REGIONE DEL VENETO

Vice Governor's Office and Department of
Territory, Culture, Statistics and general Affairs

Secretary general of Planning

Direzione Sistema statistico regionale

STATISTICAL REPORT SUMMARY 2012

Veneto: sharing and comparing

Veneto seeks out opportunities today for tomorrow

Veneto seeks out opportunities today for tomorrow

"Let's not pretend that things will change if we keep doing the same things. (…) Creativity is born from anguish, just like the day is born form the dark night. It's in crisis that inventiveness is born, as well as discoveries made and big strategies. Who overcomes crisis, overcomes himself, without getting overcome. Who blames his failure to a crisis neglects his own talent and is more respectful to problems than to solutions. (…) It's in the crisis where we can show the very best in us. Without a crisis, any wind becomes a tender touch. To speak about a crisis may promote it. Not to speak about it perpetuates conformism. Let us work hard instead. Let us stop, once and for all, the menacing crisis that represents the tragedy of not being willing to overcome it."

It is with this quote of trust from Albert Einstein, dating back to 1930, that we would like to open the 2012 edition of the Statistical Report of the Region of Veneto, which is presented at a not so favourable time for our country.

There is no doubt that we are in a difficult situation, but the crisis is an ongoing change which may give a benefit to those who are able to take up the challenge. It is interesting to note that the word crisis contains already the problem and the solution: referring to its etymology, the word "crisis" derives from the Greek krino, meaning to separate, to select or, more broadly, to discern, to judge, to assess. In common usage, the word has taken on a negative connotation because it means a deterioration of a situation, but if we reflect on its etymology, we can find a positive tinge: a moment of crisis, that is, of reflection, assessment, discernment, can become the necessary prerequisite for near improvement, recovery and up-turn.

Starting from this definition, we wanted to address the "opportunity" issue in this Statistical Report which aims to quantify the extent of the crisis in Veneto, but also to identify the possibilities of recovery by analysing the socio-economic context. Already in the 2009 Report, when we described the financial crisis turning into an economic crisis, we highlighted the possibility to find opportunities among the effects of the difficult economic situation. Then we quoted the ex President of the Republic of Italy, Mr. Napolitano: «We can limit the economic and social consequences of the world crisis for Italy and create, rather, the foundations for a better future, if we leverage on our strengths and the liveliest energies at our disposal. »

Going through the different sectors that characterise our socio-economic fabric, we will try to outline the strengths and weaknesses of Veneto: if the strengths provide a solid basis from which to start, the weaknesses will provide an opportunity to rethink that models that have generated them.

Between uncertainties …

After the international recession in 2009, 2010 showed a timid recovery in Italy and much stronger for Veneto which increased its wealth by 3.2 %, to the level of the German regions that have driven the European economy. 2011 closes, however, in deceleration for the global economy: it can be defined as a year of uncertainty, with clear elements of fragility, weakened further by financial crisis, albeit with several differences due to the persistence of significant discrepancies between emerging and economically developed countries.

In Europe, the financial situation is marked by the fact that the public debt of Greece, Portugal and Ireland remunerates a high risk premium which is unsustainable in the medium term. Only Ireland has

recently shown signs of improvement, while in the last quarters of 2011, even the spread of Spain and Italy has remained at levels which are not sustainable in the long term.
Financial markets, which for a long period of time underrated and even excluded the possibility of insolvency of a Euro area member, have started to assess it as highly probable, involving countries whose fundamentals should have suggested less negative evaluations. Markets, traders and analysts meet big difficulties in coherently interpreting all the available information, sometimes incomplete or lacking in transparency; especially in the phases of elevated uncertainty, the traders tend to resort to imitative behaviours that fuel the financial contagion.
In journalistic debate, a hypothesis that was initially put forward as a mere academic exercise, has started to circulate with ever increasing insistence, i.e., the breakup of the European single currency. It is discussed about the option of Greece's exit from the common currency zone, at least for a limited period of time and a re-entry with a weaker exchange rate. If also Portugal and other peripheral countries should be involved, it would be the end of the euro.
In 2011 the awareness of the risks caused by the use of a single currency without a single government has become clear. We are reckoning with the consequences of the delayed transition from a monetary policy to a real budget and common debit policy in Euro area countries.
The net borrowing and public debt as a percentage of GDP are two reference indicators for the evaluation of the public spending and income, respectively for the management of the budget and for the management of public finance: at the end of 2011 in the European Union, the former reached a value of 4.5 %, which is worse than that in 2007 (0.9 %), but represents a 2 percentage point increase compared to the previous year. The latter reached a value equal to 82.5 % at the end of 2011, a non-stop growth since 2007 (when it was at 59 %).
Italy is generally meeting its commitments in that regard with the European Commission: although from 2010 to 2011 the public debt/GDP report moved from a value of 118.4 to 120.1, the net borrowing on GDP improved from 4.6 % to 3.9 %.
In the judgement of the investors, Italy suffers from the high public debt and, especially, the low growth. But our country has some elements of strength compared to other major economies, such as the reduced level of the deficit, the low debt of the private sector, the strength of the banks and the limited foreign debt.
Nonetheless, the tensions in the international financial markets remain high: in the first six-month period of 2011, the spread between the yield of the ten-year Italian government bonds and that of comparable German bonds always remained under 200 points, in the last few months of 2011 it reached 550 basis points, in February 2012 it was equal to 370 points and today, as I write, it is 411.
The focus of the markets is now pointed at Italy's ability to pursue with determination the stabilisation of public finances and at the same time stimulate the potential economic growth with structural reforms. Today, our country is engaged in a particularly intense effort: the Government considers that in the next three years, the debt/GDP ratio may decrease significantly. The objectives in the Italian Economic and Financial Document - DEF 2012[1] which summarizes the action approved by the Parliament on the 22nd December, added to the interventions in July and August should lead to a primary budget surplus of 3.6% of the GDP next year; if the stabilisation targets are met, calculations by the Bank of Italy indicate that the debt/GDP ratio will reduce or stabilize even if yields of government bonds increase significantly.
If the measures of fiscal adjustment are welcomed by the European partners, they have had a negative effect on the internal demand – on consumption in particular – and on the confidence of the traders. Italy is now officially in recession: the conjuncture variation of the Gross Domestic Product of the first quarter in 2012 was negative like that of the previous two quarters. After a stagnation in 2011 (+0.5 %),

[1] DEF 2012 Stability and Reform Program. Italian Government, the 18th April 2012.

2012 is expected to decline (-1.5%), unlike what it happens in Germany, where there was a +3 % of GDP in 2011 and +0.6 % is estimated for 2012. In this situation, the economy in Veneto is strongly influenced by the decline in domestic consumption, but at the same time favoured by its entrepreneurial export-led structure.

….and new opportunities

The dangers deriving from the current situation are evident to all and the consequences in employment, production and social terms, are serious. Less focus is given, however, to the opportunities that may arise from a dark period for the future.

In times like these, our society can take the opportunity to re-think the old development models and invest in the future, preparing itself for the creation of new entrepreneurial activities, new sectors and new technologies. Therefore the crisis can be an opportunity to face the future with new tools and new balances: paradoxically it is precisely in these difficult moments that historic opportunities arise to compete again in new or old markets.

We all are aware that the world scenario has changed. The United States and Europe, due to their very high debts, will not allow, in the immediate future, a great recovery in consumption, while other countries are emerging onto the world stage: they are the BRICS (Brazil, Russia, India, China and South Africa), who in the last few years have grown at much faster rate, but even other emerging countries, which are trying to change themselves to play a greater role on international tables. However, it is necessary to change the starting point: for years, emerging countries have been considered only in terms of production; the low cost of labour, the poor social protection and less stringent regulations have prompted many local businesses to relocate, in order to bring down the production costs. Currently, this way of thinking is no longer sufficient: it is necessary to think of emerging countries as a basin of new consumers, towards which to direct investments.

Their economic size is becoming consistent: the Gross Domestic Product of Brazil, Russia, India, China and South Africa represented in 2010, 26 % of the world GDP and in 2017, according to estimates of the International Monetary Fund, will represent 32 %. Certainly China and India play the most important role and represent the driving force for the world economy with GDP growing values in 2011 by 9.2 % and 7.2 % respectively.

From a socio-demographic point of view, these countries are characterised above all by three aspects: they have populations that are very numerous, young and growing both from the cultural and economic point of view and are therefore more prone to consumption and the made in Italy can certainly gain a good slice of the market.

The question is, however, not to attempt improvised adventures: the small size of the business in Veneto makes an information phase quite necessary, with any scouting and intelligence actions in order to have elements to outline proposals and priorities in a timely and effective manner, certainly in network and supply chains, with a different, more suitable and involving method. These are, in fact, contexts that require considerable commitments, where a critical mass is needed in terms of capitals, knowledge and roles: a team building that creates big advantages in the relationships with clients, stakeholders, banks and public administrations, by using and sharing knowledge in a common effort to conquer the new markets, an advantage for all. Without considering that the contingent difficulties sooner or later will finish and then will benefit those who today look ahead and participate in finding solutions to major underlying issues, still on the table and ready to reappear tomorrow.

Veneto, with its entrepreneurial structure made of small and medium businesses, adds a greater business flexibility to the made in Italy, able to continuously adapt itself to new consumer patterns. Exactly this is the way to overcome the crisis: adapt to changes, by modifying products according to the new markets and production processes according to new needs. We can seize these opportunities, responding to the crisis with the same energy that was essential fifty years ago to create the so-called

North- East miracle. The changes, then, are so fast that it is hard to take them all, but these shall dictate lifestyles, management approaches, motivations and ideas which flow together in their liquidity and sublimate to not entirely predictable outcomes.
Therefore, it would be necessary, rather than just reading the times, to be able in some way to anticipate them, by dictating new paradigms that can quickly adapt like a second skin, anticipating the needs and desires: going out of this crisis has already become a "duty". Young people ask for the possibility to ride the wave of change: 20 % of them in Veneto are struggling to find work and therefore a place to express their potential. Society cannot afford to waste these resources and energies, which undoubtedly would be able to push forward innovation, also thanks to their greater tendency to a job market more flexible, more dynamic and therefore with numerous opportunities.
It is undeniable that the recovery will find it hard to establish itself in the absence of new stimuli for the revival of domestic consumption. To do this, it is fundamental to understand the new needs of the consumers, who demand good quality products at more accessible prices, able to compete with those coming from abroad or differentiate themselves completely from a quality standpoint.
Not to mention that modern society generates new needs, many of which are connected to, both communicative and process technologies: in this case, exploiting their potential also means stimulating customers through new sales channels and with products able to satisfy their needs. We shall not forget sectors that have now become a reality, such as the green economy, widely discussed in the 2011 Statistical Report, and e-commerce, the only distribution channel that has not experienced difficulties yet: exclusive sales activities via the internet grow in only one year by more than 18 percentage points, touching 700 locations surveyed in Veneto.
However, it is questionable whether the economic growth is the only objective to be reached, or if it is more appropriate, and therefore more durable, to rethink the development model in all its facets, to which we want to move. We like to remember the words of the economist Amartya Sen, winner of the Nobel Prize in 1998: "It may not be very reasonable to say that behind every crisis there is a good opportunity. When we get sick with pneumonia, it would be strange for us to think - 'Fantastic, I have pneumonia – it is an excellent opportunity to do something positive'. Believe me, it is better not to have pneumonia (I had it twenty years ago and I do not think back to this experience with nostalgia). In effect, it is better not to have to face an economic crisis – without having sought it – then it would be reasonable to ask how to solve the crisis and think if, in the process of healing economy and society, we have the possibility to make some changes in the long term which may help us to live a better life, with greater freedom to achieve what we want to achieve. The question is not if the crisis is an opportunity but if, when we try to heal a crisis we can also try to create an opportunity expanding our view."[2]
Two years after this interview, and in a situation of declared crisis, these words take on a pragmatic meaning: ten years before, with his work "Development as Freedom", the economist laid down the theoretical foundations for a new concept of development that was different from that of growth, shifting the focus from the increasing incomes to increasing quality of life, considered globally, as a whole. According to Sen, the income levels of the population are important, because each level coincides with a certain possibility to acquire goods and services and enjoy the corresponding standard of living, but - illiteracy and lack of civil and politic rights, severely limiting people's freedom of action afflict the quality of life. This is why, for Sen, essential freedoms (among which he places political participation, access to basic education and healthcare) are part of the development and at the same time its main objective, but also the means to attain it.
Sen's approach is only one of the theoretical attempts to find these "long-term changes" of the growth paradigm that first of all economists and philosophers have devised in the last several years: let's think of the Stigliz-Fitoussi Report to underline non-material well-being, or the "Global Project on Measuring

[2]Amartya Sen, Nobel Prize winning economist in 1998, interviewed at the Forum PA 2010.

the Progress of Society" by Ocse to develop an indicator that goes "beyond the GDP." What seems to be alive on the horizon is the need to add complexity, to enrich this concept of development of a new language.
These arguments, a part from soliciting human sensitivity, are an inspiration for statisticians to find a way to describe society through a quantification of phenomena that fully characterise it, without ending up with a poor set of indicators. Already in the 2008 Statistical Report, we looked at these issues using the fil rouge of the quality of life and well-being, trying to go beyond purely economical measures.
In the Statistical Report of 2011, we have addressed the theme of sustainability, highlighting how development and sustainability are not contradictory to each other, but lend themselves to be treated in a synergistic way, because sustainability is not only better quality of life, and therefore development, as Sen understands it, but it is also the driving motor of new economic forms. Advances in communication technology can be also integrated into a new concept of development, and offer a significant contribution to democracy. Just think of the contributions that the web and social networking has given to the movements of the "Arab spring". The speed and the extent of news at a global level, as well as conversations on the internet and other quick communication means, make the knowledge of local issues much more accessible, and of global relevance.
Lastly, we are experiencing a change of paradigm that will not immediately substitute the last one, it is likely that it will run alongside with it, with results that still remain open.

The social aspect
Restarting from employment…

Targeting employment is necessary and at the same time an opportunity of growth for our country. The Italian job market shows some critical aspects to be solved in the near future: the figures describe a static and inequitable system, where people feel insecure to change their job to make an improvement, with groups of well-protected employees and others without any form of social protection against unemployment.
During 2011, the rate of employment in Italy remains at the levels of 2010 (56.9 %), whilst Veneto records a value equal to 64.9 %, an increase after two years of decline. The number of people seeking employment in our region decreased by 17 thousand units, recovering a good part of the decline registered between 2009 and 2010. Unemployment tax has gone down as well from 5.8 % in 2010 to 5.0 % in 2011, whilst in Italy it remains equal to 8.4 %. We must however point out that at the beginning of the fourth quarter of 2011 the situation got worse: unemployment rate in Veneto grew by almost two percentage points, reaching in the first quarter of 2012 6.3 % (10.9 % in Italy), whilst the number of unemployed exceeds 143 thousand.
The ongoing reforms in our country are, therefore, dictated by the need to strengthen the job market so that it becomes an opportunity to exploit the potential of the groups of people known to be at a greater disadvantage, i.e. young people, women and old people.
To increase employment opportunities it is required to ensure the full inclusion of women, finding new strategies for reconciling family life and working life. The condition of the woman in Italian society is, in fact, still contradictory: on the one hand, we see a higher level of education for women, already higher than that of men, on the other hand signs of delay and situations of gender inequality are still reported. In Veneto, 30% of women living in a couple and having children don't work, relying totally on their husband's or partner's income. And when they do work, they earn less than their partner and do not enjoy sufficient flexibility in managing work time.
For young people preparing to enter the job market, the situation is difficult as well. Today, in Italy, young people face new challenges and problems compared to those with the same age of past generations and those in other European countries. The official unemployment rate, i.e. calculated

on the 15-24 year-old aged group, after having reached the lowest value in 2007, within a few years has grown by over 11 percentage points: in 2011 the number of Veneto young people seeking a job without finding it has reached thirty thousand. For this reason, young people seem to have paid the greatest price in times of crisis. However, investing in them is the only way to go to give new life to an ever aging society.

It is precisely the aging of the population the most contentious issue on the political agenda, whose objectives are focused on the increase of the employment rate of people aged 55-64 years, equal to 35 % in Veneto in 2010, and on the creation of a more sustainable pension system. Regarding the latter, the share of Gross Domestic Product destined for pensions has been growing through the decade: both in Italy and in Veneto, the lowest value was recorded in 2000 (Italy 14.6 %, Veneto 11.7 %) to then constantly climb, especially between 2008 and 2009. Veneto certainly shows a more sustainable situation compared to many other Italian regions, and it ranks among the regions with a lower number of pensioners per 1,000 inhabitants, preceded only by Campania, Sicily and Lazio. In the last decade, however, sustainability has improved almost everywhere: especially in Veneto, where the region has gone from 276 pensioners per 1,000 inhabitants to 251.

… focusing on education and culture

To transform the recession into an opportunity for change, it is thus strategic to focus on employment, increasing the number of employees, eliminating the entry and exit barriers and guaranteeing a system of education and training suitable to create a motivated and competent workforce.

In ten years, the progress made by our region is evident: from 2001 to 2011 the share of the population which at least had a high school diploma grew by over 14 percentage points from 32.4 % to 46.5 %. The participation in the education offer is improving too: in 2010 in Veneto the number of 18-24 year-old young people prematurely abandoning their studies decreased by almost four percentage points compared to 2005, recording a value equal to 16 %, therefore reaching the Italian objective defined in the "Europe 2020" strategy and approaching the European average (10 %).

Another important aspect to be underlined is the increase in the number of young people going to high school to further their academic education, instead of going to technical and professional institutes: in the 2011/2012 school year in Veneto, high schools attracted 43 % of enrolments, compared to 30% in 2000/01.

Human capital is therefore an important factor for the development of the country and universities certainly play a fundamental role in designing and developing new and even richer skills. In such a scenario the reform of the Italian University system which came into force in January 2011[3] aims to avoid waste in universities and focuses on a governance founded on meritocratic criteria and transparency.

For decades the Italian university has been the subject of a profound shift: from 288,000 enrolled students at the beginning of the 1960's to 1,800,000 in the 2009/2010 academic year. The number of young people enrolling in Veneto universities grew by about 16 percentage points, garnering almost 19,000 new enrolled students, concentrated in particular in the Padua university. The rate of transition from secondary school to university is however, decreasing compared to that seen in the early years of this decade: from 72 % in Italy and from 69 % in Veneto in 2003/04 decreasing to 63 % and 64 %, respectively in 2009/10. There is much work to be done to achieve the European objective of rising the number of graduates aged 30-34 to at least 40 % in the next ten years: in 2010 the percentage in Veneto was equal to 18.6 % against EU27 data of 33.6 %.

It is therefore important to encourage higher education, helping the students and their families though direct financial aid to support maintenance and tuition costs. Compared to other European countries – among which there is still a significant discrepancy in the regulation of access to higher education and

[3] Law no. 240/10 of the 30th December 2010.

the tools used to help the families – in 2008 in Italy expenditure for the right to education (scholarships, loans, assistance for students with disabilities etc.) was equal to 20% of the complete expenditure for university education, over three percentage points more than the average data of the EU27 and higher than that of France (7.4 %), Spain (9.9 %) and Germany (18.9 %).
The main family support form is still scholarship which absorbs about 76 % of the resources allocated to subsidies; in Veneto the scholarship awarded share compared to that of those requested is increasing: in only two years, it has gone from 41.8 % (2007/08) to 51.2 % (2009/10).
It is essential for the student who has just graduated from high school and lives a long way from university to be able to find low cost accommodation. In the last five years, in Italy, the number of places of accommodation managed by regional entities is growing continuously, so much that in 2009/10 60 % of applications for accommodation and contributions for rent were met, an increase of over three percentage points compared to two years before. The performance in Veneto has improved with a share of places allocated compared to those requested equal to 72.5 %.
A strong contribution to the competiveness and future development of the country also comes from PhDs. In the countries which excel in the international competition, the companies use and fund generously research doctorates as an extraordinary opportunity to innovate and grow, recruit the best talents and invest in the skills of excellence required by the new job markets. According to the Istat survey of 2009 on the marketability of PhDs, it is possible to assess the ability of the regions in keeping their doctors and attracting others from other regions. In a few words, Veneto has an excellent ability to keep its doctors (74.5 %) and a good capability of attracting them (over 27 %).
Finally, it is important to highlight that universities in Veneto are among the best in Italy: according to the classification of Censis (Social Investment Studies Centre), in 2011 Padua was the second best university in the country among the most important state universities and the IUAV of Venice was the third amongst the polytechnics. It should be noted that the University of Padua is also in the classification of the 500 best universities in the world, measured by the Shanghai index, occupying the 169th position.
Widening the observation field, education fits in the most general world of culture, that, entering into contact with different realities, can transform our country and our region into a laboratory of creativity, social, cultural and productive experimentations at the international level. Culture, in fact, is a free land that can welcome difference expressions and establish relationships between different players in the region. It is also a wealth capital, widely made up of artistic heritage, landscape, tradition, knowhow and innovation, a resource which does not run out but reproduces. Investing in culture in a moment of economic crisis means to be projected into the future, since it makes possible creating jobs and wealth.
The candidacy of Venice and the North-East as European Capital of Culture 2019 is an opportunity for economic development. Major events have become the main drivers that accelerate the development both of infrastructure and culture and the tangible and intangible heritage of our "unique and typical" land is of fundamental importance.

Equal opportunities…

The growth opportunities of a country are the result of individual citizens' opportunities to achieve their goals, obtaining an adequate quality of life. For society, therefore, it is important to make sure that everyone has the same chance to achieve a complete self-realisation, ensuring equality in opportunities.
If income inequality is not necessarily a negative factor when it is justified by merit, poverty, as an unacceptable reflection of an uneven distribution of wealth, is certainly an important limitation of opportunity equality. Access to the highest levels of education, appropriate and timely healthcare, having a comfortable home, being able to participate in a rich and fulfilling social life, but also feeling

able to meet the most simple daily needs are prerequisites for social inclusion which are often denied to poor people.
2010 was the European year for combating poverty and social exclusion", a theme that the European Commission has decided to keep among the priorities of the EU policies and, in renewing the momentum of the fight against every form of poverty, the Europe 2020 strategy focuses on reducing the number of people at risk of poverty or social exclusion at least by 20 million before 2020.
In Europe, it is estimated that almost 116 million people are at risk of poverty or social exclusion, 23.5 % of the entire population, and almost 15 million live in Italy, equal to an incidence of 24.5 %. The discomfort in Veneto is fewer, where 15 % of the population suffers (16.3 % of families), a percentage slightly higher than that of the previous year (14.1 %). Although the incidence of discomfort in Veneto is one of the lowest among Italian regions, there are still 732 thousand people (over 330 thousand families) in difficulty, that do not live according to common standards of the current society and that, in more serious cases, cannot afford the basics. Most at risk are women, children, people living alone, especially if they are old, large families and those who have poor education. The risk of poverty and social exclusion is frequently associated with housing deprivation: families living in situations of poor housing conditions, due to lack of space or the presence of various structural defects, in general find that they have to deal with other difficulties and limitations in daily life. In Europe, the people most affected by major disadvantage are families with three or more children, and old people living alone.
A focus on the individual indicators determining the risk of poverty or social exclusion makes it possible to distinguish the different symptoms of discomfort, also to better guide policies to combat social exclusion. In the Europe 2020 strategy, each State can choose how to intervene and on what form of hardship to focus on to achieve their objective. Italy is therefore planning to contribute with a reduction of about 2.2 million people at risk of poverty or social exclusion, indicating that they want to concentrate on people in conditions of serious material deprivation and on those from families with low work intensity, on which the impact of the crisis is stronger.
Italy differs from the European average especially because of the greater presence of people at risk of poverty (18 % of the population instead of 16 % in the EU27), whilst in terms of serious material deprivation (6.9 %) the situation is more favourable if the comparison is extended to all 27 European countries (8.1 %), but not so if compared to only the States of the EU15 (5.2 %). Significant differences in the number of people living with low job intensity are not observed, which stands for both Italy and Europe at around 10 %.
For Veneto, all the indicators highlight a relatively less worrying situation compared to Italy and Europe, both for the diffusion and gravity of the hardship. The most widespread symptom is the risk of poverty, which involves 10.5 % of residents, followed by the low job intensity (6 % of the population under 60) and the serious material deprivation (3.9 %). Like at the national level, both the risk of poverty and the rate of serious material deprivation remain substantially stable in the last two years, whilst there has been an increase in the number of people living in households with low work intensity (4 % in 2009).
By considering the problem perception, in a particular moment of crisis such as this one in which we are living, poverty and inequality are growing concerns, even in the most developed countries. According to an Eurobarometer survey, the majority of citizens considers poverty a social injustice, a very serious problem that requires urgent intervention by the governments, which should also act through a better redistribution of wealth among the citizens to bridge the existing disparities still considered excessive. In Italy, as well as in most OECD countries, in the last thirty years there has been widening discrepancies of the household income distribution. Inequality has worsened mainly because rich families have benefited from particularly high incomes which have grown to a greater extent than those of the families with a low-medium income. The increase in the 1980's and 1990's was particularly strong, and then downsized in the next fifteen years without, however, compensating for the increase in the first period.

In Veneto, inequality is a little less marked than that at the national level: in 2008 the Gini coefficient was 0.24, decreasing by 8 % compared to the previous five years.

… even for foreign citizens

Ensuring equal opportunities means also guaranteeing full and complete integration into our society to foreign citizens.

In the adoption of the "European Agenda for the Integration of Third-Country Nationals" in 2011, the European Commission underlined that "successful integration implies that migrants must are given the opportunity to participate fully in their new communities. Learning the language of the receiving country, getting access to employment and education and having the socio-economic capacity to support themselves are crucial elements for a successful integration. (…) Migration is an opportunity and the contribution of migrants to society is significant and must be fully acknowledged."

The effective integration of migrant citizens is essential not only for managing immigration on the long term, but also for guaranteeing a good social cohesion and acting of citizenship in the daily practices of exercising their rights and taking the responsibility that this implies.

Openness to immigration, attractiveness of the territory, employment and social integration are elements which contribute to give an idea of the process of integration. In fact, the gap between Italians and foreign nationals from a social and employment point of view determines the scope of possibilities of foreign nationals to live in equal terms with the natives and enjoy the same opportunities.

If integration takes place at the local level, where interaction among individuals can help to improve mutual respect and knowledge, it is still the central policies' responsibility to ensure equality, opportunity and support to local institutions, specifying the objectives of a national integration strategy. The standards and policies regulating immigration along with the general perception of it by citizens, namely the fact that it may be felt with some concern or seen as an opportunity, inform about the degree of openness of the country to immigration.

In the international study Mipex, that compares national immigration policies by evaluating the degree of openness, our country is in a good position, totalling, on a scale from 0 to 100, a score of 60 points compared to the European average of 52. In this framework, however, the phenomena which substantiate social integration are not always free from problems: compared to Italian citizens, foreigners are most affected by unemployment and in general have lower quality of working life; in education, are more likely to leave school and in general find it harder to access housing. This national overview does not capture the regional diversities and peculiarities, which do exist, sometimes with real strengths.

Veneto has more foreigners than the national average (10.2 % compared to 7.5 %) and the growth in the presences in recent years, albeit slow, meets a general concern of Veneto people, who more than elsewhere have expressed concern for the phenomenon. (32.6 % compared to 25 % on the national level).

The region finds itself in a determined phase of immigration: the data on naturalisation, generally shared with the regions of the North, confirms immigration now mature and, along with the considerable presence of foreign minors and second generation immigrants, it indicates a willingness of rootedness and a sense of belonging to the area.

A will that still struggles to express itself in the achievement of the highest levels of study, with a number of school leavers still high, even improving over time. Regarding participation in high schools, the gap from their Italian counterparts is higher than at the national level (a difference of 24 percentage points to the disadvantage to foreigners compared to 20) and in considerable adjustment. Even the choice of where to study is a further element of disparity: more here than elsewhere, in Veneto the preference is to take the professional route chosen by a good 43.7 % of young foreigners enrolled in high schools compared to 20.4 % of Italians, which on the one hand highlights the need to have a job

as soon as possible, responding also to the vocation of the area, and on the other hand the symptom of a greater difficulty for young foreigners to take part in the social mobility process to try to elevate their condition.
From an employment point of view, the region continues to offer good opportunities to foreigners: often working in jobs for which they are overqualified (44%), with percentages which are double compared to that of Italians, the number of open-ended contracts is high (86 %) and the wage gap with the Italians is among the lowest in Italy, i.e., 150 euro a month compared to 250 at the national average. Here, moreover, male foreigners have the lowest unemployment rates in the country.
Therefore, by looking at the general life conditions, it is clear that Veneto shows a better social integration: only 32 % of foreigners live in families at the risk of poverty or social exclusion compared to 39 % in Italy thanks to the greater possibility to enter the property market and to find rental accommodation at a sustainable price. The disadvantage compared to Italians is still strong, however, since the risk of poverty and social exclusion is lowered to 12 %. A context, therefore, with strong lights and shadows that are contracting, in which the current economic crisis undoubtedly opens new challenges.

Thinking about health needs, rationalisation of the system

Growth opportunities also arise from the rationalisation of management models and the study of optimal allocation of resources.
In the health sector, the ever-increasing needs and the limited available resources require a rethinking of the system, in an attempt to try to improve or maintain the quality of services given to the citizens, while ensuring financial stability in managing under effective and appropriate conditions. In this sense, the Region of Veneto is redefining its strategies with the proposal of the Social Health Plan 2012-2016 and intends to seize these opportunities for improvement of its social health system, by preserving its characteristics of excellence. As written in the introduction to the regional law draft "there is a need to review the contents of the relevant program aiming to adapt the system to the social- epidemiological changes and, at the same time, innovate the organizational models based on the best practices of recent years, pursuing effective, efficient and economic objectives."
Among the needs, in particular the increase of life expectancy together with the health gains in recent years implies an ever-increasing number of elderly people with an increasing incidence of health expenditure, both in hospitals and local services. Just look at the percentages of hospital discharges and days of hospitalisation relative to people aged 65 or more: in 2011 they represent 45 % of the total hospital discharges in Veneto and 60% of the days of hospitalization, 5.6 percentage points more compared to 2001. This is also reflected in the region by the gradual increase of assisted discharge, homecare and related services. If then the socio-economic conditions of the elderly are characterised by a state of discomfort, social and health needs must be considered too.
Even immigration brings with it particularly complex needs of socio-cultural nature (for example: different approaches to illness and health services problems of communication) rather than strictly medical.
The strategic choices of the regional program are important and ambitious: confirming and consolidating the socio-health integration, enhancing the regional assistance, completing the process of rationalisation of hospital networks, encouraging appropriate use of professional resources and redefining operational and organisational models.
Socio-health integration confirms the basic strategy of the Veneto model, which is based on recognizing the centrality of the individual in relation to their life contexts. The rationalization of the hospital networks is orientated to decrease the improper load on facilities, deferring to the regional services network the chronic or more markedly social pathologies, long-term assistance and prolonged rehabilitation cases. The Region has set for 2011-2012 the objective of containing the rate

of hospitalization within values lower than 140 per thousand, also under the constant and systematic reduction of the use of hospitalization obtained in the last decade: in 2010 the rate was 152 discharges per thousand residents, when in 2001 it was 200. Even compared to the number of beds per thousand inhabitants of Veneto, the situation is excellent compared to the other countries of the European Union and is comparable to that of the United Kingdom and Sweden. The Region has set another objective of adjusting the trend of number of beds: in 2010 for the ordinary stay in hospitals there were 3.5 beds per thousand inhabitants, which is in line with the aimed set objective at the regional level.
Also the hospitals are redefined, designed and linked according to a network approach to give citizens greater access to basic specialist treatment and improve access to more complex and hi-tech specialist treatment. The completion of the rationalisation process of the hospital network is carried out through a model structured on two levels (the Hub and Spoke model): the first is a highly specialised centre serving a wide area, while the second, using basic facilities, provides diagnostic services and basic treatment linked through a 'network' to the previous level.
The general framework is completed with the strengthening of the network of regional healthcare and the gradual evolution of associative forms of Primary Healthcare into Integrated Group Healthcare, which represent the hub around which the entire structure of local healthcare can be reorganised.
From the network perspective, these decisions offer an opportunity to refine the integrated management of patients, based on the continuity of healthcare, integrated services and the coordination of various health professionals. This form of healthcare management has borne fruit, reaching performance levels that have traditionally maintained our healthcare system at the highest levels both nationally and internationally, both in terms of objective parameters and in terms of the satisfaction expressed by citizens: for example, 90 % regard the healthcare received during hospital stays as positive and 81 % state they have faith in doctors and nurses.

The economy
Comparisons with leading European performers

After the sustained recovery in 2010, which led to an increase of 3.2 % in the GDP of the Veneto region - against a background of economic uncertainty at national level -, the GDP of the Veneto region increased by 0.6 points in 2011. According to forecasts, 2012 will be affected by the recession in a similar way to the rest of Italy, or possibly slightly less so due to the importance of industry in Veneto and the volume of foreign trade. The upturn should begin in 2013 so that growth should be recorded about 2% in 2014.
However, Veneto emerges as a prosperous region, with per capita income levels above both Italian and European averages and with an average growth of GDP which is more dynamic than that of Italy. The GDP of Veneto seems to have showed down at the turn of the new millennium, leaving behind the economic dynamism that defined the 1990's and which enabled the region to become one of the industrial powerhouses of the period.
There is increasing competition between economic locations as places for setting up businesses and areas with highly skilled staff. Given this situation, it is becoming increasingly important for all regions to identify their competitive position within an international scenario in order to ensure their future economic development. For this reason, we have compared the regional economy of Veneto with the economy of Italy, Western Europe[4] and 12 other economically strong regions[5] ; the aim of the comparative study is to define the region's competitive position at the international level and to identify weaknesses and strengths, as well as the potential risks and opportunities. A benchmarking study was

[4] The Western Europe aggregate includes the following 17 countries: Italy, Germany, Great Britain, France, Spain, Holland, Sweden, Norway, Finland, Belgium, Denmark, Switzerland, Austria, Ireland, Portugal, Greece and Luxemburg.
[5] Baden-Württemberg, Bayern, Sydsverige, Helsinki / Tampere, Vestlandet, Greater Manchester, Catalonia, Lombardy, Rhône-Alpes, Emilia-Romagna, Piedmont, Tuscany.

therefore carried out using comparative parameters for the most high performance economies in Europe, in the awareness of the potential of our region's economic structure.
The international comparison shows that the growth of GDP in the Veneto region shows much sharper rises and falls compared to Italy and, in particular, with Western Europe, which are favourable during periods of recovery but which require careful monitoring during a recession. In the period between 2000 and 2010, there was a decline in production in Veneto: this was a typically Italian phenomenon since only the benchmark regions in the peninsula had growth rates of GDP that were lower than growth in employment levels.
The appeal of the Veneto region is average with respect to the rest of Western Europe, boosted by ease of access but, at the same time, hindered by high levels of taxation (like other regions of Italy), excessive regulation of the property market, and the lower production in the university research, when compared to the other benchmark regions. With respect to the index that measures the potential of the productive structure, the results of Italian regions display more marked weaknesses; in particular, this is caused by the low level of administrative decentralization, which has a negative effect on the productive structure, although this aspect does not concern our region.

The decisive levers for entrepreneurs in the Veneto: the revival of productivity through diversification and innovation …

Intelligent, inclusive and sustainable growth, through the promotion of competitiveness, is the objective of the ambitious "Europe 2020" strategy, designed to achieve long-term recovery. In a region like Veneto, growth in productivity is an important aspect of competitiveness. However, at the same time, it is also one of the weak points that need to be addressed. An increase in productivity may stem from two factors. The first factor is the introduction of technically more advanced and efficient productive and organizational methodologies, greater investment in R&D, by the optimization of existing technologies and resources, as well as new management and organizational techniques. The second factor involves sector restructuring which should channel employment into more productive spheres, or rather to higher added values, in particular with regard to services which require highly skilled human capital.
The winning strategy seems to involve a series of different aspects: it is necessary to differentiate and define a region's products with respect to its competitors and escape from simple price competition through the activation of Research & Development, design and specific advertising; however, it is also necessary to create specially designed distribution channels, facilitated access to new markets and guaranteed assistance. This transformation, which has been defined as the "development of the tertiary sector of manufacturing" (G. Romano, F. Schivardi), is a process in which intangible investments acquire greater importance with respect to the tangible ones.
The period between 2005 and 2011 witnessed differentiation in productive activities, with changes in the importance of different sectors, in line with the transformation of production in the Veneto region. Traditionally important sectors gave way to new sectors with a higher level of technology and knowledge content.
The levels of spending on research in relation to GDP continued to grow in 2009, reaching 1.08 %, a figure which has been increasing constantly since 2005. The breakdown of spending also shows that almost 2/3 of the spending took place in the private sector. Expenditure on R&D by entrepreneurs in Veneto mainly involves the manufacturing sector, in which more than 70 % of spending was invested: more than a third of expenditure on R&D of manufacturing firms is carried out by businesses in the specialist supply sector while 8.5 % of spending in Veneto is linked to activities formally recognized as "highly intensive R&D activities".
With regard to innovation, the Veneto region is moving towards the levels of the technological frontier. It will therefore be essential to increase the skills and educational levels of its workforce so that the

gap with the more innovative regions is reduced. During the last five years, the number of employees in Veneto with higher qualifications has increased, but not in all work positions: indeed, there are signs of over-qualification due to the presence of high numbers of graduates in "low-level" positions, while the decision to resort to outsourcing for culturally superior qualifications seems to prevail for senior management positions.

Focusing on young entrepreneurs…

Entrepreneurial activity in Veneto at the end of 2011 showed a 0.3 % decline in the number of active businesses. The clearest sign of the problems besetting the productive system is the reduction in the emergence of new entrepreneurs; fortunately, the levels of company closure have remained stable with respect to 2010 and below the national average for Italy. The year that has just come to an end has seen the tertiary sector maintain its role as the driving force of Veneto's economy: in the last year, the sector has grown by 0.6 % p.a.; the primary sector, the manufacturing industry and the building industry have lost 2.2 %, 1.3 % and 0.7 % of active firms.
The business is one of the forces that can contribute to Italy's economic recovery. In order to ensure growth, reduce unemployment and give new momentum to development, it is necessary to invest in ideas, energies and new entrepreneurs.

The future of young people, their success or failure, will depend on the system's ability to guide them towards entrepreneurial activity, to cultivate their enthusiasm and motivation to create things on their own and with others. The new initiatives planned by the Monti government seem to be moving in this direction.
The first part of the Liberalisation Decree approved by the Monti government and published in Gazzetta Ufficiale on the 24th January 2012 mainly focuses on licensed professions and companies: the measures are designed to simplify economic activities, simplified Srls (the equivalent of British PLCs) for young people who want to become entrepreneurs, the payment of outstanding invoices of SMEs which have credits with the Public Administration to contain the phenomenon of delayed payments by the Public Administration, new safeguards for micro-businesses and many forms of intervention related to professions (taxis, chemists, lawyers and notaries), banks and insurance companies (current accounts, car insurance).
In 2011 there were 33,867 people under 30 years old with a position in firms in Veneto, 4.6 % of the total number of people involved; this statistic shows that Veneto is slightly below the Italian national average, according to which the same category of young people in Italy make up 5.5 % of the total number of people with a post. Partnerships and sole proprietorships employ the largest share of young people: 82.1 % of individuals under 30 years old working for firms have a position with sole proprietorships (42.9 %) or partnerships (39.2 %). These two types of legal form are the most widespread among young entrepreneurs due to the fact that they are the simplest and least complicated to run and because they probably meet the needs of those entering the labour market for the first time, possibly with a fairly small company, such as a craft enterprise rather than a commercial activity.
Although the economic problems of the last two years have led to a slowdown in business start-up in Veneto, the new firms registered in 2011 number 30,576; excluding the trade sector renowned for a high turnover, there are 25,280 new firms.
Our region is essentially a fertile zone for the companies that have been set up: the solidity of business in Veneto is reflected by the fact that 54 % of firms set up in 2004 were still in business in 2009, as opposed to the Italian national average of 50 %; the companies with employees which still survive five years after start-up also show signs of wellbeing and solidity, recording an increase in average size.
Innovative ideas and the desire to take risks are not lacking, although in a competitive market like today's, technology and financial resources are fundamental: this is why new firms are increasingly

using business start-up support networks rather than business incubators. The start-up networks are a continuously evolving community, using new technologies, social networks and specialist forums for discussions and to encourage exchanges between innovative ideas and potential funders. Thousands of people have registered in the various idea generation communities on the internet, while there are also Facebook groups which organise events devoted to presenting their own business initiatives. Universities in Veneto have also joined the "Start Cup" project, the Business Plan Competition which offer financial prizes for innovative business ideas, encouraging young people to present their own entrepreneurial ideas in an informal environment to successful entrepreneurs who are willing to discuss proposals.

… looking to the new frontiers of internationalisation

Exports will be the driving force for growth in the next few years for all developed countries and, in particular, for all countries affected by a decline in domestic demand. The rapid development of emerging economies will lead to a growth in imports in these countries, not only for essential goods but also for consumer goods. The Veneto economy is traditionally geared towards exports and should therefore be able to seize the opportunities emerging in world markets.

Veneto's exports in 2011 have once more exceeded the threshold of fifty billion euro in value, returning to the pre-crisis levels of 2008. This is an important result (+10.2 % compared to 2010), if it is recalled that the previous records were set when world demand was swollen by excessive domestic demand of some markets that purchased more than they could afford. 2011 ended with a business surplus of 9.7 billion euro.

The internationalisation of businesses – defined as the capacity to improve presence in international markets, without falling into the temptation of just pursuing productive delocalisation due to the reduction of labour costs – represents the primary factor for competitiveness and development. The challenge for businesses in Veneto is to identify new strategies for increasing levels of geographical diversification of exports, thus reducing the dependence on a few key markets, and arrange production in the best possible way.

By observing the dynamics of exports in the Veneto manufacturing industry and aggregating the commodity sectors on the basis of the type of good and technological intensity, various conclusions can be drawn; on the one hand, an increase can be noticed in the importance of exports of intermediate goods and investment while, on the other hand, there is a reduction in the share of exports of consumer goods, which is more marked than for durable goods. The trend therefore seems to be in line with the dynamics of world business and with growth forecasts in the various sectors. World forecasts point to an increase in the share of total exports of intermediate goods (about three percentage points in the next five years) and essential goods (+1 %).

The increase in regional exports in recent years has been supported by industrial restructuring which has mainly facilitated the position of firms that specialise in producing intermediate and capital goods. This clearly shows that businesses in Veneto can compete with foreign competitors.

The importance of intermediate goods with respect to the total of regional exports is rising both in terms of hi-tech goods (rubber and plastic items and electrical equipment) and traditional goods. With regard to capital goods[6], hi-tech goods (precision mechanics) represent 22 %: they are an interesting form of investment, especially for emerging economies.

Exports in Veneto should be increasingly targeted at new markets: in the next few years, the share of exports to developed countries will continue to diminish, while the importance of new economies will increase, including countries in the BRIC area. These countries account for 16 % of world exports and 15 % of imports, figures which have been growing significantly compared to the start of the new millennium. The Veneto region immediately managed to seize the potential opportunity of new

[6] Capital goods are pieces of machinery designed to produce consumer goods or parts of other pieces of machinery.

markets: in 2011, the value of exports by businesses in the Veneto to BRIC countries has exceeded 4.4 billion euro, an increase of almost 25 % compared to the previous year; overall, 9 % of exported wealth has been to BRIC countries, while they account for 15 % of imported wealth. With regard to emerging countries, the highest volume of trade has been with North African and Arab countries.
The analysis of trade flows over the last ten years confirms the eastward shift in trade patterns of firms in Veneto. Looking at the decade 2000-2010, more than 40 % of cumulative growth in the turnover from foreign trade for Veneto firms stems from exports to new Mediterranean and Eastern markets.

Comparison with German exports

In the two year period 2010-2011 Germany was the EU country that appeared to react most rapidly to the crisis. It therefore represents an extremely valid point of comparison for Italy and Veneto, considering that these zones both share a well-preserved industrial base.
Overall, the Veneto region and the German regions display numerous similarities in the structure of exports both in terms of target markets (the predominance of developed economies supported by an increasing capacity to penetrate the most recently industrialised markets), and in terms of sectors (mechanics and metallurgy), although the most significant differences lie in the latter sector. Veneto is still highly specialized in the sector of Italian-made products, while certain German regions seem to be specialised in sectors that have a significant role in terms of world demand (transport and chemicals). Lastly, in terms of performance, exports in the Veneto show less dynamic results compared to German regions in the period prior to the crisis, while in the two-year period of the recession and the subsequent two years, the overall trend for exports was relatively homogeneous. An exception is Baden-Württemberg which has displayed better results, especially during the economic recovery.

Large flagship companies selling Veneto products abroad

The recovery in exports in 2011 affected all sizes of exporting firms, although not in exactly the same way: the most sustained growth was achieved by the largest companies with a foreign trade turnover of over 100 million euro, which exported 21.7 % more than in 2012; the average value of foreign turnover of these firms therefore began to grow for the second year running, following the set back of 2009 which led to lower turnovers for many firms.
The improved performance of larger firms is mainly due to the geographical dynamics of demand. Despite being a widespread phenomenon in all markets, the recovery has proceeded at different rates; more sustained growth rates took place in Eastern markets which can be reached more easily by larger scale firms, not just in terms of sales.
The globalisation of the economy has increased, not just as a result of the intensification of trade flows of goods and capital between countries, but also and above all, due to the integration of industrial and tertiary sectors, which have grown due to foreign direct investment (FDI): large businesses increasingly seem to have internationally diversified ownership structures with a mixture of owners of different nationality.
The consequences and opportunities of the increasingly transnational character of multinationals (MNs) are extremely significant, both for the economy of the original countries and for the economy of the host countries. They stimulate competition, encouraging local firms to fall into line with international standards; they participate in and contribute to efficient restructuring processes; through collaborative initiatives and alliances, they project their suppliers into a more international scenario, playing a bridging role for them towards foreign markets.
In terms of active multi-nationalisation, 1,043 Veneto MN firms (i.e. Veneto firms that are not controlled by foreign groups which, at that date, had a shareholding in at least one foreign company) were registered in 2010.
There are 3,316 foreign firms in which Veneto firms have a shareholding in the sectors considered

here, a figure which has risen significantly with respect to the 2,204 firms in 2001; they have 137,207 employees abroad and had a turnover of 20,005 million euro in 2010.
As much as the incoming participations are concerned, at the start of 2010, there were 473 active firms in the Veneto in which multinational companies had shares: these firms have 46,582 employees and in 2010 had a total turnover of 22,741 million euro.

High quality Veneto exports

Despite experiencing higher growth than the national average in the pre-crisis period, Veneto faces the challenges caused by increased international competition which are equal to, or more than, those in the rest of Italy, due to the greater openness of its economy. In this sense, the prospects for weak growth of mature economies (especially the Euro area) have led to more attention being focused on the development of emerging markets. Despite the uncertainties affecting the global economy, these markets are displaying improved performance and their economies are experiencing significant social changes, in particular the formation of an increasing affluent class which has a key influence on consumer spending. Rather than being areas of delocalisation, these new markets are increasingly becoming areas of high potential demand; this involves demand for medium-high quality goods in which Italian products are associated with high quality, experience and professional expertise: so-called beautiful and well-made goods.
There are many sectors of specialisation and manufacture of high quality goods in Veneto. However, in order to carry out a homogeneous assessment with an analysis on a national scale and as a preliminary study of the Veneto region, only four sectors were chosen: foods, clothes and household textiles, shoes and furnishings. Other sectors in Veneto which should be included in a subsequent analysis include jewellery, glasses and several areas of mechanics; it is not sufficient to consider just individual firms, but the dynamics of the group of which the firm is a part.
Overall, the four sectors considered in 2011 represented 21 % of the region's exports; the share of beautiful and well-made goods with regard to the export of products made in Veneto was 8 % higher than for the Italian national average. What is the importance of beautiful and well-made goods made in Veneto for new markets whose prospects for growth could represent a decisive opportunity for injecting new momentum into the regional economy? With regard to overall imports of these goods by emerging economies, Veneto has a 2 % share although the aggregate figure conceals significant differences in terms of sectors and countries. In general, there has been greater penetration in the Russian market and other areas which are geographically and culturally closer (Croatia and countries in Central-Eastern Europe). The approach to the Chinese market is more difficult although its importance should not be ignored, given that about 2 % of their shoes and furnishings are made in Veneto. In other new Asian markets, with prospects for intense growth in demand, beautiful and well-made goods from the Veneto are almost absent, with the sole partial exception of India for furnishings and some promising markets in the Middle East (United Arab Emirates and Saudi Arabia). The forecasts for substantial growth in demand for beautiful and well-made goods in new markets (48.2 % from 2012 to 2017, with respect to 27.3 % in mature markets) can be linked to the economic and social transformations currently taking place in these areas, which have already been mentioned. In particular, the increase in per capita income has encouraged the formation of an affluent class whose consumer choices can be understood through the types of goods included in the analysis.
With regard to the most important new markets for Veneto exports in these sectors, the highest demand is forecast in China and Brazil, while the highest share of demand for Veneto goods is in Croatia and several countries in Central-Eastern Europe (Czech Republic, Hungary and Romania). In absolute terms, Veneto exports to Russia in 2017 could exceed 64 million euro while those to the Czech Republic could reach 56 million euro.

Developments in the tourism sector

The tourism sector in Veneto, which has rich natural, cultural and entrepreneurial resources, as well as interesting traditions and excellent food and wine, offers many different opportunities. On the one hand, it offers opportunities for development, employment and therefore support for the local economic and social fabric, especially in an extremely difficult economic situation. On the other hand, thanks partly to projects that have already been planned or are underway, there will be new opportunities for visitors who choose Veneto as a holiday destination. As well as Veneto's leading role in terms of towns and cities with a rich artistic heritage and the region's natural features, other new types of tourism are on offer; these are often aimed at the de-seasonalisation of tourism, including tourism in villas in the Veneto region, conference tourism, cycling tourism and tourist itineraries linked to religious sites.

The huge potential for tourism in the Veneto region, which has been enhanced by the entrepreneurial capacities of operators and a structured synergic promotional plan, enabled Veneto to establish a regional record in terms of numbers of tourists in 2011. In numerical terms, 15.8 million tourists visited Veneto in 2011, over a million more than in the previous year (+8.1 %), with a significant, though fairly mild, increase in presences (+4.2 %), which reached 63,400,000, a sign of a reduction in the length of average stay in holiday resorts (4 days).

These excellent results essentially reflect a flow of foreign tourists, which has risen by 11.6 % in terms of arrivals and 7.1 % in terms of presences with respect to the previous year. The record was also caused by an increase in arrivals of Italian tourists (+2.6 %), who displayed a generally stable trend in terms of overnight stays (-0.1 %).

Of the 10 million tourists who arrived in Veneto in 2011, more than 9% came from BRIC countries: 387,000 tourists from China, almost 242,000 from Russia and 187,000 from Brazil. These are just the most significant figures for describing the potential and the spinoffs for industries allied to a sector on which Veneto must focus for the economic recovery. Moreover, it is worth adding that the scale of the phenomenon has increased enormously in one decade: since 2000, Chinese and Brazilian tourists have tripled while Russian tourists have increased by almost five times; since 2005, numbers of Indian tourists have grown by 136 %. In the group of other emerging countries, Arab tourists have increased significantly in 11 years, growing from about 17,000 to more than 40,000.

The environment and the local territory

The local territory and the environment represent the basis and framework of the numerous human activities that take place there and which range from agriculture, to movements of goods and people, to the exploitation of natural resources, to pollution and to the use of renewable sources of energy. Defending and safeguarding them are therefore essential for ensuring a good quality of life. Given the current situation, it is increasingly necessary to rethink human impact to ensure a fruitful coexistence between all the different needs involved, especially for a region like Veneto which has an extremely complex local territory and which, in some areas, is particularly fragile.

The local territory as a resource for agri-food production …

The value of agricultural production in Veneto grew by 5 % in 2011 to 5 billion euro, with an increase of people employed in agriculture of 3.2 % compared to 2010. Given this economic situation, the agriculture sector needs to address the new challenges posed by globalization: on the one hand, these challenges require considerable adaptability, especially for a sector which has been traditionally hindered by the lack of dynamism and innovation, while on the other hand, they offer an opportunity for producers to seize, altering their whole approach to business.

It can also be said that the new market is no longer moved by needs but by desires: producers should

therefore try to satisfy consumers' wishes rather than their needs. Market research clearly shows that consumption, including that of food, is increasingly becoming a form of consumption of meanings, emotions and immaterial experiences rather than consumption of tangible goods. "Dematerialisation" has precisely this implication: the transition from an economy based on needs to an economy based on desires, using knowledge as a sharable and repeatable resource.
The specialisation in certain niche products such as wines, cheeses and fruit and vegetables have provided value, but on a scale which has so far been restricted to a local level. The trend is to sell products at tens or hundreds of kilometres in order to reduce the food supply chain. Nevertheless, there are successful examples, especially in the wine sector, that show that globalisation provides opportunities to promote and commercialise Italian products even in remote markets. This is shown not just by the increase in exported wine between 2010 and 2011 (+15 % for Veneto), but also by the potential appeal of the region's wines for markets such as China (+80 % between 2010 and 2011), Japan (+ 17%), Brazil (+ 35%) and Australia (+ 34%), all countries where the culture of wine has extensive potential for growth: this lever should be pursued by our operators abroad, not just to gain new slices of the market but also to promote our cultural heritage which has made Veneto famous worldwide.
One arguably decisive way in which small firms can overcome territorial restrictions and promote trade is to operate in a network. Although it is essential to have the capacity to manufacture high quality products, it is equally important to establish practical cooperation relationships about agreed development projects in order to concentrate the effort of specialisation in marketing and a sales network. In this context, knowledge is the key factor for value creation. If it possesses an advanced level of education which is transformed into talent, capacities and creativity, human capital can become a key element for success. Knowledge used to be exclusively focused on the search for the best possible allocation of resources to ensure efficiency. Nowadays, it must produce new services and new products which firmly link the tangible good with intangible aspects, desires, experiences and meanings. The worldwide role of Italian products, such as luxury articles, clothing and furnishings, can also be achieved by many food and wine products, especially in the future. Immaterial values are intrinsic to our food and wine culture such as tradition, craftsmanship, ties to the local territory, the landscape and the brand name; these values can be marketed throughout the world, leading to increased sales and a wider consumer base, both in time and space, thus leading to an increase in value.

… to be defended and protected in all its environmental aspects…

In the near future, it will be extremely important for agriculture and all the other activities still carried out in the local territory to take responsibility for environmental protection and the "energy issue". These related themes may appear to be passive aspects at an economic and social level; they may merely be considered a sacrifice which involves giving up part of the wellbeing achieved by more developed economies. In reality, however, a higher quality environment also represents the opportunity to have a better quality of life. This moment of crisis at international level represents a turning point. There will probably be some changes and perhaps the time is ripe for a more far-reaching transformation, even in terms of people's lifestyles and outlooks. Remaining within the context of the themes discussed here, talk of recycling seemed to be unusual 20 years ago while nowadays it is an intrinsic part of everyone's lives. The same is true for renewable sources of energy. These are just two important examples: besides a new cultural outlook, new professional profiles and job opportunities have been created. The current situation is one of transition; there are problems for everyone but if this moment is considered to be a point of departure, there should be many possibilities for overall growth: it is a question of managing to seize the opportunities with the right timing.
On the 11th December 2011, the 17th United Nations Framework Convention on Climate Change came

to an end in Durban, South Africa. One of the main aims of the conference was to define the objectives to be pursued following the "Kyoto Protocol" whose validity expired in 2012, and to discuss effective measures to combat the poisonous effects of greenhouse gas emissions and global warming.
Various decisions were taken at the Durban conference: in particular, the so-called Durban Platform for enhanced action was adopted. This document involves starting negotiations to define an international treaty which is valid for all UNFCCC countries[7]. The positive aspects that we believe should be emphasised are the involvement of all countries (including the most reluctant ones such as the USA, China and India) and their commitment to establish a legally binding framework to reduce their own emissions; it is equally important to have extended the parameters of the Kyoto Protocol to voluntary obligations and legally binding obligations for industrialized countries and voluntary and non-legally binding obligations for developing countries, which were not previously included. These aspects are a clear sign of greater awareness of the rational exploitation of resources and sustainable development: it represents an opportunity to establish a new approach towards more self-aware and responsible wellbeing in order to respect the planet and future generations. For its part, the EU is already extremely active in carrying out initiatives to contain the effects of climate-change. From this perspective, an autonomous strategy has been developed to reduce toxic emissions: according to Directive 2009/28/EC, the strategy was planned and structured around the three aims of the "20-20-20 goal[8]." Air, water, rubbish and the woodland heritage represent some of the many aspects of the "environment" issue and are addressed in this report to try to offer a snapshot of the state of health of the Veneto region and its territory.
The increase in concentration of so-called greenhouse gases has led to a change in average temperature, one of the main environmental problems of our current era. Our region has witnessed significant swings, with a reduction in emissions from 1990 to 1995, a subsequent increase in 2000 and lastly, in 2005, the last year for which statistics are available, a renewed reduction which brought down emissions to their 1995 levels. The situation regarding pollution from particulates (PM10) has improved in the last five years, even though the phenomenon has stabilised in the last two years.
With regard to water, the latest data on the qualitative state of rivers and lakes shows a positive trend compared to the past, a sign that policies implemented at the regional level are beginning to bear fruit: both rivers and lakes, almost without exception, fall within the "good" class of the respective indicators of pollution levels. Besides the waters of rivers and lakes, the waters destined to be used for drinking play a key role: the quality of drinking water is constantly monitored through the analysis of the presence of nitrates which, if they exceed levels of 50mg/l, would represent a threat to human health. In 2010, as in previous years, the concentrations of nitrates in drinking water in Veneto were constantly below the set limits.
Safeguarding the local territory also implies careful management of waste disposal, from controls about the quantity of rubbish produced to collection systems, disposal and recycling and the constant monitoring of the sector. Until 2008, the Eurostat data showed a continuous increase in the production of urban rubbish. In 2009, for the first time, there was a reversal of this trend, probably due to the economic crisis and the consequent decline in consumption. Italy is generally following the same trend as the rest of the European Union, and the production of rubbish per inhabitant is slightly higher, standing at 532 kg/inhabitant p.a., as opposed to 512 kg/inhabitant for the rest of Europe. In Veneto too, the trend is similar over time, although the per capita figure is slightly better, with 483 kg/inhabitant

[7] The United Nations Framework Convention on Climate Change, known as UNFCCC or FCCC) is an international treaty on the environment produced by the United Nations Conference on Environment and Development (UNCED), to which 194 countries currently belong, informally known as the Earth Summit, held in Rio de Janeiro in 1992. The treaty is designed to reduce greenhouse gas emissions on the assumption that global warming is taking place.
[8] Reduction of Energy consumption by 20%, 20% of gross end consumption covered with renewable resources and a 20% reduction in greenhouse gas emissions.

in 2009. For some time now, we have also been one of the leading regions in terms of recycling and in 2009, we were in second place, with 56.3 %, behind Trentino Alto Adige. In 2010 recycling continued to increase, reaching 58.3 %. Thanks to this statistic, Veneto is increasingly close to achieving the objective of 60 % by 2011, laid down by Decree 152/2006.

Another crucial issue linked to the environment regards the preservation of the natural woodland heritage. Statistics clearly demonstrate that fires are a significant phenomenon and require constant commitment from all parts of the regional woodland fire fighting system. According to the data recorded by the new Regional Forest Map, the woodland heritage of Veneto amounts to 414,894 hectares, of which over half lies in the province of Belluno. The data on fires for the last three decades shows a significant and rapid decrease both in number of fires, and in terms of the surfaces covered by fires, and therefore the average surface area of each fire: during the decade 1982-1991, over 13,000 hectares of woodland were affected by fires whereas this figure fell to 2,703 in the decade 2002-2011, with a decline in average surface area from 9.6 to 7.3 hectares. This result was undoubtedly achieved due to the improvement in intervention mechanisms and the increased speed of implementing fire extinguishing operations from the moment of notification.

The protection of the environment cannot avoid the issue of energy, since the two themes are closely related and interdependent. The energy sector is becoming increasingly important even at the local level; the adoption of the so-called "Burden Sharing" decree[9] in 2012 provides all the instruments for defining the planning aspects of the sector, down to the smallest details, which are also being prepared by the Veneto region. The data about the production of electricity from renewable energy sources show that Veneto has developed bio-energy and solar energy while the contribution of wind energy is negligible; the importance of hydroelectric energy is fairly significant but has been exploited already for some time.

… and a scenario of mobility

The local territory is also the setting for all movements of goods and people: movement is definitely one of the fundamental human needs. Each one of us has the need to move from our own home to a different destination for a series of reasons: going to work or school, doing the shopping or going to visit relatives and friends, doing sport or relaxing in our free time, travelling for reasons of tourism. In the broadest sense, movement is not just a need but an opportunity for growth, encounters, learning, change and knowledge.

No journey is ever an end in itself, but must be linked to the individual's need to reach a specific destination. On weekdays, the majority of movements stems from work or study reasons (40 %), 33 % are journeys related to family activities while 26 % are journeys related to free time and amusement.

In 2010, employees in Veneto devoted an average of 20.9 minutes (24.1 in Italy) to travelling from their home to their workplace while pupils took an average of 21 minutes to go to school (20.2 in Italy).

The preference for cars and, more generally, for private transport, is clear when movements at weekends and during holidays are analysed. When citizens in Veneto decide to travel, they do so as the driver of private vehicles in 63 % of cases and in 5.8 % as passengers. Public transport lags behind and is chosen for 5.9 % of journeys while the figure for travel on foot or by bicycle is rather interesting: 19.3 %.

Although private transport continues to represent the preferred option, it is worth attempting to take advantage of the occasion posed by this economic crisis. It represents an opportunity for change and the revival of sustainable mobility which could make it possible to modify the current cultural model, which envisages the private car as the sole or main form of transport, and reintroduce forms of

[9] Decree of the Italian Ministry for Economic Development passed on 15/3/2012 "Definition and evaluation of the regional objectives regarding renewable sources of Energy and the definition of procedures o adopt in cases where objectives are not reached by regions and autonomous provinces"

collective transport instead. However, in order to ensure that public transport becomes an opportunity for a change in habits, it needs to focus on quality. The index of user satisfaction regarding the quality of the service comprises passengers' opinions about the main features[10] of buses, local coaches and buses and trains. For each of the three forms of public transport, the satisfaction expressed by users in Veneto is above the average of Italians, although the difference is only significant for buses and local coaches and buses. Overall, considering the minimum level for a satisfactory level of service to be 50, users in Veneto express a positive opinion about buses and local coaches and buses and a partly negative opinion about trains.

The index for accessibility, which summarises the ease with which families reach the main services, shows high values for the whole of Italy; the highest levels are in northern regions, while the main problems of accessibility lie in the south. Veneto has an index of 77.3 which is significantly higher than the Italian average (74.4), although it is lower than that of its adjoining regions and Marche.

[10] Frequency of buses, punctuality, chance of finding a seat, speed of journeys, cleanliness of vehicles, comfort and convenience of bus stops, connections between the various zones of the municipality, convenience of timetables, cost of tickets.
The index ranges from 0 to 100, where values close to 0 indicate lack of satisfaction at the quality of the service and values close to 100 indicate high levels of appreciation.

Regione del Veneto
- Vice Governor's Office and Department of
  Territory, Culture, Statistics and general Affairs
- Secretary general of Planning
- Direzione Sistema statistico regionale

Rio dei Tre Ponti - Dorsoduro 3494/A
30123 Venezia

phone +39 0412792109 fax +39 0412792099
e-mail: statistica@regione.veneto.it
http://www.regione.veneto.it/statistica