

## EXECUTIVE SUMMARY

Italy has long faced the dilemma of large and enduring differences in wealth and development between the country's North-Central regions and its South. National governments have directed significant resources over many years to help the southern regions catch up, including dedicating a sizable share of the country's current national Recovery Plan to the effort. The top finding of this report is that eBay small business activity in Italy is directly aligned with closing this regional gap. The leading eBay seller rates are coming squarely out of the South, beating the wealthiest areas, including those that are home to so-called tech "hotspots".

This report examines eBay Digital Density data, a measurement of the per capita eBay selling activity carried out by registered businesses within each of Italy's 21 NUTS2 regions. The results are a stark and clear counterpoint to the article of faith among many technology critics that digitalization and ecommerce exacerbate economic inequality. This is not the case on eBay. The top six eBay Digital Density regions in Italy are all in the South, and each is among the most economically and socially disadvantaged.

The most robust eBay small business communities in Italy are in Campania, Abruzzo, Basilicata, Puglia, Calabria, and Sicilia, all among the most economically and socially disadvantaged regions.

Campania, which is at the top of the Italian eBay Digital Density table, has the highest share of its population at risk of poverty or social exclusion, the highest unemployment rate, and third-lowest regional GDP per capita. Despite those challenges, Campania is a top eBay performer across the EU overall, ranking second among the 27 Member State Digital Density leaders across multiple seller metrics, trailing only Germany's Oberpfalz region. In each of the six top Digital Density regions in Italy, eBay small businesses are collectively exceeding the results from the country's most advantaged, wealthier areas.

These striking findings are likely due to how digitalization can empower small businesses. SMEs proudly form the backbone of Italy's economic and social framework and contribute a higher share of its employment and production than in much of Western Europe. Likewise, small businesses represent a greater share of the economy in Italy's South than in the North. Regrettably, reliance on smaller firms has historically carried some drawbacks, as they can be somewhat less efficient, productive, and resilient than large enterprises. Some have seen this contributing to Italy's economic sluggishness.

Digitalization is closing the gap for many small businesses, and even flipping the script in some cases. eBay's level-playing field marketplace allows a small business to access consumer demand across the country, Europe more broadly, and even globally. Remote commerce, like remote work, can be especially valuable when the local economy is weaker, whether due to local downturns or long-term challenges. The trade numbers on eBay back this up, with small businesses exporting at rates that dramatically exceed other SMEs.

- **94 percent of Italy's eBay small businesses are exporters.**
- **eBay small business exporters average 15 different export markets per year.**
- **51 percent of eBay small businesses serve customers in 10 or more international markets.**

eBay is clearly a force for inclusive economic growth in Italy. While entrepreneurs across the country have thrived on our marketplace for almost 25 years, it is proving especially valuable to small businesses in the South. This success points to ecommerce by independent small businesses being a pillar of 21st Century regional development in Italy's traditionally challenged areas.