

Italy Small Online Business Inclusive Growth Report

Executive Summary

Since 2011, the eBay Public Policy Lab has used marketplace data to examine, measure and report on how technology has expanded opportunities for independent small businesses and entrepreneurs in more than 50 countries spanning six continents. In all cases we have found eBay-enabled small businesses leveraging the online commerce platform to engage in expansive commerce, often on a global scale. This report explores trade and inclusive economic impacts of eBay-enabled small businesses and entrepreneurs across Italy.

Modern global trade has been dominated by large corporations. The overwhelming majority of business enterprises in all countries, including Italy, are small businesses, and most are locked into their local market and rarely serve foreign customers. However, a new model of small business trade, powered by the Internet, is emerging. Platforms for Internet access, commercial services and shipping are enabling an unprecedented number of independent small businesses to connect with consumers and establish trust across national and cultural borders. Small businesses are able to create a storefront online and compete in national and global markets, while at the same time maintaining and even growing their physical presence and employment in their local community.

This report details the global trade achievements of eBay-enabled small businesses in every region of Italy. Data on comparable offline trade results are provided when available. In short, nearly every eBay-enabled small business in Italy is an exporter reaching customers in markets across Europe and around the world. The top five export destinations for the products of eBay-enabled small businesses in Italy are Germany, the United States, France, the United Kingdom and Spain.

The export success of eBay-enabled small businesses is a good news story of inclusive global trade. At the same time, many people across Europe are concerned that technology is accelerating forces of economic concentration with the most prosperous communities enjoying the bulk of all economic growth. The second part of this report investigates whether eBay's success in using technology to empower small businesses is contributing to privileged communities getting richer and everyone else getting poorer, agnostic to this overall trend, or even countering the forces of economic concentration and providing a boost to economically challenged communities.

The second part of the report highlights the particularly strong performance of eBay-enabled small businesses in many of Italy's most economically challenged regions. Italy is a country that has suffered both widespread economic stagnation as well as meaningful regional disparities. A key finding is that a number of regions with the highest poverty rates and unemployment rates in Italy, where the

Italy

Share of Enterprises Exporting



eBay-Enabled Small Businesses

VS.



Traditional Businesses

Average Number of Foreign Destination Markets



eBay-Enabled Small Businesses

Share of Enterprises Exporting to 10+ Markets



eBay-Enabled Small Businesses

VS.



Traditional Businesses

Share of eBay-Enabled Small Businesses Exporting to 4+ Continents



eBay-Enabled Small Businesses



traditional economy has faced very deep and long-term challenges, have some of the most robust and fastest-growing eBay-enabled small business communities. Three of the most noteworthy are Sicilia, Calabria and Campania. Campania, with the second highest poverty rate and the third highest unemployment rate in the country, is the top region in Italy based on eBay “Digital Density” and the most robust eBay-enabled small business community. Finally, while net enterprise growth in the overall economy was depressed, with the number of business enterprises declining from 2012 to 2016, on eBay the net growth in the number of eBay-enabled independent small businesses was 40 percent.

eBay’s global commerce platform is conclusively reducing the barriers that have traditionally locked most independent small and micro businesses, including in Italy, into their local market. Access to consumers across the country, Europe more broadly, and globally, are now available to small enterprises in communities across every region of the country. While this is a major growth opportunity for independent small businesses all across Italy, the ability to access customers outside of the local market is proving especially valuable to enterprises in remote and less advantaged communities. Government tax, regulatory and economic development policies aimed at enabling meaningful local economic development in less advantaged and remote regions should pay particular heed to the challenges facing technology-enabled independent small business models.