

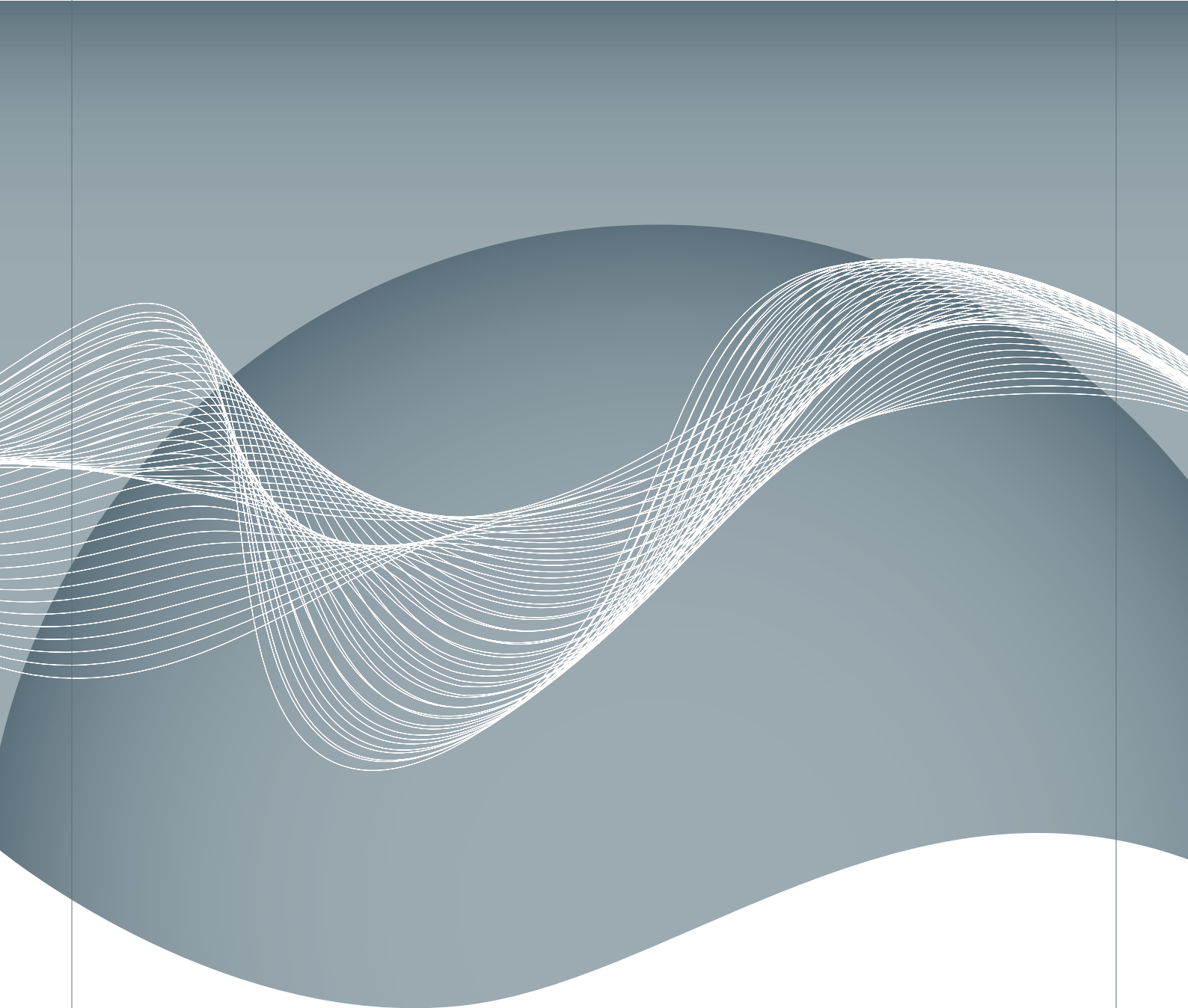


REGIONE DEL VENETO

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

Segreteria generale della programmazione

Direzione sistema statistico regionale



Summary

Statistical Report 2010

Veneto: sharing
and comparing facts

Summary



The development network



The development network

Today, more than ever, society can be seen as a network of relations between an array of actors represented by people, enterprises and institutions. People need to move around, communicate, meet, share experiences and ideas; enterprises need to extend their horizons and intensify their relations in order to share resources and projects so that they can become more efficient and competitive; likewise institutions need to cooperate more at their various levels, and with both public and private actors, in order to ensure public action is more effective and meets the genuine needs of citizens.

In days gone by, the Italian word *rete* would mainly mean a "fishing net", but today *rete* is also used to mean a "network", and it is increasingly common in the fields of social production and development systems. *Rete* is used to speak about telephone and telematic networks, water, gas and electricity grids, radio and television networks, the internet, institutional and solidarity networks, school networks, decision-making and cooperative networks, to name just some of the expressions that have become part of our everyday language.

A network is made up of "nodes", the knots of the net, and the "connections" between them. Within social and economic development systems, the connections between nodes, comprising actors, phenomena, roles and responsibilities, are becoming increasingly important. "Integration" and "coordination" are two terms used to highlight the relationships between nodes: "integration" means the contribution that a range of actors, bearers of value and technical-professional and political competences make to key decision-making and operational processes that are geared towards achieving certain objectives; "coordination" is a process that governs autonomous systems dealing with organisation, resources and actors in order to ensure they stay focused on these objectives.

Today, the government of these increasingly complex community and social development systems at various institutional and operational levels entails a growing need to integrate and coordinate the actors involved and the phenomena that are affected by the decision-making and -implementation processes. The use of basic concepts and the inspiring principles behind the theory and methodology of "social networks" may contribute to improving the statistical analysis of social and economic systems that lead to the decisions on community development policies and strategies.

In a fishing net, a set of threads connects and supports a series of knots, which in society translates into the establishment of relations between a range of units, in the world of business, institutions or a host of other fields. The hallmark of a network is that each unit, be it a person or a

thing, is connected to other units, which means that each one depends on and influences the others. A fishing net is no use if a thread or a knot snaps. The same can be said of networks where nodes and connections are essential if a system is to run smoothly: if a node breaks down or it is cut off when connections fail, the effects on the network are felt throughout the entire system.

Relationships are human nature

Human beings need contact with other people, especially with their mothers, right from their very first days of being born; this is essential for their physical and mental development. Throughout their lives people form relationships which provide a state of emotional and material well-being. It has been proven that people from a solid family background are better able to face up to life's challenges: from school to work, to emotional and social relationships. Similarly, having a close network of friends and acquaintances is essential to personal fulfilment. Society, every aspect of it, needs to be able to create "networks" in order to make progress. This need is also becoming even more apparent now that we are on our way out of a period of serious crisis.

These are the thoughts behind the style and the choice of content in Regione Veneto's Statistical Report 2010, which was inspired by the "social networks" approach of the people and events behind the social and economic development of local and regional communities.

We can create a general macro-model to show the development planning system. This model is made up of four essential nodes: actors, i.e. individuals, families, enterprises and social decision-makers; development phenomena, namely level and quality of life (development policies and aims); production phenomena, i.e. economic and social production (development strategies and tools); and roles and responsibilities, namely instructors, deliberators, participators, operators and controllers.

The report contains 19 chapters, grouped into three parts. The first part, *Social Development Networks*, is mainly devoted to the end variables of development, so to significant aspects of the standard and quality of life of the population living and working in the region. These are the variables that, in a general model of community development, give a direct idea of the aims to be pursued and, for this reason, they give form to the choices in "development policies" within planning processes.

They provide an assessment of different areas regarding the quality of people's lives: living, travelling, learning, working and forming social and emotional relationships with others. People and families are the ones who are mainly concerned by these aspects of life.

The second part of the report, *Economic Networks*, provides a summary of the results gleaned from statistical analysis

of data on certain important features of government aims for development processes regarding the social system's economic production: actors, processes and products in the primary (food) and industrial sectors, distribution and trade networks, the tourism network and relative links between actors and networks. All together, these are seen as pertinent aspects of economic production, in its broadest sense. Up-to-date statistics on the structural and dynamic aspects touched upon in this section of the report provide an important contribution towards making choices regarding development strategy, i.e. towards making decisions regarding changes to the organisation and the functioning of the economic production system in order to pursue trends and targets for quality and standard of living as set out by development policies. Decisions on economic production strategy are extremely important nowadays as they concern development variables which are strongly influenced by the spread of globalisation. The last part of the report, *Institutional Services and Networks*, provides a brief series of information on the actors, social-decision makers, networks and phenomena of social production within the development system: institutions, bodies, social services and their processes and products.

The main micro-network: the family

The family, be it through blood or through choice, small or large, can be seen as a micro-network of people joined together through love, blood, shared lives or shared finances. People and families make up this network and interact in some way with other people, as individuals or as parts of networks (informal and formal networks of solidarity, associations, bodies, and enterprises). Information on the types, make-up, size, internal and external relationships of families and changes coming about through time is of great interest as it aids decisions on community development policies and strategies.

The significant demographic and social transformations that developed countries have undergone during the last ten years have contributed to changing the structure of the family and the shape of family relationships enormously. The idea of the family is moving ever further away from the traditional model and is ending up as fragmented and lacking proper structure. Nowadays, the average family in Veneto has 2.4 members, 30 years ago, in 1978, the average was 3.3 members. The continuing low fertility rates, the tendency amongst young people to put off creating a family of their own, the ageing population and the lack of stability within marriages have all led to an increase in the number of people living alone and of childless couples.

The nuclear family continues to dominate even more; this family has just one nucleus, usually formed by a couple with or without children, sometimes there is also another family member, often a widowed parent. New forms of families are also becoming more common, such as restructured families,

single-parent families or non-married couples. The latter is no longer seen as a preliminary stage before marriage but as a steady alternative to getting married and can also produce children. Besides all this, the fact that more and more women are working is also having a significant impact on family life as it requires time, workloads and responsibilities to be reorganised and shared, and therefore changes the nature of intra- and inter-generational relationships.

One of the main worries in Italy and in many of the industrialised countries is, therefore, how to support the increasing need for care for the elderly, especially those with serious health problems, as the families themselves will be less and less able and available to provide this. In the past, elderly people could rely on the help of their many children and on the female family members who didn't work; however many of tomorrow's elderly, with no children or with one at the most, will have to look outside of the family for help. If we take into account the fact that in a family care for an elderly family member often falls upon the wife-mother-daughter-daughter-in-law, who nowadays has to share her time ever more between work and family, then the outlook for the future is increasingly unsustainable.

When in trouble or facing problems, the family is, in the end, the first port of call for financial and moral support. Relationships, ties and love are able to compensate for weaknesses and to make the most of each family member's potential. The strength of the family network isn't only its ability to relieve some of the strain caused by serious problems by providing loans, support or time, but it is above all seen through the provision for daily needs, giving care, emotional support, help with bureaucracy and getting about, all of which is provided without thought for personal gain. There are three key aspects to this "primary" network: it is free of charge, therefore creating an atmosphere of reciprocal aid which is more based on feelings than on material gain; family members are physically close to each other; and help is made available extremely quickly should it be needed.

There is a great amount of solidarity between families in Veneto, more so than in other regions; as a matter of fact, compared with other regions, Veneto, like all of the North-East of Italy, stands out for the willingness and availability families show towards helping each other, which confirms the central role played by the family as a point of reference and focus for relationships.

Besides family relationships and contact with other people, quality of housing, opportunities for getting around, for learning and for work are all important factors in determining the overall standard and quality of people's lives. The types and figures of the indicators measuring these variables and the relative differences between people and families are often strongly related to the structural and functional nature of social and economic production actors and of their networks.



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The housing network

In Veneto today there are 4,885,548 inhabitants and 1,985,191 families. The population has increased by 7.9% since 2001, while the number of families has increased at a higher rate, by 15.8%, becoming ever more nuclear. Demographic changes also have an influence on the development of residential buildings: demand for housing is not so much the result of population growth as of the increase in family groups. According to data on building permits, housing has increased at a similar rate to families: real estate has increased by 9.7% since 2001. New buildings are keeping up with new families not only in terms of number but also of size: just like family groups, new houses too are getting smaller and smaller.

Most families (56%), and people in families (60%), live in villas, detached or semi-detached houses; these types of houses provide families with maximum freedom and privacy. Those who live in flats tend to live in smaller apartment buildings, with fewer than 10 apartments in them.

In 86% of cases, Veneto families say that they are satisfied or very satisfied with their homes. Veneto is in the middle of the ranking of Italian regions to this respect; it is also very close to the national average (84.5%).

Satisfaction with standard of living is mainly influenced by objective aspects of the dwelling, as well as by the amount of space it provides: living somewhere which is suitable to one's needs, which is spacious enough, comfortable and equipped with the necessary utilities contributes to improving quality of life. The home is the place where people spend most of their time on a daily basis, it is the focus point of family life and also of relationships with friends, relatives and neighbours; in a wider sense it is also essential to guaranteeing social inclusion. Having one's own home, and feeling happy in it, creates a feeling of safety, stability and even mental well-being.

A comfortable amount of space is an important aspect of quality of living conditions. It is defined as the relationship between size (metres squared or number of rooms) and number of family members and type of family. Problems can arise if families have to live in a small space, in a place which is not big enough to accommodate the number of people living there, as this can lead to a lack of privacy or of freedom. If we compare the surface area of the home to the number of family members, in Veneto every person has an average of 54m² living space; this is one of the highest of all the regions and the Italian figure is 49m².

In a country like Italy, where family units tend to be getting smaller, overcrowded living conditions seem to have a closer link with poverty. For this reason it is considered as an important measure of poor living conditions and, on a

more general level, of a family's degree of poverty: 6% of families in Veneto (around 122,700 families) are living in overcrowded conditions, and 32% in normal conditions. Instead, 62% live in homes which are underused, meaning that they have more space than is deemed necessary for normal needs. The problem of overcrowding in Veneto is less serious than in Italy overall, where 11% of families suffer from it.

The environment, land management and urban networks

Our analysis of residential development in the region highlights the need to focus attention not only on the conditions families live in and how they perceive these, but on everything that influences their choices, such as mobility and the development of industrial and commercial areas. Residents in Veneto seem to have a unique tendency to prefer living spaces that are not particularly large, and this, together with the increase in industrial areas in the past few decades, especially in the central parts of the region, highlights why legislative measures have tended to promote initiatives such as exploiting the possibility to add extra storeys to existing homes. With this in mind, the environmental and land monitoring networks managed by Regione Veneto¹ provide a thorough overview of the various phenomena taking place with the aim not only of implementing an effective environmental land protection plan, but also of monitoring and intervening when particularly significant phenomena occur, such as geological instability, landslides, etc. Furthermore, by developing specific indicators, such as the Ecological Footprint and Biocapacity, it is possible to identify the "land areas" a given population needs to produce all of the resources it consumes and to get rid of the waste it produces in order to achieve sustainability. In Veneto, which has been recognised as one of the most developed areas in Italy, these indicators, as is the case in the rest of Europe, indicate a certain degree of unsustainability. For that matter, however, the whole of Italy is in a state of ecological deficit, and the regions surrounding Veneto that have carried out similar types of studies (such as Emilia Romagna) have the same trends as those found in Veneto.

This leads us to the crucial issue of linking urban areas. The European Union is well aware that what is needed is an integrated approach that "ideally should take into consideration various aspects: the complexity of urban transport systems, governance issues and links between cities and their surrounding areas or regions, interdependence of transport modes, limitations within urban space and the role of urban systems in the wider

¹ For more information see Chapter 17.

European transport system. An integrated approach is not only needed for the development of transport infrastructure and services, but also for policy making to link transport with environmental protection, healthy environments, land use planning, housing, social aspects of accessibility and mobility as well as industrial policy."²

It is worth pointing out that "in 2007, 72% of the European population lived in urban areas, which are the key to growth and employment." "Developing strategic, integrated transport planning, establishing appropriate mobility planning organisations and setting realistic targets are essential to addressing the long-term challenges of urban mobility while also supporting cooperation with and between transport operators." The points made in this document completely fit the situation in Veneto today; it is almost as if Veneto stood for all of the issues and problems surrounding the issue of mobility.

Mobility within Veneto involves issues such as the consequences of the region's geographical-economic location, the state of its road networks and services offered, logistics, the cost of mobility for goods and people, the negative impact of traffic, and its particular residential layout.

Over the years, the time spent travelling and the distance travelled every day have increased and motorised transport remains the most common means. Every day in the Veneto in 2008, the average person travelled 43 km (33 km in 2005) and spent 67 minutes travelling (57 minutes in 2005). The car played a leading role in daily journeys in 2008 too: according to Isfort data, 77% of people leaving their homes (79% on a national level) for reasons of work, study, family or leisure used a motorised means of transport and 78% of the time this means was a personally owned car (71.4% on a national level).

With regards to mobility in urban areas, there has been an overall increase in the use of motorcycles and scooters, particularly in the larger cities in the region: in Padova in 2008 there were 122 motorcycles on the road per 1,000 inhabitants, 42 more than in 2000; in Verona there were 118, up 45 on 2000. Therefore, in the main urban centres, people clearly prefer to use private means to get where they want as quickly as possible, but there seems to be a growing tendency to opt for motorcycles and scooters rather than cars.

Travelling for education

Mopeds are a convenient, quick way to get around town, and are especially popular with students. A starting point for the provision of a balanced, good quality education is without doubt to ensure that every type of educational structure is widely available throughout the region.

We can see that for the 2008/09 school year there is, in

Veneto, on average, one further education establishment (upper secondary school or regional professional training course) for every 33.9 km². This indicator enables us to compare the distribution of the different types of schools within the region and can therefore be considered a measure of accessibility of educational facilities; it is important also to remember that accessibility depends on a number of factors, including the availability of suitable public transport.

In Veneto, lyceums are slightly more accessible as there is one for every 104.5 km². These are followed by technical high schools, with one per 110.1 km², while there is one professional high school per 154.5 km².

After continual growth in recent years, overall enrolment in upper secondary schooling is actually slightly down in Veneto: of young people aged 14 to 18 years old, 88.5% registered for a secondary school in the 2008/09 school year, one percentage point less than the previous year and lower than the Italian average of 92.5%. In terms of numbers of students who drop out of school, however, the figures for Veneto are better: in 2008, 15.6% of 18 to 24 year-olds in Veneto left school without an upper secondary school diploma and were not enrolled on training courses lasting more than two years; that's four percentage points lower than the national average.

In 61.7% of cases, students who finished school in Veneto in the 2006–2007 school year enrolled on a higher education course in the 2007–2008 academic year, four percentage points lower than the national figure. The introduction of the three-year degree course in the past had encouraged a higher number of students to start university, but if we look at the trend over the last three years, recently the share of university first-years compared to the previous year's high-school graduates has been dropping, although it is picking up in some regions such as Veneto and Friuli Venezia Giulia.

In the 2007/08 academic year, the highest numbers of students signed up to study in the field of economics and statistics; at 16.2% this is in line with national figures. This was followed by engineering with 10.7%, law with 9.5% and arts with 9.1%.

The production system

The human resources available to the enterprises of Veneto are certainly rich and so building networks is certainly an advantage for them. The most active and innovative enterprises are those which have abandoned the classic model of an autonomous business and have moved towards more interconnected forms of organisation. Thanks to network collaboration, enterprises can enjoy economies of

² Action Plan on Urban Mobility, European Union, 30 September 2009.



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Research, technology and Public Administration in networks for businesses

scale and scope, without losing their independence; instead they avoid waste and duplication in an attempt to ensure greater competitiveness and specialisation.

These are only some of the objectives of Legge Sviluppo (Development Law) 99/2009, an act passed to mitigate the economic crisis in Italy. The law is designed to relaunch the Italian economy, hit hard by the recession, through the creation of "networks of firms". This instrument allows firms belonging to the same production supply chain to set up forms of collaboration that can overcome the territorial limitations of a district; member firms can in this manner benefit from financial, administrative and tax advantages that previously were reserved for districts alone, so as to have greater contracting power and to share know-how, investments and projects.

In 2009, business population development in Veneto concluded with 458,352 active businesses at the end of the year, -0.9% compared to the number of the year before, -0.4% if the agricultural sector is excluded. Veneto's active business, however, continued to make up 8.7% of the national total, ranking third together with Lazio in the regional rankings.

In 2007 in Veneto, 8,954 groups of firms were present, of which 7,268 had their parent company³ in Veneto, 765 in other Italian regions and 921 in a foreign country.

The groups covering Veneto included 30,462 active businesses, of which 18,660 in Veneto itself; these groups employed 1,644,317 people overall, of which 540,332 in firms in Veneto. The groups in Veneto accounted for 12% of the total groups in Italy.

There were 18,660 firms in Veneto that belonged to a group, 4.6% of the total active businesses in Veneto; they employed 540,332 people, that is nearly one-third of the total employees of firms in Veneto.

Through upstream integration, the group structure enables privileged relationships with suppliers, a flow of incoming materials with times and methods that meet the needs of the central firm, as well as better quality control and greater opportunities for customisation; through downstream integration, it opens privileged distribution channels, and so, better access to the target market; through horizontal integration in the same field of business, it allows production capacity to be increased, and so, increased market share; through diversification of activities, it allows more lines of business to be created in order to target new market segments with firms being created *ad hoc*, so as to diminish risks and not to compromise the image of the principal firm in case of failure.

Alliances between firms, and between these groups and research centres and innovation bodies, are no longer an option for the majority of Italian enterprises: they are a necessity if businesses are to survive and hold up under the pressures of global competition. In Italy, local systems and local industrial supply systems have enjoyed a history of success for several decades. But today this kind of aggregation is longer sufficient. In a phase in which knowledge has taken on a fundamental role, it is necessary to create systems that absorb knowledge wherever it is and allow its use on a larger scale in order to amortize the major investments involved in developing innovation.

The data of the Met study⁴ collected over the summer of 2009 reveal that nearly half of the firms in Veneto that perform research and development collaborate with other actors in the area. In general entrepreneurs prefer to cooperate with universities, be they in Veneto (9.6%⁵, in other regions (9.7%) or abroad (2.9%). The geographically closest form of cooperation is always the preferred form: 5% of the firms that did research and development in 2009 did it together with firms in Veneto and 4.1% with laboratories within the region. This activity has undergone major development in the region, especially over the last few years. In 2007⁶ in Veneto 1,232 million euro were spent on R&D, a figure that puts Veneto in fifth place among Italian regions, but second in growth, with an increase of 29.4% compared to the previous year, which is second only to the Autonomous Province of Bolzano and to Valle d'Aosta; these two, however, are of much smaller size. In 59.3% of cases, spending was attributable to firms.

The reforms that involve the Public Administration, Chambers of Commerce, internationalisation bodies and Employment Centres have been especially advantageous for firms. Thanks to the One Stop Desk for Production Activities⁷ there has been a significant simplification of relations between firms and the Public Administration, and much more is being done in this direction. A more agile bureaucracy facilitates the work of firms. Now it is enough for firms to go to only one office to fulfil all the complex administrative procedures necessary for doing business; making their way through all the various laws becomes less onerous; waiting time and costs are cut; and coordination between the various competent authorities improved. Likewise, the efficiency of the Chambers of Commerce network, which supports local economies, is also growing.

³ Parent company of a group means the legal unit that controls the legal units of the group and that is not controlled by any other legal unit.

⁴ Met Research Centre - Monitoraggio Economia Territorio (Monitoring the economy and local area).

⁵ Multiple answers possible.

⁶ Last year for which data is available.

⁷ Regional Law LR no. 11, 13 April 2001, Granting of Administrative Functions and Tasks to Local Authorities enabling D.Lgs. no. 112, 31/03/1998.

In addition, it promotes greater collaboration between these bodies and all the institutions involved in regional development. Chambers of Commerce have to place themselves as connections between production units and institutions, including schools, to enhance employment. Employment Centres are also moving in the same direction; these are fundamental pieces of the network of services for finding people jobs and getting them back into the job market, especially in these difficult economic times.

The employment network

Although it is impossible to overlook or to underestimate the results that Italy has achieved over the years, many objectives of the Lisbon Strategy are still far from being reached; and this recent crisis has made them all the more unobtainable.

In 2009, the number of employed people fell dramatically and there was a sharp rise in the number of people looking for work. Since the end of 2008, unemployment has started to increase everywhere, a setback to the objective of reducing it significantly by 2010. In EU27, the unemployment rate started to rise again and in 2009 stood at 8.9%. Between 2008 and 2009, the countries in most difficulty were Spain and the Baltic States: the unemployment rate in the former hit 18%, up almost seven percentage points on the previous year; while in the latter it stood at between 14% and 17.6%, up between eight and ten percentage points on figures for 2008. The situation was better in Italy where 7.8% of the labour force were seeking work in 2009, a little more than one percentage point above the figure for the previous year; Veneto returned to the figure of early 2000 with an unemployment rate of 4.8% compared to that of 3.5% in 2008; this is still the third lowest rate in the country, on an equal footing with Emilia Romagna.

Employment rates fell both in Italy and in Veneto in 2009, making it increasingly unlikely that they will achieve the objectives set out by the Lisbon Strategy, which aims to see 70% employment rates for Europe by 2010. Italy, which has always recorded decidedly low employment rates, fell from 58.7% in 2008 to 57.5% in 2009. In Veneto, however, employment rates are consistently higher than the national average: in 2009 64.6% of the population between 15 and 64 years old were employed, 1.8 percentage points less than the figure for the previous year.

Note, however, that although both Veneto and Italian employment rates had fallen to the values of four years ago, the fourth quarter of 2009 saw an increase in the Veneto employment rate, which stood at 64.5% compared with 63.9% in the third quarter.

The economic and financial crisis has weighed heavily on public finances, enterprises, the labour market and families. Women, foreign workers and young people are the ones who are most at risk of being left behind by the employment network: They are not only the groups that generally have greater difficulty finding a job, but they are also the ones

who risking losing their job if a crisis strikes.

If we look at standard unemployment benefit (excluding agricultural subsidies), which accounted for 73.6% of the total benefit requested in Veneto in 2009, 53.7% of those receiving benefit were women, 20.4% were young people under 30; almost one in four were from abroad.

Regarding the issue of immigrant integration within the region, Regione Veneto has struck a local alliance to establish a range of services geared towards enabling non-EU citizens to integrate into social and working life in Veneto. These projects envisage collaboration among a number of public and private subjects, especially local authorities, schools, production and employment organisations, volunteer associations and the representatives of immigrant communities.

Official international projections

Veneto's regional government has always made supporting the development of people one of its main priorities. Since its institution, and most recently with the approval of Regional Law LR 2/2003, Regione Veneto, in association with other public administrations, bodies and associations, has worked to disseminate its culture and values abroad by supporting and promoting the activities both of people who left Veneto to move abroad and of their descendents. As time went by, a network was set up between the Veneto region and Veneto people, institutions, economic players and communities who had settled on five continents with the aim of developing ties with their homeland. The most communities, or *circoli veneti*, were set up in Brazil, Switzerland, Australia, Argentina and Canada.

Extending this territorial network to international level made it clear that it was necessary to work in association with international organisations. These organisations, which are also being reformed, pursue the objective of making Italian and foreign businesses more efficient and suited to dealing with the new demands of the global market. In light of this, Regione Veneto has for some time been working to strengthen its international role and has pledged to seek more funds and weave stronger relations. This pledge has led to the establishment of a comprehensive range of cross-border projects with other regions, as well as both national and supranational organisations.

Since the introduction of Regional Law LR no. 55/1999, Regione Veneto has helped fund 642 development cooperation projects across the world, mainly in Central and South America, Eastern Europe, the Middle East and in Africa, for the improvement of social and health conditions, development of farming, promotion of the condition of women and children, education, professional training and improvement of services and infrastructure.

A brief glance at Veneto's performance in European Territorial Cooperation shows that during the previous programming period 2000–2006, it was involved in 285 projects financed within the various interregional programmes, which



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involved setting up 427 partnerships. These shared actions were geared towards strengthening dialogue and mutual understanding between partner countries, thus contributing to an increase in the responsibility of institutions and private partners as regards matters that concern the whole of Europe. The current programming period, which will end in 2013, sees this trend continue.

In all of the sectors, the strategic model adopted to achieve objectives is based on the promotion of networks made up of different actors, including institutions, businesses and associations both in Italy and abroad. These networks are therefore not an end, but "a means to meet the many demands and requirements of people, enterprises and institutions" (Lanfranco Senn, 2009).

In general, public action is needed that is able to exploit a territory's full potential, one that supports the most promising trends in order to deal with the current economic crisis and to create conditions governed by competitiveness, modernisation and efficiency.

The efficiency of the Public Administration

Reforms within Italy's Public Administration (PA) since the 1990s have transformed its structure and organisation, enabling it to become increasingly functional. These reforms include: the introduction of principles such as subsidiarity, simplification, administrative transparency, privatisation of public work, as well as IT, i.e. the decentralisation of services to authorities that are closer to citizens. At the same time, the trend towards reducing the number of PA employees has continued. In 2008, 1,404,664 employees worked in Italy's peripheral administrations, while 1,970,667 worked in its central ones. If these figures are given as ratios to the population, at national level, there are 5.6 PA employees per 100 residents, while Veneto confirmed the economy of its organisational policy in terms of human resources with 4.8 PA employees per 100 residents.

The ratio between PA spending and regional GDP illustrates that Veneto is Italy's most virtuous region. In 2007, the public sector in Veneto spent 34.9% of its regional GDP, whereas the national average is around 46.5%. Since 2000, there has been a fall both at national and regional level: 1.7 percentage points less for Italy and 1 percentage point for Veneto.

Efficiency within the PA is definitely on the up thanks to the spread of technology and to online services. Internet coverage is fairly widespread in almost all of Italy's municipalities: 99.9% are connected to the network and of these 58.9% are equipped with a broadband connection. Veneto also has all of its municipalities connected to the Internet, and 69.3% of these have a broadband connection, a figure that places the region in seventh place in the national rankings.

Many of the public utility services are not provided directly by the Public Administration, which deals mainly

with services that do not involve sales; instead they are run by State-controlled bodies, semi-public agencies or other ventures that represent the *external PA sector* and, together with the Public Administration itself, make up the *wider public sector*.

Public utilities

Public utilities include energy and gas distribution, the collection and disposal of municipal waste, and the integrated water cycle.

Looking at each service in more detail, electricity supply was judged to be somewhat or very satisfactory by almost 87% of Veneto families and in 88% of Italian ones; the figures for gas supply were 90.4% and 91.8% respectively. As regards water supply, only 9% of Veneto families claimed there were any problems with the service compared to 11.5% of Italian families.

In 2007, Veneto was the second leading region in Italy, behind Trentino Alto Adige, for the separate collection of municipal waste; it achieved more than 51%, two years ahead of the 50% target by 31 December 2009 established by current law. This figure also places Veneto way ahead of the national average, which stood at 27.5%.

The priority of the energy sector

Intervention within the energy sector is considered to be of fundamental importance in that Italy at present imports the majority of its energy from abroad; the price of electricity is also very high, indeed much higher than in other countries. Italy's current consumption of electricity leads to high levels of pollution, with ensuing worries about sustainability and environmental protection.

In order to achieve greater energy independence, and thus contain costs, the Legge Sviluppo (Development Law) is reopening the path towards nuclear energy and is providing incentives for the production of clean energy with wind, solar and biomass plants; a greater use of renewable resources will go on to produce lower emissions of pollutants. In order to lower bills, new electricity grids linked with abroad will be built in order to simplify the procedures of setting up and intervening in energy networks and infrastructures. A more ordered development of the electricity system will enable the grid congestion rate to be lowered. This is expected to lead to privileged treatment of the major industrial centres, which are connected to private electricity grids.

The grid will thus take on a key role in the relaunching of Italy's economy.

Links within the economic system

The process of economic globalisation over the last decade has accentuated the already complex system of relationships that go beyond the borders of geography, size and sector,

cutting across the realms of management, law, social institutions and forms of government. The general trend over the last year has been an example as the financial crisis that originated across the Atlantic has had major effects on all real local economies.

The signs of recovery

Only about halfway through 2009 were the first signs of economic recovery to be seen, after the steep decline recorded between the end of 2008 and the beginning of 2009. During the summer months, world GDP began to slow its fall and economic activity showed signs of stabilising. In the last months of the year, fiscal and monetary stimulus and social welfare measures adopted by governments began to bear the first fruits: in the emerging economies, they produced a rapid return to the pre-crisis rates of growth and in the advanced economies they sped up recovery. The year 2009 concluded with a reduction of 0.8 percentage points in global wealth, 2.4% in US GDP, and 4.1% in the euro area.

In Italy, the trend has been moderately favourable and there seem to be signs of a slow and discontinuous recovery: after positive signs in the third quarter, the last part of the year saw a decline. Analysis of the Italian economy reveals a severe, but not particularly long, recession compared to the crises of the early 1980s and the first years of the current decade; the decline was large not only in terms of GDP and of supply and demand, but also involved industrial production and sales. Italy ended 2009 with a -5.1% decline in GDP; like Germany, Italy experienced a steep decline in productivity, caused by the contraction in international trade, due to the size of its manufacturing industry.

Official regional data ends in 2008 at the beginning of the international recession, when the Gross Domestic Product of Veneto had fallen by 0.8%. In national terms, the economy of Veneto held up better than both the Italian average (-1.3%)⁸ and the regions considered its economic rivals, Lombardia and Piemonte. Once again in 2008, Veneto was found to be the third largest regional contributor to Italy's GDP: the region contributed 9.4% of the national total, behind Lazio (10.9%) and Lombardia (20.7%). This result is thanks to growth in agriculture and the strength of the service sector, despite the negative contribution of industry.

As the Veneto economy has closer ties with foreign markets, it is more susceptible to trends in world trade. This accounts

for the major slowdown of exports⁹ in the last year: In 2009 Veneto suffered a 20.6% loss compared to the previous year, in line with national trends and patterns in other major Italian regions (Lombardia -20.9%, Emilia Romagna -23.3%, Piedmont -21.6%). The Veneto trade balance is still positive—over 8.5 billion euro in the last year—and shows highly positive values in the sectors of mechanical goods (+5.4 billion), other manufacturing products—furniture, jewellery, sportswear and medical supplies (+3.9 billion)—fashion (+2.1 billion) and electrical appliances (+1.9 billion), while the sector of vehicles is in the red (-3.9 billion).

Veneto's agriculture network

Veneto's agriculture industry has held up against the current difficulties. The supply chain of Veneto's food industry has had a strong network for some time, and this may be one reason that has enabled the industry to withstand the brunt of the crisis. Examples of this include Veneto's food-industry districts, such as its animal-husbandry metadistrict and the Prosecco di Conegliano Valdobbiadene metadistrict, which is known for high-quality of its produce; its agriculture consortiums and cooperatives that involve the cereals sector; its fruit and vegetable producers organisations; and the establishment of "Siquiria srl", a company that certifies the wine and grapes of some of Veneto's best known wine-growing areas, and demonstrates the ability of local companies to pool their resources in a network.

Additional networks encompass the activities within the "short supply-chain", both in terms of supply and demand. Farmers markets highlights the ability of farmers to work in synergy and to provide customers with quality produce at below-shop-prices; consumers have organised themselves into Gruppi di Acquisto Solidale (GAS), or Farm Direct Marketing Groups, which are mapping out a new domestic economy not only to obtain better prices and quality guarantees, but also to build a network of solidarity between the group and producers, who are normally chosen in accordance with criteria that involve respecting the environment, ethics and equity.

The distribution network

The greater proximity to the consumer is a feature that favours small local stores, which ensure seller-customer trust is higher. These stores, however, often cannot compete with the prices of supermarkets, hypermarkets

⁸ For 2009 the Prometeia research institute estimates that the downturn in GDP in Veneto is in line with the national trend, -4.8%, and forecasts +1.3% growth by the end of 2010.

⁹ In 2009 the Italian trade balance was minus 4.1 billion euro, much lower than the approximate 13 billion euro trade deficit in 2008. After the 8.5 billion surplus of 2008, the trade balance with EU countries deteriorated again, to minus 1.8 billion euro. The trade balance with non-EU countries— a deficit of 2.3 billion euro—deteriorated too, but definitely improved compared to 2008, when the deficit was 21.5 billion euro. Italian exports declined on a yearly basis by 20.7%, in line with the trend of Italy's main trade partners (Germany -19.4%, France -22.2%) due to a reduction in exports both to EU and non-EU countries, down 18.1% and 22.5% respectively.



Summary - The development network

and cash&carries, which can exploit the fact that they sell large amounts of products. The latest trends however seem to indicate a "return to proximity"¹⁰, i.e. a slowdown in the opening of new large specialised and non-specialised stores and a reduction in the average area of larger stores, as well as the success of medium-small stores in large cities and a new wave of branches of independent medium-small stores within large chains.

As regards the regional economy, the number of active businesses in the trade industry was consistently more than one-fifth of all businesses, the highest share of all the business in the tertiary sector.

Commercial enterprises in Veneto, which is Italy's fifth region in terms of total trade after Lombardia, Campania, Lazio and Sicilia, stand against a national backdrop that has shrunk by 0.4% in the last year. Although the international market has deteriorated and the ensuing fall in sales has effected commercial distribution, the sector ended 2009 in a more stable situation than the rest of Veneto's entire economy: in the last year, Veneto trade had a variation in active businesses that was practically zero, i.e. 0.2%, when its overall active businesses fell by an average of 0.9%.

Synergies in the tourism sector

Tourism continues to be a strong point of the Veneto economy. In Veneto the value added of the hotel and restaurant sector alone was over 6 billion euro in 2007, that's 11.5% of the national total, a share second only to Lombardia. What is more, the importance of value added within the hotel and restaurant sector for Veneto's entire economy is higher than the national level (4.6% compared with 3.8%).

In 2009 tourism in Veneto built networks: the tourism metadistrict, first in Italy with over 1,500 members, now represents the rich and fragmented network of production and supply of services for tourism. The aim is to be united in synergic actions to overcome the economic crisis and overtake competition. Last year, despite the critical economic situation and international difficulties, the Veneto tourism system was able to react, and the flow of tourists seems only slightly down on that of the previous year. The number of arrivals dropped by 1.3%, or 185,000 people, though there were still an impressive 60-million-plus nights spent in Veneto (-0.3%). The flow of tourists had shown a notable increase in growth rates since 2005. This came to a halt in 2008, though less so than in the rest of Italy and in our European competitors.

The number of German and Austrian tourists, who traditionally enjoy holidays in Veneto, considerably increased in 2009 both in terms of arrivals and nights spent. These increases of over 10% more than made up for the 2008 losses. There

was also a higher number of Dutch, Swiss, Czech and Belgian visitors. On the other hand there was a considerable drop in the number of English (-21.4%) and Americans (-9.8%), who have suffered the effects of the international economic crisis more heavily. As for Italians, people from Veneto continue to regularly visit the tourist destinations of their own region. In harmony with the trend to visit nearby places for ever shorter stays, i.e. the classic get-away weekend, the number of arrivals increased (+1.7%), while the number of nights spent decreased (-0.7%).

The stability of the tourism sector in terms of nights spent is supported by the good year for non-hotel accommodation (+2.1%), compared to losses in the hotel sector (-3.0%). The trend of flows for hotels is correlated to their category: the loss is greater for hotels with fewer stars and lower for those with more stars. Increases can be seen for top-class hotels only. It would appear that the economic crisis is selective and that only high-quality hotels have continued to find customers, extending their clientele towards new markets. Even though traditional establishments maintain their fundamental role, there has however been a considerable increase in the number of people who choose a campsite or an agrotourism holiday. In just one year, between 2008 and 2009, there was a 4% increase in the number of nights spent on campsites and an 8% increase for agrotourism establishments, variations which follow a continuously upward trend.

As concerns international visitors, in 2009 Veneto was the second Italian region for revenue, due to the high flow of tourists. Lengths of stay in Veneto, however, were amongst the shortest compared to other regions and spending per capita was around 399 euro compared to 454 euro for holidays in Italy.

Multilevel governance

The information contained in the third part of the Report, *Institutional services and networks*, concerns diverse subjects and networks, in a dense web that has Regione Veneto as the central hub for institutional relations both at a local level and as a link with the central and international levels. This follows the logic of multilevel governance, the new form of governing based on a modern *modus operandi*. "Governance" is an evolution of "government" and tends to describe the formulation and management of public policies in which the State is no longer the only actor involved, and the top-down hierarchy of control loses its centrality.

Multilevel governance is the policy model currently used within the European Union and it is based on the EU's White Paper (2009). There is a famous quote from The Berlin Declaration by Heads of State and government, which commemorated fifty years of the Treaty of Rome

¹⁰ Rapporto sulle economie territoriali (Report on local economies), Confcommercio, February 2010.

on 25 March 2007: "There are many objectives which we cannot achieve on our own, but only in concert. Tasks are shared between the European Union, the Member States and their regions and local authorities". This statement means that Europe can only be a strong continent if the management of its powers are equally shared between its various parts; only close cooperation between different tiers of governance in the formulation of policies and legislation will render public action effective. This system needs to be shared vertically, i.e. interaction between regional and local bodies, national government and the EU, and horizontally, i.e. the promotion of social dialogue and the active participation of citizens in European political issues, as we have highlighted in this summary.

The organisational, structural and functional features of the subjects and the social networks and the quality and quantity of the relative products (decisions and social benefits) have a significant effect on levels of well-being and quality of life, as well as on the instrumental variables of economic production. Relevant and reliable information on the state and trends within this sector of the social system is an important potential resource for decisions on social strategy. This should be taken on-board in the development planning processes at various EU levels, i.e. for choices concerning structural and procedural changes to be made to the instrumental variables of social participation generally.

A network for health and social services

Anyone who deals with improving social, physical and mental wellbeing, i.e. a person's overall wellbeing, has the shared objectives of meeting the needs of citizens and offering health services to individuals and to the community. A citizen is increasingly considered to be an active protagonist, someone who is responsible for their health choices and who must be placed in a situation where he or she can choose a healthy lifestyle. Although individual behaviour plays a major role, these conditions also depend heavily on living and social conditions.

Within this framework is the *Guadagnare Salute* programme, which is promoted by the Ministry of Health (DPCM del 4 maggio 2007); it was launched in order to spread and facilitate a change in behaviour that would benefit the population's health. The *Guadagnare Salute* programme marks a major change in health-prevention and health strategies. The Italian government adopted a wider approach and a new method that aims to promote health as a collective asset by means of optimum integration of measures that are the responsibility of the community and those that are the responsibility of individuals.

Regione Veneto is also involved in other health-prevention and -promotion measures that meet the needs of working in a network; these include its programme entitled "Primary Heart Disease Prevention in Healthy People", because heart disease is the leading cause of death. The programme is organised along the same lines as cancer screening programmes and involves building a network that encompasses health-prevention departments, GPs, specialists, hospitals, patient associations, as well as local authorities and universities.

The Veneto welfare model, defined over the last twenty years by regional legislation¹¹, is characterised by the integration of social and healthcare policies and by the integration of activities conducted by public and private bodies within and between municipalities. Social and healthcare integration is achieved through a system of social services and highly integrated social healthcare services, by their unitary management in areas covered by Local Health Authorities (ULSS) and through the municipalities' delegation of the management of services to these Local Health Authorities. Alternative agreements may also be drawn up by the interested bodies. Integration is also achieved by involving the tertiary sector in local planning processes and in the management of services, and by inviting private bodies to collaborate and participate in the management of regional social healthcare and in the delivery of services. The Veneto model is characterised by the delegation of management of some aspects of social healthcare to Local Health Authorities. Municipalities can choose to confer the management of all of the remaining social healthcare matters to Local Health Authorities.

Functional federalism

Today the delegation of certain functions is the principal instrument utilised on a local institutional level to improve and rationalise the performance of services. In recent years, opportunities have been made available to local authorities to interact by activating one or more forms of association, organised into *Ambiti Territoriali Ottimali* (Optimal Territorial Environments, ATOs), which were established on the basis of spatial proximity and/or kind of functions/services managed. The model for relations among local authorities in Veneto envisages a variety of forms: Conventions, Consortia, Unions of Municipalities and Mountain Communities.

Inter-municipal associations began to develop in Veneto and in other Italian regions, especially in the North, in 2000 with the coming into force of Legislative Decree D.Lgs. 267/2000 (TUEL - *Testo Unico degli Enti Locali* - Single Text of Local Authorities); this law was designed to lower the

¹¹ Ref. Regional Laws LR no. 56 of 14 September 1994; no. 5 of 5 February 1996; no. 11 of 13 April 2001.



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cost of institutional fragmentation (small and very small municipalities), as well as to form geographic areas where the functions and services of each institutional level could be managed more effectively. With this favourable legislation, the basis was laid for the establishment of *functional federalism* that proceeds alongside the introduction of *fiscal federalism*.

Today, inter-municipal networks involve 70% of Veneto municipalities, which participate in one or more forms of association. Looking at all the principal forms of association in Veneto on 31 December 2009, 73% of the Municipalities were involved in the association management of municipal functions/services.

Small Municipalities, i.e. up to 5,000 inhabitants, chose predominantly a Mountain Community (41%) or a Convention (35%) as the form of association management for their functions and services. However, a significant share (21%) also chose a Union of Municipalities, which has more members from among the smallest Municipalities in particular: 65% of members of Unions had fewer than 5,000 inhabitants (the figure rises to 95% on a national level). The Consortium form of association is, on the other hand, particularly widespread in Municipalities with a population between 5,000 and 15,000 inhabitants: more than half of the Municipalities in Consortia belong to this category.

Of the functions managed through forms of association¹², those performed most frequently by all of the associations concerned were land, environment and traffic management. By form of association, the most common functions were social services for Unions of Municipalities; administration and accounting for Mountain Communities; and information and statistical services for Conventions and Consortia.

Models of local governance

Several years ago, Regione Veneto initiated a path towards the establishment of an inter-institutional "network" for urban and territorial policing that guarantees the greatest operational coordination possible among the various actors engaged in urban safety policy. The top-down organisation of the national police forces (*Polizia di Stato*, *Arma dei Carabinieri* and *Guardia di Finanza*) has always enabled them to liaise and coordinate clearly and immediately, as has the precise definition of their roles and competences on a regional, provincial and local level.

Consequently, a clear need has arisen to find and experiment new ways of interacting with Local Police forces, ones that will, on the one hand, facilitate interaction with regional government and, on the other, will allow tangible, stable coordination with National Police.

Thus a parallel process was begun, on the one hand to

promote a district framework for Veneto's Local Police and on the other to redefine the relationship and collaboration with the State, i.e. with all the national police forces in the region, so that the two systems recognise one another. A foundation for reciprocal integration has been laid, which assigns Regione Veneto with the role of institutional coordination in order to link policies geared towards maintaining orderly civil life and fighting crime.

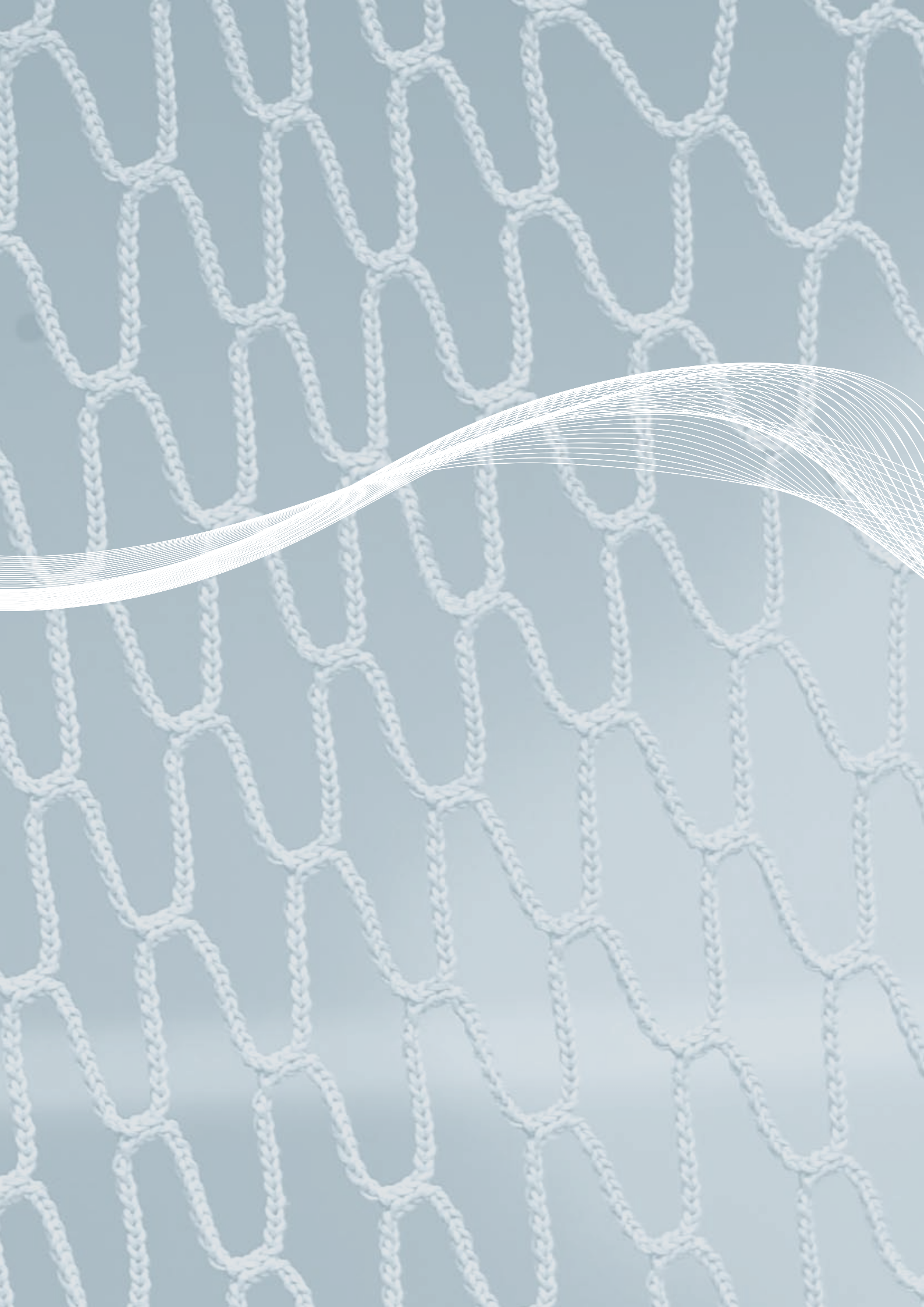
Over the last decade, in part due to the modification of Title V of the Constitution, Italy's regions have had to direct attention to their Local Police, and this has led to a gradual change in the competences and characteristics with which local police officers, *vigili*, are identified. Due to this new constitutional arrangement and the related enabling laws, regional government was granted the exclusive power to legislate on Local Police, even though the service is carried out by Local Authorities individually or in association, as it was before.

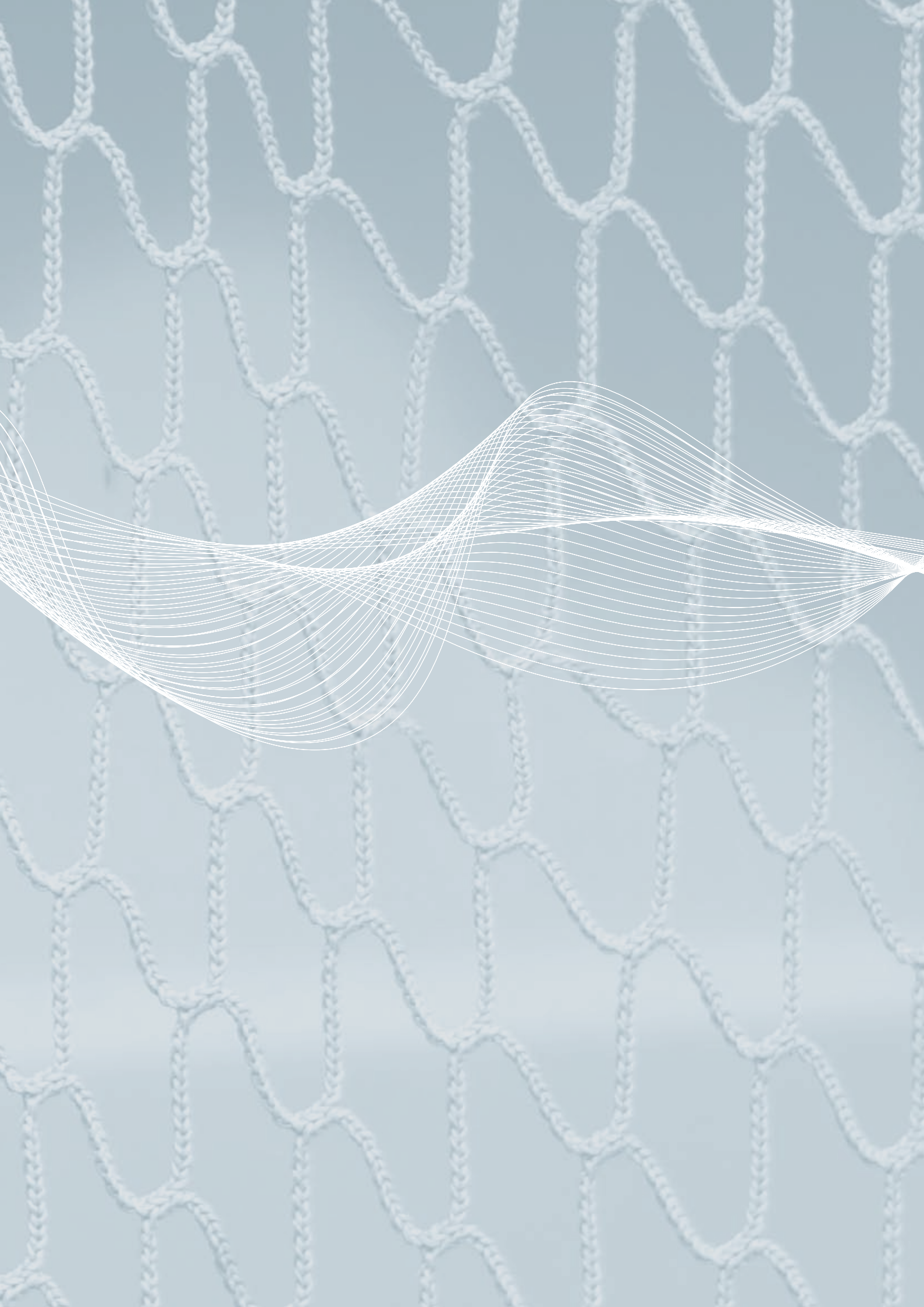
Concerning the population involved in this new way of managing the service, in 2010 62% of the population of Veneto receives association managed policing from their Municipality, which suggests that the "Veneto model" for management of the Local Police is consolidated. On the other hand, there are 184 Municipalities that carry out the service on their own, covering 38% of the total population, that is 1,835,312 inhabitants. However, although three of the seven provincial capital Municipalities (Treviso, Padova, Vicenza) have decided to manage the service of Local Police individually, they have still acted as protagonists in the coordination and linking sanctioned by the zoning of the Local Police to the same degree as the other districts, thus showing that association is even more widespread. It should be said that the seven Provinces of Veneto, along with their respective Provincial Police commanders, have participated in the logic of zoning, thus acting as hubs and strengthening ties across the region.

Civil Protection is also an *interconnected system*: each of its components, i.e. Dipartimento della Protezione Civile (Civil Protection Department), Ministries, Vigili del Fuoco (Firefighters), Soccorso Sanitario 118 (Emergency Ambulance Service), Regions and Local Authorities, volunteer organisations, the scientific community, etc., form the *fabric* of this network.

In order to provide a unified and organised response to disaster, the activities performed over the years have facilitated the creation of synergies between the various actors involving material and human resources, local institutions and, especially, appropriately trained and equipped Civil Protection volunteers. Today, 360 volunteer organisations are enrolled in the Regional Civil Protection register, with a total of 16,000 volunteers.

¹² The function of urban safety has been excluded as it is dealt with separately in the Report.







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