

Development of manufacturing in the Mezzogiorno - 2015 Q5B

Around 25% of the population of the Mezzogiorno is employed in the manufacturing (secondary) sector, a majority of whom are unskilled. The manufacturing industry in the Mezzogiorno is heavily controlled by the state and many factors prohibit the industry from developing more.

The Mezzogiorno lacks vital natural resources such as oil, gas and water that would allow for further development of the manufacturing industry. All raw materials must be imported, e.g. gas from Algeria, which is not cost efficient to the industry. The region is covered in limestone bedrock which is permeable and doesn't allow much surface water, which makes the cooling of large machinery very difficult. There is also a lack of water due to the sun and heat which means droughts occur more frequently. These droughts mean cheaper renewable energy such as hydroelectric power (HEP) is not an option.

The Mezzogiorno is located in the south half of Italy which means it is located away from large cities and their respective markets, such as Milan. Due to a serious lack of transport links and good quality roads, the development of road and rail links were vital to the survival of the Mezzogiorno. However, this development in itself poses challenges as 85% of the Mezzogiorno terrain is steep or upland. The Autostrada del Sole was constructed in 1964 that connected the Mezzogiorno with the north of Italy. However as it is such a long distance it is still very expensive to travel and trade, meaning it is still very hard for the region to compete with other industries that are located closer to the core of the European Union (EU). This cut-off from vital EU markets discourages MNCs (Multinational Corporations) from settling there. There is very little development as a whole in the Mezzogiorno and due to this, the standard of living is significantly lower in the Mezzogiorno in comparison to the rest of the country.

23% of families living in the Mezzogiorno are classified as living in poverty - significantly more than in northern Italy. There are very few large cities in the Mezzogiorno which encourages a large-scale outward migration of young people. Only three of Italy's top 20 universities are located

inside of the Mezzogiorno, and due to this young people migrate from the area to get better education, higher-paying jobs and an increased standard of living. This migration of young people leads to a 'brain drain' in the area as the Mezzogiorno loses numbers of their workforce. The Vanoni Plan was created and more MNCs were attracted to the area. In 1957, the Cassa per il Mezzogiorno invested €2.3 billion into the industry to improve manufacturing in the region.