



REGIONE DEL VENETO

Assessorato alle politiche dell'economia,
dello sviluppo, della ricerca e dell'innovazione
e politiche istituzionali

Segreteria generale della programmazione

Direzione sistema statistico regionale

Summary

the Veneto: sharing facts

the Veneto: comparing facts

Statistical Report 2008

Quality in Veneto

Summary



Villa Emo a Fanzolo di Vedelago - TV

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Competitiveness was the recurring theme of last year's statistical report, analysed in the light of the regional development policies which account for the dynamism of this issue. When this concept is linked to productivity, other factors enter into play. These factors regard "our ability to produce goods and services that meet the test of international competition while our citizens enjoy a standard of living that is both rising and sustainable"¹.

Every nation aims to improve its citizens' standard of living, and this is closely linked to increasing productivity. The amount invested internally in facilities, equipment, research and development, professionalism of the labour force, public infrastructure, quality of management in the private sector and of public administration plays a fundamental role in this respect.

Lisbon strategy and its further modifications: some objectives and state of implementation in the EU27, Italy and Veneto

	Objective by 2010	EU27	Italy	Veneto
Employment				
Employment rate	70%	65,4%	58,7%	65,8%
Female employment rate	60%	58,3%	46,6%	54,0%
Employment rate for workers aged 55 - 64	50%	44,7%	33,8%	31,0%
Unemployment rate	Reduce	7,1%	6,1%	3,3%
Innovation				
Expenditure for R&D as % of GDP ^(a)	3%	1.84% (Year 2004)	1.10% (Year 2005)	0.59% (Year 2005)
Expenditure for R&D by the industrial sector as % of total expenditure	2/3	64.2% (Year 2004)	50.4% (Year 2005)	50.2% (Year 2005)
Social cohesion				
School dropout rate ^(b)	<10%	15.2% (Year 2006)	19,7%	13,1%
Completion of secondary school ^(c)	>= 85%	77.9% (Year 2006)	75,7%	82,9%
Graduates in sciences and technology per 1,000 inhabitants aged 20-29	increase by 15%	12.9 (Year 2005)	12.2 (Year 2006)	12.7 (Year 2006)
Lifelong learning ^(d)	12,5%	9,6% (Year 2006)	6,2%	6,6%
Percentage of persons at risk of poverty ^(e)	reduce significantly	16.0% (Year 2004) ^(f)	19.0% (Year 2004)	10.3% (Year 2004)
Environmental sustainability				
Electricity from renewable resources ^(g)	22%	n.d.	14.6% (Year 2006) ^(h)	11.0% (Year 2006)

^(a) The objective set for Italy is 2.5%

^(b) Percentage of 18 to 24 year-olds with no secondary school-leaving certificate who do not attend any training courses or follow other forms of education. The definition used in Italy differs slightly from the one used by Eurostat, because the threshold for the duration of vocational training courses was increased from 6 months to 2 years.

^(c) This is the percentage of the population between 20 and 24 years old who possess at least a secondary school-leaving diploma

^(d) Percentage of the population aged 25–64 participating in education or professional training

^(e) The percentage is an estimate of the persons with an equivalent disposable income under the poverty threshold, which corresponds to 60% of the median national equivalent income

^(f) The figure refers to EU25.

^(g) Ratio of electricity produced by renewable resources and gross inland consumption of electricity. The latter is a sum of: Total gross production, Balance of imports and foreign exports and, for regional data, balance with other regions

^(h) The Italian national target is 25%

Source: Regione Veneto – Direzione Sistema Statistico Regionale on European Commission, Eurostat, Istat, MEF - DPS, MIUR, TERNA data

¹ Quote by Laura D'Andrea Tyson, Chairperson of the Council of Economic Advisors for the Clinton Administration, in 1994.

Competitiveness from abroad causes us to make internal changes and to develop new ways of adapting the productive system to meet the challenges of the international scene.

The European strategy, set up in Lisbon in 2000 and revisited in 2005, looks to increase employment rates and productivity in general, paying particular attention to social cohesion. Regional indicators referring to this strategy are monitored on a yearly basis.

For a while now, the subject of economics has become more and more involved in the idea of “relationships”, as the need to understand the relationships between economic and social phenomena in order to improve the citizens’ quality of life has become more urgent. Much research has been carried out on how to make our lives happier. An editorial by David Leonhardt in a May edition of the *New York Times* entitled “The pursuit of happiness” writes of a human instinct, almost spiritual in nature, to believe that money can’t buy happiness. For more than three decades, it states, the idea that economic growth does not necessarily lead to greater satisfaction has dominated. To give an up-to-date example, owning the latest gadgets or technological goods does not make us happier as after a little while we will always want something more modern and more up-to-date. According to research carried out in 1974 and published by Richard Easterlin², who was at that time an economist at the University of Pennsylvania, relative income, i.e. your income compared with that of the people around you, shows the relationship between economic growth and perceived wellbeing much more than absolute income does. This study has become renowned in the field of social sciences. “The curse of humanity” seems to be that people are “compelled to look over their shoulders. We are consumed by relativism”³.

In the *New York Times* it is the opposite idea that makes the news; The Easterlin paradox is challenged by two young researchers working for an independent body, attracting the attention of economists from all over the world. The researchers sustain that money does tend to bring happiness,

even if it doesn’t guarantee it. Income plays a fundamental role: according to the researchers, in the United States, around 90% of people from families that earn at least \$250,000 a year claim to be very happy, of the families that earn under \$30,000 only 42% make the same claim. Easterlin, who now works at the University of California, agrees with the fact that people in richer countries are more satisfied, but is sceptical about the idea that their satisfaction is brought about by economic wellbeing. The results could actually be linked to people’s perception of their own status. He would find it easier to believe if satisfaction had grown in each country alongside the growth of wealth, but this doesn’t always happen.

This subject is also being heavily debated in Europe. It should be remembered that economic growth is measured through GDP, a concept which was created in the wake of the great depression and of WWII to provide politicians with a means of measuring results and economic activity. However, society and the economy have changed completely since then and so this index alone is not enough to give an overall picture of reality.

Robert Kennedy back in 1968 said “We cannot measure national spirit by the Dow Jones Average, nor national achievement by the Gross National Product. For the Gross National Product includes air pollution and cigarette advertising, and ambulances to clear our highways from carnage. It counts special locks for our doors and jails for the people who break them. It does not allow for the health of our families, the quality of their education, or the joy of their play. It does not include the beauty of our poetry, or the strength of our marriages, the intelligence of our public debate or the integrity of our public officials. It counts neither the justice of our courthouses nor the equality in our relationships. The Gross National Product measures neither our wit nor our courage, neither our wisdom nor our learning, neither our compassion nor our devotion to our country. It measures everything, in short, except that which makes life worthwhile. ...». The idea that the GDP is unable to give a clear picture

² In 1974 Richard Easterlin, currently an Economics Professor at the University of Southern California and member of the National Academy of Sciences, whilst doing research into the reasons for the limited spread of modern economic growth, used the “happiness paradox” (still known today as the “Easterlin Paradox”) to demonstrate that throughout life people’s happiness depends very little on changes in income or wealth. This paradox, according to Easterlin, can be explained through the observation that, when income increases, thus increasing economic wellbeing, human happiness increases only up to a certain point, then it starts to decrease again forming an upside-down “U” type curve.

³ Quote by Andrew Oswald, economist at the University of Warwick in Great Britain.



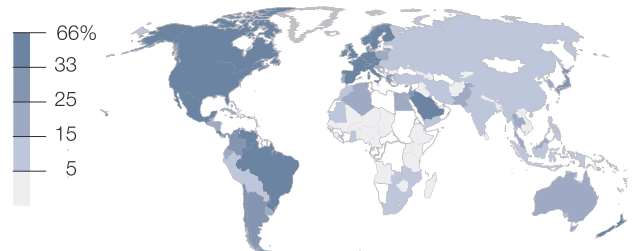
not only of the wealth produced in an area, but also of that area's development and wellbeing, is widespread. Whilst looking to fulfil the "Millennium Development Goals", the objectives for 2015 established during the UN Millennium Summit in 2000, the international community began to ask itself why targets weren't being reached on time and in June 2007 representatives of 130 countries met for a World Forum set up by the OECD in order to discuss how to measure and to work for the progress of human community. In November 2007 the European parliament

organised two study days based on the theme "Beyond GDP" with the aim of better understanding the concepts of progress, wealth and wellbeing, deciding how to measure them and highlighting the advantages of including them in the decision-making process. These aspects are extremely difficult to measure correctly in order to gauge a country's wellbeing: nowadays moving towards lower levels of pollution, protecting biodiversity, promoting efficient use of resources, and social cohesion are equally important factors for economic growth.

Measuring Satisfaction

A new study shows that people in wealthier countries are more likely to be satisfied with their lives. Earlier research had suggested that satisfaction did not necessarily increase once basic needs were met.

Percent who rate themselves an 8, 9 or 10 on a 10-point scale of satisfaction



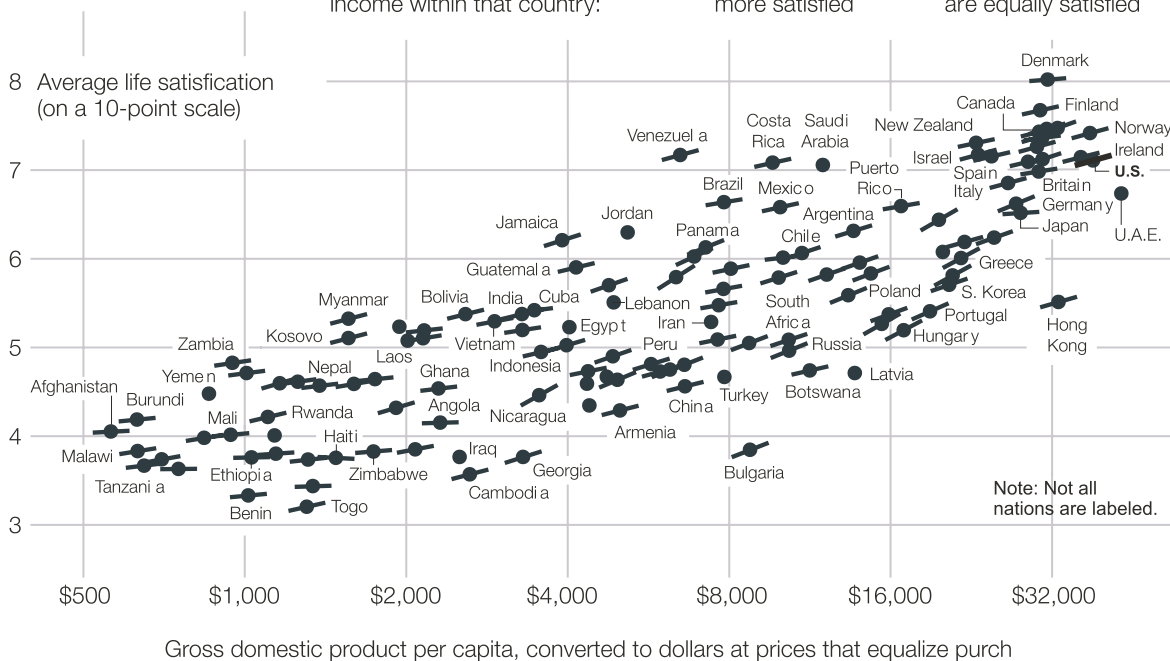
KEY:

● Each dot represents one country

The line around the dot shows how satisfaction relates to income within that country:

↗ Higher-income people are more satisfied

↔ Higher-income and lower-income people are equally satisfied



Source: Betsey Stevenson and Justin Wolfers, Wharton School at the University of Pennsylvania.

All in all, it is not a given that economic growth makes countries richer in a purely materialistic sense. It can facilitate investments in scientific research which help us to live longer and more healthily, it allows us to travel, to visit places we've never seen before, when you are rich you can also decide to work less and to spend more time with your friends. It can be seen from this that wealth does provide an advantage.

So Does money bring happiness? Yes, but..., in order to understand more we set off to trace our wealth, in terms of our quality of life, our choices, our ways of facing and living in society, without forgetting to take into account also our weaknesses. We also analysed the economic context in which we operate as it is so important to our standard of living.

Plain money

Despite the fact that Italian salaries, and therefore Veneto salaries too, aren't in great condition if compared at international level (our country ranks 23rd out of the 30 countries monitored according to the OECD rankings, this because of heavy taxes), as far as money is concerned the Veneto people have nothing to complain about. In 2005 average wealth per capita of Veneto families was around 149,200 euros, more than 15,000 euros higher than the national average. Although this figure is lower than the average for the Northern regions, between 1998 and 2005 wealth in Veneto increased more quickly.

Furthermore, net family income in Veneto, at 29,421 euros in 2005 (35,552 euros if we also take imputed rent into consideration) is almost 2,000 euros higher than the national average and has increased slightly since the previous year (+120 euros). The Southern regions, which have lower average incomes, also have greater levels of inequality between rich and poor. Veneto is in a better position in this respect, resources are more equally distributed with less of a gap between rich and poor. This is in line with the regions of Trentino Alto Adige, Valle D'Aosta and Friuli Venezia Giulia. For every disadvantaged family there are around two well-off ones and the Veneto people are well aware of this: in 2007 the number of families in Veneto who claim their economic situation to be more than satisfactory was higher than the national figure (+1.9 percentage points), and vice versa, the number who claim their situation is inadequate

or difficult is much smaller. The increase in prices, in the cost of living and tax pressure have repercussions on the number of people who feel as if their situation is worsening if we compare these figures to ten years ago. The number of optimists - people who say their situation is improving - has, however, remained the same.

The high standard of living enjoyed by our families can also be seen from the types of goods they claim to own: most families, many more than the national average, own more than one car, there is often more than one television and a satellite dish in Veneto homes, a computer, a modem and internet access. These are all figures which have grown significantly compared to the last century. Furthermore, it is these types of durable goods that are more and more in demand, in 2006 they constituted 12.1% of total expenditure (total expenditure for final goods stands at +1.4%, in line with the Italian rate).

In 2006, according to the survey on expenditure pending carried out by Istat, average monthly expenditure per family was 2,988 euros, around 252 euros more than the previous year (+9.2%) and has increased continually since 2003. This overall expenditure is higher than the national figure of 2,461 euros. Expenditure on new electrical appliances, cars and technological goods, with mobile phones and computers in first place, including all their accessories, has continued to increase.

Average monthly family spending on food and drink has remained mostly stable compared to previous years, in 2006 this figure equalled 444 euros.

The types of goods money is spent on also depend on the size of the family as a different number of family members requires the family budget to be organised in a different way. In general, for many types of expenditure, it can be seen throughout Italy that average expenditure does not increase proportionally to the number of family members. This is down to the effect of economies of scale which can increase family wellbeing despite equal income or consumption. The largest families, apart from the fact that most of them live in the South where spending is lower on average, are also poorer than families with a smaller number of members.

For certain types of spending, for example housing and fuel, spending actually decreases as the number of family members increases: the larger



families, less well-off on average, tend to try to keep spending down on certain categories of goods which usually have a fairly fixed cost, more so than other families, meaning spending is lower in general.

During the last ten years the number of families has increased considerably⁴, with almost 300 thousand more than in 1996. However, the average number of family members has decreased, in 2006 this figure stood at 2.49. There are more couples that do not have children but those who do tend to have at least two. Although on a national level the number of couples with only one child is increasing, in Veneto the opposite is actually taking place: from 1998 to 2006 the number of couples with at least two children seems to have grown by almost five percentage points. Families with at least five members, today considered to be a large number, make up 6.2% of the total, and have decreased since 1995 throughout Italy. In Veneto the drop has been quite sharp at 2.4 percentage points.

In light of what has been said until now, it may seem quite strange to speak of poverty in Veneto, especially when we think of extreme situations. But if we speak of economic difficulties, of anxiety, of problems keeping up with spending, it's easier to see that this phenomenon also touches some Veneto families, 5% in 2006 to be precise.

There were relatively few poor families in Veneto in 2006, out of all the Italian regions it is the third least poor. The scarce number of poor Veneto families explains why it is difficult to analyse this sub-population more closely as it is impossible to acquire meaningful estimations.

In comparing the regions in terms of poverty as measured objectively and that perceived by families, we can see that the two figures correspond substantially: in Veneto in particular the share of families who feel poor is almost identical to the share of families who actually are poor.

Housing quality

Housing constitutes a primary good for families. It is typical in Mediterranean countries, including

Italy, for families to want to own a house and they are prepared to invest a lot and to take risks in order to have a place of their own. The home is a special place where most of family life takes place. It could almost be said that family can't exist (as in relationships) without a home, as the concrete family bonds grow where there is a place, a physical place, for them to be cultivated. In Veneto the number of families who own a house (72.2%) is higher and is on the increase compared to Italy as a whole. 17.6% of them are supported by a mortgage.

Since 2000 families have started putting more of their family finances towards spending on the home, as well as on communication technologies. This shows that more attention is being paid to this fundamental area of daily life.

Looking at the new housing units in 2006 in terms of size⁵ it can be seen that the most common type in Veneto is the small dwelling (30%) followed by the medium dwelling (26%). Although houses here are the second least crowded in Italy (2.6 people per 100 m²), only just behind Friuli, they are seen as becoming ever smaller, but in better condition than houses ten years ago.

Very few families live in houses without the basic amenities (hot water, indoor toilet, bath or shower, heating).

The supply of basic services, i.e. water, gas and electricity, is very good. In 2007 only 8.5% of families in Veneto (Italian figure: 13.2%) reported having an irregular supply of water. Eighty-three percent of families (Italian figure: 74%) receive gas through a connection to the gas mains, 10% (Italian figure: 19%) buy gas in cylinders, and 6% have a gas cylinder kept outside which is refilled periodically.

In households connected to the gas mains, families prove to be satisfied with certain features of the quality of service: 89% expressed overall satisfaction with the service; 93% are satisfied with the safety of the mains network; and 95% with the safety of the household mains. Similar figures can be found as far as satisfaction with the electricity supply is concerned.

⁴ A "family" is, according to the definition given by Istat, a group of people joined together by various types of ties; marriage, blood, affinity, adoption, care or emotional. These people live together and tend to reside in the same municipality (even if they are not yet in the official register of people living in that municipality). One person can constitute a family.

⁵ Housing is divided into the following classes according to size: bedsits (up to 45 m²), small (from 45 to 60 m²), medium-small (from 60 to 90 m²), medium (from 90 to 120 m²), large (over 120 m²).

Data on gas, electricity and water consumption for domestic use can provide information on the daily habits of the people living in Veneto. In the region, the 2000–2006 figures for average methane gas consumption per capita for domestic use and for heating were rather stable, remaining consistently above the national average and showing marked differences from province to province. However, the regional average of electricity consumption for domestic use was lower than the Italian figure for the same period. Water consumption was lower than the Italian average and is on the decrease. This is an indication that people in Veneto are using this precious resource carefully and responsibly. As far as saving energy is concerned, good results can be achieved simply by adopting certain practices at home, such as buying energy efficient products; regulating the temperature and lighting levels; ensuring the home is fully insulated; and using electrical appliances only at certain times of day. A recent survey showed that many Veneto people have adopted this kind of careful behaviour.

Veneto's virtuousness as far as producing and separating urban waste is concerned must be pointed out: 495 kg/inhabitant of urban waste was produced in 2006 (equal to 1.36 kg/inhabitant per day), this figure was one of the lowest in Italy. Veneto also ranks first in the whole country for the percentage of separate urban waste collection with 49%, this is well over the 40% objective set for 31 December 2007 by Italian law no. 296 of 27/12/06.

From home to work, to school, to the supermarket

According to a recent survey carried out by CENSIS and detailed in the 41st Report, there are various reasons why people decide to commute: housing necessities; the territorial imbalance between supply and demand in employment; prospects of career advancement; and, in young people, study opportunities. Increased numbers of commuters lead to an increase in the volume of traffic on the roads.

The decision to live in a different municipality to the place of work is principally guided either by trends in the cost of housing, or by the quest for a better quality of life (for example, choosing to live in the countryside or in a small town as opposed to a large city).

Veneto ranks second after Lombardia for the number of commuters. The area which includes

Treviso, Padova and Vicenza comes second only to the hinterland of Milan for the highest percentage of the population commuting daily for work or for study (around 30%).

The car plays a leading role in daily commutes, as can be demonstrated by Isfort data: in Veneto in 2006, 81% of families owned at least one car (Italian figure: 77%); 81% of those surveyed used motorised transport (Italian figure: 78%), 81% of which were private cars (Italian figure: 73%) which were used every day by 53% of the population (Italian figure: 50%).

On a positive note, there is an ever increasing number of less-polluting vehicles on the roads. In 2006, 63% of Veneto's vehicle stock ran on petrol and 82% of cars contained catalytic converters (Italian figure: 77%).

Confirmation that people prefer private means of transport is given by the fact that in Veneto 84% of school goers use a means of transport to get there, 42.7% as passengers in a private car. As many as 91% use some means of transport to get to work, 72% of whom drive private cars there.

People in Veneto are getting more and more into the habit of buying goods from large scale distribution outlets, which are often outside of the city centres and are easier to get to by car. It is not only the price which influences consumers' choices but other factors also come into play such as quality of service, easy access to the distribution point and time efficiency.

As vehicles are one of the biggest sources of atmospheric pollution, low air quality is an obvious consequence of the concentration of heavy and light vehicles on Veneto's roads. It is a feature shared by all the regions of the north of Italy. As a matter of fact, the Veneto region is situated in one of the most polluted areas of Europe: the bacino adriatico-padano (BAP, the Paduan-Adriatic basin). This area, which is homogeneous as far as morphology and climate are concerned, contains a high concentration of traffic, production industries, settlements and inhabitants; what is more the meteorological conditions, which are often stable with little circulation, facilitate the stagnation of pollutants.

Job satisfaction

Are we sufficiently satisfied with the way we've spent our day? The different areas of Italy show different degrees of job satisfaction: people feel more fulfilled in the North than in the South (73%



of workers) and on the Islands (68.3% of employed persons). Employed persons in the South are, in general, less satisfied with every aspect of their daily life than their counterparts in the North; they expressed dissatisfaction with their economic situation, their health, relationships with family and friends as well as with leisure time activities. This can partly be explained by factors such as reduced job opportunities and increased levels of deprivation.

Employment rates in Veneto, however, are considerably better than the national average. In 2007, 65.8% of the population between 15 and 64 years of age were employed, up 0.3% on 2006, a figure higher than the European average of 65.4% based on EU27.

The trend has generally been positive, in 2007 Veneto's employment rate was 16% higher than in 1997. Once again, a major contribution was made by foreign workers, who comprised 66% of the total of new workers, a figure that reflects European Union expansion and the easier access that Romanians and Bulgarians have to the labour market.

Despite the fact employment rates are increasing both in Italy and in Veneto, they are still far from reaching the objectives set out by the Lisbon strategy which aims to see 70% employment rates for Europe by 2010.

We'd like to emphasise the fact that better qualifications generate higher levels of satisfaction: In Veneto, the highest satisfaction rates are among managers, entrepreneurs and the self-employed, while the least satisfied are factory workers, figures in line with the national average.

We are thus led to think that a better working climate pervades Veneto enterprises which profit from people with a greater level of professionalism, assuming that they enjoy greater job satisfaction. In the service sector in particular, demand for highly skilled professionals⁶ has increased: in 14.2% of cases technical professions were required, in almost 4% highly specialised intellectuals and scientists and in 0.2% managers. These professionals have a degree, or at least a secondary school-leaving

diploma, and comprise the highest percentage of open-ended contracts (almost 58%). In 2007, 7.8% of jobs, 2 percentage points more than 2004, required degrees, mainly in economics subjects. These graduates are employed mainly in the service sector and carry out technical or highly specialised professions: almost 50% of graduates found work in technical professions and 37.6% in intellectual, scientific and highly specialised professions, with both figures being above national ones. Enterprise demand was mainly geared towards professionals who were qualified to work in trade and in services (23.2%) and towards specialised workers (20.4%). Those entrepreneurs who decide to start up a new business are often searching for personal satisfaction and to prove themselves. In the list of main reasons entrepreneurs start up new businesses, above all there is the desire for major professional and economic autonomy (83.2% of new business owners in Veneto do so because they want to set up on their own, 75.8% in order to earn more and 64.7% because they are seeking a new challenge). These motivating factors are joined by others more closely linked to the personal sphere; first of all is the desire to escape from unsatisfactory working conditions, with 49.4%; and the wish to put into practice an innovative idea, 37%. Only 28.5% in Veneto use it as a means of avoiding unemployment, this is not in line with the national situation at 47%, standing to confirm Veneto entrepreneurs' major vitality and maturity.

We cannot boast of a great performance as far as life-long learning is concerned. This is a factor which can certainly lead to a better working climate due to the intellectual stimulus it can provide, a fact which has been recognised by the European Council which has set the objective to have 12.5% of the adult population between 25-64 participating in life-long learning by 2010. Compared to the EU25 countries which stand at 10.2% in 2006, Italy and Veneto are not doing very well with 6.2% and 6.6% respectively in 2007. The performance of North European countries was very good because they

⁶ *Employment requirements envisaged by enterprises based on figures from the Unioncamere-Ministero del Lavoro, Sistema Informativo Excelsior 2007.*

already find themselves well above the target four years before the date established for reaching the objective: Sweden once again leads the way where an estimated 32% of the population aged between 25–64 attend an education or professional training course.

Higher productivity, better employment

We cannot comment on which sectors or working environments might be the most satisfying as we do not have any relevant data, but we can say that increasing productivity, as well as injecting the economy with vital life, can pave the way towards greater wellbeing in the work sphere, especially where actions lead to improvements in quality in the workplace. In Veneto, labour productivity has recovered strongly since 2003: in 2006 wealth produced per labour unit was 51.9 thousand euros, one of the highest regional values, and its growth rate is higher than the national rate per labour unit. There is a net recovery in the sector of industry in a strict sense, where despite increased employment, the gap has closed between regional and national productivity, which is traditionally higher. This is a sign that Veneto's traditional manufacturing sector is changing and that it is gearing its efforts towards producing increasingly high quality products with higher added value. In other sectors whose productivity levels are higher than national ones, there has been a fall in agriculture and a slight recovery in services, which have seen the gap with Italy widen since 2002.

The continually self-renewing economic system

For a few years now we have been analysing a phenomenon which we have defined as an economic-sectoral transformation towards services. However, in Veneto, industry still takes up the lion's share. In Veneto in 2007 an overall increase of 1.8% was estimated for GDP⁷, better than the national figure, with the prospective of a 0.7% increase in 2008. This follows a recovery which started in summer 2005 and carried on throughout 2006 when Veneto reached its highest growth rate of the last six years (+2.5%). A major contribution to growth in added value was

made by industry, which still accounts for 35.1% of Veneto's entire regional wealth. In 2006 it recovered significantly, up 3.1%, after years of stagnancy. The service sector makes up 62.2% of regional GDP and, though almost stagnant in 2005, grew by 2% in 2006 thanks to trade, which performed excellently, up 2.9%. Agriculture is the only sector showing a continual decline in the production of added value after its positive peak in 2004. For 2007 a recovery in the agricultural sector, stability in the construction sector and a strong performance both in the industrial and service sectors have been estimated.

An expanding eu and a difficult international situation

We can affirm that Veneto is coming into line with the European situation more than with the Italian one which often gives off contrasting signals in terms of public accounts, tax pressure, investments and more. In 2007 the EU's economic performance was extremely positive with a growth rate of around 2.8. In general this growth is pulled along by investments in the new member states above all, which benefited most from direct foreign investments and from the EU's structural funds. In the euro area too, 2007 ended on a positive note with GDP rising by 2.6%, although it had slowed down a little on last year and indeed over the last few months.

The international situation however is not completely positive, in 2007 the world economy showed signs that the business cycle was slowing after at least a decade of growth. A sluggish American economy and the credit crisis had already cast a cloud over the situation, but worse was to come as a wave of turbulence swept over the raw materials markets, the dollar and financial markets in general. The upshot of these events was an erosion of purchasing power due to increasing energy and food prices, as well as families and companies tightening their belts in order to cope with an increasingly unstable economic situation. Over the last few months, the price of oil has been high. Indeed, in early 2008, it broke through the \$100-a-barrel mark, which it had threatened to do in late 2007. It has since soared to more than \$120 dollars a barrel. In Europe, the impact of high

⁷ Estimates and forecasts in April 2008.



oil prices has been softened by the appreciation of the euro, even though its effects have still been felt on the price of petrol and diesel. Over the last three years, the industrial price of petrol and diesel in Italy, net of tax, has been consistently higher than that in other euro-area countries.

International enterprises

The challenge laid down by the growth of international competition has inevitably had a major effect on Veneto's industrial enterprises. The need to contain production costs, whilst raising product quality, a feature that has substantially maintained added value, has led to a general restructuring of the region's entire production system. From 2000 to 2005 tertiary local units increased considerably, while manufacturing units⁸ dropped by 20.5% (16,031 units). Reorganisation has led to the manufacturing sector losing just under 40,000 employees, down 6.1%. However, there was an increase in business turnover, which increased by 6.8% in the six years analysed.

The internationalisation of industrial activities has nevertheless outlined a cornerstone of competitiveness and economic growth, one that affects Veneto and its enterprises in particular because Veneto has traded internationally for centuries. In 2006 Veneto was once again Italy's leading region for international trade: its exports accounted for 33.3% of its regional GDP. In 2007, although the euro was significantly revalued against the dollar, eroding price competitiveness, Italian exports grew by 8% (9.7%⁹) confirming the positive trend of the previous year, which was up 10.7%. +8,4 Veneto exports grew by +8.4¹⁰ percentage points, a figure almost in line with the national average.

This openness to international trade is nothing new considering that for more than 20 years Veneto's exports have grown faster than the national average.

Openness to foreign markets leads to better business performance. Several studies have revealed that exporting enterprises perform decisively better when it comes to company size, physical capital supply and technology levels. In terms of profitability they tend to have a positive productivity gap and a lower labour unit cost. In recent years, exports have become more important to the turnover of Veneto's manufacturing industry: figures rose from 38.6% in 2000 to 39.3% in 2005. This trend is due mainly to market internationalisation. In many sectors of Veneto's manufacturing industry, export turnover accounts for at least 45% of overall turnover.

Between 2001 and 2007, the number of foreign-invested enterprises with their headquarters in Veneto increased by 16.2% compared to 1.6% nationwide, although Veneto's economic consistency in other variables¹¹ was lower; in the same period, the number of employees in foreign-invested enterprises in Veneto grew by 0.7%, against a drop in national average of 6.1%. In the manufacturing industry, the number of foreign-invested enterprises in Veneto increased by 6.6%, compared to a 3.7% drop at national level. Employment in foreign-invested manufacturing enterprises, however, fell by 11.9% during the period considered; this figure is still better than the national one, down 17.9%.

As regards the overall share of Italian-invested enterprises abroad, Veneto accounts for 18.1% of Italian multinationals, 14.2% of foreign-invested enterprises, 11.1% of employees and 6.4% of turnover. Veneto is second only to Lombardia for its number of foreign-invested enterprises and for the number of foreign enterprises it invests in, although it dropped to third place (overtaken by Piemonte) for the number of employees abroad and to fourth (overtaken also by Lazio) for turnover.

However, analysis based on an enterprise's direct foreign investments only covers a part, albeit a

⁸ Figures provided by an Istat survey on the "Structure and competitiveness within Italy's enterprise system". Figures were collected through two distinct statistical surveys that encompassed about 53.000 enterprises: one survey was on small and medium-sized enterprises, plus the exercise of arts and professions, and the other on enterprise accounts systems. The first took samples and observed enterprises with 1-99 employees, while the second was a census and encompassed enterprises with at least 100 employees. Both surveys used administrative data to illustrate the structural framework of the economic results of Italian enterprises according to the criteria established by the European Council Regulation no. 58/97 on structural business statistics (SBS). Figures refer in particular to industrial and service enterprises, excluding monetary and financial brokering and the business of associated organisations. Figures are divided by economic activity, enterprise size and location.

⁹ Compared with provisional data for 2006.

¹⁰ Compared with provisional data for 2006.

¹¹ In terms of employment, according to Istat's 2001 census the Veneto accounted for 11.2% of Italy's total number of people employed in the sectors taken into consideration by the Reprint database. In terms of exports, Veneto accounted for 13.3% of the national total in 2007.

major strategic part, of a wide variety of non-equity agreements¹² which enterprises use to boost their involvement abroad. Indeed, this analysis excludes 'lightweight' internationalisation based on agreements and partnerships with foreign enterprises that do not involve exchanging shares. This is undoubtedly an important form of internationalisation for Italian enterprises, and for Veneto enterprises in particular, both so that part of production can be decentralised to countries with lower labour costs and so that distribution channels on the outlet markets can be accessed. These forms are most probably very common in Veneto given that the hallmark of the region's production fabric is its vast number of small and medium-size enterprises (SMEs), which are often world leaders in sectors requiring quality and tradition. SMEs are the powerhouse behind regional economy and contribute to economic growth by accounting for more than 70% of the added value in Veneto's industry.

Analysis of productivity figures per SME employee reveals that the average regional value of about 34 thousand euros exceeds the national figures by about 2,000 euros. In recent years, productivity has started to increase again, as it has done in other major regions, returning to the record values of 2002.

In a spirit of innovation

Research conducted within an enterprise is still limited in both Italy and Veneto on account of enterprise size. Veneto and Italy have not yet reached the Lisbon objective envisaging that the private sector should fund two-thirds of R&D expenditure, although many North European countries have. In 2005¹³, however, Veneto enterprises showed a considerable increase in this field: expenditure was up by 6.6% and the number of employees by 12.5%.

Production and reorganisation processes are heavily interlinked with technology. Since the 1950s, both industrial and agricultural mechanisation has led to increased productivity with a consequent increase in wellbeing and services; now that

Veneto has passed through the electronic phase, today it is heading down the road of information technology and other innovative disciplines, such as nanotechnologies and biotechnologies. Nowadays, the vast majority of Veneto enterprises make widespread use of information technology; Personal computers are used in almost all enterprises with more than 10 employees and broadband covers 72% of enterprises; more than half have a website and a quarter of employees use a PC with an internet connection.

The analysis in this report also covers the production of technology goods and portrays Veneto as increasingly involved in this sector.

In 2007, the enterprises involved in high technology, in accordance with the OECD classification (2003)¹⁴, accounted for 9.4% of national high-tech industries.

In recent years, low-technology sectors¹⁵, which are traditionally labour-intensive, have had to compete with countries where the labour cost is 20, if not 50, times lower; nevertheless they are still able to use technology that is not covered by the OECD classification. The textile/clothing industry is playing the quality card: its superior production quality, which is innovative in strictly technological terms, fabric performance, and in less tangible terms of image and fashion. The production of sports items tries to promote comfort and convenience, as well as a style of life. The furniture and gold industry concentrate on design, on new materials, or on the unusual combination of old styles revisited. In Veneto 20.3% of the entire manufacturing industry are enterprises in the medium to high- technology sectors, a figure that reaches 18.5% in Italy.

This result is mainly due to the medical-appliance, precision-instrument and optical sectors, which alone make up almost 80% of the total of high-technology enterprises in Veneto and 9.4% of the entire national sector. In second position is the radio and television appliance sector with a share of 12%. Between 2000 and 2007 Veneto experienced a slight drop in the share of low and medium-low technology enterprises, with a consequent rise in

¹² Without investing in risk capital.

¹³ Most recent figures available.

¹⁴ This ranking associates the various types of manufacturing industry to a technology level (high, medium-high, medium-low, low). It is based on the average values for expenditure on research and development in relation to the added value in each sector in the 12 member countries in 1999.

¹⁵ Italy's traditional industries such as clothing, furniture, and agriculture and food.



the number of medium-technology enterprises. In terms of trading technology and innovative services worldwide, Veneto has seen a decrease in both its receipts and its payments on the Technology Balance of Payments (TBP). The overall balance is still negative by about 51 million euros, but this more than halved in comparison with the 2005 balance. It is interesting to note how the balance is positive for services with a technical content, namely the more innovative ones, the receipts for which increased by more than 50% on the previous year. This trend is confirmed by the TBP coverage ratio, which is the ratio between receipts and payments. Veneto has a coverage ratio of 2.7, which means it sells more than two and a half times the amount of services it purchases from abroad. Major contributions to these receipts were made by technical and engineering studies provided by Veneto enterprises and by sending experts abroad. Unlike the previous year, however, trade in technology recorded a negative balance both due to an increase in payments for the purchase and right of exploitation and to a general drop in receipts, with a consequent decrease in coverage ratio, which fell from 2.6 in 2005 to 0.4 in 2006.

Analysis of the most requested services provided by Veneto abroad in 2006, which is measured by receipts, reveals that 63% of receipts were due to the supply of services with a technical content. This figure was much higher than the Italian figure of about 56%, whilst almost all of the other types of services had receipts for between 11% and 13%. The service Veneto requested most from abroad in 2006, however, was transactions in trademarks and designs, which accounted for almost 50% of Veneto payments. This figure differentiates Veneto from the rest of Italy where this sector accounted for a much lower 23%.

“The intelligence of supply chains”¹⁶

The shift towards the service sector is partly due to traditional sectors that are going through a restructuring process. Often this process entails that company-internal specialised services, or

“ideas”, cross the boundaries of an enterprise and are placed at the disposal of the entrepreneurial network.

Between 2000 and 2005, there was a growth both in local units, up 7.8%, and in service employees, up 14.7%. Furthermore, the growing turnover of service enterprises, up 21.1%, exceeded industrial turnover by more than eight percentage points and accounted for more than 50% of the overall turnover of Veneto enterprises for the first time.

We should point out that the majority of this turnover came from traditional services¹⁷, but from 2000 to 2005, there was a rapid expansion in the number of active enterprises providing market services¹⁸, up 44.7%, which was due mainly to the real-estate boom. This development also continued in the following two-year period with annual growth rates of around five and six percentage points. In 2007 market service enterprises exceeded the threshold of 51 thousand units and accounted for 22% of Veneto’s total service enterprises.

The turnover of market service enterprises, though only 10% of total sector turnover, has grown constantly in recent years, mainly due to enterprises providing services for business. The share of added value produced by market services, 20% of the total, has remained more or less unchanged.

Over the last eight years, the number of enterprises providing technical services has grown more than appreciably (up 32.1%), last year exceeding the threshold of 8 thousand units. The technical service sector recorded consistent growth in added value, up 2%, while turnover was constant, up 0.6%. The average turnover per employee also grew by 26 thousand euros, exceeding 120 thousand euros in 2005.

Sustainable and multifunctional enterprises

The implementation of a quality management system is a strategic choice for an enterprise; the main aim is to meet client needs and expectations with more efficient organisation, which will earn advantages in terms of competitiveness and product quality, while protecting the local territory. Management system certifications accredited by

¹⁶ Definition of the service sector coined by Enzo Rullani.

¹⁷ Trade, hotels and restaurants.

¹⁸ Transport, entrepreneurial activities and real estate.

Sistema Nazionale per l’Accreditamento degli Organismi di Certificazione e Ispezione (National System for the Accreditation of

¹⁹ Certification and Inspection Bodies). Sincert was set up in 1991 as a non-profit-making association and was legally recognised by the Italian State with a Ministerial Decree of 16 June 1995.

Sincert¹⁹ cover all marketable goods, and today tens of thousands of production sites have been awarded these certifications. The figures for business quality management systems confirm that there is a constant rise in the number of production sites²⁰ with a quality certification. Indeed, over the last two years, the number of production sites in Veneto with a certification has grown progressively, up 21.3%, reaching 13,399 units by the end of 2007; this is 10.3% of the national total, and 2.4% of regional local units.

Increasingly tighter legislation requires enterprises to introduce an environment management system and certifications to approve any intervention and their environmental record. To be certified, enterprises are required to improve their organisation and management, and in some cases, to make major investments in new technologies.

Figures confirm the growing importance of environmental certifications: In recent years, the number of production sites with an environmental certification out of the total number of certified sites has grown constantly across Italy. In Veneto, the number of production sites with an environmental certification rose from 1.5% in 2000 to 7.2% in 2007.

Regarding the management of special waste, in Veneto there has been a net increase in the percentage of waste recovered: 42% of the total produced in 2003 and 63% in 2005. These figures make recovery the main form of special waste management, even though disposal of special waste in dumps is still rather widespread.

By its very nature, agriculture is a blend of economics and environment. Agricultural holdings have launched an array of initiatives to earn themselves a slice of the market, yet much still needs to be done and there is enormous scope for improvement. Smaller holdings are quickly disappearing from the economic and production landscape; the average size of a holding is slowly, yet constantly increasing; and competition from EU and non-EU countries has triggered a price war. Consequently Italian holdings are forced to find effective answers and have very little time to do so.

Veneto's agriculture contributes fairly little added value to the regional economy as a whole. However agriculture is more important than it might first appear, especially when we take into account the increasing interaction between 'traditional' agriculture and the food industry, not to mention the increasingly close ties between agricultural activities, the local area and the natural ecosystem. It is well known that the larger holdings and better economic performances are in North Italy; Lombardia is the leading region for production value and added value, but Veneto is in second place (40,428 euros) for production value per labour unit followed by Piemonte.

The solution to falling agricultural revenue, soaring intermediate costs, dwindling labour, unpredictable weather, counterfeit food, and foreign competition lies in the ability of agricultural holdings to become multifunctional, protect the landscape and typical products, preserve tradition, produce alternative energy sources, supply high-quality products, trace the supply chain, ensure food safety, and certify products.

A host of strategies is being implemented to attract consumers, who are increasingly careful with their money and on the look-out for quality products. Such strategies include farmers' markets²¹, raw-milk dispensers, and purchasing products from the source. The recurring theme is fairly clear: shorten the supply chain and thus reduce the price for final consumers.

Although this idea seems to have won the approval of producers and consumers alike, it will not catch on immediately. According to a survey, in 2005, only 5% of Veneto agricultural holdings sold more than 50% of their produce directly to the public, making it a niche market for the time being.

Likewise, multifunctionality, which is recognised at EU as well as at national level as one of agriculture's strong points, can be used by rural areas to achieve fair and sustainable development. Agriculture is recognised as having a role in the production not only of food, but also of intangible goods geared towards the environment, conservation, landscape, history, tradition and culture of rural areas. This recognition confirms that agricultural

²⁰ These certifications can be awarded both to organisations as a whole and to their individual production sites. The figures herein should be read remembering that an organisation may have more than one site.

²¹ Markets where farmers sell their produce directly to the public.



holdings are part of a debate that started after the establishment of European strategies at the councils of Lisbon and Gothenburg, one which sees them as contributors to creating new employment, developing human capital and safeguarding the environment. Although recent analysis has revealed that agriculture-associated activities are rarely exploited or do not win mass popularity, the most successful are unquestionably agrotourism establishments, which currently number more than one thousand in Veneto alone, a figure that puts Veneto in third place behind Trentino Alto Adige and Toscana.

Quality produce has also stirred up considerable interest. Approximately 1,000 Veneto holdings are involved in organic farming, which covers almost 18,000 hectares of Utilised Agricultural Area (UAA), around 2% of Veneto's Total Agricultural Area (TAA). It is a similar story for typical produce: although Veneto is Italy's second leading region for the number of quality certifications, the region accounts for just 5% of the sector's national turnover²².

Veneto ranks among Italy's leading regions for quality products with twenty-three recognised D.O.P. (Protected Designation of Origin) or I.G.T. (Typical Geographical Indication) products. Another three (Casatella Trevigiana, Radicchio di Chioggia, and Radicchio di Verona) are soon to be awarded recognition; eight are awaiting recognition in Brussels. Veneto also has twenty-eight designation of origin wines: twenty-five are Controlled Designation of Origin (D.O.C.) and three are Controlled and Guaranteed Designation of Origin (D.O.C.G.).

From field to fork

Nowadays, food and its associated problems are part of European citizens' daily interests and worries. The safety of food and drink destined for human consumption has become a principal strategic objective within the European Union.

Food safety in Italy is mainly ensured with official inspections on behalf of the Ministry of Health and the Regions by their local departments. Official inspections cover all phases of

production, processing, storage, transport, sale and administration. They encompass checks, taking samples, laboratory analysis, hygiene and personnel checks, written and printed documents, a company's inspection systems and their results. In 2006, inspections were carried out on almost 80% of Veneto's establishments that process products of animal origin, with an average of four types of inspection per establishment (personnel, environment, etc.) Less than 1% of checks revealed breaches, mainly in hygiene and labelling; almost all resulted in administrative measures being taken. Food samples taken from these establishments revealed a similar number of irregularities.

Inspections on almost 17,000 restaurants and establishments that process products of non-animal origin revealed that most breaches involved hygiene (inadequate personnel training, non-compliance with HACCP, etc.), and administrative measures were taken.

Food safety does not merely mean obeying regulations; more importantly it entails offering consumers guarantees that enable them to purchase food without having to worry. The balance between a product's quality, flavour and price should be the result of a healthy and environmentally friendly production process.

The EU's white paper on food safety stresses the importance of a "complete and integrated approach", which means considering the entire food chain "from field to fork"²³.

Healthy mind in a healthy body

Our physical health derives from our decision to eat certain food every day, as well as from inspections on the supply chain. Dietary habits are fundamentally important if we are to become and stay healthy. Our diet must be rational so that it enables our body to stay healthy and efficient, most importantly it must ensure we have enough energy to fulfil our daily needs. Energy needs are determined by clearly defined factors, such as age, sex, size, weight, and how much exercise we do; these factors condition how much energy our body expends.

The very few figures available suggest people in

²² Institute of Services for the Food and Agriculture Market (ISMEA) - 2004.

²³ The Community regulations comprising the hygiene package are designed to simplify and update legislation within the food hygiene sector and to extend Europe's health and safety policy to all production phases. They include Regulation (EC) no. 853/2004, which governs the official inspections to check conformity with the regulations on feed and food, and on animal health and welfare.

Veneto pay close attention to their dietary habits. Regarding the consumption of vegetables, the percentage of people aged three years and over who eat them at least once a day in Veneto is seven percentage points higher than the national average and consistently higher in each age group.

The share of the population aged three years and over who say they have an adequate breakfast is higher in Veneto than in Italy in people aged 35 years and over.

Physical inactivity is one of the main risk factors for the numerous chronic illnesses, and a sedentary lifestyle may be one of the joint causes of cardiovascular illness, diabetes, cancer, and muscular and bone problems. Physical inactivity is a major problem and affects about 1,740,000 people in Veneto and 27,808,000 Italians, even though the percentage of people who do not do any physical activity or sport is 39% in Veneto, about 10 percentage points below the Italian average.

Inactivity clearly increases as people grow older: in Veneto figures range from 20.6% of the population from 3–14 years old to 59.6% of those over 74 years old.

Fortunately, more than half of Veneto's citizens are within normal weight limits; indeed about 53% are normal weight. More than one third of people in Veneto are overweight, but young people between 18–24 years old weigh less than their Italian peers.

In recent years, the trend of average life expectancy has increased: in 2007 it was 84.6 years old²⁴ for women and 78.9 for men. Health conditions have also improved: from 2000 to 2005 people in Veneto earned themselves about four years of life in a good state of health, reaching 53.7 years old for men and 51.3 for women.

In 2005, 65% (about 3,024,000 people) in Veneto declared that they were in good or very good health²⁵. Italy's percentage was very similar: 65.7% (about 38 million people). This perception

is testimony to the effective state of an individual's mental and physical health filtered by subjective factors of perception, which may highlight different methods and tolerance levels when coping with an illness or malaise.

In comparison to the previous survey in 2000, this percentage had increased by about five percentage points in Italy and in Veneto.

Qualifications also appear to be linked to an individual's social and economic status. Higher qualifications generally correspond to a higher quality of life, also in terms of health. Attention to hygiene, contact with healthcare and possibility to spend on treatment are often higher in these individuals than in people with lower qualifications.

"Mens sana in corpore sano", said the Ancient Romans²⁶. In addition to physical wellbeing, people believe they are healthy when they achieve a psychological balance that enables them to live in harmony both with themselves and with others. People in Veneto do not seem to have major psychological malaise.

In 2007, Censis provided a synthetic health indicator²⁷, which enabled a comparison between regions. On the basis of objective and subjective factors covering the population's health and the healthcare system, it turned out that Veneto had the best situation in North-East Italy alongside Lombardia.

Leisure time, holiday time

Nowadays sports are not just about health as they have become an important occasion for young and not-so-young people to meet. With increasing financial resources people started to be more aware of their state of health and began looking for more entertainment. Those people who do not do a specific sport but who do other physical exercise of some sort in their leisure time (such as jogging in the park, cycling trips, etc.) make

²⁴ The life expectancy of a population aged x is defined by the average number of years that people aged x have left to live; this is calculated in accordance with current patterns of mortality in a given population. It is generally used as a synthetic indicator of a community's health and measures the combined effects of a whole system of factors (determining or risk) that influence the health of people who live and work in an area.

²⁵ Istat starts its multi-purpose statistical questionnaire on families "Health and use of health services 2004–2005" with the question "How is your health in general?". The five responses were "Very good", "Good", "Fair", "Bad" and "Very bad".

²⁶ Quotation from Juvenal (Satire, X, 356).

²⁷ The health indicator was based on a range of aspects: life expectancy, mortality, lifestyle, self-assessment of health, prevention and morbidity.



up an important category. This group does not pursue a particular goal or purpose but is looking for relaxation and physical and mental wellbeing. Again in the North, and especially so in Veneto where the share reached a high of 34.6%, this type of activity is much more common than in the rest of Italy.

Veneto is able to meet the needs of its citizens because it has a good number of and good-quality facilities.

But what else do we do in our leisure time? How much time do we spend on cultural activities? Figures for spending on cultural consumption in recent years do not give clear signs as to the trend.

In 2007 about 50% of the population in Veneto went to the cinema; visits to museums and exhibitions were more attractive to the local population (34%) than to Italians (27.9%), which is also thanks to the wide range of culture on offer in our historical cities. It must be underlined, however, that the number of museum visitors in general is still rather low in comparison with other European countries, even more so when we consider the potential and opportunities of this country.

Next in the ranking of most popular cultural activities of the Veneto population over 6 years of age are concerts, with a participation rate of 29.1%, theatre plays 19.1% and classical music concerts 11.8%.

The willingness to read books, which in general seems low compared to other European countries, varies significantly between different areas of the Italian peninsula: in the South the share of readers is around 30%, whereas in the North it is over 50%. Veneto reaches 49.3%. People who do not read books explained that this behaviour has to do with the fact that they have no passion for reading and prefer other activities, rather than with a lack of time.

Holidays are still one of our favourite pastimes.

Tourism in Veneto is one of its main resources as in 2007 the region hosted more than 14 million tourists who stayed for more than 61 million nights.

In 2005 there were around 27,000 local units with 111,000 employees and a gross turnover of close to 5 billion euros. These figures refer to the generic section of economic activity entitled “hotels and restaurants” and provide a very close estimate of the figures for the tourism industry²⁸.

Over the years, habits and attitudes to holidays have changed, so much so that having at least one holiday a year has become a hallmark of Italian lifestyle. In 1985 already 46% of the Italian population followed this trend and in Veneto the share was even higher, at 50.7%.

There are over 3,200 hotels in Veneto, a third of which can be found in the historical cities, a third in beach resorts and the remaining third equally divided between the lakes, mountains and spa towns. Tourists are more and more interested in quality of service and look for places which, as well as being clean and hygienic, are modern, up-to-date and use the latest technologies. Tourists expect not only to be able to relax, to enjoy themselves and to discover new places while on holiday, but also that their accommodation be comfortable, their hosts welcoming, transport reliable and quick, and information readily available. The diversity and quality of the system of accommodation providers in Veneto is constantly being given credit at national and international level. The figures prove this: there are approximately 18 hotels per 100 km² in Veneto, the average number of bed places equals 64.1, and high category establishments (four and five star hotels) make up 14.4% of all hotels.

Agrotourism establishments are becoming an ever more popular alternative to more traditional hotel accommodation. They are seen as a way of discovering the diversity of rural areas, tasting the flavours of the land and experiencing nature to the full. Campsites and tourist villages provide a

²⁸ The hotel and restaurant sector includes hotels, B&Bs and the like, youth hostels, mountain lodges, campsites and other short-term accommodation; restaurants; bars and cafes; beer-houses, pubs, wineries and other similar places without kitchens; canteens; catering and banqueting.

further type of holiday accommodation, one which is extremely popular and which can be found within all the sectors: beach, mountain and lake resorts, historical cities and spa towns. Veneto has the highest concentration of campsites in the whole of Italy with almost 190 campsites, 10% of the total number of campsites in Italy.

In 2006 the Veneto ranked in 6th position among Italian regions when it comes to the share of residents who went on holiday for at least 4 nights. The situation in Veneto is very similar to the other Northern regions, with approximately 60 holiday makers for every 100 residents. This value is almost 10% above the national average. The remaining 40% of Veneto residents did not go on holiday at all, mainly for economic reasons.

Attention seems to be paid to spending as well as to how easy a holiday is to manage. Indeed, 3-star hotels attract the greatest share of Veneto as well as Italian tourists in general, while the Veneto population is also very much inclined to use rent apartments (almost 22%), as they allow a family routine that is very similar to their domestic life.

In line with what was mentioned above for a national context, Veneto holidaymakers are more likely to choose non-hotel establishments also for holidays within their own region than other Italians. In 2007 51.5% of tourists from Veneto stayed in non-hotel establishments, which corresponds to 75.6% of total nights spent. On top of the list for non-hotel establishments are apartments for rent and campsites.

When it comes to financial aspects, i.e. the money spent while staying abroad, Veneto is among the regions spending least. A traveller from Veneto spends approx. 653 euros, while the average Italian spends 763 euros. This value is inseparably linked to the length of stay, which amounts to 8.2 days for travellers from Veneto and 9.3 days for Italy in general. It is possible that the short geographical distance between Veneto and some national borders is one reason why the residents of the Veneto region stay abroad for shorter periods.

It is very satisfying to be able to state that

part of leisure time is devoted to solidarity, social participation, and mutual assistance, all phenomena firmly rooted in the social fabric of Veneto.

In Veneto in particular these concepts have developed over many centuries:

The most recent regional census for counting the types and quantity of voluntary organisations present in the regional register was carried out in 2003.

From this census it turned out that there had been a considerable nationwide increase of such organisations: 150% in 8 years.

In Veneto the number of registered organisations is 2,018, which amounts to almost 10% of the national total.

The average distribution of such organisations throughout the Italian regions is 3.6 organisations for every 10,000 inhabitants (1.5 in 1995), with a peak of 17.9 in Trentino Alto Adige.

With a figure of 4.3 organisations for every 10,000 inhabitants Veneto is positioned in the middle of the ranking. In terms of provincial distribution Verona and Padova historically take the lead on a regional level.

The Veneto population's commitment to solidarity is considerable and the tendency is rising. According to a recent sample survey by ISTAT, referring back to 2007, the phenomenon of social participation in the form of voluntary social service with registered organisations is especially elevated in Veneto. In the national ranking Veneto is only second to Trentino Alto Adige for the number of people actively volunteering, with a share of almost 14% of the population of over 14 years old.

Education to build our future

In recent years there has been a radical change in the care and education of our children. The diverse families and their changing needs are reflected in the planning of services. Veneto is one of the top regions in Italy when it comes to services in early childhood. It has responded to the European Council's Lisbon objective to raise the level of services to cover 33% of needs by



2010. Between 2001 and 2007 the number of places available for early childhood²⁹ tripled, increasing by 298% and going up from 8,813 posts in 2001 to 26,299 today. This figure shows a regional coverage of 19.1% of the population of the relevant age in 2007, and a fast-growing trend over recent years. The increase in demand for services for children can also be seen in the numbers at nursery schools. Since 1994/5 this has increased by over 11%.

This increase, in Veneto in particular, correlates with the rising number of immigrants. In the 2006/2007 school year there were over 500,000 foreign students in Italian schools, i.e. 5.6% of the national school population. Schools in Veneto account for 12.3% of Italy's foreign students and 9% of the Veneto contingent. This is among the highest shares in Italy: Emilia-Romagna is in top place with 10.7% of its students.

The school sector with the highest share is compulsory school, about 11% in Veneto, both for primary and middle school. The share in nursery school is also considerable, 9.1% of the local population, 4 percentage points more than four years earlier. The foreign families thus make the same choices as the local population: The increasing presence of foreign children in pre-school can also be seen as evidence of women seeking to enter the labour market. It is also due in part to second generation immigrants, i.e. children born in Italy to foreign-born parents who have been resident in Italy for some time and whose working lives and children's upbringing naturally are more similar to those of the local population.

At all levels of school, a fundamental role can be attributed to educational success through the reduction of the 'dispersion' phenomenon. This refers to a combination of factors that can extend or interrupt a child's normal school career, leading to poor effectiveness of the system.

In both primary and middle schools, the beginning of school is usually decisive for being able to move on to the following year or not. It is important to note, however, that in just one year there was a significant reduction in the number of first year school-children

not promoted. In fact in Veneto, 4% of children were not promoted in 2003/04, whilst the following year the figure was down to 2.6%.

Being young today

To understand the extent and satisfaction of family relationships, it is important to consider the cultural context of relations between generations. The relationship between parents and children is different in Mediterranean Europe, and therefore in Italy, compared to the rest of Europe. A great deal of importance is given to relationships between members of the family, both in childhood and later on in life. This can be seen not only in the growing number of young people who continue to live with their parents, but also in their tendency to set up home close to their families once they have left home. In doing so they continue to maintain their relationship.

The family is where young people form their characters and relationships, but school also plays a fundamental role. The educational policy-makers of the EU member states have therefore set strategic objectives for the development of educational systems to be reached by 2010: reduce school drop-out rates, increase the number of graduates in maths, sciences and technologies by at least 15%, halving the gender imbalance at the same time, guarantee the completion of secondary school education in at least 85% of 22-year-olds.

Over the years, the level of schooling has increased notably as has the inclination of families to invest in the future of their children, devoting more attention to improving their knowledge and abilities.

Secondary school attendance increased in Veneto in 2007, with 89.4% of 14-18-year-olds enrolled. This is 6 percentage points higher than 7 years ago, even if still lower than the national average.

The beginning of secondary school is the most critical moment, as is confirmed by Istat data on dropouts. In Italy in 2006 11% of 1st-year secondary school students left school before the end of the year and did not enrol in the second year. The situation in Veneto is better: it is the third region for the lowest number of dropouts, with 7.6% of 1st-year students.

²⁹ Crèches, nursery schools, nurseries, home-run crèches, company crèches.

It should be noted, however, that dropping out of the 1st year does not mean that students have left school for good. In some cases it is due to the wrong choice of school which can then be changed.

In 2007 in Veneto, almost 83% of 20 to 24-year-olds had at least a secondary school leaving certificate, only two percentage points less than the target set by the European Union Council for 2010. In just three years the Veneto region has seen a six percentage point growth, therefore reaching third place in the regions' 2007 ranking for the highest levels of secondary schooling. The general situation for Italy is not so good, even though in just three years there has been a three percentage point increase. In 2007 figures reached 75.7%.

The PISA survey (Programme for International Student Assessment)³⁰ for 2006³¹, which measures the extent to which 15-year-old pupils have acquired certain essential skills, shows satisfactory results for our region. The results for Italy, however, are below the OECD average for all tests, revealing a lower level of scientific and cultural competence of young Italians.

The results for science for Veneto are considerably higher than the national average and that of the OECD countries. Our students performed well in explaining phenomena scientifically.

As for university education, if long-term data are considered, there is both a richer offer of courses over the whole region and a higher number of students. In fact, compared to the 1999/2000 academic year, the percentage of 19-year-olds registering in the 1st year at university increased from 38.7% to almost 45% in 2006/7. In recent years, however, there has been a drop in the number of 1st years, which may be due to the positive effect of the new university system at the beginning of the century wearing off. Graduation is essential in today's increasingly dynamic, technological and innovative society and leads to a higher quality of life.

Although the data for the higher levels of education are slightly below the national average, for two years the percentage of graduates in Veneto increased at an equal pace with the national average. Whilst

in 2004 7.7% of the region's over 15s and 8.6% of Italy's over 15s had at least a degree, in 2006 the corresponding figure rose to 8.8% in Veneto and 9.7% in Italy.

In Veneto a higher number of students are completing their degree courses. In five years there has been a 69% increase in the number of graduates, from just under 12,660 in 2001 to over 21,430 in 2006, over 7% of the number of graduates in Italy.

In the 20-29 years age group, both in Veneto and at a national level, the number of graduates in science and technologies is increasing, which is in keeping with European objectives.

Studying is good for you and is financially worth it. In particular those who complete a degree course benefit, as can be seen from employment data for those with different levels of education: in Italy in 2007 the employment rate for 35-44 year-old graduates was 89.1%, whilst for those with a school-leaving certificate it was 82.7%. The gap is greater still for the 45-54 age group, with 92.8% of graduates in employment, almost 10 percentage points more than those with a school-leaving certificate. Employment levels are even higher for 45-54 year-old graduates in the North-East, 94.3% compared to 89.1% of those with a school-leaving certificate.

What is more, even though a graduate's salary is initially not very high when one considers the number of years spent studying and the age at which one begins one's first job, three years after graduation, in 2004 a graduate with a full-time job earned 1,257 euros a month, whilst the average monthly salary for those with a school-leaving certificate was 942 euros.

According to a survey on the employment conditions of graduates carried out by the Consorzio Interuniversitario Almalaurea³² in 2007, the wages of the people questioned are not among the best. In compensation graduates evaluate their working conditions as generally positive.

In line with the national figure, on a scale from 1 to 10, job satisfaction among graduates who were working in Veneto one year after graduating was 7.2, an opinion that was fairly common to both men and

³⁰ PISA is an international survey carried out by the OECD every three years. In 2006, 57 countries took part (30 OECD members and 27 partner states). The PISA survey measures the competences of 15-year-old pupils in four areas. These include literature, maths, science and problem-solving, that is the ability to use cognitive processes to solve real situations. The survey is carried out on sample populations. The Italian sample for 2006 was made up of 21,770 pupils from 806 schools, representing around half a million 15-year-old pupils. The Veneto sample was made up of 1,530 pupils from 53 schools, representing just over 40,000 15-year-olds in the region.

³¹ The data comes from an early report by the region's Education Office, the aim of which is purely informative.

³² This sample survey involved graduates from 45 Italian universities, including universities in Veneto.



women.

However the situation among young people is still critical. On one hand, Italy's youth unemployment rate is clearly decreasing, however, it is still rather high: in 2007, 20% of young people aged between 15–24 years old were looking for a job. The situation in Veneto is better, however, as it ranked second for the lowest regional youth unemployment rate with 8.4%.

Furthermore, temporary work even for graduates in Veneto is more commonly converted into permanent employment as time goes by: In Italy 70.2% of employed graduates find a permanent job after five years, 4% below the figure for Veneto. In 2007 there was a greater number of permanent contracts. The drop in temporary employment may have positive effects on lifestyle. Young people in particular may reap the benefits as finances were one of the reasons for them for leaving home late, and consequently they were starting their own families at an increasingly later stage in life.

In Italy the decrease in the economically active population, above all the younger population, leads to a high demand for migrants. This is also true for Veneto, a region where foreign residents make up 8.5% of the population aged between 15 and 64, and over 13% of those aged 18-30, age of entry in the labour market.

If we look at the age distribution of the population resident in Veneto we can clearly see an aging population and fewer young people. On the other hand over 77% of the over 300,000 foreign residents are of working age, more willing to move and ready to accept work in lower profile sectors which the local population decline.

What do young people do in their free time? Sport facilitates socialisation and for young people it is a healthy way to overcome the difficult phases of growing up.

The figures for young people's sports-related behaviour show that in 2005 67.4% of middle and secondary school students did sport, with a peak of 77.5% at the age of 14 years. After 14 the share goes down to 61.7% between 15 and 18 years and down

further to 49.3% after the age of 19. Girls contribute greatly to this trend, as many of them tend to abandon sports altogether. At the age of 14 almost 75% of them do sport, but at the age of 19 this percentage drops to 30%, while the decrease for boys is of only 15.7% with 64.6% of them keeping up the habit of doing sport. The gender difference in the practice of sports becomes evident during adolescence.

During these delicate phases it is important to lead young people away from the risks that they face. We have to keep in mind that in Europe the most common cause of death between 5 and 29 years is road accidents. In Veneto in 2006 127 people aged 18-29 died on the roads. Moreover, news reports involving young people are on the rise.

In 2005 in Veneto 1,858 minors were reported for crime³³ of whom 35.5% were below 14 and therefore could not be convicted. In Veneto, the juvenile crime rate is the lowest in Italy. For 100,000 10 to 17 year-olds in Veneto, there were 548 reports compared to 882 for Italy.

The driving force behind society

In 2006 in Veneto there were over 2 million women aged over 15, and around 100,000 fewer men. The life expectancy for women is 84.6 years, around 5 years longer than that for men, who enjoy better health as both objective data and observation show. Women tend to be more affected by chronic illnesses, taking into consideration their longer life expectancy. In Veneto the number of women without chronic illnesses is around 9 percent lower than that of men (48.4% against 57% respectively). On the other hand, 41.6% of women (compared to 35.4% of men) do not do any physical exercise, which would probably help improve their health.

In terms of number and role, women, and mothers in particular, are the foundation of our society. A 2002 WHO survey of 11, 13 and 15 year-olds in Veneto reveals that 85.9% of 11-year-olds communicate easily with their mothers, only 64.7% with their fathers. Relationships deteriorate with the increase in age of the children, but mum is still mum. 66% of 15-year-olds have a good relationship with their

³³ The data related to crime processed by Istat refer to the crimes and not to the subjects who committed them, so one subject could appear more than once in the list. What is more, if a subject is reported once for more than one crime, only the most serious crime is considered.

The number of crimes reported also depends on the tendency of the population of a given area to make the report.

mothers, whilst less than half (40.2%) do so with their father.

There is a higher birth rate in Veneto compared to the Italian average, with a 0.31 increase in 2007 compared to 1995. Statistics for 2005 show that women resident in Veneto are having children at a later stage in life than 10 years ago.

This shows a considerable change in trends for reproduction. Veneto women have fewer children than 30 years ago (in 1970 there were 2.39 children per woman) and they have them increasingly later in life.

The reasons why women decide to have fewer children than in the past are very complex. Delaying having children certainly has an effect on the number as it becomes physically impossible to have children beyond a certain age and it is known that after 35 years the risks increase. From a biological point of view there is the hypothesis that the survival instinct of the species and the sense of biological continuity is weaker than in the past, but there are also cultural changes.

According to the latest available data for 2003, men and women in Veneto would like to have at least 2 children (2.1 to be precise, which corresponds to the Italian average). This unfulfilled desire is partly due to a cultural model by which the traditional family would like the classic family with two children (maybe a boy and a girl) and partly due to real hopes that cannot be fulfilled.

Greater effort is required to reconcile work with private and family life, thereby making the most of the potential women offer and reducing the gender differences in income. More widespread participation in the labour market can be encouraged by an increase in part-time contracts. In 2007, Veneto once again confirmed its widespread use of part-time work, ranking fourth in Italy with almost 15%, more than one percentage point above the national average, while 32% of employed women work part-time, more than five percentage points above the Italian average.

Job satisfaction is more widespread amongst women than men, perhaps because they are able to have more free time. Italian female workers are very or fairly satisfied with their job in 78.1% of cases,

more than 2% above their male counterparts; the highest figures were in Veneto where 79% of women were satisfied with their job compared to 78% of men, which is remarkable considering the notable differences in employment. In 2007 77.2% of men in Veneto are in employment compared with 54% of women.

Unfortunately there is a significant difference in salary between men and women, even if they have the same educational level. In general, recent male graduates earned over 250 euros more than their female counterparts in 2007. The widest gap is for architects. Female architects take home almost 400 euros less than their male colleagues, while the pay gap for pharmacists follows with a difference of more than 350 euros. Overall, the disadvantage is partly due to the stereotypical choices made by women, who often choose the humanities, a field in which earnings are not very high.

The different sides of old age

Veneto is in line with national trends: although aging is slower in Veneto than in the rest of Italy, in 2006 there were almost 139 people above 65 years per every 100 people aged 0-14, with an increase of 2.7% since 2001. And the phenomenon seems to be on a continuous upward trend, with a constant and progressive imbalance in the overall make-up of the population. Over the last 20 years, the number of old people in Veneto has risen considerably, in fact while in the 1981 census they made up 13% of the population, they now make up 19%. In particular there is a higher number of people above the age of 80. There is a growing number of old people living alone. In Veneto in 2005-2006 13.6% of families were made up of old people living alone. Of women living alone, 69.6% are at least 60 years old. This increase is expected to continue. According to forecasts, by 2025 the elderly in Veneto could make up 26% of the population.

The continuous reduction in the economically active population means that suitable measures have to be adopted to attract and keep as many people as possible in the labour market, as there is an increasing imbalance between the number of young and older people. Older workers need incentives



to keep them working longer and to dissuade them from retiring too early.

Although figures have increased progressively, in 2007 only about 34% of people aged between 55–64 years old were employed. The figure is even lower in Veneto where it is 31%, but the share did rise by 2% on the previous year. Many European countries are nearer the target of at least 50% by 2010 set by the Stockholm European Council. Sweden is the leading nation: there 70% of people aged between 55–64 years old still work.

On the other hand, the aging population is a critical issue in social security spending, in particular as concerns the pension system. In Veneto for 2005 there is less of an imbalance between the number of elderly people and the active population than in the rest of Italy. For every 100 workers in Veneto there are 62 pensioners compared to the national average of 71. However the burden is greater still when considered that 24.2% of pensioners receive 2 pensions, 6.1% receive 3 and 1.3% 4 or more³⁴.

However, if the elderly lose their independence, as well as having a strong effect on their ability to be active in society, this also affects the family.

Families in Veneto with elderly people frequently are composed of married couples and their children who, in many cases, are adults about to begin their own families. The longer life expectancy means elderly

couples live together for longer and therefore it is usually the partner who cares for their spouse should the need arise. This is most often the case when the ill person is the husband, because women are often already widows by the time they suffer any debilitating health problem. In many cases the children take on the role of caregiver, though they often have to care for both their parents and children. The drop in birth rates since the 1960s means that elderly parents have fewer children, and therefore fewer people to depend on in the event of any health problems. Their children, therefore, and daughters in particular, often have to take care of their parent alone. Women aged above 50 increasingly have to take care of both the older and the younger generations, in the continuous attempt to juggle family commitments and work.

In Veneto around 169,000 families have at least one disabled person. Even though this is lower than the national average, it means that one in ten families belong to this category. 83.2% of families in Veneto have a disabled elderly person, which shows how widespread the problem is. This figure is higher than the national average, putting Veneto between Lombardia and Toscana, and unfortunately it is likely to rise. According to some estimates, the number of elderly people who are not totally self-sufficient could rise in the medium to long term from 103,226 (in 2005) to 172,180 (in 2025).

³⁴ The kinds of pensions can be classified as follows:

- Invalidity pension, old age pension, survivors' benefits;

- Allowances;

- Assistance benefits - Civil invalids, civil blind, civilian deaf, civilian invalids (attendance allowance), civilian blind (attendance allowance), civilian deaf (attendance allowance), social pensions or allowances, war pensions.

■ Summary

