

# [Investors n.d.). particularly in the southern parts of](https://assignbuster.com/investors-nd-particularly-in-the-southern-parts-of/)

Investorscan determine whether a foreign country is a desirable location for investmentsby studying the economic information and indicators of the country.

Economic Information is very helpful indeciding whether to place your investments in a foreign country. Italy is a mixedeconomy, with the north being where the “ developed industries that are dominatedby private companies are and the south that has the less-developed, welfare-dependent, agricultural south, and high unemployment” (The Italian Economy, n. d.). Italy’seconomic system is considered a mixed economy.

Italy’s key economic sectors areAgriculture. Southern Italy where it’s a bit poor in some areas tend to find more agriculture businesses and in cities moretend to house more of a Traditional Economy (Italy – Agricultural Sector, 2017). Citizens produce most of what they need by farming and growing. Buying localfoods from street stores. The north of Italy produces mainly grains, soybeans, meat, and dairy products (Italy – Agricultural Sector, 2017).

The south “ specializes in fruits, vegetables, olive oil, wine, and durum wheat” (Italy – Agricultural Sector, 2017). Main Indicatorsthat show the country is a good location to place investments are a GDP (Gross Domestic Product) growth rate. Ideallybetween 2- 3 percent and that “ Inflation and unemployment are in balance” (Amadeo, 2017). Italy’s economic growth rate increases between 0.

2% and0. 0%. According to the ideal healtheconomy growth rate of 2- 3, this indicates that the Italian economy hasexperienced slow expanding growth of its economy. Economic InformationItalyis going through a “ difficult socio-economic crisis”.

The poverty risk isextremely high in Italy and children are threatened from this risk. Statistics saythat children in Italy are 1. 5 times at a higher risk of being poor than livingin France (Children of Italy Realizing Children’s Rights in Italy, n. d.

). Particularly in the southern parts of Italy, “ tens children from underprivilegedsocial classes find jobs to help their families survive. Children are mostlyfound employed in the restaurant, farming, trade sectors and construction (Children of Italy Realizing Children’s Rights in Italy, n. d.

). This constitutes aviolation of CRC article 32.” (Children of Italy Realizing Children’s Rights in Italy, n. d.). The CRC stands for the Convention on the Rights of theChild, “ a treaty that was adopted by the United Nations General Assembly in1989.” (Presentation of the Convention on the Rights of the Child, n.

d.). Investors andbusiness need to be diligent as well asinvestigate the companies they choose to investin and other investment being made in that foreigncountry to avoid being involved in supporting child labour. Enforcement of the law in Italy is the responsibility of thetwo local forces, Provincial Police ( Polizia Provinciale) and Municipal Police( Polizia Municipale).

Including the five national forces, “ State Police (Polizia di Stato), FinancePolice (Guardia di Finanza), Military Police (Arma dei Carabinieri), PrisonPolice (Polizia Penitenziaria), Forestry Police (Corpo Forestale Dello Stato)(The Italian Police, n. d.). The Italian police force has over 300, 000 officers, making it the “ highest number of employed in the Europea Union” (The Italian Police, n. d.

). Italy has made acooperative venture called The ‘ Direzione Investigativa Antimafia’ (DIA)(Anti-Mafia Investigation Department), between the five police forces that arein charge of handling organized crime (The Italian Police, n. d.).

As aninvestor and owner of a business, security for operating businesses isreliable because of the number of lawenforcement in the streets of Italy. Businesses operating in Italyhave a high risk of encountering corruption. Italy remains the third mostcorrupt country in the European Union, with Greece and Bulgaria titled the twomost corrupt countries in the European Union (Only two EU countries are more corrupt than Italy, 2017).(Figure 1) from transparencyinternational, shows the concentration of corruption on a worldwide scale.

Darkred being highly corrupt and the bright yellows being clean from corruption. Corruption relates to the inequality in the country and organized crime inbusinesses. High risk of corruption is particularly found in publicprocurement. Allowing companies exposed to organized crimes.

Crimescriminalized under the “ Criminal Code of the Italian Republic” include “ moneylaundering and fraud, bribing a foreign public official, extortion, and activeand passive bribery” (Gan, 2017). Italy has made an actiontowards fighting corruption by implementing “ Anti-corruption laws” as well asgifts are “ subject to strict limitations” (Gan, 2017).