



REGIONE DEL VENETO

STATISTICAL REPORT

Paths of growth

20
14



REGIONE DEL VENETO

Vice Presidenza e Assessorato al Territorio, alla
Cultura, alla Statistica, agli Affari Generali

Direzione del Presidente

Dipartimento EE. LL., Persone Giuridiche e Controllo
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In this year's regional statistical report the concept of the path towards growth is the leitmotif of all the themes that are discussed and analysed.

In my opinion the image of the "path" is particularly suitable for describing the historical moment that we are facing: in fact the word path brings a journey to mind and indicates both the stretch of road to cover in order to achieve a goal and the act of walking towards the destination.

It is undeniable that the global financial crisis places us on a path particularly fraught with difficulties and dangers, in which the topics of business and work are greatly affected.

For this reason, it is even more necessary to promote those dynamic growth factors of the Veneto system which are more able to accompany us on our journey towards the objectives of excellence.

In this sense, the greater strategic potentialities of development can be seized in the enhancement of the very concept of "Made in Veneto", intended as a synonym of quality, innovation and reliability that constitutes an important asset for the whole community. For example, we can consider the extraordinary and growing success in quantitative and economic terms of the exports of our food and wine specialities, especially towards emerging markets.

The paths leading to development can be numerous and developed along different routes by the stakeholders of various social and economic contexts, and the purpose of this report is to offer an overall perspective of the current situation to glimpse the future settings and prepare for these, or in fact build them from the foundations.

If, as Leonardo da Vinci said "he who walks straight rarely falls" I am confident that a region such as Veneto, which has already travelled many paths alone, will also know how to tackle the stretch awaiting them with determination and success.

Luca Zaia
Chairman of the Veneto Region





Now in its eleventh edition, in perfect continuity with the analyses of last year's volume, dedicated to transformation, the regional statistics report again provides us with the image of a Veneto in motion: a region that is not waiting statically for events to happen but prepares to face them and often finds new resources and new paths to reinvent itself and innovate.

In fact, the structural and economic dynamics of the sectors of regional interest as found in the report demonstrate that Veneto is able to branch out harmoniously and seamlessly from its traditional strong points (quality manufacture above all) to explore new and promising areas of development.

In particular, it is really excellence, intended as a constant push towards improvement and competition in order to create the most effective drive for development in a context of international crisis, where Veneto suffers less than other similar national situations.

From this point of view, as Councillor for Culture, I can only emphasise the close connection of this topic with that of tourism and the added value in economic terms that this synergy determines: I'm referring in particular to the growth of tourism in our cities of art and the grand international opening of our tourism destinations, demonstrated by the fact that two thirds of the tourists in Veneto are foreigners.

Again the reading of the report highlights that the cultural, urban and landscape assets of the territory, if used with the right entrepreneurial intelligence (and I refer first of all to the theme of smart cities), represent a great opportunity for economic development.

Therefore, if Veneto is in motion the statistical report represents a necessary, objective and accessible topography of the risks and opportunities that await us in the forthcoming years.

Marino Zorzato

*Vice Chairman and Councillor for the Territory,
Culture, Statistics and General Affairs of the
Veneto Region*





2014 represents a year of change in several respects for all levels of public governance and therefore also for the Regional Administration, as it indicates the launching of the new cycle of the European cohesion policy, intended to be completed in 2020, which should be applied at various territorial levels (EU, States, Regions) in order to maximise the impact on the key sectors of growth and employment.

In fact, in a socio-economic context that struggles to emerge from the profound global crisis that grips it, although the first indications of recovery are glimpsed, it is fundamental to know how to plan the future with long-sightedness and determination.

Veneto has long been aware of the importance of acting within the boundaries of clear and comprehensive planning in correspondence with the European and national framework and to pursue their objectives using efficient tools.

In this sense the statistics constitute a technical aid of strategic importance as they allow to oversee the entire planned cycle, assessing the starting framework, monitoring the actions in the production stage and finally checking the results; all in the perspective of benchmarking, operating a quantitative and qualitative comparison with the other more developed Italian and European regional areas.

In order to appreciate the economic and structural indications that come from our region, read the Statistical Report – also available in English and in hypertext form on the website of the regional Administration –which represents a useful and up-to-date learning and analysis tool.

Tiziano Baggio
Secretary General of Planning
Veneto Region



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Promoting competitiveness of the small and medium enterprises, and agricultural, fisheries, and aquaculture sectors
 Sustain the transition toward an economy with low carbon emissions in all sectors
 Protect the Environment and Promote the Efficient Use of Resources
 Promoting Sustainable Transport and Removing Bottlenecks in Key Network Infrastructures
 Promoting Employment and Sustaining Labour Mobility
 Promoting Social Integration and battling against poverty
 Investing in competence, in the education and permanent training
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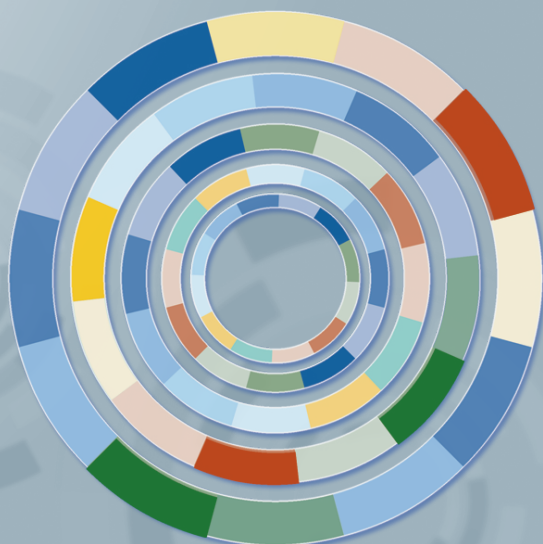


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The growth paths for Veneto





The growth paths for Veneto

"And also because I have never once thought in life that you have to go in a straight line to progress". That is how the final sentence of "Il Milione" by Marco Paolini goes, a theatre piece which, inspired by Marco Polo, outlines a map dedicated to the ability of certain men to build but also to preserve, respect and cherish priceless things (Marco Paolini, *Il Milione - Quaderno Veneziano*, Einaudi 2009). We decided to open the new edition of the Statistical Report with this quotation to introduce the concept of journey which recalls that of itinerary, travel, setting off somewhere: moving from one point, that is the past, which we cannot disregard, to another, or rather the future of development, growth and welfare which we must lean towards at a time of global crisis. And so the theme of the 2014 Statistical Report is The paths of growth, to be understood as development paths towards new social balance, new economic ideas, new tools to safeguard citizens and protect the environment around us, as well as boosting competitiveness as much as possible. After the themes of competitiveness and quality of life of the 2007 and 2008 Reports respectively, the editions written since the start of the crisis have offered ideas and thoughts on the current difficult economic situation from different viewpoints: we therefore spoke about mobility, networks and the sustainability of growth patterns, in order to identify the opportunities brought about by the change. Following that, the theme put forward last year, transformation and development, proposed to respond to the signs of ongoing change in our society and in our economy. This is where the path comes in, creating a bridge between what we were and what we would like to become, trying to surmount and - why not - use the difficulties of the period to our advantage by turning them into growth inputs. The past we are comparing to was not that long ago. You only need to reread a few passages of the 2006 Statistical Report again to grasp just how quickly things have changed:

"The GDP of Veneto increased by 1.4% in 2004. The per capita GDP in the Veneto region at current prices has grown in the last year by +2.7 percentage points, going from 25,266 Euros in 2003 to 25,954 Euros in 2004."

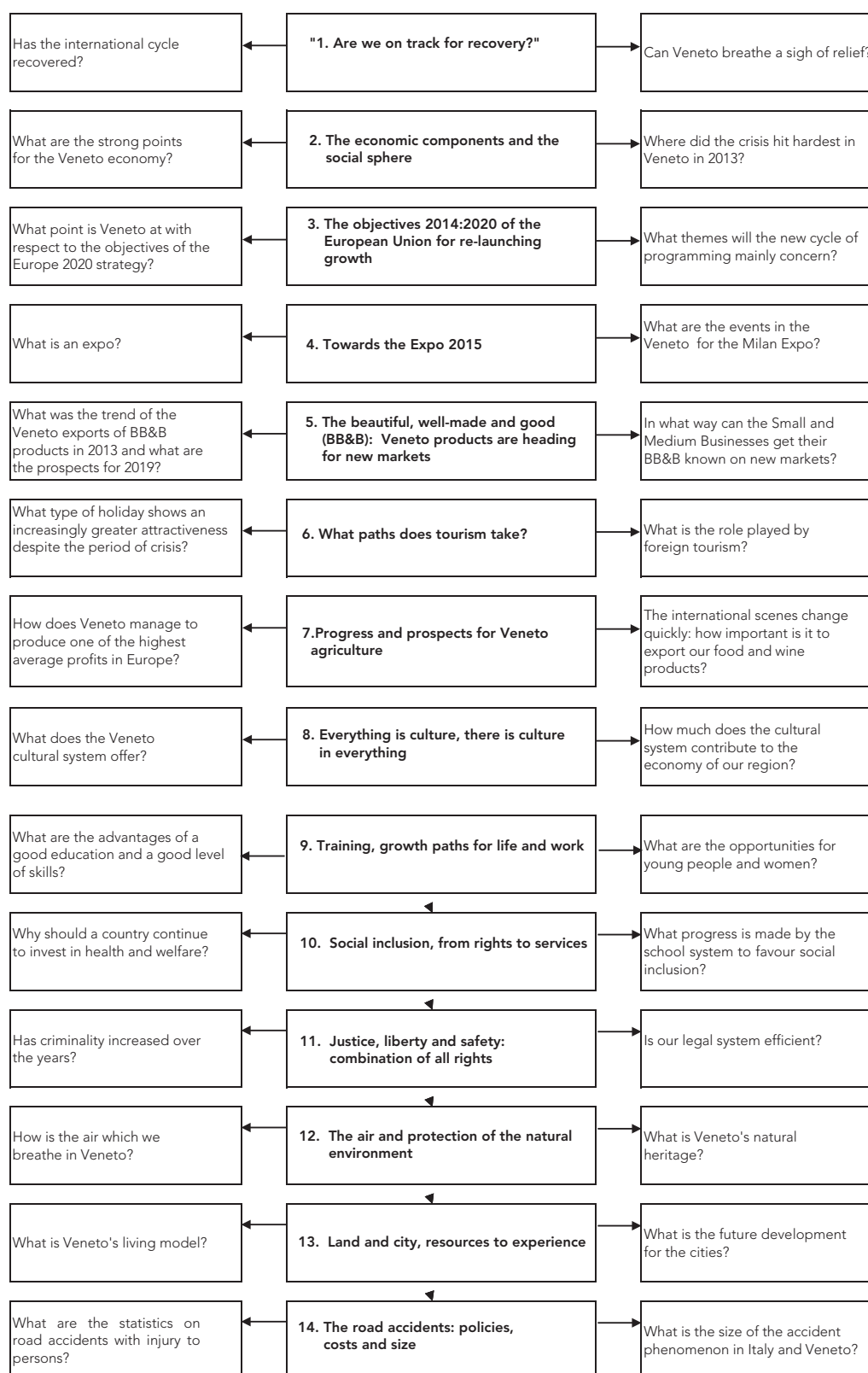
"2005 has seen a reduction in the number of people looking for work, which has had an effect on the unemployment rate ... only 7.7% of Italians are unemployed... a number of regions have recorded an unemployment level of around 3-4%, such as our region which continues to maintain a privileged position among the Italian regions, with 4.2%".

Veneto's development path has certainly not been linear. The seemingly stable growth registered up until 2007 followed different trends from those expected, leading to economic contraction, a slump in the labour market and a reduction in social welfare. Where is the new reality heading (or heading back towards)? Greater inequality and more widespread scepticism moved the focal point of the path, which was still seeking new route "recommendations" based on past experiences. As Tolstoy wrote: "As always happens on a long journey, during the first two or three stations the imagination remains in the place which you leave, and then, suddenly, as the sun rises along the way, it looks to the destination of the journey and already starts building there the castles of the future." (Leo Tolstoy)

Before moving on to the content of the Statistical Report, we wish to focus on the path followed by the Report itself in recent years, which has grown over time and has been fine-tuned in terms of structure and content. It has a new look this year: asides in the body copy make it easier to read, a diagram at the beginning of each chapter, inspired by the lines of underground railways, gives readers a taste of the content to come, post-it notes at the end of each chapter establish the key concepts developed, and two fundamental fact-finding questions are posed, for which the statistical documentation in the chapter has strived to outline basic responses. Please find below a flow chart of the order of content in the Report. Chapter headings are given in the central rectangles, while the rectangles to the right and left contain the fact-finding questions.



Figure 1 – Order of exploratory content and basic questions



Source: Veneto Region - Regional Statistical System Section



1.1 Veneto's path: today and tomorrow

The road to recovery is winding ...

If we want to talk about growth paths, then we have to start from the beginning: our current situation. The road to recovery for the economic cycle is long and arduous; it is not a linear path and progress occurs one small step at a time, occasionally breaking into a vigorous sprint to succeed in implementing important reforms.

Six long years have passed since the start of the deep-seated crisis which has its hold on world economy and whose outcome is yet uncertain in Europe. It was an event caused and fuelled by unchecked and unregulated finance which led to social inequality, poverty and unemployment all over the world. However, it is possible to rediscover a new balance on different foundations from those of the past. The crisis has forced us to remap our path, giving ourselves new rules and finding new loyalties, focusing on "positive experiences and rejecting negative ones". In this way, the crisis becomes an opportunity to be discerning and do some fresh forward-thinking; the world requires extreme cultural renewal by rediscovering essential values and laying these as the foundations of a better future and by redefining the paths hopefully leading to economic and social welfare.

We are in any case noting encouraging signs: although recovery is still fragile and unemployment levels remain unacceptable in many Countries, the boom in industrial production and world trade of recent months leads us to assume that the international cycle is gaining enough strength to achieve world growth of 3% in 2013, 3.6% in 2014 and 3.9% in 2015. The European Union did however close 2013 in a state of stagnation, 0.1% for EU28 and -0.4% for the Euro Zone.

Some positive signs at the end of 2013...

The financial and social costs of the two recessions which hit Italy in a short period of time are huge.

GDP is down 9% from 2007 and industrial production is down 22%. There are fewer job opportunities: the number of employed people is down by 1 million individuals, the unemployment rate has reached 12.2%, exceeding 40% among young people.

Italy registered a GDP of 1,560,024 million Euros (current prices), with a reduction of 1.9% in real terms with respect to the previous year. A 2.4% reduction was observed in 2012. With last year's drop, real GDP has gone just below the level observed in the year 2000. 2014 will also be a difficult year, but in recovery. Domestic product is expected to grow by 0.7%, before speeding up in 2015, +1.5%. According to 2013 forecasts, the recession seemed to be dying down in Veneto, too: a percentage change in GDP of -1.6% was in any case speculated at year end, with a positive contribution from exports only, as, from a domestic demand viewpoint, household spending was expected to fall by 2.3% and gross fixed-investments by 5.2%. 2014 should be a year of recovery, bringing growth to +1%, whereas stabilization of + 1.5% is expected in 2015.

... struggling along inaccessible paths...

2013 saw the mortality rate of businesses in Veneto continue to rise, peaking at 8.1 businesses closing down for every 100 active business; the number of businesses in Veneto declaring the start-up of crisis procedures was the highest it had been for the last five years, potentially involving more than 42,000 workers. The number of people laid off hit a new peak during the year, exceeding 12,700 individuals. Moreover, although the unemployment rate was much lower than the average in Italy (12.2%), it stood at 7.6%, which would have been unthinkable in the pre-crisis period, and affected mainly young people.

Industry, and above all the construction sector, is still suffering.

In 2013, Veneto's industry was the worst hit by the crisis: manufacturing businesses were down by 2.6% and building ones by 3.3%. In the manufacturing industry, metallurgy, fashion and the wood, furniture, paper and printing industry, which together cover almost 60% of Veneto manufacturing, all closed 2013 with a fall of at least three percentage points compared to the previous year.

...and enjoying more easy-going strolls

Service providers, hotels and restaurants, active banking and financial companies have in any case continued to grow in the last 4 years; these service sector segments represent, as a whole, 23.1% of Veneto enterprises and rose by 5.9% during the 2009:2013 crisis period.



Export and tourism are key

Foreign trade, which is constantly growing, also made a positive contribution to developing the economy of the Veneto region: exports from Veneto were up 2.8% in 2013 and these dynamics are mainly supported by sales made on the emerging markets. Businesses in the Veneto region which also operate on international markets can better withstand the effects of the national crisis, which is due to the contraction of domestic demand.

Tourism is another feather in the cap of our region: the influx of visitors was still growing in 2013 (+1.1%), despite the unfavourable period of crisis, peaking at almost 16 million arrivals and 61.5 million tourists present.

The 2013 farming year was also an essentially good one in terms of product value. Gross production rose overall by about 3% compared to 2012, reaching 5.5 billion Euros, a result achieved thanks to the good performance of ground crops. There were also excellent results in the agri-foodstuffs industry².

You have to pick yourself up again after a fall ...

Downsizing of Veneto's manufacturing industry was already underway before the international cycle got into difficulty, due to a selection process of the productive base caused by the difficulty of smaller businesses to stay competitive on the markets, but it became stable in 2007-2008, before continuing to wane.

Manufacturing must reinvent itself

Despite everything, the manufacturing industry is still important in Veneto's business system: it counts 12.3% of Veneto businesses, but more importantly, a third of operators overall. Furthermore, this sector provides one third of regional GDP, through the value of exported goods of over 52 billion Euros.

...exploiting incentives...

We must aim, for example, for an upturn in investments - both an offer factor and an essential part of demand - which in 2011 were 5,014 Euros per operator in the Veneto region (below the national average). The other levers for growth are linked to innovation: although Veneto has a patent rate of 115 European patents per one million inhabitants and 36.4% of businesses there have introduced innovative products - which is above the European average -

it is still underperforming when compared to the most developed European regions. Still not a lot is spent on research and development (R&D) in Veneto: spending was equal to 1.03% of GDP in 2011, which was mainly traceable to the private sector: 67.2% (68.4% accounting for the non-profit sector).

Most investment in Veneto comes from manufacturing enterprises, which cover 72% of spending throughout the region, and professional, scientific and technical businesses, which are responsible for almost 13% of expenditure. These are followed by both trading businesses and ICT service providers, which invest more than 6%.

The development of industrial technologies should be promoted in sectors with prospects for development

More than 1,000 businesses in Veneto perform research, spending on average more than 900 thousand Euros per company. As we can easily imagine, the volume of investment is proportional to the size of the enterprise and its turnover category: larger, structured businesses invest more in R&D activities, based both on distribution of expenditure per business turnover category, and on a comparison between Small and Medium Enterprises (SMEs) and large enterprises. Almost 60% of investment in R&D comes from enterprises with an annual turnover of more than 50 million Euros and another 25% from enterprises with a turnover of between 10 and 50 million Euros. It is however interesting to note that more than 80% of Veneto enterprises performing R&D are SMEs, and therefore the backbone of our economy (represented by 99% of Veneto enterprises) is aware of the importance of this key incentive.

...and its own characteristics

Innovation and internationalisation - two parts of the same success strategy - are mutually reinforcing. Internationalisation favours the expansion and diversification of market outlets and increases the net return of investments in innovative projects. Innovation increases efficiency and therefore also competitiveness when entering new international markets and growing on those where the companies are already present. And while Veneto still needs to knuckle down when it comes to research, it has never hesitated on the international field, as our history has taught us: its

² The following pages go into the detail of this



inclination for export, which was below the average for northern Italy at the start of the 1980s, has gradually grown, managing to surpass that of Piedmont and Lombardy in the second half of the 1990s, allowing Veneto to maintain a position of supremacy over the other Italian regions for a good part of the following period.

The value of exports from Veneto on GDP is equal to 35% against the national 25%.

Approximately 20% of Veneto enterprises have their reference market abroad, but the number of those working with foreign Countries could increase if small enterprises, too, could find their way onto foreign markets.

The other structural feature is the concentration of relations with other enterprises or institutions, or the existence of specific local enterprise networks with the potential to produce widespread effects reinforcing local or chain systems, to the advantage of existing SMEs or with a view to attracting investment in the area. This phenomenon is particularly felt in Veneto due to the presence of the production districts and chains. The need for relations with other businesses is confirmed by the 2011 census data: 17.4% of enterprises have connections with other enterprises, compared to 15% on a national level..

The European Union 2014:2020 objectives for the pick-up growth

The new programming cycle for 2014:2020 European funds also falls within this context and plays an essential role in the challenge faced by Italy in picking up its own way forward in terms of sustainable growth and competitiveness. Using the funds for the next cycle more efficiently and effectively should play its part in overcoming the crisis and problems of territorial cohesion. Starting from the common challenges created by the objectives of the Europe 2020 Strategy, now, more than ever before, we require a high concentration of European resources which may assist and complement the anti-recession movement in upholding socio-economic development with strategic structural objectives: innovation, digital growth, promotion and full use and appreciation of cultural and environmental heritage, internationalisation, support for rural development and for SMEs,

promotion of employment, quality education and human capital, the fight against poverty.

The Funds for the 2014-2020 planning period will be used according to the "Partnership Agreement" which will be signed by the European Union and each Member State, and National Operational Programmes to be negotiated with the European Commission. These guidelines define the development requirements, the thematic objectives of the planning, the expected results and the actions to be performed using the funds, taken on by partners on a national and regional level, guaranteeing the coordination of policies and integration of European Structural and Investment Funds (ESI Funds).

The preparation process of the strategic document in Italy was initiated with the presentation by the then Minister for Territorial Cohesion Fabrizio Barca, in December 2012, who was acting in agreement with the Ministers for Labour and for Agricultural, Forestry and Food Policies, of the document "Metodi e obiettivi per un uso efficace dei fondi comunitari 2014-2020" [Methods and objectives for an effective use of the EU 2014-2020 funds] which had opened public debate to prepare the Partnership Agreement and defined the methodological system of the new cycle. It is clear that the Operational Programmes of the various Structural Funds are to be found downstream of the complex programming framework. At a regional level, starting with an analysis of the regional requirements, these Programmes must define investment priorities, expected results and the actions which, accounting for the individual territorial contexts, can contribute more to intelligent, sustainable and inclusive growth at a local level.

The Veneto Region ratified Regional Council Decree no. 657/2014 "Rapporto di sintesi della strategia regionale unitaria" [Summary report on unitary regional strategy 2014/2020] on 13 May 2014. This Decree provides an overview of the guidelines based on which the EU regional planning will be developed for the funds planning period 2014/2020 and provides a general summary of the contents of planning deeds to be drafted for the regional operations cofinanced by the European Union.

Areas of intervention

In order to draft the "Partnership Agreement", boards of experts were organised by pooling eleven large thematic areas of potential fund intervention (defined as Thematic Objectives in the new regulations) into four missions identified as follows:

³ Exports in relation to the GDP

⁴ European Regional Development Fund (ERDF), European Social Fund (ESF), European Agricultural Fund for Rural Development (EAFRD), European Maritime and Fisheries Fund (EMFF). The Development and Cohesion Fund (DCF) will add to the resources.



Tab. 1 -The intervention areas of European programming: some indications. Veneto and Italy - Various years

Thematic objective	Indicator	Year	Veneto	Italy
Reinforce research, technological development and innovation	% spending in R&D of the GPD % of businesses with more than 10 employees that have introduced innovations of products and/or processes	2011	1,03	1,25
		2010	36,4	31,5
Improve access to information and communication technologies as well as the use and quality	% of families with access to the internet % of businesses that have websites (a)	2013	66,6	60,7
		2013	71,2	67,2
Promote the competitiveness of the small and medium businesses, the agricultural sector and the fishing and aquaculture sector	% of active businesses with 3 and more employees and at least one relationship with other businesses % of the export in the agri-food sector of the GDP (b)	2011	17,4	15,0
		2013	3,5	2,1
Support the transition towards a low carbon emission economy in all the sectors	% of gross final energy consumption covered by renewable sources	2010	7,1	10,6
Promote the adaptation to climate change, the prevention and management of risks	% variation of carbon dioxide emissions	2008 out 2005	-10,3	-
Protect the environment and promote the efficient use of resources	% of water supplied to the end user compared to the total of that supplied to the network % of separated waste collection out of the total urban waste	2008	70,0	67,9
		2012	62,5	-
Promote sustainable transport systems and eliminate bottlenecks in the main network infrastructures	Vehicles circulating per 1000 inhabitants Transported goods (tons in Km) originating from Veneto and Italy	2012	608	621
		2011	16,4 billion	135,1 billion
Promote employment and support the mobility of workers	% of owners of individual companies under the age of 30 Long term unemployment rate (c)	2013	5,2	6,5
		2013	3,8	6,9
Promote social inclusion and fight against poverty	% of people at risk of poverty or social exclusion % of people who live in conditions of serious deprivation	2012	15,8	29,9
		2012	6,7	8,9
Invest in skills, education and lifelong learning	% of young people who abandon studies early % of adults who participate in lifelong learning	2013	17,1	10,3
		2012	6,2	6,6
Reinforce the institutional capacity and promote an efficient public administration	% of Local authorities that have made purchases using the e-Procurement method % of Local authorities that allow users to carry out entire procedures online	2012	43,5	30,3
		2012	29,8	19,1

(a) Companies with more than ten employees of the industry and services sector

(b) Provisional data

(c) Long term unemployment rate = (People seeking work for 12 months or more/Work force)x100

Source: Processing on Regione Veneto - Regional statistical system section on Istat, Arpav, ACI, InfoCamere and Eurostat data

- "Work, production system competitiveness and innovation";
- "Exploitation, management and protection of the environment";
- "Quality of life and social inclusion";
- "Education, training and skills".

The eleven thematic objectives, arranged according to the priority of the specific investment of each Fund, must be pursued with the creation of the Europe 2020 Strategy in mind.

Below is a table of some key indicators of the eleven areas of intervention, providing a picture of the current situation in the Veneto region.

It is a summary of the context analysis based on quantitative indicators that can be found in the Report.

A big opportunity: Expo 2015 in Milan

When speaking about acceleration, we must touch on Expo 2015, which will take place in Milan.

The effects of an Expo cannot only be seen during the Expo period itself and in the place dedicated to it; in fact, this kind of great event generally brings with it significant and long-lasting development for the surrounding area.



An Expo is a large international event which aspires to expand human knowledge and seeks to progress in terms of technology, aiming to promote cooperation and dialogue between populations. Certain aspects of these events have already been standardised for almost a century, such as the duration, frequency and, above all, the quality. The Bureau International des Expositions (BIE), established in 1928 with the signing of the International Convention of Paris, is an international organisation whose duty it is to establish the parameters governing Expos; the goal of BIE is thus to guarantee the continuity of these events and maintain the level of international prestige earned over the years, by selecting venues and dates and organising new Expos.

Expo 2015 in Milan will be a World exposition

There are two types of Expo: World Expos and International Expos. The one that will take place in Milan in 2015 will be a World Exposition.

The first Expo, understood as in modern terms, was the "Great Exhibition of the Works of Industry of all Nations" of London, which took place between 1st May and 11th October 1851.

On 31st March 2008, BIE chose Milan as the venue for Expo 2015. And so, next year the Lombardy city will once again, after 109 years, host a World Expo, the theme of which will be "Feeding the Planet, Energy for Life".

Expo 2015 will run from 1st May to 31st October...

For six months, from 1st May to 31st October, it will look into the food problem, which concerns a large proportion of the planet's population: the aim is to guarantee not only adequate, but good, healthy and sustainable nutrition for all the world's population.

... and it will be speaking about food in the world

Sustainability clearly appears to be one of the focal points of current global political debate: as the resources required by human beings to live and eat properly are limited, the current development pattern must be revised as a matter of urgency, exercising greater care with respect to the natural balance of the planet.

All the participating Countries will exhibit their projects and results attained on the theme of food. The theme will be considered under two aspects: food production and food consumption.

Sustainability is in fact achieved by balancing production and consumption. The key words of the Expo 2015 theme are therefore "Food", "Energy", "Planet" and "Life".

The scope of influence of the Exposition of Milan is not limited just to the local area; on the contrary, it has even inspired projects in areas which are actually quite far from the Lombardy city.

In this respect, the Region of Veneto, together with other subjects, intends to conduct initiatives to be implemented both at the Expo Milan venue and in local areas of Veneto (Widespread Expo).

The Veneto region will take part in Expo 2015...

With the institutional participation in the Italy Pavilion, within the Milanese exhibition area, Veneto will take part in the exhibition "The Italy of the Regions". A place will also be set up for institutional representatives and for meetings with the various delegations. Lastly, Veneto will also have an exhibition space for a week, where it can present projects and initiatives.

... at the exposition venue but also in its own region

Regarding the initiatives of the widespread Expo, or rather, those which will be conducted in the local area of the region itself, we must bear in mind the great potential of the Veneto area, characterised by places of interest in terms of culture, architecture, nature and landscape, which range from the lagoon to the mountain, from cities of art to the coastal areas.

The main objectives of Veneto's participation in Expo 2015 are:

- to promote the role of Veneto in the world, both in terms of international relations and at a cultural and touristic level
- to expound on the themes and content of the Universal Exposition
- to contribute to the development of Veneto, creating opportunities for the productive fabric and for citizens



1.2 The economy of Veneto, focussing on excellent products

Beautiful, Well-Made and Good (BB&B, from the Italian "belli, ben fatti e buoni"): Veneto products are appreciated the world over

High quality products are those which play an important role in recovering a still struggling manufacturing industry.

For the third year running this Report monitors the export sales of extremely professional medium-high quality goods produced in Veneto with carefully selected materials and processes. These goods have been given the name Beautiful and Well-Made (BBF, from "bello e ben fatto"), but as the agri-food section in Veneto is attaining unexpected goals on an international level, we have changed their name to Beautiful, Well-made and Good (BB&B). The food, furnishing, clothing and household fabric, footwear, glasses and gold-jewellery sectors are considered.

Despite objective difficulties, "made in Italy" goods are still a synonym for excellence and export data reveals that this is reflected even more in products made in Veneto than in those made in Italy in general. In 2012, BB&B represented 30% of Veneto export and 17% of Italian export; moreover, Veneto stands for around a quarter of Italian export of BB&B goods. The trend of BB&B goods in 2013 was much more lively compared to the trend of overall Veneto export. Export of BB&B goods to mature markets grew by 3%, compared to a growth of 1.4% of total exports, while BB&B grew by almost 9% with regard to export to new Countries.

BB&B is increasingly representing Veneto the world over

For the region, even more so than in Italy, BB&B is an essential resource, incorporated in the genetic heritage of entrepreneurship of a local area which has never shied away from the challenges posed by the market and that is able to face them without letting the difficulties get it down. And global competition does not in effect pose just a few difficulties; only mentioning those emerging several times in the analysis, we only have to think about the size of enterprises, which are on average smaller than other international competitors, or also about seeking adequate distribution channels in the absence of large Italian distribution channels at a global level.

The main vehicles of BB&B are international trade fairs and distribution channels

It is becoming more and more urgent to find ways of approaching the new markets: trade fair exhibitions and distribution channels. Trade fairs are in fact the first step to getting oneself known, the showcase with which you capture the curiosity and interest of potential clients. With this in mind, taking part in events in the new Countries, or the fully-fledged organisation of these events through partnerships, can be a useful strategic choice for getting to know and securing operators who will then fuel the influx of visitors and exhibitors of the trade fairs organized in Veneto. But if the trade fair is only the first step, accessing the most suitable distribution channels for transporting products from Veneto is often the most difficult obstacle to overcome. Fragmented and badly organised distribution, inadequate transportation and logistics infrastructures, in combination with a lack of knowledge of the local area, mean that SMEs in Veneto have to look for one or more local agents and have limited control over the sales channels as a consequence.

The obstacles to reaching a market are measured by the accessibility index

The accessibility study is undoubtedly an important tool for interpreting the BB&B analysis: for example, the Countries of the Far East (India, Indonesia, Thailand, Vietnam and Malaysia) are generally characterised by better prospects for demand growth, but, excluding the case of Malaysia, the penetration of Veneto products in these areas is hindered by low accessibility, caused by the underdevelopment of the distribution or logistics system, as well as sometimes by tariff and non-tariff barriers to trade. In these cases entry onto new markets requires investments that smaller enterprises are unable to sustain.

The main new markets importing BB&B (Russia, United Arab Emirates and China) are still the most interesting for the potential growth of Veneto products. The main critical aspects in Russia lie in the distribution channels, in the non-tariff barriers (for example permits, import amounts, regulations) or in a customs policy which is likely to be very disadvantageous (in the furnishing sector, for example). Despite these difficulties, the Russian market still offers excellent development opportunities, thanks to the characteristics of the new well-heeled class which is acquiring ever more European and sophisticated taste and which is beginning to seek a true Italian product without any mediation.



China, too, offers great potential due to its expansive territory and a class of young adults distinguished by much higher spending power who are more inclined to consume than the generations who came before them. Another distinctive feature of the market is the growing importance of so-called lower tier cities, which will contribute significantly to the expansion of the middle classes over the next few years.

Unlike Russia and China, the United Arab Emirates displays greater accessibility, which therefore favours penetration of Veneto BB&B. In Italy, the great growth prospects are supported by the demand of the local population, as well as the significant influx of leisure and business tourists. The noteworthy presence of Veneto on the new and larger BB&B markets shows how the region has accepted the challenge of global competition by using its excellent products with winning skills, but the investment required to maintain and strengthen its positioning cannot disregard selection of support policies, system strategies and promotional actions aimed at balancing out the size gap between Veneto (and Italian) enterprises and other international competitors and reaching out to new consumers in a more direct and widespread manner.

Agri-food, a growing sector

An in-depth analysis of the agri-food sector is necessary when speaking about the Beautiful, Well-Made and Good. The Italian agri-food model is bursting with significant peculiarities and details, which are so precious and appraised that they could provide an excellent way out of the crisis. The true added value of our agri-food sector is enhanced by various aspects, all of which are equally important: there is an unparalleled range of products on offer, having qualitative characteristics above the average found in other Countries; high-level and consistent food standards are guaranteed along the whole production and distribution chain; the Mediterranean Diet, which recently received recognition by UNESCO as an intangible cultural heritage, guarantees nutritional values able to exert a positive influence on levels of health and life span; the level of technology and know-how of agri-food processes and the related sectors, such as food preservation, processing, packaging, etc. are extremely high; the connection with the local area is unheard of elsewhere in the world;

it is able to provide culture, art and history, at the same time, in such a way that the agri-food product can communicate intangible values that go well beyond the food aspect.

One in five certified products is of Italian origin

With 261 DOC products in 2013, Italy is the most certified European Country: one in five certified products is of Italian origin!

Our agri-food sector export has more than doubled in the last 10 years

Appreciation outside of Italy for products from our fields and from our food industry is thriving: not only has the value of agri-food export from Veneto more than doubled in the last ten years, growing from 2.5 billion Euros in 2004 to 5.1 billion in 2013, continually increasing from year to year, it has also eaten into the market shares of the other regions of Italy, accounting for 15.3% of the Italian value exported worldwide to date (12.8% in 2005), mainly as a result of the rise in drinks, meat-based products and oils.

Drinks are, precisely, our best seller, creating 35% of the value exported in 2013, headed by wine sales, which account for almost all of this percentage, with 89% of the value: at almost 1.6 billion Euros in 2013, up 10% on 2012, wine made a new growth record and crowned Veneto for the umpteenth time as the queen of the Italian regions: 31% of Italian export comes from our region! otale.

With regard to the last ten years, sparkling wines have made the most dizzying growth: this type of wine has never, since 2010, grown less than 25% per year, meaning that it now accounts for more than one fifth of the value of exported wine, while it represented just 7.8% of the total in 2004.



Tourism: the paths leading to new ground

As we already said in the first pages of this summary, tourism proves to be growing constantly. The region of Veneto, which has always been appreciated for the variety of things it offers tourists and for its typical hospitality culture, has always been recognized as being attentive to the requirements of continuously evolving demand. Alongside the traditional things offered, we find places steeped in natural heritage, treasured landscapes, historical villages and walled cities, Veneto villas, and an array of things to do, too, like practicing sports such as golf and horse riding and going on cycling tours, not to mention the activities for the well-being of guests, conference tourism, religious tours and fishing tourism, all served with the flavours of our food and wine culture.

A 1.1% increase in arrivals and a 1.3% fall in tourists present in 2013

The unique, varied and quality tourism amenities in our region continue to beat the record set in previous years.

The influx of visitors was in fact still growing in 2013, with almost 16 million arrivals. The decrease in overnight stays in holiday resorts, which has been underway for many years now, resulted in a 1.3% drop in overnight stays, while the noteworthy figure of 61.5 million tourists present remained.

International tourism, in Italy and especially in Veneto, continues to grow after a slow-down at the start of the economic crisis. Our region now receives more and more approval from the most loyal clients (Germans, English, French, Swiss, Americans, etc.) but there is still a sharp rise in arrivals from the so-called BRIC areas. These now represent the new ground on which to adapt new promotional strategies, especially Russia (an 18% rise in presence) and China (up 19%), reaching 9th and 13th place respectively this year in the league table of foreign Countries of origin for the number of overnight stays. In this respect, we should underline that tourism has been identified as a key sector for the Industrial Compact for Europe, the new industrial policy agreement for Europe, the goals of which, with respect to visitors entering Europe, include making European destinations appealing for Europeans and especially for the markets of emerging Countries, such as Brazil, Russia and China.

⁵ Acronym for Brazil, Russia, India and China, countries and economies which continue to grow despite the global crisis and whose inhabitants increase income potential and therefore tourist expenditure.

⁶ Ciset estimations, excluding expenditure in Venice.

From an economic viewpoint, the Banca d'Italia estimates that receipts from foreign visitors in Veneto vouched for 4.7 billion Euros in 2013. This included all expenditure made at the destination by people passing through, people staying with relatives and friends, those using a second home and those paying to stay in tourist accommodation. Compared to that of 2012, which rose sharply, the value is steady and represents 14.2% of overall receipts throughout the entire peninsula. The national added value generated by foreign tourist consumption, estimated by Ciset (International Centre for Studies on Tourism Economics), is equal to 35.2 billion Euros and the region of Veneto is third place in this case, too, with a share of around 12%. With respect on the other hand to the economic impact of Italian tourism in Veneto, with reference to the June 2012 – May 2013 period, there was an estimated turnover of almost 5.3 billion Euros, 45% of which generated by tourists residing in Veneto and 55% from tourists coming from other Italian regions.

1.3 The social sphere, a trip through rights and services

Economic and social policies must mutually reinforce each other and coalesce to ensure that the new opportunities are open to everyone, reducing deep-felt instances of inequality which may even be caused by delicate family background situations and giving everyone the chance to live in accordance with their personal values, with a view to improving their own conditions. This means favouring a harmonious context of social inclusion, a solid and close-knit social fabric which in turn boosts further growth.

Social inclusion

The current situation appears to be delicate, as the economy is creating complex challenges and may accentuate existing inequalities, risking to jeopardise progress already made.

Reducing poverty and social exclusion in favour of growth

After a slight improvement in 2009, poverty and social exclusion are starting to grow again in Europe, jeopardising the goal set in place to cut the number of people in poverty or socially excluded by at least 20 million. Most of the Member States are affected by the worsening conditions, but the situation is



markedly more critical right here, in Italy. In 2012, almost 30% of Italians were at risk of poverty or social exclusion, up on the previous year (28.2%). There was less poverty in Veneto (15.8% of the population), and the situation was stable with respect to the previous year. However, we should not overlook the scope of the phenomenon: 770 thousand people are thought to be in serious difficulty, unable to live according to common standards and, in the worst cases, unable to provide for life's most basic needs.

Inclusion concerns citizenship rights: access to social rights to improve one's conditions, such as education, work, health, social security, housing, the environment, security and income, the protection of which requires active government intervention, and access to political rights to exercise one's active participation. Investing in key individual freedoms, reducing inequalities and lowering access barriers is the road to a fair and sustainable development of society, which also has tangible repercussions on the economic progress of a territory.

Investing in health and welfare...

In some cases, investing to secure rights involves using public spending, sometimes by reorganising services, other times by reviewing intervention priorities or by reducing obstacles to accessibility.

In order to meet the emerging care requirements, especially in connection with an ageing population, the new 2012-2016 health plan defines the reorganisation of services to be implemented in the 2014-2015 two-year period, with a view to ensuring more appropriate care, fairer distribution of resources and adopting more efficient management models, in the need to limit expenditure and secure the economic stability of the system. It provides for the re-launch of the hospital function (Hub and Spoke model) and, at the same time, the development of services in the local area, in accordance with network and cooperation logic, in order to ensure that responsibility is taken for the person and to guarantee continuity in care. The hospital treats patients in acute phases of illness, with cases of long-term care and more markedly chronic social care being referred to the local area.

Trentino-Alto Adige and Veneto have the best feedback on the healthcare system

Our social and healthcare system proves to be one of the most efficient in Italy, including as a result of the changes made in recent years. This is also confirmed by the feedback of the citizens who use it. On a scale of 0 to 10, the average level of satisfaction expressed for the healthcare service is 7.4 points, up half a point from 2005 and above the national average (5.8).

Despite this, some people are denied care. Approximately 7 million Italians - that is, 11.2% of the population - have declared that they have foregone buying medicinal products or healthcare services despite needing them. 9.5% of the population in the North-East have forgone care, 4.5% of which due to insufficient economic funds. Europe, too, does not escape inequalities in accessing care: specialist and dentist visits have become a luxury for some people, which they cannot afford or tend to put off. 4.6% of the European population turns down visits to the dentist, and the percentage is almost doubled among the poorest of families (8.6%). The situation is more negative in Italy, while in Veneto fewer people renounce, although the poor are still at a disadvantage: 8.3% cannot afford it, compared to 3.2% of the total population.

In the welfare system, while until 2009 governments tried to fulfil the new needs by increasing social security expenditure, austerity policies have prevailed since 2010, sending national systems into crisis. Social security expenditure in Europe has gone from 26.1% of the GDP in 2007 to 26.9% in 2009, before dropping back down to 29% in 2011. There is a 29.7% incidence in Italy, down three percentage points from 2007 but in any case still above the European average.

In Italy, Municipalities play an important role in social care. Their ability to meet the needs of the citizens is put to the test by cuts to state transfers, as well as by restrictions imposed by the Stability Agreement.



545 million Euros spent in the social sphere by Municipalities in Veneto

di servizi alla prima infanzia. Oltre l'80% dei comuni eroga il servizio di asilo nido pubblico o aiuta la fa-miglia con le rette (il 41% nel 2004).

... and on an efficient judicial system

When defining the strategic intervention priorities for kick-starting growth again, the European Union requests that investments be made into modernising the public administration to promote better services for citizens and enterprises and to adapt these services to the requirements of an increasingly digital economy. In this context, it stresses the need to improve the national judicial systems in order to simplify the operating conditions of enterprises.

When making investment decisions, enterprises also take into account the risk of becoming involved in judicial proceedings, and therefore, how long it takes the system to settle disputes and how efficient the system is are determining factors when choosing to invest in a certain Country. Access to an efficient judicial system is one of the main founding principles of European democracies. And not only: an efficient judicial system contributes to reinforcing the trust of citizens and enterprises in legal institutions, triggering positive mechanisms of economic growth.

A wait of almost 8 years in Italy for a final judgement

In civil law, Italy has major critical issues due to its excessively long proceedings. In 2014, in the OECD Countries, around 240 days were needed, on average, to come to a final decision in the first instance court, midway between the best performance in Japan, which took 107 days, and the longest wait in Italy, of 564 days. Italy remains bottom of the league in terms of duration of civil proceedings in the other two instances of judgement, too, meaning that it takes almost 8 years to reach a final judgement.

At the local level, the activity of the Venice circuit proves to be more efficient compared to most of the other circuits in the first instance (366 days on average); the second instance is not so efficient: another 1,163 days pass by in the event of appeal to a superior court, 4 years overall, while it takes just a year and a half in the Trento circuit.

Housing exclusion

Within the context of the social inclusion process, living discomforts in their different forms, which are more or less serious, should be looked into in greater detail: those with a house, but one that does not allow a healthy and safe life, those who risk losing the home where they live, those living on the street or homeless people in makeshift accommodation.

With the crisis, the housing problem has become more critical for an ever increasing number of families, and the area of housing poverty is expanding year by year.

Against 92% of families in Veneto who feel satisfied with their home, there is a worrying condition of serious housing deprivation, affecting around 7% of families in Veneto, equal to about 328 thousand people living in a house which is inadequate because it is overcrowded and which has significant structural flaws, problems with damp and is poorly lit. The situation in Veneto is better than the national average (8.9%), but more critical compared to the EU situation (5.5%).

Eviction for rent arrears are on the rise

Given the high price of rent, especially in large urban areas, in addition to the difficulties of the crisis, evictions for rent arrears are on the up. 4,531 eviction orders – 1 in every 452 families - were issued in Veneto in 2012, 6% up on the previous year, with a 60% increase in the space of five years. Moreover, tackling the problem of homeless people is a matter of priority: not having a house is the plight of absolute poverty and social exclusion, which is an unacceptable violation of human dignity, also because the right to accommodation is fundamental to be able to enjoy many other rights, including political and social rights.

A recent survey has revealed that there are around 48 thousand homeless people in Italy, 20% of which live in the regions of the North-east, and around 3,700 people are estimated to be homeless in Veneto . Despite the absence of a structured policy system to tackle exclusion, part of the Country is in any case working on creating opportunities for people with no fixed abode. 263 services are at work in Veneto; as in the rest of Italy, they mainly focus on emergency reception and serving primary needs, while actions aimed at guiding homeless people on the path to overcoming the state of emergency and social reintegration still need to be reinforced.

⁷ Estimation based on the incidence of the population of Veneto on the regions of the North-East.



Accessibility of services to foreigners

Immigration brings the dictation, expressed in the Constitution, of a Republic able to “remove economic and social obstacles separating citizens” into the limelight.

This is a strong though necessary mandate for a cohesive and inclusive society which citizen services still struggle to meet. As an institutional service, the school is one of the most important contexts in terms of integration. It is where we meet young people who have been brought up in different cultural settings, we can get to know each other, share ideas, grow and learn together.

Socio-economic differences between families lead to foreigners not performing as well at school

Foreign pupils and students are doubly disadvantaged: culturally, due to the impossibility of their families to act as a source of complementary knowledge to schooling, and from a socio-economic viewpoint.

This strongly influences how these young people choose their education. Foreign teenagers in Veneto almost always choose vocational and technical study courses (more than 80% against 58% of Italian young people), which demonstrates a greater inclination to enter employment sooner compared to their Italian peers, by gaining a qualification which can be used immediately on the labour market. If we then consider the results of courses of studies, we can see how foreign students have to re-sit more often than their Italian peers, drop out more and move onto vocational courses more. Out of 100 pupils in all school years, 12 received a diploma (compared to 17 Italians), 60 passed the year (compared to 70) and 9 dropped out (compared to 2 Italians). The school does not always therefore prove to be able to fill the skills and initial training gap required for improving social conditions.

The double disadvantage – cultural and socio-economic – is also stumbled upon with respect to access to health services, which is found to be limited for foreigners, including as a result of limited knowledge of current regulations or of our health organisation, language obstacles (for 14%), bureaucratic issues (13%) or to avoid discrimination (2.7%).

Fewer routine visits, more emergencies ...

Foreigners undergo medical visits less frequently (20% in the North-East compared to 55% of the overall population), especially if specialist in nature, and diagnostic tests, while they go to first aid more, which is perceived as being easier and quicker to access to resolve the issue.

The hospital is used differently, too: urgent hospitalisation prevails (in Veneto 66% of foreigners hospitalised against 57% of Italians), whereas fewer people opt to go there (e.g. for surgery), especially males.

...including as a result of living conditions and occupation

Emergency hospitalisation may be a consequence of limited access to care, which can transform overlooked disease into situations of emergency. It must however be highlighted that urgency at times may result from dangerous situations and lifestyles or dangerous working conditions, as data on accidents in the workplace demonstrates: in 2012, the accident rate of foreign employees in Veneto (6.1%) was way higher than that of Italian employees (3.9%).

The mother and child health area is another critical issue, demonstrated, but not only, by a higher rate of admission during the first year of life of infants with foreign mothers (almost 400 admissions for every thousand births, compared to 330 infants with Italian mothers).

Enhancing expertise in a bid to progress

The unfavourable economic cycle of Europe has raised awareness of the fact that a baggage rich in knowledge, skills and abilities is required for economic and personal development. Education does in fact play a key role in providing people with the skills needed to have an active social, work and economic life and to contribute to expanding scientific and cultural knowledge: this is not only a personal asset, as, in the long-term, a heritage of knowledge systematically accompanies the processes of collective development.

The school's ability to help children and teenagers recognise their talents, choose courses of study and work that are most suited to their abilities and develop social consciousness for making satisfying life choices is therefore of essential value. An important role is played by educational guidance, diversification of programmes offered, including vocational training, customisation of courses and measures to minimise school drop outs, as tangible expressions of the right to receive adequate education and training.



The percentage of people in Italy with a high level of education is still low ...

In Veneto, like in Italy, the percentage of people with a high level of education is sadly still below the average in Europe: only 14% of the population aged 25-64 hold a university qualification in our region (28% at the European level), just like 19% of those aged 30-34, a figure which is still far off the target of 40% to be met by 2020 according to the Europe 2020 Strategy and the Italian target of 26-27%. The fact that Italy is behind in terms of people attaining high official educational qualifications is also reflected in the actual skills of adults: according to the international OECD PIAAC survey, Italians are in bottom place out of the Countries taking part in the study, demonstrating the lowest ability to tackle written tests and use numerical and mathematical concepts appropriately.

...but young people in Veneto score brilliantly in terms of skills levels

Veneto, however, achieves good skills levels in the league tables compared to the other Italian regions: the results of the 2012 OECD PISA survey show that our young fifteen year olds achieve among the highest results in all areas considered, that is, reading, mathematics and science. We must however mention that social status is still a closely-related factor to the education and vocational training of young people to this day: to make just a few examples, young people with parents with high educational qualifications and medium to high level jobs, who successfully left school in 2007, declared in 2011 that they had enrolled at a high school in 53% of cases, compared to 16% of young people from lower level backgrounds who chose technical institutes (45%) and vocational schools (28%). Moreover, there is a good chance that the former will enrol at university (7 in 10 young people do), regardless of the school they attended, while the latter group will have about the same chance of entering the labour market (6 in 10 young people decide to do this).

... and getting more advantages at work

The advantages of attaining medium to high educational qualifications are clear: the risk of losing one's job or being unemployed appears to be alleviated for those of higher schooling.

Higher qualifications lower the risk of losing one's job and result in fewer unemployed people

While the employment rate in Veneto in 2013 was 78.5% for graduates and 71.5% for secondary school graduates, it dropped to 53% and to 29% for those with a middle school diploma or lower level qualification. Conversely, the unemployment rate rose from 6.5% for those with a university degree to 8.9% for those without a secondary school diploma. Furthermore, the growth in the unemployment rate between 2007 and 2013 was just as high as educational qualifications were low. The advantages are also clear with respect to income: on average, a graduate in Veneto in 2012 earned 22% more than a holder of a middle school diploma and 17% more than a secondary school graduate, and the gap widens the older the people are. In addition to this, more educated adults are less likely to behave incorrectly with respect to their health, such as being overweight or smoking.

A good education is also an invaluable security for young people, compensating for their lack of work experience: investing in education pays off and increases employability on the labour market. Veneto recorded the fourth lowest percentage of secondary school graduates who had obtained secondary school diplomas in 2007 and were looking for a job about four years on (8.7%), and came third for the highest percentage of working university graduates who had worked on a continual basis since their degree (almost 56% compared to the national figure of 46.5%). According to the 2013 Almalaurea survey, graduates in economics-statistics, engineering and education have the highest rate of employment potential in Veneto (between 93% and 99% of graduates); stabilization prospects are good in the fields of economics, medicine, engineering and law. Excellent results are obtained on leaving the faculty of Economics of Padua: 99% of graduates confirm that they are in work five years on from the qualification, 92% have a fixed-term job and the average salary is nearing 1,750 Euros. Young people specialised in humanities have a more uncertain predicament and are less paid. Educational qualifications are also very important for female employment, but women, more often than men, have to deal with the difficult task of balancing family and work. The female unemployment rate falls from 73% of female graduates to 64% of female secondary school graduates and, most significantly, 39% of women with at most a middle school diploma.



With this in mind, it is in any case necessary to underline how older people have fewer educational qualifications and how the culture of the woman – mother and housewife – has changed over time. At the same time, high employment rates result in postponing independence from one's family and creation of one's own family unit: female graduates are more often single or, if young, live at home with their parents, whereas women with medium or low qualifications more frequently live with a partner and have children.

Employment does not therefore go hand in hand with family, and it is difficult to strike a balance between these two areas. The differences in levels of employment become clear when analysing families with dependent members: more women without children are employed, while mums most frequently find themselves outside the labour market. These women could actually work if they were offered a widespread service network across the local area to unburden them of their family duties: it is estimated that about 15,000 women in Veneto could work if they were able to count on adequate care services.

Lastly, families have more problems when the parents must work inconvenient hours, such as in the evening, at night and at the weekend. The analyses show that two in three families have at least one parent who works on a Saturday and at least one parent of another family in three works on Sundays. Overall, it is found that both parents work on Saturdays and Sundays in 6% of families.

Culture is also necessary for growth

The huge artistic and cultural heritage, possessed only by Italy, is also a tool for growth, and for it to continue to be so, it must be taken care of and exploited in a suitable manner, attempting to intervene where needed the most and using the most appropriate means, including in the field of promotion. Culture is synonymous with civilization, knowledge and skill, training, traditions, uses and customs. Moreover, culture is our history and an essential part of our course of growth.

Participation in cultural activities

In the foreign collective imagination, Italy is synonymous with culture, in its every form and expression, as has been demonstrated by a great many surveys completed by people who have visited our Country or who intend to do so. And yet in Italy culture "consumptions" and active participation in cultural activities appear to be falling, more than in other European Countries.

The most recent Eurobarometer survey (European Commission) shows that the percentage of European citizens joining a cultural initiative in the year and attending with a "high" or "very high" frequency has dropped by three percentage points to 18%, while the percentage of those who do not participate very much has risen from 30% to 34%." Our Country is 23rd place in the European table, with a participation index of 8%. The reasons Italians gave to justify their extremely poor participation, include not only money, but first and foremost a lack of interest and time.

The percentage spent by families in Veneto on recreation and culture in the decade from 2001-2011 stayed above the Italian value and fluctuated between values of 7.5 and 8.2, with an average yearly growth of 1.4%. It was 7.6% in 2011 - the last year available - which is above the national average (7.3%) but still below the European average (8.8%).

Museums and temporary events

The wide and diversified array of museums in Italy is undoubtedly an extremely important part of its overall cultural heritage which must be appropriately exploited. And Veneto plays an important role in this context, offering a large chunk of this asset. A census was taken of museum heritage and similar in 2013: 302 establishments (almost one municipality in three contains at least one facility, for a concentration of 1.6 museums every 100 km²) for almost 8 million visitors.

On top of the cultural and museum facilities, there is also an ocean of so-called "temporary events" (exhibitions, conferences, dance shows and theatre productions, concerts, etc.), particularly noteworthy in larger municipalities, such as the administrative centres. Venice sets the example: 2,844 events took place over 18,974 event days (for an average of 52 events per day), in which 315 organisers participated in 316 places spread over the various parts of the city. Exhibitions certainly take the lion's share of temporary events, not only in Veneto and in Venice, but all over the Italian peninsula. In 2012 Veneto was the sixth region for number of events organized and hosted, along with the top five (Lombardy, Lazio, Emilia Romagna, Tuscany and Piedmont), 71.5% of national exhibitions.

Specifically, 130 (43%) museums in Veneto set up temporary exhibitions: 341 events for a total of 2,950,242 visitors.



Patronage and heritage marketing

Culture has always been upheld by patronage, seen in its most classic form by businesses making investments in support of third party cultural activities.

As the Veneto area is characterised by a significant and widespread entrepreneurial fabric and at the same time by a substantial cultural vocation, it has launched a pilot project to censor cultural patronage activities carried out by the businesses in the area. The first survey gathered data in a significant sample of 263 businesses and revealed that this practice is a widespread phenomenon at all size and area levels and is not the prerogative of larger enterprises. There seems to be a high level of interaction between the enterprises and the socio-cultural system. 77% of the businesses surveyed have invested in one or more areas related to culture and its appreciation and exploitation, and 70% of these are small and medium enterprises.

However, another form of investment in cultural activities is developing: heritage marketing, a type of marketing which aims to communicate new things by reconsidering the past and traditions of enterprises. These initiatives offer all aficionados the chance to visit areas of industrial archaeology, company museums, businesses providing products and services, industrial districts, industrial villages and company outlets, moving down into the depths of the area and discovering its most essential side. Official data tell us that 264,512 visitors walked through the doors of the nine industrial museums of Veneto in 2011.

Public libraries

Public libraries play an important role in spreading culture, especially among children and teenagers: a census taken in 2011 found 589 premises offering just under 10 million documents and recording more than 5,700,000 visits, offering their users many new initiatives.

More than just a book loaning service...

In fact, not only do libraries offer services, loans and consultations, they are lively places which organise and host courses and exhibitions, they are meeting places for citizens' associations, they organise guided tours of their services and their patrimony, especially for schools, thus with a view not only to promote but to

promote themselves. 2011 and 2012 saw a rise in organisation of courses and exhibitions of 10.7% and 2.4% respectively. With respect to all the activities, citizens were offered approximately seven thousand five hundred events in 2011 and more than eight thousand in 2012, with an increase of around 9% between the two years.

Culture as the driving force behind the economy

The economic aspect of culture and its importance for productive development of the local areas, the value of its contribution and its incentive to recover from the persisting recession have attracted growing interest over the past few years.

Among the main positive effects linked to culture, we can consider growing income and better living standards through improvement of the local economy, quantitative growth and improved job prospects, growing investments, development of the local area, urban renewal and development and amelioration of infrastructures, a rise in tax receipts and purchasing opportunities in retail networks and development of tourism attractiveness of the area. There is obviously an ambiguous relation between the different effects, which makes it difficult to quantify them in financial terms, and although there are various studies estimating the financial impact of culture, we can say that in Veneto the sector produces a share of between 5.4% and 6.3% of the total added value and exports goods to a value of 5.5 billion Euros, equal to 10.5% of the total value of Veneto exports, holding a share of 8.2% of national cultural export.

The value of shows and cultural holidays

Taking into account all shows, although Veneto came third place among the Italian regions in 2012 in terms of ticket office sales (259 million Euros), public spending (467 million) and, lastly, with respect to overall turnover (604 million), there were signs of the economic crisis: the number of shows was down by 6%, number of entrances down 4%, public spending down 25% and turnover down 22% compared to 2008.

In order to offer a complete assessment of the economic impact of the "world of culture", it may be interesting and useful to provide some information on the spending habits of tourists enjoying cultural travel in Veneto. Official statistics provide these data with respect to foreign tourists: those visiting Veneto for a cultural holiday in 2012, staying at least one night at a hotel facility, spent 129 Euros a day on average.

⁸ From "Il mecenatismo d'impresa nel Veneto. Censimento delle iniziative", part of the Progetto Industria e Cultura Project (Protocol of understanding between the Veneto Region and Confindustria Veneto).



This expenditure mainly results from accommodation (42%), 23% was dedicated to restaurants, 18% to purchases, 11% to transport in the area, and the remaining 7% to other services, including tickets for entry to museums, to watch shows, go on guided excursions, rent vehicles, etc.

1.4 Greater care of the environment and local area, more growth

As well as intelligent and inclusive growth, the objectives of the Europe 2020 Strategy aim for sustainable growth which respects the environment and reduces pollutant emissions, is sensitive to the local area and use of the land and committed to making the setting where people live and enterprises operate safer.

Growth which respects the environment ...

The air we breathe, like the rest of the environment surrounding us, definitively influences our quality of life. The Earth's ecosystem pays a high price for our comfort and well-being and for the greater number of services available to us these days compared to in the past, both in terms consumption of the land and resources and in terms of pollution. The situation as it currently stands is not sustainable forever, and this is felt more and more, especially by Europe, which has been at the forefront of the battle against climate change and the move to lower greenhouse gases and promote renewable energy sources for years now. The individual Member States of the European Union have been working for years on the activities provided for by the various regulations of the European Parliament aimed at protecting the environment and sustainable development.

It is therefore mandatory to pay attention to air quality in Veneto and, in particular, to a current topic which is ultimately critical throughout the whole Po valley, that is, the concentrations and emissions of fine particulate matter (PM10 and PM2.5).

The intention of the Report was to provide, along with the general overview, a focus on certain specific areas where the pollution problem caused by means of transports is particularly marked. The areas close to the bypass and the motorway passing through Mestre, as well as the Marco Polo airport area were therefore studied.

The tests show that the average PM10 concentrations tended to fall from 2002 to 2012, even if they did fluctuate from year to year due to a very important factor: the climate. In fact, the climate strongly influences the persistence of fine particles. Poor ventilation and high pressure cause the particulate matter to stagnate. While weather conditions change from year to year, the climate of the Po valley has instead distinctive features which are fairly constant in time, including, certainly, the lack of ventilation, which therefore creates hostile conditions for air exchange and breaking down pollutants. However, while the annual averages are overall close to the limits provided for by current regulations, which set forth a daily limit of 40 $\mu\text{g}/\text{m}^3$ (see note ⁹), it is an entirely different matter when it comes to testing the averages for single days: the regulations dictate that there should be a daily limit of 50 $\mu\text{g}/\text{m}^3$ and that this should not be exceeded for more than 35 days in the space of a year. The major problems are evident here, highlighting the critical issues which we have already mentioned linked to the climate. The situation has improved slightly over the years, though the limit of 35 days has not yet been reached in any of the Veneto cities, with the exception of Belluno, which however has a more favourable context, as it is smaller and positioned outside of the Po valley, close to the Dolomites.

With respect then to specific places influenced by significant sources of pollution, such as the bypass and the motorway passing through Mestre, as well as the Marco Polo airport, we find that these hubs of road and air traffic most certainly contribute to fine particle air pollution, but the control stations situated near there have very similar data to those typical of cities in the urban traffic areas. The deciding factor here, too, is still the climate and poor ventilation.

Lastly, with respect to real emissions, it is not yet possible to sketch any annual trends or any trends with a certain historical depth, but data from two years which are currently available – 2005 and 2007/2008 – reveal a positive situation where emissions have fallen by 12.5% for PM10 and by 12% for PM2.5.

⁹ $\mu\text{g}/\text{m}^3$ = microgram (1 milion/gr) / m^3 of analyzed air.



And what about Veneto's natural heritage?

On the subject of protecting the environment and safeguarding the flora and fauna, there are 130 Natura 2000 sites in Veneto, covering a total of 418,019 hectares, equal to 22.7% of the total area of the region. Almost 199,000 hectares of land are dedicated to Natura 2000 sites in the province of Belluno alone, corresponding to 54% of the total area of the province and almost 11% of that of the region.

Tens of thousands of hectares are dedicated to nature parks and reserves

Alongside the Natura 2000 parks Veneto has a National Park (the Dolomites National Park, stretching over more than 31,000 hectares) and five Regional Parks covering almost 57,000 hectares in total. In addition to these there are 14 National Nature Reserves, 6 Regional Nature Reserves and 3 Wetlands.

... and to the local area

The land is a resource to be protected due to its many vital functions, as it is limited and therefore obviously not renewable. Bad management of the local area translates into huge costs for the quality of the environment, for the safety and health of citizens, while on the contrary, fully utilizing and appreciating it is also a financial resource which is strategic for sustainable development.

Overbuilding for residential and industrial use and for infrastructures poses one of the biggest threats. The land saving goal is shared with Europe, which recommends achieving zero net land take by 2050. Moreover, saving land does not contrast the desired recovery of the building sector, which should favour urban regeneration, recovery and energetic requalification of existing buildings and improvement of disused industrial areas. The level of overbuilding in Italy is among the highest in Europe: 7.8% of the surface area is used artificially, compared to 4.6% in the EU27.

One of the incentives for such reckless use of the land is the scattering of settlements, which has gradually asserted itself as the predominant form of urbanisation in Italy, especially in our region. Cities are becoming less compact and taking on a more scattered and dispersive structure.

Scattered housing is one of the guilty parties of land use

Together with Lombardy, Veneto has always been the region with the highest percentage of land used: almost 13% in 2011, up 5.3% compared to ten years earlier. All the provinces in Veneto, with the exception of Rovigo and Belluno, have double the level of urbanisation compared to the rest of Italy: not so much in Verona, while Padua, where built-up land stretches over more than a fifth (22.6%) of the surface area, stands out.

People mainly live in detached houses or apartment houses

In confirmation of the situation of more scattered housing and less compact urban centres, the majority of households (65%) in Veneto more than elsewhere, live in "villas, small houses, detached houses for one family or apartment housing", often surrounded by outdoor land (vegetation, plants, garden, vegetable patch, equipped games area), types of housing which give the family more freedom and privacy.

Those living in apartments more often than not live in small condominiums with fewer than 10 flats. However, due to housing economy and protection of the local area, in Veneto, too, it is becoming popular to increase the height of residential buildings; from the point of view of quality of living conditions, the challenge remains to implement measures to guarantee acceptable levels of privacy and a good neighbourhood for households. Urban sprawl breaks up the local area, compromising the areas in between and making them hard to use. It is also a burden for the community, as it is more costly to guarantee public services over a widespread network, especially those in connection with mobility. From the point of view of the citizens, while living outside of the large city centres on the one hand guarantees better environmental and housing conditions, on the other hand, it decreases accessibility to services and opportunities offered in medium-large urban centres. Households in low density municipalities state that their access to basic services, such as schools, basic healthcare services and public transport rates 65 out of 100, where 100 is the maximum level of accessibility, 22 points lower than in the large centres.



Working towards an intelligent, inclusive and green city

It is in fact cities which represent an important drive for the sustainable growth of an area and to reach the Europe 2020 objectives, especially if the economic opportunities of them are fully utilised and there is a planned, integrated approach to urban development.

Cities are the driving force of the economy; they are fertile ground for technology, culture, innovation and creativity; however, they are also places where problems emerge and social inequalities are sharpened. For this reason they require special attention in the government priority list, not only at an EU level, but also at a national level and locally. In the European vision, the city of tomorrow is a place which aims at an advanced level of social cohesion and environmental protection, rather than just a sustained production drive.

New technologies and innovation can contribute to regenerating the city and improving the quality of life of its inhabitants, looking to the smart model, in accordance with a European vision of "smart cities". The Smart City Index measures the degree of "smartness" of all Italian administrative centres, evaluating various thematic areas, from broadband infrastructures to digital services (health, school, mobility, and government), right through to the sustainable development of cities.

Vicenza, Verona and Padua: the smartest

Of the seven administrative centres of Veneto, Vicenza, Verona and Padua were among the top 20 cities in the national league table in 2013, Venice and Treviso were in the intermediate bracket, and Belluno and Rovigo were further down, below the 80th position.

The individual cities are the key players when it comes to creating smart cities. It will be the duty of the Region to promote and monitor the various creation phases, as it is already doing through the implementation of the Regional Digital Agenda, aimed at guaranteeing technology and development standards for its cities.

Reducing traffic accidents to guarantee greater safety

The development of cities, and especially the creation of smart cities, requires special attention to be focused on the safety of citizens. The crux of mobility is certainly one of the pivotal points which should be examined.

As you will see in the chapter dedicated to European Planning, it is an important but even thornier issue given the problems of the public transport systems. As a consequence of this, citizens are inclined to use cars even for the shortest of journeys, generating the now well-known negative externality, including lack of road safety and accidents.

It is essential to understand the scope of this aspect in order to intervene. Statistical quantification of the road traffic accident phenomenon is a tool which allows rapid interventions and both social and economic benefits for the public and private sectors as a result. In 2001, on the theme of road safety, the European Union set a ten-year objective to halve the number of road accident victims.

The aim to cut down on deaths caused by traffic accidents by 50% has therefore not only become an obligation for each and every State towards the Union, but also an opportunity to improve the roads and heighten everyday citizen awareness, with the equally important aspect of being able to cut down considerably on related social costs. As a result of the measures taken, although the goal to halve has not been met, road fatalities have decreased in the European Union by 43% compared to 2001. There was also a considerable reduction in deaths in Italy in the 2001-2010 decade, in line with the average decrease in Europe.

Road traffic accidents decreased by 43% in Veneto from 2001 to 2010

As for Veneto, it has ten-year data similar to that of Europe, achieving a drop in deaths of almost 43%. After an initial phase of rapid reduction in fatalities in Italy immediately after 2003, as a result of certain significant interventions in the transport sector, such as introducing a "penalty points driving licence", infrastructure operations to increase road safety and car incentives resulting in older vehicles in circulation being replaced with newer ones, we observed a slowdown of the phenomenon. This was due to "breakdown" of the initial drive generated by the abovementioned factors and also to the economic crisis which slowed down the car market itself, once again ageing the vehicle fleet in circulation. The most recent figures speak of 13,995 road traffic accidents with injuries to people observed in Veneto in 2012, down 34% on 2000. Approximately ten thousand of these happened in built-up areas and around four thousand outside of these.

¹⁰ A road traffic accident is defined as an event which involves at least one vehicle in circulation on the road network and causes injury to persons (death within thirty days of the event and/or injuries).



Accidents caused 19,524 injuries and 367 deaths, the latter down almost 50% with respect, here too, to the year 2000, highlighting the less serious nature of accidents.

Another very pertinent aspect in connection to road accidents is the social costs stemming from them. According to a study presented in 2012 by the Ministry of Infrastructures, the social costs related to road traffic accidents in Italy were expected to total 20.4 billion Euros in 2011, a value which has more than halved since the year 2000. 1.6 billion Euros were estimated for accidents observed in Veneto.

All these aspects enable us to understand how important governance of processes linked to good knowledge of information on accidents is in defining priorities for intervention. In this context, the Veneto Region has launched a regional project concerning the Statistical Survey on Road Traffic Accidents with injuries to people: this consists in creating an information and organisational system to be added to the existing data collection information flow. This project touches all aspects of the survey, from data collection to issues concerning the handling of personal data, involving operator training, to make it possible to improve the quality of the data itself and the timeliness of the statistics which can be generated.

