5) Nigeria (4.3%), 6) Algeria (2.6%), 7) Egypt (2.0%), 8) former Yugoslavia (2.0%), 9) Senegal (1.7%), 10) Bulgaria (1.5%).

²⁰In this regard, three regions (Trentino Alto Adige, Valle d'Aosta and Friuli Venezia Giulia) have been discarded from this analysis as - though having a high overcrowding rate and a great foreign presence - have a small prison capacity, that is, below 1,000 places.

Figure 6 – Territorial distribution of the most outstanding foreign nationalities (Moroccan, Romanian, Tunisian and Albanian) in Italian prisons - March 31st 2013.



Source: authors' processing based on DAP data.

By doing so, tables 9a and 9b allow to identify the six Regions (Lombardy, Lazio, Emilia Romagna, Veneto, Liguria and Marche) where major foreign prisoners (Moroccans, Romanians, Tunisians and Albanians) may extremely suffer of “unlivable overcrowding”. More specifically, it comes up that each one of the above Regions: 1. holds a considerable amount of inmates coming from the four foreign countries, aggregates that range from nearby 50.0% in Lazio to 67.0% in Emilia Romagna (Table 9a); 2. likely causes “equal overcrowding distress” to nearby ½ of each foreign group. Basically, since the major foreign presences are

hold by the six Regions at the same percentage (ranging from 52.3% for Moroccans to 54.6 for Romanians), it is certainly fair to say that there may be a kind of “prison unlivable homogeneity” among the four nationalities, yet, even inside each one of them (Table 9b).

Furthermore, table 9a shows that the “overcrowding-suffering” is territorially diversified:

- a) most of Moroccans are affected by that phenomenon in Lombardy, Emilia Romagna, Veneto and Liguria;
- b) a huge quota of Romanians experiences unlivable conditions in Lazio;
- c) a large amount of Tunisians has to tolerate living-discomfort in Emilia Romagna and Veneto, besides, quite as much as Moroccans do in the same Regions;
- d) many Albanians undergo same inadequacies in Marche.

Table 9a – *Distribution of Moroccans, Romanians, Tunisians and Albanians by Region with great capacity, O_v and foreign presence - March 31st 2013.*

Region	A*	B**	C***	Morocco	Rumania	Tunisia	Albania	subtotal	rest for.	total for.
Lombardy	9,289	153.5	44.1	23.1	14.2	7.9	12.3	57.6	42.4	100.0
Lazio	7,231	149.6	41.1	7.6	26.6	6.3	9.1	49.6	50.4	100.0
E. Romagna	3,631	147.3	51.5	23.4	10.6	21.1	12.0	67.0	33.0	100.0
Veneto	3,199	161.2	59.0	20.1	13.8	18.7	14.3	66.9	33.1	100.0
Liguria	1,881	172.9	58.4	24.8	11.6	15.6	12.5	64.4	35.6	100.0
Marche	1,200	154.4	46.5	14.2	10.4	18.3	23.1	65.9	34.1	100.0

A* Regulatory Capacity - B** Overcrowding rate - C*** Total Foreign inmates/Total inmates (x100).

Source: authors' processing based on DAP data.

Table 9b – *Distribution of Moroccans, Romanians, Tunisians and Albanians by Region with great capacity, O_v and foreign presence - March 31st 2013.*

Region	Morocco	Romania	Tunisia	Albania
Lombardy	21.2	15.8	11.1	17.4
Lazio	5.1	21.4	6.4	9.4
Emilia Romagna	9.8	5.4	13.5	7.8
Veneto	8.5	7.1	12.0	9.3
Liguria	6.1	3.4	5.8	4.7
Marche	1.8	1.6	3.5	4.5
Subtotal	52.5	54.6	52.3	53.1
rest of Regions	47.5	45.4	47.7	46.9
Italy	100.0	100.0	100.0	100.0

Source: authors' processing based on DAP data.

In light of the findings that emerged from this last part of the research, it has been retained that the issue of “overcrowding” and “over-representation” of foreigners in Italian prisons constitutes a problem that cannot find sustainable solutions in the short period. The analysis of the “Italian vs. foreign inmate” issue has allowed going beyond the mere Italian connotation by taking a closer look at those who, having the juridical status of “foreigner”, find themselves in a more vulnerable position than the natives.

6. Concluding remarks

This study has allowed us to grasp some of the most important demographic and socio-economic aspects of the foreigners’ presence in Italy in general and in regard to three nationalities (Romanians, Albanians and Moroccans) mostly represented in particular. During some hundred years, from the beginning of the World War I until today, the migration “scenario” of our country inverted: in fact, it went from a situation of a migration deficit of nearly 4 million units, in the period from 1881 until the World War I, to a situation in which it counts a foreign presence somewhat higher than that same value. Therefore, this evolution can be summarized simply by underlining that, in broad terms, the numbers are the same but the sign of the migration balance went from being negative to being positive²¹.

With a migration process in its consolidation phase, taking on traits of economic and territorial stability of entire and full family nuclei, a phenomenon which in the near future will certainly start gaining major relevance for the entire Italian society is the question of second generations. The integration models of these second generations – that appear to be very delicate since they involve issues that concern ethnic identity of individuals belonging to this particular group – will be heavily conditioned by demographic and socio-economic traits of the family as well as of the ethnic community of origin. Therefore, an in-depth examination of foreign communities today will allow identifying, among others, those aspects that could influence the integration process of second generation of each foreign community, offering this way to policy-makers useful indications on how to develop interventions that could anticipate potential problems and guarantee a virtuous integration and pluriethnic cohabitation²².

²¹Cfr nota 5.

²²Grubanov-Bošković S. 2014. *La presenza Albanese in Italia*. Research paper elaborated within the research program “Socio-economic determinants and consequences of the territorial mobility of populations in the inter-Mediterranean context: the Italian case”, financed by the Istituto di Studi Politici San Pio V.

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SUMMARY

Centrality of Italy in the Mediterranean Migration System: Aspects of Foreigners' Presence

Within the Italian migration scenario, over the last decades, there has been a sort of a demographic revolution, not only because it passed from recording some two hundred thousand of foreigners in 1981 to exceeding four millions in 2011, but also in view of a different “ethnic framework”: in fact, through the 4 censuses the foreign presence evolved from having modest dimensions with the prevalence of the highly developed European countries and the USA to another type in which prevails the presence originating mainly from South-North and East-West flows. In addition, currently there has been a trend of progressive extension of predominance of top ranked nationalities (Romania, Albania, Morocco, China and Ukraine) that alone absorb more than 50.0% of the total number of foreigners surveyed in our country. In this ranking thus dominate Mediterranean migration flows both in South-North direction (Morocco) as well as East-West one, in particular the Balkans, (Romania and Albania). In this paper, with specific analysis carried out in regards to the foreigners in general and three mostly represented nationalities in Italy, it has been possible to identify, for some aspects, homogeneities and/or heterogeneities in the issue of demographic assets (population structure and territorial distribution) as well as socio-economic ones (school, work and detention).

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