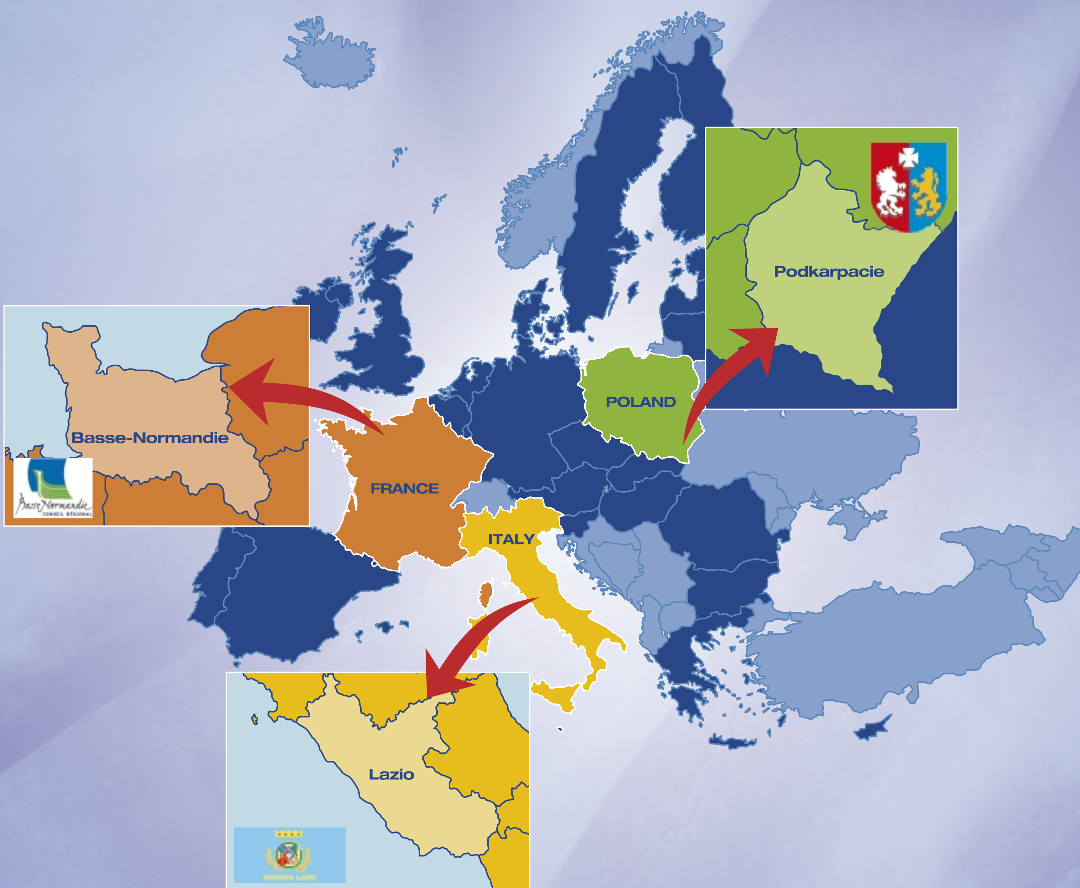
BASSE-NORMANDIE · LAZIO · PODKARPACIE
REGIONS OF EUROPEAN UNION

COMPARATIVE ANALYSIS



EFS

PEGASES EQUAL ANIMATOR

Wyższa Szkoła Zarządzania w Rzeszowie

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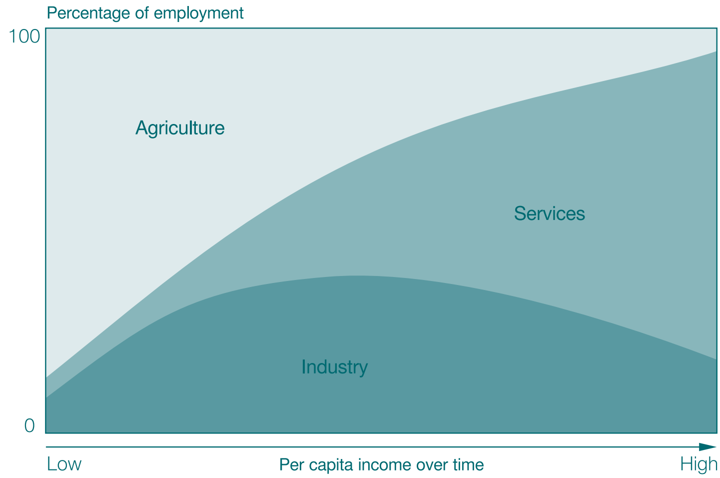
Introduction

Everything that grows changes its structure. A growing economy changes the proportions and interrelations among its basic sectors – agriculture, industry and services and between other sectors. Initially, agriculture is a developing economy's most important sector. But as income per capita rises, agriculture loses its primacy, giving way first to a rise in the industrial sector, then to a rise in the service sector. These two consecutive shifts are called industrialization and post-industrialization[1]. All growing economies are likely to go through these stages. These processes can be explained by structural changes in consumer demand and in the relative labour productivity of the three major economic sectors. As income continues to rise, people need more services – in health, education, entertainment, tourism and many other areas. Lower mechanization of services also explains why employment in the service sector continues to grow while employment in industry and agriculture declines because of technological progress that increases labour productivity and eliminates jobs (see figure 1).

Figure 1. The changing structure of employment during economic development



Source: Beyond Economic Growth. The World Bank, Washington, DC, 2005.

1. Beyond Economic Growth. The World Bank, Washington , DC, 2005.

Today most high-income and middle-income countries are post-industrializing while many low-income countries are still industrializing, becoming more reliant on industry. The fastest growing part of the service sector consists of knowledge and information related services such as education, research and development (R&D), modern communication and business services. Technological innovation became the main source of increased productivity and the most important driver of economic growth (see table 1).

One consequence of the decline of the industrial age is the emergence of problems of restructuring and management of depressed industrial areas. One of the shortest definitions of depressed industrial areas describes them as degraded, unexploited or under-exploited areas previously designated for businesses whose activities have been discontinued.

Table 1. Stages of economic development

	Stages		
Characteristics	Pre-industrial, agrarian	Industrial	Post-industrial, knowledge-based
Leading economic sector	Agriculture	Industry	Services
Nature of dominant technologies	Labour- and natural resource – intensive	Capital – intensive	Knowledge – intensive
Major type of consumer products	Food and hand-made clothes	Industrial goods	Information and knowledge services
Nature of most production processes	Human-nature interaction	Human-machine interaction	Human-human interaction
Major factor of economic wealth/growth	Nature's productivity (soil fertility, climate, biological resources)	Labour productivity	Innovation/intellectual productivity

Source: Beyond Economic Growth. The World Bank, Washington, DC, 2005.

The English expression **"derelict industrial land"** refers to depressed industrial areas that have not been put to new use. The French terminology "*friches industrielles*" used here covers depressed industrial lands in a wider scope.

Issues concerning derelict industrial lands have been the subject of several publications worldwide amongst which are: Eley, Worthington 1984; Estermann 1986; Blanc 1991; Lefevre 1993; Fainstein 1995; Fraser 1998. Polish authors such as Dresler 1995; Lorens, Załuski 1996; Liszewski, Wolaniuk 1998; Gasidło 1998; Hajda, Regulski 1999; Domański 2000 have also carried out studies into these issues.

The main solution employed in the restoration of depressed industrial areas, has been the development of office complexes, luxury apartments, hotels and structures for tourism and cultural activities. The German Ruhr Land Fund (Grundstukfonds

Ruhr) established in 1980, for example, employs finances from the Federal budget to procure land, especially in depressed and degraded areas and re-sells them for purposes clearly outlined in the local area development plans. In 1995, the construction of *Ferro polis* – steel city, as a centre of culture and tourism was begun on land once belonging to the failed chemical industries and coal mines in Saxony-Anhalt in former East Germany. In Spain, the state agency, The Catalonian Institute for Land Management acquires and re-sells land parcels designated in urban plans for alternate uses. In Great Britain, financial resources are provided under the Derelict Land Fund for the restoration of derelict industrial lands. Similar funds are also in existence in the USA. In France there are Public Companies for Land Management at regional levels which implements the State's tasks of restoring degraded, especially mining lands. An example of a successful land restoration with large concentration of steel and mining industries, whose last coal-mine was closed in 1990, is the Nord Pas de Calais region of France.

The main component of public funds, both in France and Italy as in other EU countries, designated for the restoration of derelict industrial lands and regions are EU structural funds i.e., The European Fund for Regional Development and The European Social Fund. The main form of state assistance for derelict industrial lands in the 1990s in Poland was the creation of Special Economic Zones that offered tax relief to investors in Mielec, Gliwice, Sosnowwiec, Tarnobrzeg, Stalowa Wola as well as in other parts of Poland. In 2004 however, a "Government Action Plan for Derelict Lands" was adopted in Poland. The aim of the action plan was to create conditions and foster favourable mechanisms for the exploitation of derelict industrial land in accordance with the principles of sustainable development[2]. Several structures on these derelict industrial lands have been registered as being of historical interest. In 2007 there were altogether 2000 of such relics all over Poland. Some of them have been listed as World Human Heritage Sites by UNESCO. Poland's accession to the EU on 1st May 2004 has significantly improved the sourcing of resources for the restructuring and restoration of derelict industrial lands as well as the implementation of several useful modernization projects for these areas.

An example of such projects co-financed by the European Union is the partnership network "REVIT". The partners, Hengelo, Medway, Nantes, Stuttgart, Tilburg and Torfaen, are together working on improving the restoration of derelict industrial lands that have earlier been redeveloped, within the framework of sustainable development of European cities. Danuta Hubner, the EU Commissioner for Regional Policies appealed to the participants of the International Conference held in Stuttgart in June 2007 to co-operate and share their experiences in the creation of conditions for

2. Program rządowy dla terenów poprzemysłowych. Ministerstwo Środowiska, Warszawa 2004.

attracting investment, creation of new employment to improve the quality of life in derelict industrial lands that need to be restored.

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France, Italy and Poland have, for several centuries, been bonded together by many ties – religious, political, economic, cultural, academic, regal as well as family. These relations intensified during the 16 and 17 centuries. Poland's accession to the European Union on 1st May 2004 was to some extent a symbolic return to the past and also a step towards the opening of a new phase of these relations. During the 1930s the level of Poland's economic development was not too distant from living standards in Italy or France. The tragedy of the Second World War and almost 50 years of the non-existence of market economies had a tremendous impact on Poland's rate of economic growth. This can be seen in the data presented in table 2 which shows the per capita GDP as well as its value per the employed individual. The growth dynamics of the GDP during 1995 – 2004 show that Poland is gradually bridging the gap to France and even more so to Italy. Comparing employment trends in all three sectors, a high level of employment can be noticed in Poland's agriculture which is four times higher than that prevailing in France or Italy. One shortcoming of the Polish labour market since 1990 has been a very high level of unemployment attaining the level of 20%. It is worth of mentioning, however, that the rate of unemployment fell below 11% in June 2007. The wisdom of France's policy of investment in science and research is shown in table 2 which presents the contribution of investments in R&D to the GDP. This percentage participation was, in 2004, double and five times higher than that of Italy and of Poland correspondingly.

Table 2. Economic summary – France, Italy, Poland

Specification	France	Italy	Poland
Population			
Total population (1000 inh.), 2004	62 324	58 175	38 180
Population density (inh./km²), 2004	98.5	197.1	122.1
Population growth (average annual % change), 1995-2004	0.5	0.3	-0.1
Economy			
GDP/head in PPS (Index, EU27=100), 2004	112.3	107.4	50.7
GDP/person employed, in Euro (Index, EU27=100), 2004	134.2	115.7	29.9
GDP growth (average annual % change), 1995-2004	2.3	1.3	4.3
Employment by sector (% of total employment), 2005			
Agriculture	3.8	4.2	17.4
Industry	24.3	30.8	29.2
Services	71.9	65.0	53.4
R&D expenditure (% of GDP), 2004	2.2	1.1	0.6
R&D expenditure in the business enterprise sector (% of GDP), 2004	1.4	0.5	0.2
Labour market			
Employment rate (%), 2005			
Ages 15-64	62.6	57.6	52.8
Female 15-64	57.0	45.3	46.8
Ages 55-64	37.8	31.4	27.2
Unemployment rate (%), 2005			
Total	9.5	7.7	17.7
Female	10.5	10.1	19.1
Young (15-24)	22.3	24.0	36.9
Long-term unemployment (% of total unemployment)	42.5	49.9	57.7
Age structure			
< 15	18.5	14.2	17.2
15 – 64	65.1	66.6	69.8
65 +	16.3	19.2	13.0
Education			
Low	33.6	49.3	15.2
Medium	41.5	38.5	68.0
High	24.9	12.2	16.8
Economic Lisbon Indicators (average of re-scaled values relative to the EU27 mean), 2004-2005	0.62	0.47	0.27

Sources: Eurostat, NSI, DG REGIO (2007).

A country's position in international trade is one of the key determinants of her competitiveness in the global market economy. Exports offer opportunities for achieving economies of scale in the areas of production, marketing and distribution. The increased participation of a country in global trade, development of entrepreneurship and research into innovative development strategies is, for the majority of companies, the best way towards achieving success in a more competitive global market. For many new regions of the EU, increasing export activity that requires the development of entrepreneurship based on innovation and knowledge is the only sure way of equal participation in the benefits of integration.

On a global scale, revenues from international trade are characterized by high growth dynamics. Data provided by the World Bank show that while global export by 132 richest countries amounted to 3.2 trillion USD in 1990, and 6.3 trillion USD in 2000 (133 countries), it had jumped to 10.3 trillion USD (133 countries) by 2005. The value of Poland's export during the period amounted to 14.3 billion USD, 31.6 billion and 88.9 billion USD in the corresponding years. In France, the value of export in 1990 was 216 588 milion USD, in 2000 298 127 milion USD and in 2005 459 246 milion USD. In Italy, the value of export in 1990 was 170 304 milion USD, in 2000 234 613 milion USD and in 2005 366 797 milion USD[3]. This high growth dynamics of Polish export, similar to trends in import, especially after accession to the EU, buttresses the fact that international trade is becoming the most significant factor of economic growth. The strength of both the French and Italian economies, whose exports are five times higher than Poland's is presented in table 3.

Table 3. Economic summary (trade and finance) – France, Italy, Poland

Specification	France	Italy	Poland
Exports, USD millions, 2005	459 246	366 797	88 940
Imports, USD millions, 2005	495 796	379 696	100 487
Current account balance, USD millions, 2005	- 38 781	- 26 814	- 4 364
Foreign direct investment, USD millions, 2004	24 521	16 772	12 613

Sources: World Development Report 2007. Development and the Next Generation, The World Bank, Washington, DC, 2006.

3. World Development Report 2000/2001. Attacing poverty, The World Bank, Washington, DC, 2001; World Development Report 2007. Development and the Next Generation, The World Bank, Washington, DC, 2006.

The globally competitive world economy calls for a stronger than ever before export oriented approach by hundreds of thousands of French, Italian and Polish businesses. In spite of the relatively high dynamics of Polish export and import during the first five years of the 21 st century, her participation in international trade has remained modest in the light of her physical size, population and overall production as a percentage of global quantities. Other new EU member countries such as the Czech Republic, Hungary, Slovakia, Slovenia or Estonia perform much better comparatively.

Direct foreign investments (DFI) provide the opportunity for the speedy development of the economy. Data presented in table 4 corroborate the fact that France along with Great Britain lead in the popularity for foreign investments in 2005 and 2006. Poland's elevated sixth position shows her attractiveness to foreign investors as a country with a highly qualified labour force and financial stability.

Table 4. Most attractive countries for investors in Europe
– number of investments within the years 2005-2006

No.	Country	Number of investments in 2005	Number of investments in 2006	Investment dynamics (2006/2005)	Investment structure in 2006
1	Great Britain	559	686	+22.7%	19.4%
2	France	538	565	+5.0%	16.0%
3	Germany	182	286	+57.1%	8.1%
4	Spain	147	212	+44.2%	6.0%
5	Belgium	179	185	+3.4%	5.2%
6	Poland	180	152	–15.6%	4.3%
7	Romania	86	140	+62.8%	4.0%
8	Switzerland	93	136	+46.2%	3.9%
9	The Czech Republic	116	113	–2.6%	3.2%
10	Sweden	95	113	+18.9%	3.2%
11	Hungary	115	108	–6.1%	3.1%
12	The Netherlands	82	95	+15.9%	2.7%
13	Russia	111	87	–21.6%	2.5%
14	Ireland	67	74	+10.4%	2.1%
15	Italy	49	74	+51.0%	2.1%
	Others	466	505	+8.0%	14.0%
	Total	3 065	3 531	+15.2%	100.0%

Sources: Ernst&Young, „ Investment Attractiveness of European Countries – report 2007".

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Regional, including depressed industrial areas development is dependent on various social, political and economic factors. Important among them, in terms of their capacity for business development and creation of new job places, are foreign investors and export activity of local enterprises, loan funds and employment agencies.

Foreign investors and export activity of local enterprises

A country's increasing participation in global trade, business development and in the search for innovative growth strategies is for most companies a perfect way towards achieving success in an increasingly competitive global market. Increasing enterprise's export activity that requires the creation of entrepreneurship based on innovation and knowledge is, for most new regions of the EU, a chance for equitable participation in integration-related benefits. One important factor for transforming the economies of any region into international ones is the increase in number of companies with foreign capital involvement. For many of them, the most significant factor influencing new investments is the enhanced opportunities for new foreign investors to sell their products in new markets. These foreign investors in contributing to the modernisation and restructuring of the local economies also significantly influence the local employment market by creating new job places.

Loan funds

The possibility to procure capital is pivotal to any company's development. Loan funds administered by non-governmental agencies are often the cheapest source of first capital for millions of start-up entrepreneurs worldwide. Latest reports published by the World Bank underscore the necessity to develop various forms of loan funds. It also emphasizes the commercialisation of loan funds as the best way to increase their roles in the economy[4]. The 2006 Nobel Award to the founder and Chairman of Grameen Bank, Bangladesh that offer cheap loans also testify to the need to search for non-conventional means of empowering the poor. The micro financing market for start-up entrepreneurs as well as small and medium-sized enterprises (SMEs) is also an area of huge interest to the banking sectors in France, Italy and Poland.

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4. Transforming Microfinance Institutions. Providing Full Finanacial Services to the Poor. The World Bank, Washington DC 2006.

Employment Agencies

The 1990s was a period of intense growth in the number of employment agencies as consequence of increasing temporary forms of employment in more developed countries. While this was, on the one hand due to rising labour immigration, it was on the other due to increase in temporary employment as a labour market regulating mechanism. Reports and publications by international organizations do emphasise that labour inflows, especially highly qualified specialist are beneficial to both poor and rich countries. The latter could benefit from the economically desired specialists. Moreover, young employees do reinforce the pension systems of ageing societies in developed countries. Benefits to poorer countries could be higher wages and money remittances by emigrants.

Economic globalisation, increasing competitiveness as well as technological changes, especially IT revolutions do influence the functioning of the labour market. Figures presented in table 5 depict the ever increasing importance of temporary agreements as a means of employing workers. The very high second position of Poland as a country where the temporarily employed for a limited period of time account for 25.7% of the total number of persons employed on permanent terms both by private and public employers is worthy of note. The corresponding figures for France and Italy are 13.3% and 12.3% respectively.

Table 5. The labour market in selected European countries

Country / Category	Total employment	Percentage of temporarily employed persons (4: 2)	Number of temporarily employed persons (part- time)	Number employed through labour agencies, daily average	Percentage *of employees by agencies in overall employment
1	2	**3**	4	5	6
Austria	3 317 000	9.1%	301 800	46 679	1.44%
Belgium	3 590 300	8.9%	319 500	81 105	2.29%
The Czech Republic	4 000 800	8.6%	344 000	-	-
Denmark	2 507 300	9.8%	245 700	16 000	0.7%
Finland	2 097 000	16.5%	346 000	16 500	1.2%
France	21 867 800	13.3%	2 908 400	585 687	2.1%
Germany	31 857 300	14.2%	4 523 700	343 053	1.0%
Greece	2 778 500	11.8%	327 900	3 503	0.1%
Hungary	3 367 500	7.0%	235 700	52 648	1.35%
Ireland	1 619 300	3.7%	59 900	25 000	1.25%
Italy	16 533 800	12.3%	2 033 700	157 000	0.64%
Luxemburg	178 000	5.3%	9 400	4 200	1.34%
The Netherlands	7 104 800	15.5%	1 101 200	168 000	2.6%
Norway	2 109 500	9.5%	200 400	23 000	1.0%

Country / Category	Total employment	Percentage of temporarily employed persons (4: 2)	Number of temporarily employed persons (part- time)	Number employed through labour agencies, daily average	Percentage *of employees by agencies in overall employment
Poland	10 480 500	25.7%	2 693 500	41 200	0.3%
Portugal	3 813 500	19.5%	743 600	75 000	1.5%
Spain	15 502 000	33.3%	5 162 200	150 000	0.9 %
Sweden	3 868 800	16.0%	619 000	37 000	1.0%
Switzerland	3 336 000	12.8%	427 000	50 914	1.6%
Great Britain	24 467 300	5.7%	1 394 600	1 200 000	5.0%

* Figures based on estimates by Eurociett members.

Source: Activity Report 2005, Eurociett, Brussels, October 2006.

It should be noted however, that the analysis of data relating to employment agencies and part-time employees is saddled with a fundamental error occasioned by existing differences between countries in defining the terms employment agency or part-time worker. At the beginning of 2007 the International Confederation of Private Employment Agencies (CIETT) had as members 36 national federations of private employment agencies and 6 of the world largest agencies active in the human resources market such as Adecco, Kelly Services, Manpower, Randstad, USG People and Vedior. CIETT registered member agencies actively involved in human resources exist in the form of temporary employment agencies, employment agencies, personnel consulting and management as well as training and services agency in the area of out-placements[5].

As can be observed from CIETT figures in column 6 of table 5 temporary employees employed by labour agencies in EU countries constituted a very low percentage of total employment during 2005. European employment agencies, with the exception of Great Britain, The Netherlands and France, did not play any significant roles in the labour market as employers. Their turnovers in countries like Great Britain, France, Germany or The Netherlands however, corroborates the fact that from the business viewpoint, it is a profitable sector. It should be emphasized that the largest active agencies in the labour market are counted among the world's largest companies. Annual rankings by Financial Times or Fortune Magazine further emphasize this fact. In Fortune 2007 *Global 500 The world's largest corporations*, Switzerland's ADECCO was placed 261 with revenues reaching 25.6 billion USD and profits of 766.6 million USD in 2006. The American company Manpower, the second most active in employment business came 408 with revenues of 17.8 billion dollars and profits of 398 million USD in 2006[6].

5. Activity Report 2005, Eurociett, Brussels, October 2006.
6. Fortune. 2007 Global 500, July 23, 2007.

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The aim of this study is to present three regions of the European Union i.e., Basse-Normandie in France, Lazio in Italy and Podkarpacie in Poland, where existing derelict industrial lands demand multifarious political, social and economic approaches needed to create new conditions that stimulate people, businesses, local governments and various institutions to further activity.

Chapter 1

Comparison of three EU regions

1. Basic economic and social categories

The territorial organization of modern-day European states is very varied. This is determined by political factors (unitary states, federal states), traditions and on historical grounds. The European Union does not call for the unification of these structures, treating the internal organization of member countries as an inviolable area of competence for their governments. Nevertheless, the structural policy of The European Union, and especially the regional aspect of this policy requires the achievement of relative comparability of statistical data collected in the member countries.

This is the reason for the establishment of Common classification of territorial units for statistics – NUTS (*Nomenclature des Unités Territoriales pour des besoins Statiques* – NUTS)[1]. These units were established in the early 70s by EUROSTAT in cooperation with relevant departments of The European Commission and statistical bureaus of member states.

The NUTS classification aids the construction of regional policies of EU countries and is essential for carrying out analyses into the degree of socio-economic development of the regions from the point of view of assessing regional disparity and the preparation of programs of regional development. Towards the uniformity of the system of collection and aggregating economic data about individual areas, regions of member countries are classified according to a simple criterion of size into large, average and small units – appropriately NUTS1 level, NUTS2 level and NUTS3 level.

In addition to the mutually interconnected regional levels, a national level NUTS0 – which reflects the administrative boundaries of member states, was also instituted as well as two local levels – NUTS4 and NUTS5. Following the reform of 1988 NUTS also fulfills a key role in the planning, programming and monitoring of projects fi-

1. European Regional Statistics. Reference Guide. Eurostat 2004

nanced though the EU's Structural Fund. The NUTS classification is used to meet the requirements of structural policies of The European Union. The EU Structural Funds are allocated for regions considered marginalized or economically retarded on the basis of the NUTS classification system.

The disparity in land area between the various EU regions at NUTS2 level is very large. This can be due to various factors such as the landscape and its features, population density or administrative division of EU member states. Some NUTS2 regions are, for example Cyprus, Denmark, Estonia, Lithuania, Luxemburg, Latvia, Malta and Slovenia where the NUTS0, NUTS1, NUTS2 intermingle, large urban agglomerations, while some others are either islands or large land areas that are sparsely populated as in parts of Sweden and Finland. The average regional land area at level NUTS2 in EU25 was about 15 677.2 km^2.

The province of Podkarpacie covers an area of 17 844 km^2. The Podkarpacie land area is about 11.6% of EU largest region while being about 1 500 times larger than the smallest. **In terms of land area the province of Podkarpacie is similar to Basse-Normandie (17 589 km^2) or Lazio (17 207 km^2).** Other regions of EU similar in size are Észak-Alföld (17 755 km^2) – Hungary, Jihozápad (17 616 km^2) – Czech Republic, Eastern Scotland (17 987 km^2) – Britain, as well as the Kujawsko-pomorskie region (17 970 km^2) – Poland.

There are also large disproportions between member countries in terms of population. The disparity between the most and least populated region is enormous. Île de France with 1 105.5 thousand people which includes Paris is among the most populated while the Åland region – Alands Islands of Finland with 25.9 thousand people is the least. Ninety-nine of EU25 regions did not meet criteria limiting the upper and lower levels of population set for NUTS2, i.e. 800 thousand as the least and 3 million being the highest, since 64 of them had populations less than 800 000 while in 35 their populations exceeded 3 million. The average population in EU25 for NUTS2 level was 1 789 000 inhabitants. The average population of Poland's provinces is 2 415 000 inhabitants. **The region of Lazio had, amongst the three regions analyzed, the largest population of 5 238 thousand inhabitants. In 2004, there were about 2097 thousand inhabitants in Podkarpacie while Basse-Normandie had 1 442 thousand inhabitants.**

The mean population density for EU27 is 116 persons per square kilometer but there exists huge disparity between member countries as well as between regions. The highest population density is in Malta – 1 250 persons / km^2, the Netherlands – 474 and Belgium – 337 while the least is in Finland – 17 persons / km^2, Sweden – 22, Estonia – 30 and Latvia – 37. Poland's population density of 122 persons / km^2 is the same as in Denmark but a bit less than the Czech Republic which has 130. Regions with the highest population density in EU27 are London, to be more precise inner London with 8 648 persons followed by Brussels with 6 019 persons / km². The least population density of 2 persons / km² on the other hand can be found in French Guyana. **Podkarpacie has a population density of 117.5 persons / km² while Basse-Normandie has 82 and Lazio has 310.**

Table 1.1. Basse-Normandie, Lazio, Podkarpacie – population, age structure, education

Region		Population			Age structure			Education			Economic Lisbon Indicators (average of re-scaled values relative to the EU27 mean), 2004-2005
		Total population (1000 inh.), 2004	Population density (inh./km²), 2004	Population growth (average annual% change), 1995-2004	% of the population aged, 2004			Educational attainment of persons aged 25-64 (% of total), 2005			
					< 15	15 – 64	65 +	Low	Medium	High	
EU27	EU27	489 671	116.0	0.3	16.3	67.3	16.4	29.1	48.6	22.4	0.51
FR	France	62 324	98.5	0.5	18.5	65.1	16.3	33.6	41,5	24.9	0.62
FR25	Basse-Normandie	1 442	82.0	0.3	18.5	63.5	18.0	36.3	43.1	20.7	0.59
IT	Italy	58 175	197.1	0.3	14.2	66.6	19.2	49.3	38.5	12.2	0.47
ITE4	Lazio	5 238	310.0	0.2	13.9	67.4	18.7	38.4	45.2	16.4	0.57
PL	Poland	38 180	122.1	-0.1	17.2	69.8	13.0	15.2	68.0	16.8	0.27
PL32	Podkarpacie	2 097	117.5	-0.0	19.5	68.0	12.6	15.9	70.0	14.1	0.25

Sources: Eurostat, NSI, DG REGIO, 2007.

Analyzing the age structures of the three regions covered by the study, it can be observed that **Podkarpacie has the highest percentage of 19% population aged below 15 with Basse-Normandie having 18.5% while Lazio has 13.9%.** The average for EU27 is 16.3%. **The percentage constituent of persons aged over 65 is 18% in Basse-Normandie and 18.7% in Lazio which are much higher than Podkarpacie's 12.6%.** The average for EU27 is 16.4%.

Trends in the level of education within the 25 – 64 age group show **that 84.1% of the population polled in Podkarpacie had medium and high education, 63.8% in Basse-Normandy while in Lazio it was 61.6%. The region of Basse-Normandie with 20.7% had the highest percentage of persons with high education.** The average for EU27 is 22.4%.

Table 1.2. Basse-Normandie, Lazio, Podkarpacie – economic summary

Region		Economy							
		GDP/head in PPS (Index, EU27=100), 2004	GDP/person employed, in Euro (Index, EU27=100), 2004	GDP growth (average annual% change), 1995-2004	Employment by sector (% of total employment), 2005			R&D expenditure (% of GDP), 2004	R&D expenditure in the business enterprise sector (% of GDP), 2004
					Agriculture	Industry	Services		
EU27	EU27	100.0	100.0	2.3	6.2	27.7	66.1	1.8	1.2
FR	France	112.3	134.2	2.3	3.8	24.3	71.9	2.2	1.4
FR25	Basse-Normandie	94.3	115.8	0.3	6.1	24.6	69.3	1.0	0.6
IT	Italy	107.4	115.7	1.3	4.2	30.8	65.0	1.1	0.5
ITE4	Lazio	131.8	128.5	1.7	1.5	18.7	79.8	1.9	0.5
PL	Poland	50.7	29.9	4.3	17.4	29.2	53.4	0.6	0.2
PL32	Podkarpacie	35.4	21.3	3.5	25.6	28.3	46.0	0.3	0.2

Sources: Eurostat, NSI, DG REGIO, 2007.

The figures presented in table 1.2 relating to levels of GDP per capita and GDP per 1 employed person in comparison with EU27 (100%), it can be observed the **region of Lazio had the highest GDP of 131.8 and 128.5 respectively amongst the three regions covered by the study. The corresponding coefficient of 35.4 and 21.3 for Podkarpacie were very low compared with EU27 average. The same data for Basse-Normandie oscillated around the EU27 average amounting to 94.3 and 115.8 respectively.**

Employment patterns in the three sectors point to the agricultural nature of Podkarpacie where 25.6% of overall employment is engaged in agriculture. **In contrast, the Lazio region has only 1.5% of its total employment engaged in agriculture.** The percentage for Basse-Normandie is 6.1%. What is peculiar to Lazio is that it is not only an administrative and political centre in Italy but also a tourism centre as can be observed from the high level of 79.8% persons being employed in the service sector.

The level of resources devoted to research and development activities is one of the key factors of economic development. The magnitude of these costs measured in percentages of GDP during 2004 was highest in the Lazio region amounting to 1.9%. **While it was 1.0% GDP in Basse-Normandie, this turned out to be only 0.3% in Podkarpacie. The equivalent data for the industrial sector equaled 0.6% for Basse-Normandie, 0.5% for Lazio and 0.2% for Podkarpacie.**

The figures in table 1.2 show that the rate of employment within the age group of 15 – 64 was lowest in Podkarpacie amounting to 52.3%. The Basse-Normandie region fared best with 63.8% while Lazio's was 58.5%. **As regards the 55 – 64 age group, the highest rate of employment was in Basse-Normandie with 39.7% and Lazio with 35.0%. The figure for Podkarpacie was 32.2%.**

Table 1.3. Basse-Normandie, Lazio, Podkarpacie – labour market

Region		Labour market						
		Employment rate (%), 2005			Unemployment rate (%), 2005			
		Ages 15-64	Female 15-64	Ages 55-64	Total	Female	Young (15-24)	Long-term unemployment (% of total unemployment)
EU27	EU27	63.3	55.9	42.2	9.0	9.8	18.8	46.0
FR	France	62.6	570	37.8	9.5	10.5	22.3	42.5
FR25	Basse-Normandie	63.8	57.2	39.7	7.8	9.3	21.1	36.8
IT	Italy	57.6	45.3	31.4	7.7	10.1	24.0	49.9
ITE4	Lazio	58.5	48.0	35.8	7.8	12.7	26.5	52.8
PL	Poland	52.8	46.8	27.2	17.7	19.1	36.9	57.7
PL32	Podkarpacie	52.3	48.0	32.2	16.7	17.3	43.3	54.9

Sources: Eurostat, NSI, DG REGIO, 2007.

The main indicator of levels of unemployment is the **rate of unemployment** being the ratio of unemployed persons to the total number of professionally capable persons. The rate of unemployment in EU27 was 9.0% in 2005. **For the province of Podkarpacie it was 17.3%, while for Basse-Normandie and Lazio it was 7.8%.** The figures relating to the youngest group were exceptionally high for Podkarpacie – 43.3% being twice higher than for Basse-Normandie (21,1%). The corresponding rate for Lazio was 26.5%.

1.1. The position of Basse-Normandie, Lazio and Podkarpacie in regional ratings using two methods of measuring levels of socio-economic development

Taxonomic method of growth model

In order to compare the levels of socio-economic development of various EU25 regions non-parametric indicators developed based on partial measurements using taxonomic methods of growth models were applied. The criteria of merit and formality were applied choosing the partial indicators. The accessibility of comparable statistical data for all regions at NUTS2 level was of primary significance at this stage.

The following diagnostic features were finally adopted for the trials, i.e. GDP per capita as a purchasing power parity, rate of population growth per 1 000 persons, infant mortality rate, net migration per 1 000 persons, the percentage of professionally active persons with higher education, number of doctors per 100 000 people, R & D expenditures per person, and length of motorways including local, regional, national roads per 100 km^2 of land area[2].

In developing the non-parametric indicators for measuring development 17 regions were omitted due to incomplete data, for example, newly established regions as well as overseas French departments, and also Malta for which data for R & D were not available. Values of GDP per capita were assigned weights of 0.5 while other indexes were treated as equally significant. Based on these diagnostic features, values of taxonomic indicators of development were calculated for each region and based on this the regions were rated and classified in accordance with their levels of socio-economic development.

In this classification consisting of 237 regions, the first positions were taken by large metropolis of the EU, i.e. Inner London, Brussels, Luxemburg, Vienna as well as the region of Île de France to which Paris belongs. The province of Lazio was ranked 35th, Basse-Normandie 120th and Podkarpacie 229th.

The Ward method of grouping regions

Using the other method, regions were grouped into subgroups characterized by a close similarity in the light of the given factors. With a critical value of 10, seven groups were created:

GROUP I

Inner London; Luxembourg (Grand-Duché); Région de Bruxelles-Capitale.

GROUP II

Vienna; Île de France; Hamburg; Åland; Utrecht; Darmstadt; Berkshire, Buckinghamshire and Oxfordshire; Stockholm; Oberbayern; Noord-Holland; Groningen; Lombardia; North Eastern Scotland; Bremen; Prague; Salzburg; Valle d'Aosta/Vallée d'Aoste; Emilia-Romagna; Southern and Eastern; Stuttgart; Bedfordshire and Hertfordshire; Prov. Antwerpen.

2. The Podkarpackie voivodship against the background of the regions of the European Union, Statistical Office, Rzeszów 2004.

GROUP III

Zeeland; Derbyshire and Nottinghamshire; Herefordshire, Worcestershire and Warwickshire; Overijssel; Provence-Alpes-Côte d'Azur; North Yorkshire; La Rioja; Sterea Ellada; Småland med öarna; Champagne-Ardenne; Bourgogne; Kassel; East England; Rheinhessen-Pfalz; Sydsverige; Gelderland; Steiermark; Hannover; Detmold; Unterfranken; Kärnten; Oberfranken; Övre Norrland; Niederösterreich; Saarland; Schleswig-Holstein; Arnsberg; Franche-Comté; Centre; South Western Scotland; Aquitaine; Friesland; Pays de la Loire; Niederbayern; Devon; Limousin; Poitou-Charentes; Lorraine; Essex; Border, Midlands and Western; Auvergne; East Riding and North Lincolnshire; **Basse-Normandie;** Östra Mellansverige; Midi-Pyrénées; Kent; Berlin; Prov. Oost-Vlaanderen; Norra Mellansverige; Aragón; Drenthe; Weser-Ems; Lancashire; Bretagne; Gießen; Prov. Limburg (B).

GROUP IV

South Yorkshire; Molise; Região Autónoma da Madeira (PT); Cypr; Castilla y León; Burgenland; Notio Aigaio; Itä-Suomi; Tees Valley and Durham; Lüneburg; Merseyside; Prov. Namur; Prov. Luxembourg (B); Abruzzo; Northumberland and Tyne and Wear; Picardie; Koblenz; Dorset and Somerset; Flevoland; Northern Ireland; Nord-Pas-de-Calais; Münster; Comunidad Valenciana; Közép-Magyarország; Cantabria; Shropshire and Staffordshire; Cumbria; Corse; Canarias (ES); Lincolnshire; Languedoc-Roussillon; Trier; Prov. Liège.

GROUP V

Rhône-Alpes; East Wales; Alsace; Comunidad Foral de Navarra; Illes Balears; Leicestershire, Rutland and Northamptonshire; Pais Vasco; Oberösterreich; Liguria; Köln; Braunschweig; Västsverige; Hampshire and Isle of Wight; Tübingen; West Midlands; Outer London; Greater Manchester; Prov. Brabant Wallon; Bratislavský kraj; Marche; Eastern Scotland; Cataluńa; Schwaben; Mellersta Norrland; Umbria; West Yorkshire; Limburg (NL); Haute-Normandie; Oberpfalz; Freiburg; Prov. West-Vlaanderen; Cheshire; Vorarlberg; Zuid-Holland; Mittelfranken; Karlsruhe; Denmark; Veneto; Piemonte; Comunidad de Madrid; Tirol; Düsseldorf; **Lazio;** Toscana; Friuli-Venezia Giulia; Gloucestershire, Wiltshire and North Somerset; Surrey, East and West Sussex; Noord-Brabant; Prov. Vlaams Brabant; Sardegna.

GROUP VI

Região Autónoma dos Açores (PT); Norte; Extremadura, Anatoliki Makedonia, Thraki; Dytiki Ellada; Jihovýchod; Nyugat-Dunántúl; Ipeiros; Jihozápad; Közép-Dunántúl; Strední Morava; Severozápad; Moravskoslezsko; Severovýchod; Strední Cechy; Cornwall and Isles of Scilly; Ionia Nisia; Thessalia; Dessau; Calabria; Andalucia; Voreio Aigaio; Kriti; Peloponnisos; Chemnitz; Puglia; Sicilia; Campania; Kentriki Makedonia; Thüringen; Galicia; Mazowieckie; Magdeburg; Mecklenburg-Vorpommern; Highlands and Islands; Algarve; Región de Murcia; Principado de Asturias; Attiki; Castilla-la Mancha; Dytiki Makedonia; Słowenia; Halle; Basilicata; West Wales and The Valleys; Leipzig; Dresden; Prov. Hainaut.

GROUP VII

Podlaskie; Świętokrzyskie; Warmińsko-mazurskie; **Podkarpacie;** Lubelskie; Opolskie; Észak-Magyarország; Východné Slovensko; Észak-Alföld; Łotwa; Dolnośląskie; Západné Slovensko; Pomorskie; Zachodniopomorskie; Wielkopolskie; Śląskie; Małopolskie; Stredné Slovensko; Dél-Alföld; Lubuskie; Kujawsko-pomorskie; Łódzkie; Dél-Dunántúl; Litwa; Estonia.

A characteristic of the groups is the different numbers of regions they are comprised of – from 3 (Group I) to 56 (Group III). The former includes large metropolitan areas: Inner London, Brussels and Luxemburg. The second group is made up of 22 regions, among which are such agglomerations like Vienna, Paris, Stockholm and Prague. The most populous group (Group III) includes the **Basse-Normandie** region. The fourth group consists of 34 while the fifth is made up of 49 regions. **Lazio** is classified into the fifth region. The sixth group – made up of 48 regions – includes the most developed province in Poland – the Mazowieckie province along with a few Czech and Greek regions, German eastern lands and Slovenia. The seventh group, made up of 25 regions is formed by the remaining Polish regions including the **Podkarpacie** region along with some Hungarian and Slovakian regions, Lithuania, Latvia and Estonia.

1.2. Basse-Normandie

Region profile

Basse-Normandie is opened up to Europe and the world: thanks to its important coast (550 km) and the proximity to the Channel Islands, the region has a great asset enabling it to open up to European and international sea-traffic. The total surface area of the region is 17 500 km² (it represents 3.2% of the national territory). The region of Basse-Normandie has 1 444 million inhabitants (2.5% of the French population). This numbers have slightly increased in the five last years thanks to a small migration surplus. Nevertheless, these region has not a very dynamic demography. The attraction of the region remains limited, but the birth rate keeps stimulating the demographic growth. The population of the region is characterized by the departure of young people, students or active people who are looking for their first job. Basse-Normandie is the second French region most affected by the departure of young people between 20 and 29. The population under 20 only represents a quarter of the whole population against 30% in the 80s. Conversely, the population over 60 years old is increasing. As a matter of fact, the region is attractive for retired persons and life expectancy is still increasing.

The average density of population is about 80 inhab/km². The sector of housing-construction benefits from the effects of the economic growth and the stability of interest rates. The sales of new accommodations are in progress thanks to transactions concerning flats. The construction of houses is also in progress.The premature death rate has been reduced faster in Basse-Normandie than in other regions of France. But it is still above the national average with a death rate by +6.3% for males and by +0.9% for females. Otherwise, the region hosts about 4 000 doctors (about half generalists, about half specialists). Concerning social care, there are some measures in France to fight against exclusions like a “minimum inclusion income” for job-seekers.

In 2003-2004, the enrolment levels are the following: for low: 148 721 children; medium: 127 611 pupils; for high education: 37 211students. The pass rate for ‘baccalauréat’ (exam at end of secondary school) is at 80.8% (France: 83.7%).

Economy

The food-processing industry is the main industrial sector of the region with about one employed-worker in five. It is also the top export-activity of the region. The most important activity of this branch is the milk-industry, the second meat-industry. For the rest of the sector, industry has lost about 8 500 jobs within 3 years, mainly due to the closing of the group 'Moulinex' (domestic durables). Nevertheless, industry is still an important activity in the region so far as it employs 19% of employed-workers. The most important three industrial activities are metallurgy, electronics and mechanics.

The economy of the region has a weak added-value and is not very dynamic. The total GDP of the region is €30 796 in 2003 (GDP per inhabitant: €21 371; GDP per job: €54 544.). It is below the national level in rank whereas the economic evolution is the same as in the other French regions. Between 2001 and 2003, Basse-Normandie lost 1 600 jobs whereas in the other French regions (without Paris region) almost 32 500 jobs were created in the same period, which confirms the loss of dynamism.

The part of services in the economic activity has grown in Basse-Normandie like in the other regions and even faster in the merchant sector. Job-creation has been numerous in the sectors of services (+2% in 3 years) and retail trade (+3%). More than 2 jobs in 3 are in the tertiary sector today. But despite making up for the stagnation in the 80s, the tertiary in the Basse-Normandie is lagging behind in comparison with the other French regions. Contrary to the other sectors, the construction sector is very dynamic with a progression by 6% of employees within 3 years.

The automobile sector is one of the biggest specialisations of the region with the concentration of 10% of industrial employees. On the foreign markets, the sales of products from the automobile industry represent 22% of the exportations of the region in 2004. The other industry branches of the region are nuclear and naval construction, house equipment and textile (in decline), wood paper and print edition, plastics processing and pharmacy (in development).

In the services, the sector of health and social care employs the most of employed workers in Basse-Normandie with a progression of 6% within 3 years. Otherwise, the geographical location of the region is in favour of the development of tourism. Hotels and restaurants benefit from it. Real estate activities are also in expansion today. Public administration is the second largest regional employer.

The transport and communication infrastructure is not much developed in the region, but has important perspectives of development of new main roads and highways. Concerning rail track, Basse-Normandie has 3 projects: the connexion of the regional territory with the European TGV-network, the modernization of regional infrastructures and improvement of the quality of the regional services to passengers.

The region has the objective to adapt its harbours (*Caen-Ouistreham*, *Cherbourg* and *Honfleur*) to the evolution of the sea transport markets in order to maintain commercial traffic.

In the sector of TIC, Technologies of Information and Communication, industrial activities (essentially electronics and telecommunication) are more represented with 55% of the jobs. But the inadequacy of high-range services in the territory seems to be a handicap for the competitiveness and the attraction of the region.

Nevertheless, with a quality of high education, scientific poles of excellence, devices of technologic transfer and diffusion and a digital land settlement, Basse-Normandie has undeniable assets.

Culture and tourism

The region has a lot of places of interest: the Normandy Landing Beaches, the Mont Saint Michel and the Memorial of Caen. The sailing harbours can offer about 10 000 places. On January 1st 2005 the accommodation capacity is as follows: hotels: 15 271 rooms; camping grounds: 29 409 places.

The entertainment economy is composed of booming activities. Thus, whereas the employment rate only increased by 4.3 % between the beginning of 1990 and the beginning of 2003 in Basse-Normandie, it boomed by 37 % in the entertainment economy. At the beginning of 2003, more than one thousand businesses took place in the sector of leisure, sports and culture.

Labour market

Table 1.4. Structure of employment (December 2003)

	Salaried-worker	Non-salaried worker	Total
Basse-Normandie	498 007	64795	562 802
Agriculture	13 906	25 431	39 337
Industry	99 681	4 799	104 480
Construction	32 783	5 976	38 759
Retail trade	65 688	10 186	75 874
Services	285 949	18 403	304 352

Source: National Institute of Statistics and Economic Studies, Paris 2006; Regional Institutions: Regional Council, Regional Direction for Employment and Professional Training, 2006.

Table 1.5. Forecast of employment regarding specialisations/jobs (December 2005)

Increasing	Constant	Decreasing
Metallurgy industry worker (+25.2%)	Health, social care	Electrical maintenance staff
Car trade and repairing (21.9%)	Post and telecommunication	Electricity and electronic industry worker
Cultural and entertainment activities (+11.5%)	Special education teacher	Field of communication, arts and entertainment jobs
Retailing and domestic repairing	Hairdresser, aesthetician	Low qualification workers in metal formatting industry
Waiter	Lorry driver	Textile and leather industry worker
Firms services	Checkout operator, supermarket employee	Commercial manager
Cooker	Butcher, caterer	Low qualification workers in electricity and electronic industry
Seller	Nursery assistant	Fitter
Maintenance staff	Secretary	
Domestic work staff	Service engineer	
Gardening and security staff		

Source: National Institute of Statistics and Economic Studies, Paris 2006; Regional Institutions: Regional Council, Regional Direction for Employment and Professional Training, 2006.

Minimum and average salary

In France, the minimum wage, the "SMIC" is at €8.03 per hour (gross). Concerning the average salary, Basse-Normandie is one region where the salaries are among the lowest. It is essentially due to the low qualification of jobs and to less lucrative economic specializations of the economy.

Table 1.6. Breakdown of annual average of salary income by gender and socio-professional category (in 2002)

	Basse-Normandie	France
Total	14 538	16 282
Managerial and professional	31 793	35 878
Intermediate white-collar occupation	18 742	19 087
Office workers	11 278	11 525
Skilled workers	14 238	14 344
Unskilled workers	10 041	9 774
Apprentices, trainees, "helped jobs"	5 566	5 565
Men	16 319	18 492
Managerial and professional	34 449	39 213
Intermediate white-collar occupation	20 416	20 863
Office workers	12 729	12 570

	Basse-Normandie	France
Skilled workers	14 513	14 651
Unskilled workers	10 829	10 608
Apprentices, trainees, "helped jobs"	5 441	5 527
Women	12 303	13 585
Managerial and professional	24 926	28 568
Intermediate white-collar occupation	16 827	17 182
Office workers	10 791	11 125
Skilled workers	12 037	11 694
Unskilled workers	8 794	8 395
Apprentices, trainees, "helped jobs"	5 721	5 611

Source: National Institute of Statistics and Economic Studies, Paris 2006; Regional Institutions: Regional Council, Regional Direction for Employment and Professional Training, 2006.

Unemployment

In the third quarter of 2005 in Basse-Normandie, the unemployment rate was by 9.3% (France: 9.8%)

On December 31st, 2004 the region counted 60 408 registered unemployed persons; 21% are under 25 and 50% are women. In France there were: 2 952 522 registered unemployed (18% under 25 and 50% women). Young people are particularly concerned by unemployment: a quarter of job-seekers registered at the "ANPE" (the national employment service) are under 25.

Table 1.7. Breakdown of job seekers
(who have never worked) by gender and age (in 2004)

	Basse-Normandie	The region compared to France in%.
Men	30 046	2.1
- under 25	6 903	2.5
- 25-49	18 189	1.9
- 50 and over	4 954	2.2
Women	**30 362**	2.0
- under 25	6 276	2.4
- 25-49	19 396	1.9
- 50 and over	4 690	2.2
Total	**60 408**	2.0
- under 25	13 179	2.5
- 25-49	37 585	1.9
- 50 and over	9 644	2.2

Source: National Institute of Statistics and Economic Studies, Paris 2006; Regional Institutions: Regional Council, Regional Direction for Employment and Professional Training, 2006.

The duration of unemployment increases at the same time as the age: it is twice longer for an unemployed person between 25 and 49 than for a young person under 25 and even three times longer for a person over 50.

Table 1.8. Breakdown of job seekers (who have never worked) by qualification (in 2004)

	Basse-Normandie	The region compared to France in%
Labourers	2 368	2.5
Unskilled workers	5 810	2.4
Skilled workers	8 341	2.5
Employees	35 709	2.0
Technicians	3 600	2.2
Supervisors	1 291	1.5
Engineers and executives	2 760	1.1
Non specified	529	1.7
Total	60 408	2.0

Source: National Institute of Statistics and Economic Studies, Paris 2006; Regional Institutions: Regional Council, Regional Direction for Employment and Professional Training, 2006.

Concerning **duration of unemployment**, the number of registered unemployed for at least 2 years has increased: +8.8% . But the unemployment rate for people recently registered has notably sunk. At the end of 2004, about 30% of unemployed were registered for one year or more in Basse-Normandie (it is the same proportion at the national level).

Economy

The primary sector (agriculture) becomes less and less important in the region after being for a long time the dominant sector in the region. The industry sector has lost about 10.000 industrial jobs in the 5 last years. Despite many dynamic small and medium enterprises and big national groups, the future of the regional industry depends on its ability to adapt to economic changes which are accelerating.

The tertiary sector (services) is becoming more and more important: the number of employees in this sector has become more than twice more important in the 50 last years. There is today about 2 employment places in 3 in the tertiary sector.

The industry in Basse-Normandie is still focused on 3 poles (*Caen*, *Cherbourg* and *Vire- Flers – Condé-sur-Noireau*) and contributes to structure the regional territory notably through a homogeneous distribution of the sectors food processing, automobile, electrical building and mechanic equipments. This is also due to the presence of a lot of small and medium-sized industries which constitute, in a certain way, the structure of the industry of the region. Nevertheless, this specificity has also disadvantages such as the function of the subcontractor which can cause instability. Services remain the only big sector of the regional economy to experience a continuous increase. Thus, in the 90th decade, services were at the origin of massive job creation with 38 000 new jobs whereas all the other big sectors lightly sank (industry, building and at most agriculture) or had a moderate increase (business). During this decade, services rose from 45% to 52% of the workers in Basse-Normandie . In the period from 1999 to 2001, the increasing of the staff in services reached 301 000 salaried and non-salaried jobs, which represents an increase of 7.5%. That was more than two thirds of the jobs created at regional level. In 2001, in the region, more than one worker in two was employed in services and almost 56% of all the salaried. Salaried employment in this sector is predominant, 94% of the whole staff. In 2002, more than 44 000 enterprises were registered. Among them, only 1.7% employed more than 50 salaried and more than 56% counted no salaried.

Concerning the regional wealth, services constitute 53% of the added value against only 40% in 1982. The most represented services activities in the region are: administration (19.4% of the whole salaried staff), education, health and social care (36.3%). But these branches progressed less between 1999 and 2002 (about + 3.7%). On the other hand, transport, real estate activities and private services had similar progressions of their staff and sometimes even over 10%. The biggest progressions of the salaried employment over two years were registered in the field of service firms.

The field of research and development also had a strong progression with an increasing of + 34% (from 1999 to 2001). But this strategic sector still represents only less than 4% of the whole staff of the service firms.

Flexible forms of employment

Part-time work

Women take part-time jobs more than men. In 1999, it represented 35% of women against only 6% of men. Young workers under 25 are most concerned by part-time jobs. The part-time job concerns particularly employees, but among women, it is also the job condition of 20% of executive women and 25% of skilled workers.

Casual work

In Basse-Normandie, more than 500 enterprises of casual work are member of the trade union of casual job enterprises. This represents 90% of the profession turnover of the region. In January 2005, there were 35 425 casual job contracts in the region. At the end of the year 2004, the number of casual job contracts as well as the annual variation (-6.6%) sank. In 2005 casual work increased again (in comparison with January 2004 (+7.4%)).

In France, casual work is a full economic activity. Concerning the turnover of casual work, France is at the 3rd rank of the world behind the USA and GB. In 2004 in France, 47.9% of the casual staff was in industry, 32.1% in the tertiary sector and 19.3% in the building industry. There were 1 000 enterprises,

6300 agencies of casual work, 569 314 casual workers in full time and €18.4 billion of turnover.

Seasonal work

There are a lot of seasonal jobs in the sector of tourism and entertainment in summer (waiter, hotel staff, summer camps, swimming instructors). These jobs are for the big part occupied by young people, mostly students who want to earn money during their holidays. Casual jobs are also numerous in branches such as market gardening and oyster farming on the coast.

More than one place of work

In France, only 3% of workers had several jobs at the same time in 1996. That represented 190 000 part-time workers and 200 000 full-time workers. The income of their annexed activities represented an average of 36% of their yearly income.

The salaried workers who have more than one place of work are:

- at 3.8% women,
- at 2.5% men,
- at 8.5% part-time workers,
- at 14% occasional salaried,
- at 1.9% full-time workers.

A deeper analysis lets us know that there are two dominant profiles of these workers: in full-time, the multi-job salaried is rather a young man in inclusion in the labour market whose annexed activity is not very stable. In part-time, it's rather a woman who is between 45 and 55 whose work situation with two jobs is more stable.

In own business

In 2004, support to enterprises creation rapidly grew and allowed to help 1,680 unemployed people create their own jobs. In 2004, 5 600 enterprises have been created.

Table 1.9. Rate of business creation in each sector in % (in 2004)

	Industry	Building industry	Trade and repairing	Services	**Total**
Basse-Normandie	8.7	11.5	12.7	11.2	**11.4**
France	8..	14,5	13.4	12.,1	**12.4**

Source: National Institute of Statistics and Economic Studies, Paris 2006; Regional Institutions: Regional Council, Regional Direction for Employment and Professional Training, 2006.

1.3. Lazio

Region profile

Lazio is a region of Central Italy, administratively divided into 5 provinces: Viterbo, Frosinone, Rieti, Latina and Rome; the latter being also the region's chief town. The western side of Central Appennino marks the eastern border to Abruzzo and Molise, while the last stretch of the Garigliano river separates Lazio from Campania on the southern side. The western boundary is totally marked by the Tyrrhenian Sea and on the North-West Lazio borders with Marche, Tuscany and Umbria. The Ponzian archipelago, including the isles of Ponza, Ventotene, Santo Stefano, Zannone e Palmarola, is part of this region both from a geographical and administrative point of view.

Among the regions of Central Italy, Lazio has the most varied physical scenery; continuously alternating between the mountainous landscapes of the Rieti and Viterbo provinces, the hills around Rome and – partially – Latina, and the flat landscapes of the Frosinone and Latina provinces (the latter entirely covered by marshes reclaimed only during the fascist age). All these differences are also reflected on the climate, which is tempered everywhere, but often subject to relevant temperature and humidity variations between the coastal side, exposed to flood tides, and the higher internal sides, where the thermic range is more stressed and the precipitation is more plentiful, often turning snowy in winter.

The major Lazio river, both in length and flow, is the Tiber.

There are also numerous volcanic lakes; among them the major ones being Lakes Bolsena, Vico and Bracciano.

Lazio, which covers 17 207 km and has nearly 5 272 410 inhabitants, is one of the most populated Italian regions, with an average of 304 inhabitants per km2, one third higher compared to the national average of 191. However, the average datum reflects just partially the real situation of the demographic density, taking into account especially the Roman district, which houses more than 50% of the whole Lazio population.

Health and social care

Lazio is ranked 15th place among the Italian regions, with reference to the quality of life indicators: welfare (health and social services, education), economic development (enterprises and districts), work and family income.

The health services users' satisfaction grade is 23% lower in Lazio, compared to the 41% country average.

On the other hand, the per capita expense is higher than the national average: 1 300 euros per year for each citizen, instead of 1 150.

Regional debt is equal to 25% of current income, showing an increasing trend: it reached 200 million euros. The debt (half in fixed rate, half in varying rate) is composed of the 65% for loans and for the remaining 35% for debenture stocks. 51.9% of this debt (1 287 million euros) is allotted to offset the health sector deficit.

Education

During the last decade, in the training and education sector Lazio followed the national growth trend. In fact, during this period the number of people with high-level qualifications increased, both in total and percentage, with special regard to degrees and upper school qualifications. Lazio is the Italian region with the highest percentage of graduates (10.8%). According to data acquired by the last ISTAT census, as a whole, people owning at least a superior school qualification increase from 23.7% (1991) up to 35.1% (2001). Furthermore, the same census shows that female investment in training grew in the last decades more than the male one. Besides the school training, in Lazio there's much concern about vocation training. The regional administration launched many initiatives aimed at professional training of people owning a lower qualification (secondary school) and to workers' re-qualification.

Economy

Industry is the newest and more interesting angle of the Lazio economy, taking into account that this region lacks factory traditions, except for a couple of entrepreneurial "isles"(paper industry at Isola del Liri and ceramic industry at Civita castellana). In fact, manufacturing activities rose substantially only in the '50s, being achieved largely thanks to outside investments (50% inside the Latina province, which hosts the major firms). Conversely, the Frosinone and Rieti provinces are more recent manufacturing cores. In spite of this, this kind of activity maintains a quite marginal role and characterizes itself for depending on investments coming from other regions or from public administration. What is more, a very limited and peculiar range of sectors has been developed (hi-tech: electronics and computers; nuclear physics laboratories at Frascati near Rome, etc.) while production connected to basic sectors and consumers' goods stays scant.

For many years, the traditional income sources have been represented by agriculture, handicraft and stock farming (cattle and pigs), together with the fishing (Civitavecchia, Anzio, Terracina, Gaeta and Ponza harbours). The regional economic structure did not change substantially during the last decades, except for the Rome area, where the tertiary sector experienced a frenzied development in the last few decades. According to a census issued by Unioncamere, Lazio abounds in entrepreneurial energies, being the leader in innovative sectors as well. Considering the information & technology sector only, the region hosts about 18,000 companies – equal to 12% of the Italian total. Most of them operate in the Rome province, which has always been the greatest regional services centre. In the last few years, a services productive increase took place, strongly contributing to the rise in the regional gross product. Banking and insurance services have notably developed too. Tourism is another bearing sector for the regional economy. Rome province holds a determining role also in this field, thanks to its historical and artistic heritage, not mentioning its religious-core role as the capital of Christianity. On the other hand, art tourism isn't brought out adequately in many other resorts; on the coast, only a local seaside tourism has been developed, while mountain tourism has its best equipped resort on the Terminillo. Lastly, the region boasts its famous thermal resort at Fiuggi, in the Frosinone province.

Labour market

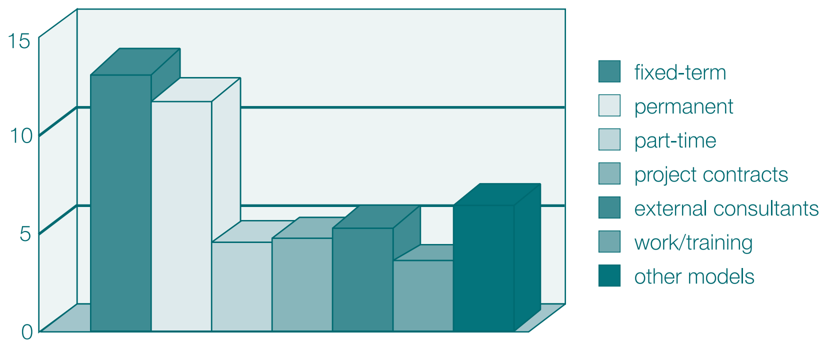
In the fourth 2005 quarter, job offers registered a slight increase equal to 0.1% (+17,000 units), compared to the same period in 2004. In comparison to the third 2005 quarter, net of seasonal elements, the offer rose to 0.3%. Employed people were equal to 22 685 000 units, with a 0.2% yearly-scale growth (+56 000 units). In seasonal net terms and in comparison to the third 2005 quarter, national employment increased by 0.2%. In Lazio, as well as in other regions of central Italy, a slight occupation rate increase was registered with regard to the male component, while the female employment rate decreased. These data are particularly influenced by the huge companies employment features (the sample concerns non-agricultural private enterprises, excepted social and individual services, with an average of at least 500 employees in 2003) and by the contracts typologies enforced in those companies. In the 2003 average employment connected to big companies was mainly composed of permanent workers (93.7%) and a very little quota of fixed-term workers (6.3%). The fixed-term workers rate is rather similar in services (6.5%) and industry (5.9%), although there are differences within each sector; in fact, it is more restrained in the energy, gas and water branch (1.2%) and, within the services sector, in the monetary and financial intermediation (2.2%). Vice versa, the sector that is more interested to temporary work typologies is trade, where almost one worker out of six (16.0%) had a fixed-term contract. With regard only to fixed-term employed people, the commonest form is the fixed-term contract, representing nearly 45% of all job positions, followed by the work or training contracts (35.8%). Slighter and limited to specific activities is the recourse to seasonal and apprenticeship contracts. In big enterprises, apprenticeship contracts are a little more than 7% compared to fixed-term contracts and are adopted almost only in the services sector, particularly in transports, storage and communications (14.8%), in trade (13.2%) and a bit less in hotels and restaurants (4.7%). Seasonal workers represent nearly 11% of all fixed-term workers, respectively 13.8% in the industry and 10.3% in the services. Within the industrial sector, seasonal workers are concentrated almost exclusively in manufacturing firms (14.6%). In the tertiary sector this contractual model is employed above all within the three sectors typically subject to seasonal activities floating: it means a 19.4% of all fixed-term workers in transports, storage and communications, while in trade, hotels and restaurants the rate is lower (respectively 9.8 and 8.5%). About employment, we can distinguish in relation to working hours too. Full time job positions decidedly prevail (89.0%) compared to part-time positions, that constitute the remaining 11.0% work under employment contracts. There is a remarkable difference between industry and services with regard to part-time quotas: in the industrial enterprises just 2.5% of employees work part-time, compared to 16.3% part-time positions in the services sector. Inside the tertiary sector, part-time work is particularly spread among the hotels/restaurants and trade sectors, with percentages of 60.4% and 33.4% respectively. An interesting datum concerns the different incidence of part-time personnel among permanent and fixed-term employees. In general, the latter category shows a far stronger part-time positions presence. The recourse to external work is still very limited, i.e. job positions ruled by consultancy contracts (continuative or occasional) or by temporary work contracts.

Table 1.10. Structure of employment

Absolute values (thousands units)	Agriculture	Industry	Industry in proper sense	Building	Services	Total
Employees	65	976	761	215	2 326	3 367
Self-employed	67	293	146	147	899	1 259
Total	132	1 269	906	362	3 226	4 626

With respect to the different contractual models, the employees occupation increase is divided in percentage as follows

Chart 1.1. Structure of employment according to forms of employment



The decrease in the number of women registered in comparison to the employment rate was “restored” with regard to the activity rate percentage (this category includes both working and job-seeking people). The number of people looking for employment rose altogether in central Italy to a total of 331 000 units of which 131 000 were males and 199 000 females.

Minimum and average salary

Employees’ minimum salary differs with regard to each sector and is ruled mainly by the national collective agreements (CCNL); among them those applied to metal and mechanical industry, banks and trade must be mentioned. Furthermore, although CCNL and economic activities do not hang together, in many sectors a typical agreement can be identified, enforceable by an employees majority or to a relevant part of them (paper, press and publishing, non-metal minerals manufacturing, buildings, transports, storage and communications, other professional and entrepreneurial activities).

Structure of unemployment

In Italy, in the fourth 2005 quarter unemployment rate rose reaching 4.7%. That index rose to 6.7% in the Centre, resuming a reduction about the male element and a more significant growth of the female component. In the South, the relation among people seeking a job and people already working was equal to 14.2%. The decrease concerned both male and female components. The unemployment rate concerning young people (15 up to 24 years old) in the fourth 2005 quarter was equal to 24.3% (24.7% in the fourth quarter 2004), while the long-term unemployment rate settled at 3.9%, staying unchanged compared to the previous year. In 2005 the average unemployment rate fell to 7.7% as opposed to 8% in 2004. The reduction was concentrated in the South, where it concerned both men and women. As a whole, the number of individuals seeking a job was equal to 1 980 000 units, meaning a slight decrease in respect to the same period in 2004 (–1.9%, equal to –39 000 units).

The number of unemployed (15-64 years old) includes both people with no occupation and individuals not even trying to look for work; this category still reports an increasing trend (+ 125 000 units) due to strong growth in the South.

Labour costs

2005 registered a rise in gross salaries, corresponding in percentage to a higher labour costs rise. In fact, each month the employer hasn't only to pay take-home salaries to his employees, at the same time he must pay welfare contributions and related charges that increase the enterprises' gross costs for each employee. In Italy these costs are represented by:

Taxes

I.R.A.P. (regional tax onto productive activities)

Insurance

Welfare contributions and social security costs burden the employer with 2/3 and the employee with 1/3, the latter being deducted directly from the salary. Among the main costs there are:

I.N.P.S (retirement contribution paid to the National Social Security Institute);

I.N.A.I.L. (compulsory insurance to pay to the National Institute for Insurances and Industrial Accidents. The insurance rate is periodically communicated by INAIL and varies in accordance to the kind of job indicated in the contract.)

I.N.P.D.A.I.

CASSA EDILE (these are assistance funds established for each contractual category) etc.

Others

R.C.T.- R.C.O. Possible insurance policies covering the employees' civil liability;

T.F.R. Dismissal pay.

Economic transformation

The Lazio economic structure did not change significantly in the last few decades, except for the Rome area, where during the last few years the tertiary sector developed at a dizzy speed. This evolution will be even more substantial in the next 7-8 years. The tertiary is still going to be the most profitable sector and the most dynamic from an occupational point of view, above all thanks to:

- The productive structure evolution,
- The demographic structure evolution; population ageing will be balanced by a greater support to old people,
- A labour market larger flexibility.

Employment in the tertiary sector will not have a stable trend, because of different and opposing orientations inside different sectors (private and public tertiary). Trade and public tertiary will play their "sponge" sectors role less and less. Employment will decrease within banks and insurance companies; on the other hand, occupation will rise in free time and entertainment services as well as in organizational maintenance.

In the advanced tertiary sector can be noticed a quality level rise with regard to sought-after professional skills. Occupation is growing with reference to jobs needing a higher school qualification (professional jobs), as they guarantee the enterprises a high added value and know-how. Employment is growing also regarding standardized jobs, which need low skills, and unstable jobs.

The Italian labour market is already experiencing many changes, one of the most important and remarkable being represented by the "Biagi" Act, which proposes extremely flexible contract models, particularly suitable to the tertiary sector. The reform introduced by the above-mentioned Act has to be analyzed from a twofold point of view:

1) Enterprises will benefit from the Act enforcement only short-term advantages, consisting of labour costs savings, derived from the resort to atypical contract models; in the long term, they will lose human resources quality, qualification, stability and motivation.

2) In the immediate future workers will have more visibility, but in the meantime they will lose a lot in terms of economic and providence guarantees.

Among the positive effects the reform will produce there will be an employment rise; at the same time the risk of workers' de-qualification will be avoided.

The occupational growth in the tertiary will concern especially:

- Women: women represent the occupational basin of the future. That will be particularly true for the tertiary sector, where female entrepreneurs will keep growing, also thanks to public support combined with reduced and more flexible work hours.
- Young people: youth employment will be favoured by access-to-work widening (temporary work, private job and intermediation services, professional orienting, vocational training); young people still are the most receptive category to new contract models, although they're mostly exposed to work precariousness risks.
- Immigrants: they will be especially employed in the assistance to elder people and autonomous job. Immigrants do not have that many opportunities problems, but they do have insertion and integration problems.

Flexible forms of employment:

According to ISTAT, in Italy standard work increased by 9.2% with regard to average workers resources, while self-employment and flexible work (temporary work, part-time, various kinds of self-employment, etc.) grows at triple rate. On the other hand, too much often the contract flexibility introduced by the "Biagi" Act is seen as an imposed way to get access to work, rather than a flexible option in a mutable economy and society. Another relevant datum is the one demonstrating that these contractual models are more and more characterizing themselves as powerful flexibility tools, used by the enterprises in times of uncertainty, rather than instruments to aid men and women's work inclusion.

Amidst the „flexible" contractual models the most employed are:

- Contracts with training contents,
- Temporary work, except for banking/insurance and wholesale trade sectors,
- Post-school stages,
- Traineeships,
- Assisted start-ups.

In Italy, from a political and legislative angle, work is progressing in view to keep enterprises from using flexible contracts as a labour costs way out. Therefore, it will remain uncommon the resort to:

tele-working, that will have a hard beginning especially in the Public Administration, developing instead in other sectors;

part-time job, it will be utilized in most cases, particularly to employ women and young workers; part-time will be the model preferred by any category searching for a balanced solution between work and other needs (family, school, etc.)

casual job, the spreading of project-jobs will be reduced with the application of the Act 30/2003, that restrain the chance to use this type of contract only by situations where a worker has to realize totally or partially a project.

1.4. Podkarpacie

1.4.1. Region profile

Area and population

The Podkarpacie region covers 17.8 thousand sq km, which is 5.7% of Poland’s territory. It had a population of 2.1 million at the end of 2006, with 118 people per sq km. The level of urbanisation was 41%. Podkarpacie is the furthest south-eastern region of Poland. It borders Ukraine in the east (the Lviv region) and Zakarpattia region for a short distance and Slovakia in the south. After Poland’s accession to the European Union, the eastern border of the Republic of Poland became the longest part of the EU’s external land border, totalling 1 163 km in length, 235 km of it being the eastern border of the Podkarpacie region.

The region is crossed by a pan–European transport corridor. It also has an international airport in Rzeszów. The capital city of the region is Rzeszów, the smallest regional capital in Poland, a developing academic and the cultural centre of the region. The other major cities are: Stalowa Wola, Przemyśl, Mielec, Krosno and Tarnobrzeg. Podkarpacie is the least urbanised region in Poland. Approximately 40% of its population live in cities.

In 2006, there were around 76 thousand students studying in higher education institutions. The percentage of foreign students was small although these has grown steadily recent years. Their number rose from 199 in 2000 to 558 in 2006. Students of Ukrainian descent were the biggest group among them, these numbering 353 students, 64% of all foreign students. The Rzeszów University of Technology has the only Faculty of Aviation and School for Pilots in Poland.

At the end of 2005 there were 639 thousand employed persons in the Podkarpacie region, which was 5.1 % of all employed persons in the country. Almost Ľ of them were employed in agriculture. The second largest percentage was made up by persons employed in industry, trade and repair as well as education. In 2006, 211 work permits were issued for foreigners, of which 140 were for Ukrainian citizens. 2/3 of foreigners were employed in education, and one in five in industry. In 2006, the Podkarpacie region was ranked 10th in the country with an unemployment rate 16.5%. In provinces bordering Ukraine, the unemployment rate was substantially above the region’s average.

Regional accounts

At the end of 2006, there were 140.7 thousand businesses in the Podkarpacie province. This is 66 businesses per 1 000 inhabitants. Businesses employing up to 9 persons accounted for 94% of all units in the region.

In the Podkarpacie region, the largest contribution to gross value added was made by market and non-market services 63.1%, then by industry 28.3%. Substantially smaller input was made by construction 5.3%, and the smallest by agriculture, hunting, forestry and fishery 3.3%. Agricultural land constitutes 44.1% of the total area of Podkarpacie, of which arable land makes up more than 30%. Of crops grown, cereals are very much dominant (67.5%), of which wheat makes up 42.5%. Crop and animal output have almost an equal share in the composition of total agricultural production. The level of forestation is one of the highest in the country 36.6%. The region is rich in deposits of petroleum oil, natural gas and sulphur and following the minerals: sandstone, limestone, gypsum, kaolin, sand and gravel.

Aviation industry

Podkarpacie is known for its aviation industry, with Aviation Valley as the Polish aviation center. The other important industrial sectors functioning within the region include: electrical machinery and the chemical and food industries, which generate nearly 70% of the total industrial output of the region. Also foreign investors are present in the region: General Electric Corporation, Delphi Automotive System, Phillip Morris, ICN Pharmaceuticals, Goodyear Luxemburg S. A., Enron Poland Investment, Lear Corporation, United Technologies Corporation, Owens – lllinois, among others.

Tourism

Podkarpacie is one of the ecologically cleanest regions in Poland. 45% of its area is protected under the law. The region offers particularly favourable conditions for a harmonious coexistence between people and nature – a diversity of fauna and flora, clean air, rivers, streams and tourist routes. It also has large resources of mineral waters, spas: Iwonicz Zdrój, Rymanów Zdrój, Horyniec Zdrój, Polańczyk Zdrój. The greatest tourist attraction offered by the region is the Bieszczady Mountains, the least populated area in Poland. There are two national parks within the region: The Bieszczadzki and Magurski Parks. The territory of the Lower Beskid Mountains and Bieszczady Mountains is a habitat for many species of birds, the brown bear, wolf, Carpathian deer, roe deer, boar, European bison, lynx, wild cat, marten, otter and beaver. The region has a unique culture, rich in traditional wooden architecture, including churches and Orthodox churches as well as the slowly disappearing wooden houses. There are over 40 ski lifts. The number of eco farms is growing steadily. In 2006, the collective tourist accommodation establishments located in Podkarpacie were visited by around 65 thousand foreign visitors, 23 thousand Ukrainian citizens, 36% of the total.

Carpathian Euroregion

Podkarpacie is a part of an interregional organization. It is included in the Carpathian Euroregion. The Carpathian Euroregion Interregional Association was established in Debrecen in 1993. It comprises the border lands of 5 countries – Hungary, Poland, Romania, Slovakia and Ukraine. The founding of the Euroregion was preceded by several years' growth by cooperation and collaboration, mainly of a bilateral nature. Parts of Romania, bordering Hungary and Ukraine joined the Euroregion in 1997.

The Carpathian Euroregion is characterized by its unique culture and society which has its roots in common historic traditions. These distinctive values derived from a multitude of nations, nationalities and ethnic groups that have been living here and which, owing to their individuality, shaped the common identity of Middle Europe. The area composition of the Carpathian Euroregion is as follows: the Ukrainian sector 36.6%, Romanian 23.1%, Hungarian 18.5%, Polish 11.6% and Slovakian 10,2%. Podkarpacie, is divided into two subregions (non–administrative units): Rzeszowsko–tarnobrzeski and Krośnieńsko–przemyski.

EU funds

Per–accession Funds

The Podkarpackie region was a beneficiary of large proportion of the per-accession aid. The most important per-accession aid programmes included the Phare CBC programme and the Phare Social and Economic Cohesion programme.

Integrated Regional Operational Programme

The allocation of structural funds under IROP for Podkarpacie for the years 2004-2006 amounted to EUR 192.2 million. This represents nearly 7% of the allocation for the whole country.

Projects implemented by entrepreneurs

In 2004-2006, entrepreneurs in Podkarpacie received subsidies under the Sectoral Operational Programme Improvement of the Competitiveness of Enterprises.

Data collected by 31 December 2005 reveals that 381 agreements were signed in the region, which means, on average, 2.78 agreements per 1 000 enterprises and is higher than the national average, 1.7. The value of agreements concluded was PLN 216.3 million.

Interreg

Podkarpacie is involved in two programmes under Interreg III A: Poland-Ukraine-Belarus and Poland – Slovakia.

Cohesion Fund

6 projects in environmental protection are being implemented under the Cohesion Fund.

Programme for 2007–2013

The overall objective of the Regional Operational Programme for Podkarpacie for the years 2007-2013 is to enhance the economic competitiveness of the region both in Poland and abroad. The amount of EUR 1.2 billion was earmarked for the implementation of the Programme. The largest portion, over EUR 885 million, will be allocated from the European Regional Development Fund. This represents more than EUR 532.6 per capita. Additional EUR 200.5 million will be provided from the state budget and the budgets of territorial self- government units, whereas private contribution will amount to EUR 104.7 million.

Funds allocated for the implementation of ROP will focus on the following 5 key groups of projects, referred to as the priorities:

Competitive and innovative economy, including:

- capital support for enterprises,
- business environment institutions,
- regional innovation system,
- economic promotion of the region;
- Technical infrastructure, including:
- transport infrastructure,

- information technology facilities,
- energy infrastructure;

Environmental protection and prevention of environmental risks, including:

- water, sewage and refuse management,
- flood protection infrastructure,
- preservation and protection against environmental risks;
- Social infrastructure, including:
- educational infrastructure,
- sport & recreation infrastructure,
- investments in tourism and culture;

Intraregional cohesion, including:

- rural areas,
- recovery of degraded areas,
- healthcare and welfare infrastructure.

1.5.2. Entrepreneurship in Podkarpacie

At the end of 2005, there were 139.1 thousand businesses contributing to the national economy[3] (registered in the REGON register of businesses) in Podkarpacie, representing 3.8% of total businesses in the country. The large majority of them function in the private sector. In 2005, there were over 133 thousand businesses, representing 95.6% of the total registered in the region.

Three quarters of the businesses in the national economy were proprietors conducting an economic activity. The substantial majority were small businesses with up to 9 persons employed as the declared number of employees. In 2005, they represented 94.7 % of all businesses in the region. There were 4.4% employing from 10 to 49 persons, 0.8% with 50 to 249 employees and 0.1% with more than 249 employees.

Most businesses of the national economy run an economic activity in market services 94 397 in 2005, i.e. 67.8% of total businesses. Businesses in the section trade and repair accounted for the largest part of this group, representing over 50%. They were followed by those operating in real estate, renting and business activities 19.5%, transport, storage and communication 10.3%, other community, social and person-

3. Excluding persons running individual farms in agriculture.

al service activities 10.9%, financial intermediation 4.9%, and hotels and restaurants 4.2%. 14 719 businesses were concentrated in industry, representing 10.6% of the total, whereas 13 621, representing 9.8% of the total, were in construction. In non-market services there were 12 853 businesses in the national economy, representing 9.2% of the total in the region. The majority of them were functioning in health and social work (48.8% of non-market services), slightly less in education (38.0%) and in public administration and defence 13.2%. In agriculture, hunting and forestry as well as fishing, there were 3 461 businesses (excluding persons tending individual farms in agriculture), representing 2.5% of the total in Podkarpacie.

At the end of 2005, there were 663 businesses per 10 thousand population, i.e. 30.1% less than in the country as a whole, and 517 proprietors conducting an economic activity per 10 thousand population in Podkarpacie. The region was ranked last in Poland in terms of the number of businesses per 10 thousand population.

The financial condition of enterprises from Podkarpacie was quite similar to the average situation of those in the country as a whole. The worst financial results were reported by enterprises in 2001-2002, and the best in 2006, except for gross and net turnover profitability rates, which dropped slightly compared to the previous year.

Export

Export provides an important measure of how much businesses can compete in the global market. The analysis of export sales of products, goods and materials of businesses from Podkarpacie, from1999 to 2005, showed a systematic increase of exports from 12.7% in 1999 to 19.9% in 2005[4]. This rising trend is a very favourable phenomenon. It is worth stressing that, in the period analysed, the proportion of total exports in products, goods and materials was more than 3 percentage points than the state average. The greatest export volume was reported by businesses from the manufacturing sector and the export volume of products, goods and materials represented from 82.9% to 87.2% in 2005.

A significant proportion of export sales was made by companies with foreign capital support. At the end of 2004, there were 251 companies with foreign capital investment, which were based in Podkarpacie. The amount of foreign capital was 2 033.1 million PLN at the end of 2004, and its proportion of the share capital was 91.5%. Investment from the Netherlands made up the largest share of foreign capital 692.5 million PLN in 2004, which represented 34.1% of foreign capital invested in the region. The next largest were the Cypriot capital with 493.2 million (24.3%), German

4. Preliminary data for 2005 (based on F01/I01 form)

258.6 million PLN (12.7%), and American 135.6 million (6.7%). The amount of capital invested by other countries was 453 million, representing 22.2%.

Around half of the foreign capital was invested in manufacturing 50.4% in 2004. A considerable part was put into transport, storage and communication 44.1%, a minor part in electricity, gas and water supply 3.2%, and in other activities 2.3%.

136 companies (54.2%) with foreign capital investment were running an export activity. The total of exported goods and services earned by these companies was 5 360.9 million PLN.

The following table shows the proportion of export in revenues from sale of products, goods and materials that was reported by businesses having their base in Podkarpacie.

Table 1.11. Proportion of export in revenues

Specification	1999	2000	2001	2002	2003	2004	2005
	proportion of export in %						
Poland	9.8	11.8	12.2	13.0	14.6	16.4	17.0
public sector	10.6	12.0	11.5	11.1	11.8	12.5	11.8
private sector	9.5	11.8	12.4	13.5	15.3	17.1	18.0
Podkarpacie	12.7	14.6	14.6	16.4	17.8	19.2	19.9
public sector	12.3	13.8	10.2	6.5	5.9	7.8	8.7
private sector	12.9	14.9	15.8	19.1	20.7	21.8	22.0

Source: data from Statistical Office in Rzeszów.

The above rates, which are relatively advantageous for the region, could lead to an upturn in the social-economic situation in Podkarpacie, provided entrepreneurship develops more dynamically.

1.5.3. Labour market in Podkarpacie

The Podkarpacie population by economic age groups

At the end of 2005 the population of the region numbered 2 093.3 thousand, representing 5.5% of total population in the country.

Table 1.12. Population in Podkarpacie by economic age, as of 31 December

Age groups	2002	2003	2004	2005
	in thousands			
TOTAL	2 105.1	2 097.2	2098.0	2098.3
Pre-working	539.4	518.0	500.6	484.5
Working	1 259.8	1 273.0	1288.2	1301.5
Post-working	305.8	306.2	309.2	312.2

Source: data from Statistical Office in Rzeszów.

The number of children and young people and their portion of the total population in the region fell by 10.2% and 2.5 percentage points respectively in 2002-2005. At the same time the number of people at post-working age increased by 2.1%.

Apart from natural increase, population is also affected by migration. For several years, there has been a negative balance of permanent migration in the region. In 2005, there was a drop in the population by 2.4 thousand, including 2.1 thousand of working age, which represents 1.1 persons in terms of 1000 inhabitants (in the whole country minus 0.3 persons).

The fact, which sounds alarming, is that it is mostly the young and educated who migrate from the region. In 2005, persons aged 20-34, with one in five having tertiary education, made up almost a half of the inhabitants de-registered.

Economic activity of population

According to the International Organization of Labour, the population aged 15 and over can be divided into two basic groups – economically active and inactive persons. Economically active persons comprise both employed and unemployed persons. In 2005, there were, on average, 897 thousand economically active persons, representing 5.2% of total economically active persons in the country, and 756 thousand inactive persons.

Table 1.13. Structure of population aged 15 and over by economic in 2005 (as of 31 December) [a)]

Age groups	Total	Employed persons	Unemployed persons	Economically inactive persons
	in percent			
TOTAL	100.0	45.2	9.0	45.7
males	100.0	50.9	9.7	39.5
females	100.0	40.0	8.4	51.6
Urban areas	100.0	43.6	9.4	47.1
Rural areas	100.0	46.4	8.8	44.9

[a)] Average in a year.

Source: data from Statistical Office in Rzeszów.

In 2005, economically active persons accounted for 54.2% of the total population aged 15 and over. 52.9% in urban areas and 55.2% in rural areas. The economic activity level was evidently higher for males, 60,6% in 2005 than for females 48.4%. In terms of the level of economic activity Podkarpacie was ranked 11th in the country. In 2005, almost 46% of the population aged 15 and over was made up of economically inactive persons. In this group, are mainly old persons, over 55 years old, or youths aged 15-24, who have not yet entered the labour market due to continuation of education.

Among the factors responsible for such a situation, are the primarily liberal regulation on taking pension or early retirement and the relatively high proportion of population at pre-working age in total population compared with other countries of the European Union. What deserves special attention is that in terms of students per 1 000 of population, Poland, with a level of 53.6 students per 1 000 population, is placed second in the European Union, following Finland with 57.3 students. The Union average is 37.5. It should be assumed that, despite its negative influence on the level, an extended education period will positively affect our economy in long term.

Employed persons and employment flow

In 2005, the number of employed persons increased in Podkarpacie for the first time in several years. Their number stood at 639.1 thousand persons, i.e. more than 0.6%, 3.6 thousand compared with the previous year. Employed persons in Podkarpacie represented 5.1% of the total of employed persons in the country, with its population representing 5.5% of Poland's population. 70% of employed persons were in the private sector, with more than 1/3 of them being employed in agriculture. As it was in previous years, the largest proportion of those employed outside agriculture were persons employed in industry 31%, trade and repairs 19% and education 11%.

The structure of employed persons varies between Podkarpacie and Poland. It is characterised by the greater percentage of persons employed in agriculture, in 2005 by 7.7 percentage points, and lower in market services 8.6 percentage points. The majority of employed persons were those employed on the basis of an employment contract. In 2005, they represented 66.0%. Owners, co-owners and contributing family workers represented 33.4% whereas the share of other categories of employed persons, i.e. outworkers and agents was minimal and amounted to 0.1% in total.

Chart 1.2. Employment rate, proportion of employed persons of the total population aged 15 and over in Podkarpacie

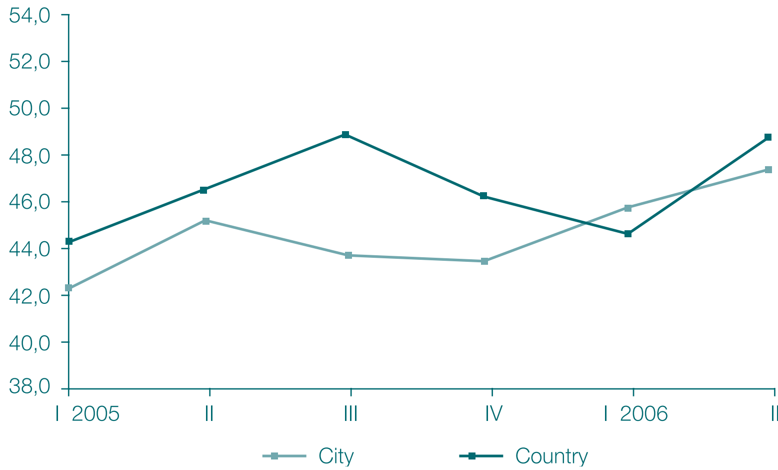


Table 1.14. Employed persons by employment status in Podkarpacie as of 31 December

Specification	2002	2004	2005
	in thousands		
TOTAL	615.3	607.1	611.6
of which:			
Employed on the basis of an employment contract	401.3	397.4	404.0
Owners, co-owners and contributing family workers	211.1	206.1	204.3
Outworkers	0.4	0.2	0.2
Agents	0.3	0.6	0.5

Source: data from Statistical Office in Rzeszów.

The reason for the larger percentage of owners, co-owners and contributing family workers in Podkarpacie compared with data for the whole country is, for the most part, that a large proportion of persons are employed in agriculture, Podkarpacie 33.5%, Poland 26.2%. Nearly three quarters of persons employed outside individual agriculture are those employed in businesses employing more than 9 persons. There were 353.8 thousand persons employed in these businesses at the end of 2005, i.e. 1.2% more than three years earlier. The number of employed disabled people is on an increasing trend. The proportion of this group of the total of employed persons increased from 3.1% in 2004 to 4.0% in 2005. Many disabled persons have found employment in sheltered businesses. At the end of 2005, 116 businesses employing more than 9 persons had the status of sheltered business.

In businesses employing more than 9 persons, full-time paid employees accounted for 93.8% and part-time paid for 6.2% at the end of 2005. Over 62% of full-time paid employees had at least secondary education. Employees in the public sector were better educated. 74.3% of public sector employees and 53.1% of private sector employees had at least secondary education but every third public unit employee and only every eighth private unit employee had university education. Women are better educated employees. Over three quarters of them, 76.0% had secondary, upper-secondary or high education. Only half of men had a similar level of education 50.8%.

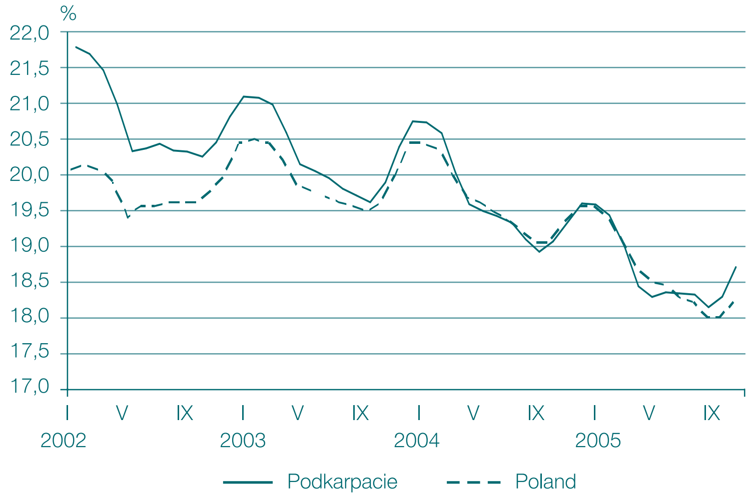
Craft and related trades workers were the largest group full-time employees, representing 19.0%, 17.8% in the country. Specialists, representing 17.7% of total full-time employees, 19.6% in the country, were the second largest occupational group.

Public and private sectors are characterised by their different structure of employees. Every third employee in the public sector was a specialist, every thirteenth in the private sector, whereas craft and related trades workers dominated the private sector. This proportion was affected by the structure of employees according to the kind of activity. The majority of businesses functioning in the fields of science, education, health care, and administration belong to the public sector, where many professionals work.

Unemployment

In December 2005, the unemployment rate was 18.5%. Young people experience the most unemployment. At the end of 2005, persons aged 25-34 largest group in unemployed persons, were the representing 31.7%, i.e. similar to 3 years earlier. They were followed by persons under the age of 24, 25%. However their proportion in the total number of unemployed persons was down 4.5 percentage points from the end of 2002. According to the level of education, the majority of unemployed persons was made up by those with vocational education, 61.4% in 2005.

Chart 1.3. Registered unemployment rate
End of month



At the end of 2005, the occupation most registered in labour offices was shop and market sales worker 10.3 thousand, followed by machinery and related trades worker 6.8 thousand, tailor 5.7 thousand, locksmith 5.0 thousand, consultant 4.9 thousand, and cook 4.4 thousand. The occupations which were most frequently requested by employers were shop and market sales worker 4.3 thousand offers in a year, clerk 3.5 thousand offers, administration worker 2.9 thousand offers, farm worker 3.0 thousand offers and construction worker 0.8 thousand offers.

The comparison of the number of unemployed persons and job offers by occupation with the fields of education shows that the education system has not fully adapted to labour market needs.

Table 1.15. Unemployed persons and job offers by occupation in 2005

Specification	Registered unemployed persons		Job offers	
	in a year	end of year	placed in a year	end of year
TOTAL	151 774	163 956	41 016	376
of which:				
foreign language teacher	216	103	204	6
economist	2 501	1 461	96	2
marketing specialist	861	436	269	5
construction technician	2 421	1 758	78	-
mechanical engineer	5 404	3 591	86	1
clothing technology technician	1 153	1 293	5	-

Specification	Registered unemployed persons		Job offers	
	in a year	end of year	placed in a year	end of year
food and household technician	2 144	1725	43	-
sales specialist	1 478	896	287	7
sales representative/agent	465	408	445	13
economic assistant	5 432	4 935	154	-
administration worker	797	693	2 893	7
independent accountant	303	445	327	5
storeman	929	1 160	888	6
clerk	1 640	2 008	3 542	13
retail cashier	172	121	528	8
cook	2 694	4 417	573	8
waiter	844	1 257	295	3
possession and personal security worker	439	309	343	5
shop assistant	7 212	10 349	4 271	39
bricklayer	3 223	3 752	593	-
welder	461	463	383	3
locksmith	4 489	5 019	506	2
turner	1 570	2 037	300	10
motor car mechanic	2 810	2 539	283	1
confectioner	1 153	1 713	190	-
baker	1 337	1 496	370	1
tailor	3 100	5 654	248	4
seamstress	1 055	1 731	562	3

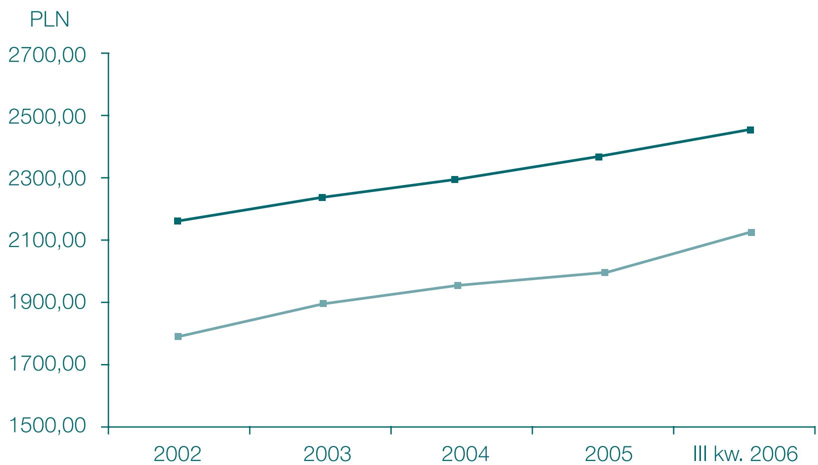
Source: data from Statistical Office in Rzeszów.

The fight against unemployment not only are passive forms of prevention such as benefit payment used but also active methods, such as trainings, temporary work, public work and placement. In 2005, provincial labour offices sent 9.6 thousand persons on placement, 5.8 thousand to temporary work and 3.2 thousand to public work.

Wages and salaries

In Podkarpacie, the average monthly wage and salary has been the lowest in the country for many years, representing around 85% of the national average pay. In 2005, the average monthly wage and salary in the region was 2 002 PLN. The average monthly wage and salary in the public sector was 32.7% higher than in the private sector.

Chart 1.4. The average monthly gross wage and salary in the national economy



The level of the average monthly wage and salary differs significantly between individual branch sections. In 2005, when the average pay was higher than the region average was reported in six sections. The lowest paid employees were in hotels and restaurants 1 237 PLN, and trade and repairs 1 459 PLN. Persons employed in financial services were paid over twice. Wages and salaries grow along with employee's age and work seniority. The average level of wage and salary is attained by employees aged 35-44. Wages and salaries of young persons under the age of 24 were little over 60% of the average, while employees at around retirement age, 60-64 years old received a wage and salary 74.9% higher than the average and 2.8 times higher than earnings of the youngest employee group.

Another feature, which differentiates wages and salaries substantially, is the level of education. The highest level of the average wage and salary was earned by employees with high education, who held a science doctorate as well as a master's, physician or equivalent degree. Their earnings exceeded the average wage and salary of all employees by 48.6%. Wages and salaries of employees with secondary education were slightly below the average, around 8%. Employees with a basic vocational education were paid 21.1% less than the average and employees with low education 35.8% less than the average.

In the private sector, where pay is generally lower, employees with high education were paid better. As far as occupational groups are concerned, the average wages and salaries higher than the region average are paid to employees belonging to two occupational groups: senior officials and managers, and professionals. Persons included in the group technicians and professionals were paid 2 021 PLN, which was equal of the region average. In this group, physical and engineering professionals were paid relatively well 2 333 PLN. Optical and electronic equipment assemblers earned 4 977 PLN. The lowest wage and salary was paid to the occupational group social workers and health care professionals 1 701 PLN, which included nurses and midwives 1 557 PLN.

Chapter 2

Entrepreneurship, labour market and employment structure in postindustrial areas

2.1. Caen in Basse-Normandie

2.1.1. Geographical localization, area and population

The post-industrial area diagnosed is the region Basse-Normandie itself with a focus on its main city, Caen and its suburbs. The city has a strategic location: by highway it is 2h15 far from Paris, 1h from Rouen and Le Havre, 1h45 from Rennes, 3h from Nantes, 4h from Lille, 2h from Le Mans, these latter cities being the biggest in the North-West quarter of France. It is 1h50 from Paris by train; there is an airport for national and international destinations via Lyon; as for the harbours, the closest are Cherbourg 1h15 away, Caen-Ouistreham 15 minutes, Le Havre (international harbour) 1h and Rouen 1h15 from Caen.

The area of "Caen la mer" (Caen and 28 cities around Caen) has 226 579 inhabitants. The urban area of Caen had 111 200 inhabitants in 2004 in 25.7 km². So the density of population was 4 436 inhab./km².

Table 2.1 **Structure of the population**

Contents	**Caen**	**National average**
Men	45.9%	48.6%
Women	54.1%	51.4%
Population pyramid (age)	**Caen**	**National average**
> 75	7.9%	7.7%
60 – 74	10.9%	13.6%
40 – 59	21%	26%
20 – 39	38.9%	28.1%
0 – 19	21.4%	24.6%

Source: National Institute of Statistics and Economic Studies 2006.

Table 2.2. Structure of employment

Contest	Caen	France
Overall number of working persons	48 580	26 456 813
Employment rate between 20 and 59 years old	69%	82.2%
Number of unemployed	8 610	3 401 611
Unemployment rate (1999)	17.7%	12.9%
Working-persons	42.6%	45.2%
Retired persons	16%	18.2%
Young people in schools	33%	25%
Other persons without work	8.4%	11.6%
Farmers	0.2%	2.4%
Craftsmen, traders, company heads	4.6%	6.4%
Managers, intellectual professions	17.1%	12.1%
Intermédiaire professions	26.4%	22.1%
Employees	31%	29.9%
Unskilled workers	20.8%	27.1%

Source: National Institute of Statistics and Economic Studies 2006; Regional Direction for Employment and Professional Training 2006.

Industry in the area and its evolution

Many companies are situated in Caen and its suburbs. Three traditional sectors are represented: the food-processing industry (most notably the business area "*Normandial*"), automobile (with more than 6 000 employees in *Renault VI, PSA Peugeot-Citroën* and *Robert Bosch SA*), and health (with 11 500 salaried all in all) including the teaching hospital, public research organisations and international groups like *Shering-Plough, Gilbert-Batteur* or *Smithkline Beecham Liquides Industrie*.

In Caen and its suburbs the main electronic activity of the region is concentrated, notably thanks to *Oberthur* (smart cards), *Crouzet Automatismes* and *Philips Composants*. This is an asset, which allowed the setting up of high-tech companies (*Netcentrex* and its softwares for telephony, *Stepmind* with its chips for mobile phones, etc.) start-up being spurred on by the technopole "*Synergia*" and the seedbed of companies "*Émergence*". Moreover, thanks to *Philips*' project to separate its production site and research centre, a 4-hectare area will be cleared which will allow the setting up of new high-tech firms.

In the suburb of Caen, the company *Thyssen* company created in 1917 a big site for the metal industry (thanks to important iron ore deposits), the *SMN Société Métallurgique de Normandie (metal industry society of Normandy)* which was an important economic resource for the region until the definitive closure of the enterprise in

1993. The metallurgical factory has been entirely dismantled and now, on part of the vacant 160 hectares, successful high-tech entreprises are setting up. At the beginning of 2007, the old site of the *SMN*-factory will welcome a technological campus with *Philips Semiconductors* for catalyst systems. The R&D centre of the firm will employ about 700 researchers working on the reduction of electronic circuits and will change the campus into a worldwide knowledge centre. Around *Philips*, other state-of-the-art companies will set up. The ambitious development will result in becoming one of the biggest 10 French technopoles.

In addition, with more than 19 000 employees in 2000, the sector of home-equipment, electric and electronic component was one mainstay of the regional industry at the end of the 90's. But the manpower plummeted after the crisis of *Moulinex* and its subcontractor by about 30% in 5 years. However a new impetus has just been given to the area of microelectronic-use of plastic money in Basse-Normandie with the acknowledgement in 2005 of the competitiveness-pole "secured electronic transactions" bringing firms (*Philips*) and research laboratories of Caen together to develop high-tech products for several years to come.

Concerning the field of food processing industry, after a restructuring period, the number of employees is on the rise again with + 5% from 1999 to 2004 thanks notably to the field of meat processing. The dynamism of the agribusiness of the region results from a growth strategy for export and development of innovation.

The automobile sector utilises 10,4% of the industrial employment of the region. It increased a lot in 2000 and 2001, benefiting from a period of general economic expansion. Since that time, it has been maintained with more than 10 000 permanent salaried-persons and several hundreds of interim employees. Several on-going projects attest the secure setting up of the automobile sector; one of them is dedicated to a worldwide research & development centre concerning car-seats. The regional companies take also part in an interregional project called *"Normandy Motor Valley"*.

The other industries, including water, gas, electricity, combustible and fuel production, shipbuilding and minerals industry, represent all together a little bit more than 14% of the industrial manpower of Basse-Normandie. They are mainly located in North-Cotentin. The diversification of the sector of shipbuilding towards an open sailing harbour has just begun…The sector of energy maintains its employment rate around 7 500 salaried-persons from 2000 to 2004. The sector of electricity production is promised to be reinforced with the decision to set up the new atomic reactor "EPR" (**European Pressurised Reactor)** in Flamanville.

To conclude, the industry of the Basse-Normandie region, exposed to a general process of centralization, has experienced since 1985 an important restructuring movement. This change of the regional industrial landscape is one of the facets of the evolution of the regional production machine. The reduction of the agriculture sector goes together with the explosion of the service sector whose manpower has more than duplicated over the same period and nowadays represents about 2 employees in 3. But this development of the service sector is partly due to the fact that the functions of internal services in the industrial companies tend to be more and more outsourced. Although Basse-Normandie is involved in the same "desindustrialisation" process as France overall, its industry keeps on blossoming larger than the national average. Finally, despite the dynamism of numerous small and medium companies on the one hand, and the maintaining of big national groups on the other hand, the future of the regional industry is strongly linked to its ability to adapt to the ever faster economic mutations.

Influence of industrial changes and its surroundings on the local labour market

Nowadays, the high development of service activities offset the drop in agricultural and industrial employment (respectively – 34 % and – 10 % between 1990 and 1999). Among working people, the number of executives remains weak whereas self-employed persons, who are often farmers, are still very numerous. The number of skilled and unskilled workers is falling and the number of employees (mostly women) is increasing a lot.

Within the context of the dramatic transformation taking place, the prevalent situation in the labour market in not the most difficult. The regional unemployment level is only slightly above the national average. This is the same for women's unemployment. Nevertheless, the women's unemployment level, which is traditionally high in the region fell between 1993 and 2000, and only 4 regions in France could report the same situation. The number of long-term unemployed has not dropped very much. However, the population is becoming older and will retire and although the lower and less numerous age groups will continue to work over the coming years, jobs will become available while many posts in the service sector have still to be created.

With regard to the North-Cotentin, the unemployment rate has been higher than the national average since the completion of the big building sites in La Hague (end of 80's-beginning of 90's).

Unique characteristics features distinguishing the region and its local labour market

Three sectors are more represented in this region compared to the whole country: agribusiness, automobiles and the wood and paper industry. The food-processing industry is the industrial flagship sector in Basse-Normandie with more than 21 000 salaried workers at the end of 2004, or 21.4% of industrial jobs. It is based on milk and meat. Seafood processing is developing fast and ready meal makers are also increasing their activity. Basse-Normandie is a famous cheese region (Camembert, Pont-L'Evêque, Livarot).

Other specific sectors in Low-Normandy are horse and nautical industries. The horse industry employs 3 000. The nautical industry is intrinsic to more than 60 companies and employs up to 1 000.

Industry in Basse-Normandie has a notable feature: its labour productivity remains weaker than in France as a whole. This fact results from structural characteristics such as a weak management rate and a specialisation in low added-valued activities.

2.1.2. Analysis of professional activity of the population in the region examined

Changes in the local job market caused by the industry restructuring

Women's unemployment reached 48.3% of the job seekers at the end of 2004. Young people's (under 25) unemployment remains a strong structural feature with 24.9% of the job-seekers.

The employment in industry is still falling in Basse-Normandie as in the whole country. On the contrary, in other sectors, employment is increasing such as in building (+ 600 persons), in services (+ 4 250 persons) as well as in the non-agricultural trade sector with +3 140 persons in 2004. But it has to be noticed that part of the job creation in services and trade sectors is characterised by a great proportion of part-time jobs, which leads to a lack of security.

In the industrial sector job creation comes from companies with less than 50 employees, and particularly from the ones with less than 10 employees. There are other aspects boosting employment such as the increasing of interim jobs, the reduction of short-time working and the recovery of company creation. The number of interim job contracts increase by 1.7% (421 000 contracts) which corresponds to 13 970 full-time jobs. The short-time working fell in 2004 by 20%! There has been a recovery of company creation for 2 years by 8.7% in 2004. The job-offers available in the National Agency for Employment have increased by 12%; that is to say +61 728 job offers on which 40% are permanent jobs.

While the industry sector is decreasing, the craft industry keeps on developing with an increasing number of employees: + 2.4% or 1 200 more jobs, notably stimulated by the activities linked to building.

The decision to set up the new atomic reactor "EPR" (**European Pressurised Reactor)** in Flamanville offers great economic perspective concerning employment net only for North-Cotentin but also the whole region.

In conclusion there are several positive aspects concerning the local labour market and economy of the region Basse-Normandie in 2004 that can be underlined. From a strictly technical point of view, many indicators have significantly increased and make us optimistic about the level of the regional economy. On the other hand, if we take both economic and social aspects into account, we can notice a stabilisation of the unemployment rate at a high level, a negative evolution of employment in industry, a lack of security in the creation of jobs in services, surprising job losses in big trade businesses, the still high level of public financial assistance into employment and the constant increase of social minima beneficiaries.

Analysis of the unemployment level fluctuation

For 4 years, the industrial companies with more than 500 employees have been characterised by a fall of their employees' number excluding interim-workers. This appreciation of the evolution of the employees' number in these big industrial companies should be interpreted through some parameters like interim-work which is very important in the industrial sector as well as the outsourcing of some functions such as security, transports, cleaning and so on.

There was nothing sinister in Basse-Normandie in 2004, but many companies were concerned with measures to reduce employee numbers or even closing down. This is partly due to the price increase of raw materials, the importance of subcontracted activities, the outsourcing phenomenon and harder and harder competition. Almost all sectors have been concerned by this rather morose situation.

Partial unemployment is a prevention against redundancies but is accompanied by the underutilization of the companies' production potential. The industrial sector remains the main user of this mode of regulation of the temporary hazards (92% of compensated days). Partial unemployment was rarely used in 2004 in construction and trade; its use in the service sector fell by 58%.

Analysis of job offers, their use and job demand

The total number of job offers available in the ANPE (French National Agency For Employment) in 2004 rose to 61 728, increasing by 11.9% in comparison with the year before. This growth mostly concerned occasional jobs and interim jobs. Nevertheless, the durable job-offers represent 40% of all job-offers.

The unfulfilled job offers concern the following jobs:

- Help craft and cleaners in offices, hotels and other establishments,
- Waiters and barmen,
- Other office-employees,
- Sellers and demonstrators in shops,
- Stenographs and dactyl graphs,
- Home help and cleaners,
- Farmers and skilled workers for horticulture and tree nurseries,
- Bricklayers.

The two professions that generate the most offers are waiter / barman and the other office-employees. Among these jobs, some of them could be easily occupied because of the job seekers' number. But the above-mentioned jobs are not concerned. The required work and income conditions, qualifications and professional experience by the employers do not necessarily correspond to the job seekers' criteria and vice-versa.

The unfulfilled job demand concerns the following jobs:

- Baby-sitters,
- Help craft and cleaners in offices, hotels and other establishments,
- Secretaries,
- Stenographs and dactyl graphs,
- Auxiliary-nurses at home,
- Other office-employees,
- Other services to individuals.

Some job seekers who are registered in the above-mentioned jobs find work only with many difficulties because of the competition between job seekers and because of their professional abilities depending on employers' exigencies. Some job seekers have to face a lack of offers of jobs depending on specific measures. The lack of job-offers in these professions has repercussions on the whole region.

Actions activating employment and their results

Since the end of the 70s, the public authorities have adopted several social and training measures to fight unemployment. For 10 years these measures have been directed more towards the young and long-term unemployed. For these two job-seeker categories these measures consist of providing training towards a qualification and subsequent inclusion in the possibilities available in their working lives. Moreover, whatever the quality of these measures is, they also aim at maintaining social cohesion. In 2004 they brought about a slight reduction in the number of social beneficiaries.

The example of *Moulinex*:

The closing-down of the 5 *Moulinex* factories in the region in September 2001 led to the discharge of 3 250 salaried persons. A plan of exceptional redirection over 18 months was set up. During these 18 months, the ex-salaried of *Moulinex* and one of its subcontractors benefited from individualized support. On December the 31st of 2004, retraining reached an 87% level.

The prime aim of the retraining scheme was to create, over the following 3 years, in each of employment area affected, a number of jobs at least equivalent to the number lost by the closure of the Moulinex factories, that is to say, 3 600. This scheme has been generated by 104 milion euros financed by the state, the Regional Council, the 3 Departmental Councils, local authorities and the EU. The balance of job created or planned since the end of 2001 of the whole retraining programme of Moulinex employees was 4 351, of which 1 199 had already been created at the end of 2004.

2.1.3. Forecast of the local labour market development

Status and development of entrepreneurship

The rhythm of company creation is very moderate. On the other hand, company buy-outs work well overall in the region. Nevertheless, because of many departures, retirement of the "pappy-boomers", the transmission of a company may become a true challenge.

2004 was characterised by 8.7% increase in company creation. However, this increase remains inferior to France as a whole. In Basse-Normandie there seems to be a deficiency of entrepreneurship. This can be explained by a lack of clearness and some of the complexities in the implementation of the company, and also by the fact that some of means of communication are not efficient enough and even by lack of initiative. There is also the question of lack of financial input to entrepreneurship. We can also observe a real lack of enthusiasm by young people, graduates or students for enterprise.

In 2004 in Basse-Normandie, 5 584 companies were created in industrial and service sectors. For comparison, there are 84 500 companies in industrial and service sectors in the region. The economic activity which creates the most companies is trade with one creation in 2 in Low-Normandy. The service sector represents 3 in 10 and activities notably from handcraft represent 2 in 10.

The Regional Council of Low-Normandy established the "Regional Support for Company Creation" in2004, and 33 business plan have been accepted amounting to 548 million euros in total. The region will also reinforce the schemes, through advice, training, etc. to help entrepreneurs.

Development of the local industry and infrastructure

Basse-Normandie will see the implementation of a demonstrator EPR in *Flamanville* (in the department called "*Manche*"). It is a reactor whose role is to produce electric energy more efficiently but above all to experiment in short and medium terms, in evolutionary technology. Its construction should take place during the period 2007-2012, offering jobs to 2000 persons and in the long term to 400 technicians and researchers from EDF (Electricity of France).

The equine sector of Basse-Normandie, which enjoys great prestige, brings all its professions together and has to face strong international competition today. That's why the project of an equine service unit field aims to reinforce France's position on the matter with the implementation of a true quality approach throughout the field. This equine sector numbers about 8 000 employments in the region and is also the birthplace of many companies in technological matter. The project of the electronic transaction unit, carried out by industrial groups and laboratories in the whole region, consists in guaranteeing real security in the sector of electronic transactions during the next ten years. The project is supposed to amplify the numerous collaborations, which have already existed for twenty years between the different agents in the field, and to fully establish the sector of electronic transactions in the region.

The region also sees the development of transport infrastructures with the improvement and creation of roads (highways and four-lane highways), the modernisation of the train network, and the improvement of harbour equipment in *Cherbourg* and *Honfleur*.

Regional and structural funds from EU and their influence on the local economy

The Low-Normandy regions benefits from about 420 million euros of European Funds for the period 2000-2006 under Objective 2, Objective 3 and under EQUAL and LEADER+ initiatives. The actions supported by European Funds fit in the regional strategy of economic and social development of the whole territory.

In 2004, financial support of more than 57 million euros was donated to projects of economic, social and cultural development with 43.6 million euros under Objective 2 and 14,1 million euros under Objective 3. The project of restoration of the maritime site of the Mont-Saint-Michel received a subvention of 17.15 million euros under ERDF (European Regional Development Funds). Other significant projects, like the setting up of an audiovisual higher school in *Cherbourg*, the purchase of equipments for imagery by magnetic resonance and the extension of the building of the CYCERON centre (Centre of brain imagery and research in neuroscience) in *Caen* received subvention under ERDF.

The ESF (European Social Fund) in 2004 financed many training or retraining schemes such as training plans for salaried persons to new technologies, notably in agri-business and automobile sectors, and the setting up of retraining units for salaried of *Euromoteurs* and *Filtechnic*. Since 2000, 2000 projects have been helped under ESF.

In the sector of agri-business, the EAGGF (European Agricultural Guidance and Guarantee Fund) supported works for water supplies for rural areas and support actions for the equine sector.

Other economic and off-economic factors shaping the job market

The dynamism of Caen and its suburbs and the coastline of the "*Manche*" department, boosted by tourism, describes a region which creates few jobs upwards. For the moment, the high development of service activities compensates for the decrease in agricultural and industrial jobs. Among the working population, the number of executives remains poor whereas independent workers, who are often farmers, are still very numerous. The number of skilled workers is falling and the number of employees is greatly increasing.

The weak part of short-term jobs probably refers to the youth of the sector of "operational_services to companies" in the regional economy.

There is slow population growth in Basse-Normandie; births exceed deaths only slightly and migration exchanges show a slight deficit. Moreover, young people under 30 tend to leave the region whereas older people arrive and settle here. The aging of the population will continue and, consequently, demographically the number of schoolchildren will decrease.

Indeed, the region suffers from a chronic exodus of young people: it is the region of France most affected by the exodus of people between 20 and 29. Reasons for this are the access to universities, which remains moderate in the region: the scholarship rate of the people between 20 and 24 is increasing very weakly and remains among the weakest in the country. And among people going to university, the region loses more new graduates than it attracts. The mobility through regions plays an important role in the inclusion of young people trained in Basse-Normandie. This mobility is often associated with a better professional situation. The training offer doesn't satisfy either the needs of enterprises, or the expectations of young people, that's why they go and find more attractive trainings in other regions. Moreover there are some deficiencies in certain fields, notably in engineer training and trade schools. Finally, the potential of qualified employment offered by the regional economy is too weak: the average qualification levels of employment seem insufficient to keep them from leaving the area. Thus, the exodus number increases in proportion to the training level.

2.2. Latina in Lazio

2.2.1. Geographic characteristics: location, area and population

The Latina Province, with a surface area of 2 250 km2, 33 municipalities and over 510 000 inhabitants, is the second largest province in the region after Rome for inhabitants. The land is not unitary at all, being formed of decidedly distinct parts. In fact, it appears divided among hilly, mountain and coastal flat areas. In particular, the long hilly ridge which rises from the sea up to the Ausoni, Lepini and Aurunci Mounts, continues towards the East with the huge reclaimed Agro Pontino plain. The province borders to the North with the Frosinone Province, to the North-West with the Rome Province, to the South-East with the Campania Region (Province of Caserta) and to the South, in its full extent, with the Tyrrhenian Sea. The shore extends for more than 100 km from the Astura river to the Garigliano river. The most important towns in this area are: Latina, Sabaudia, S. Felice Circeo, Terracina, Fondi, Sperlonga, Gaeta, Formia, Minturno-Scauri. The Pontinian isles, renowned touristic destinations, are divided in two groups: Ponza, Palmarola, Gavi and Zannone up in the North-West, Ventotene and Santo Stefano down in the South-East.

The weather is semi-continental on the higher reliefs (even if temperature rarely falls under 0°C and it snows every year only on the crests) and mediterranean in the lowlands, with hot summers and mild winters. The province has only a few small lakes. Along the coast the salted and coastal lakes of Fogliano (the hugest), Caprolace, Monaci, Paola follow one another, while behind Terracina lies the Fondi lake, one of the few made of fresh water. Apart from Astura and Garigliano, the main watercourses are the prevailingly streams descending from the Lepini Mounts that are canalized in the lowlands and reach the sea. The lake of Ninfa must be singled out due to its historical and naturalistic value. The National Park of Circeo, which fully located in the Latina Province, protects the last remains of the woods and marshes which in ancient times covered all the Agro Pontino located within the Lepini Mounts is located the Semprevisa natural preserve. However, the Latina Province is experiencing a very serious environmental crisis, due to the pollution in its watercourses and to several legislative proposals, concerning the building of incinerators, special dumps and thermo-electrical power plants, which have always been rejected by the population fearing that Latina could be transformed into the "dustbin of Italy". There is already a nuclear power plant in the territory, dismantled after the Chernobyl disaster, but still representing a real antiecological time bomb for the whole area (it's suffice to say that a large part of the shore and some agrarian areas are closed due to their high radioactivity).

Population

The Latina Province appears to be a very dynamic territory with over 45 000 enterprises and 512 000 inhabitants. The Province administration was created in 1934, in a territory of great traditions and culture, the land of Circe and of historical towns like Gaeta, the Bourbons fortress, the ancient Sermoneta, stronghold of the Caetani family, and the mediaeval town of Ninfa, called the Pompei of the Middle Age.

With regard to the demographic situation, Latina the number of inhabitants is equal to 10.6% of the whole Lazio population and it results in being one of the most populated provinces of Centre Italy, appearing at number 33 of national ranking. The population's age is younger than the national average, in fact the percentage of over 65 people (14.6%) represents the seventh lowest value of the whole country, while those under 14 is the highest of Central Italy (16.1%) and the incidence of the population aged between 15 and 64 (69.3%) shows to be the second highest. The migratory gap and the growth registered by Latina is the highest in the region, in contrast to the birth-rate drop, which is similar in respect to the values of all other Lazio provinces.

The local labour market

In Latina two main territory systems can be recognized, historically homogeneous, but remarkably different with regard to their economic characteristics:

- The North Pontina area, commited to industry, with its 70% of all industrial settlements in the province,
- The South Pontina area, mainly committed to tourism.

Concerning the productive structure, Latina figures among top places in Italy as to enterprises density, with one enterprise for every 9 residents. The enterprises registered in Latina in 2004 numbers to 45 775, with an increase in respect to 2003 equal to 0.83%. The main sectors present are trade and agriculture, that absorb together more than 55% of the enterprises total. Latina is a leading province in agriculture with thousands of small enterprises with family management, that make Latina the seventh highest Italian province as to wealth produced in agriculture. It strongly holds absolute leadership in the branches of trade and fruit and vegetables too, essentially through the MOF (Fondi's fruit and vegetables market). Furthermore, the punition area is the one with the highest presence of whole foods trade, in Italy.

The North Pontina represents an area pre-eminently commited to industry, in which stand out the pharmacological industries (second position in Italy regarding this sector), the cheese factories, the mechanical and the food companies, established in the sixties thanks to the contibution of the "Cassa per il Mezzogiorno" (Southern Italy Development Fund). Many of them experienced a severe crisis during the ninenties, that reached the height with the closure of historical brand names like "Pettinicchio", Good-Year, Barilla, Tetrapack and many others.

The South Pontina founded in tourism as its main force, thanks to plenty of seaside resorts, jagged coasts, breath-taking landscapes and small towns whose beauty is unquestionable, from Sperlonga to San Felice Circeo up to Gaeta. Here the renowned beaches of Sabaudia and of the Circeo headland, where the Roman emperors used to spend their holidays, are awarded every year important quality certificates for their high quality of life and for the cleanliness of the sea. Among the most notable natural and environmental resources in this area, we must single out the Circeo National Park, which is spread over about 8 500 hectares and the Blue Oasis "Villa di Tiberio" at Sperlonga. In the south of the province, the Fondi plain area is distinguished legits prevailing agrarian and agroindustrial sectors, which is in top position nationally with regard to the conversion of agrarian products, thanks to the involvement of the MOF. Finally, it should be mentioned that, in Latina, there are relevant initiatives aimed at the promotion and exploitation of typical products, which have gained much recognition, both due to the local produce (Latina kiwi, Roman artichoke, buffalo mozzarella and DOC brands among the wines, such as Cori, Aprilia, Circeo, etc.) as well as other products (Sperlonga celery, the extra quality olive oil "Colline Pontine, Gaeta olives and Terracina Muscat).

The industries in the geographic zone and their evolution

There are some examples of the major industries established in Latina around the 60s/70s and then closed down

Borgo Montello cotton mill

In 1937, in the Pontinian marsh, experimental cotton growing on a 10 hectares surface divided into 21 farms was introduced, but the local tradition of this cultivation dates back to the half of nineteenth century when, on the fertile volcanic earth of Borgo Montello, inside the Conca farmhouse enclosure, the Mazzoleni family established a cotton mill. It was a manufacture quite suitable to keep binary machines already employed in the ancient spinning mills. It stayedust for twenty years, before being converted in a gathering centre for the mill grown in the neighbourhood. Nowadays the factory (visible from Via Livenza, at Borgo Montello) appears a ruin which, according to the general urban development plan, is situated inside a private green area boundary, so that it should be re-employed or pulled down.

Borgo Sabotino nuclear power plant

The nuclear power plant in Borgo Sabotino was the first to operate in Italy. Following an initiative promoted by ENI, the project started in 1957 with the establishment of the Simea Society, with capital provided by Agip Nucleare (75%) and Iri (25%). After four years the plant was completed. It was based upon the GCR Magnox technology, a reactor powered by gas graphite made in England. When it came into service it was the largest reactor in Europe with 210 MW electric power. From the beginning of its activity in 1964 and till 1986, the plant produced nearly 26 billion kWh. In 1987 Cipe decided ultimately to close it down, while in April 1991 the business licence was changed to allow the necessary steps to put the plant under protective custody. The combustible downloaded from the reactor between the plant induction and complete core emptying (equal to 1 425 tons), is no longer held into the plant, having been sent in England for re-treatment. In 2000 Sogin presented a project to the authorities to dismantle the power plant.

Cirio firm at Sezze

The establishment of the firm located almost two kilometers to Appia Way, fell within the policy of promotion and support to the Pontinian agriculture, adopted during the fascist age. Established in 1936 in the Sezze territory on an over 20 000 square meters site, the former Cirio firm has long since been abandoned. Tomato manufacturing was seasonal and, during 40-50 working days, it employed about 400 people to offload the cases and to carry them to the basins to be washed and then baked.

Salid at Formia

The plant stands around a kiln established at Formia in the early 1900's by Luca De Meo, owner of huge plots of land and of a clay quarry, who committed his livelihood to an unfortunate start of an activity that never worked, driving him at finally to suicide. In 1939, the factory was taken over by Salid (Società Anonima Laterizi e Industrie Diverse) with its head office in Salerno, that appointed to the management the notorious anti-fascist Adriano Filosa. During the post war years, in spite of the damage suffered, the enterprise experienced a remarkable development, reaching its peak in the early sixties (120 workers employed and a 315 000 quintals per year production). The 1966 crisis forced it to close down, affecting the whole sector, hardly penalized by the introduction of new materials. Since then the plant has been in state of abandonment, waiting for new private owners to launch the project aimed to transform it in an office district.

Avir glass firm at Gaeta

In the early 1900s, the company presented a unique case in both the size of the plant and its style of management, although it was closed down more than twenty years ago. Avir is still remembered for its corporate character, which guaranteed all partners, besides employment, effective control of the enterprise. Much merit has to be given to the untiring efforts of Cesare Ricciardi, a glass manufacture and Secretary of the National Federation of Glass

Manufacturers and who had already founded the Co-operative Society of Federate Glass Companies. The plant was built on an approximately 26 000 square metre area in the Serapo locality, near a zone rich in siliceous sand and not far from the Gaeta-Sparanise railway line. Since 1912, the year the firm started operating, it provided reasonable employment opportunities, attracting specialized manpower, especially from the Livorno and Vietri sul Mare, and recruiting local staff for services and white collar duties. Nearly 170 quintals of finished glass were produced daily, which meant 16 000 bottles and 15 000 demijohns, stored in straw. If during the first world war the main problems were economic, due to the production paralysis caused by the conflict, the post war recovery was hindered by the rise of Fascism , which did not tolerate any strong socialist presence among the glass workers. The second world war saw an immediate interruption in activity, but the rapid renewal of the organization which occurred during the fifties seemed to wipe out all the difficulties the company faced during the first decades of its life. Since 1955, along with the registration of the firm in the Company Register under the name of Vetrerie Federate SpA , workers' families were gradually left out of the management. In February 1968, Avir SpA, who had control of the whole Italian sector, bought out the whole share issue of the Gaeta Society, to which was assigned specific production which relentlessly headed towards failure during the seventies, until in 1982 the plant was declared inactive.

Industrial complex Enotria at Aprilia

The history of the Enotria cooperative begins in the late forties thanks to the initiative of a small viticulturists group repatriated from Tunisia in 1948, following the dispossession of the Italian agrarian properties by the French government, which assigned them to the local population in the first post war era. Those viticulturists prized their previous colonial experience highly and from 1948 to 1955 they transformed about 2 000 hectares of uncultivated ground in the Aprilia zone, in special vineyards, adopting schemes which fitted in with the mechanization of the enterprises services. On July 26th 1950 the cooperative was established, whose statute ruled that every member gathered all their production into a social cave. The first project for the plant development was approved by the Southern Italy Development Fund in 1952. Two years later the first settlement was completed and it was enlarged four times due to the continous admittance of new partners, which reached a peak at the end of the eighties. The last grape treatment dates back to the 1990 vintage. On July 26th 1991 the cooperative was wound up and sold to a private society on

December 23rd 1992. The last bottles with the label Enotria are dated April 30th 1993.

Sugar-house (now Intermodale) at Latina scalo.

Established in a strategic zone in the Pontinian lands just reclaimed by the Fascism, in proximity to a railway line, the sugar house, already active in 1936, contributed to the quick development of sugar beet in the fields around Littoria (now Latina). Originally the plant had a propaganda role, so that the regime could boast both of the plant's rapid development and of its productive capability, with clear recalls to the induced of the agrarian and transports sectors. In the seventies several structural enlargements took place, which didn't change the planimetry and the original characteristics. After the interruption of the production cycle which occured in the eighties, after years of abandonment, the whole structure was converted in a logistic platform for the sorting of goods conveyed by rail.

2.2.2. The local labour market development

Despite the importance of the variation in production and the remarkable contribution by the different sectors, the dynamics of the labour market in Latina shows no positive signs, since the levels of employment registered are lower than the regional and national averages, along with an unemployment rate very similar to those of Lazio and Italy. Also, the level of activity (the relationship between manpower and population) remains at a value lower than the averages registered in Lazio and Italy. The number of employed people in 2003 was, on average, more than 196 000 units.

Table 2.3. Labour market structure 2003

Specification	Province Latina	Lazio	Italia
Population > 15 years old	455 752	4 554 030	49 207 999
No work force	240 201	2 301 198	25 057 675
Work forces	215 551	2 252 832	24 150 318
People seeking employment	19 057	196 147	2 096 075
Total employed	196494	2 056 685	22 054 249
Employees	143 474	1 540 265	16 046 179
Independent workers	53 020	516 420	6 008 070
Activity rate	47.3	49.5	49.1
Unemployment rate	8.8	8.7	8.7

Source: Osserfare su dati Instituto G. Tagliacarne.

Attention should be brought to the labour market structure which appears strongly influenced by the composition of the population by age, it being particularly young, which affects the workforce datum as it includes part of the population not available for employment. However, the percentage of independent workers registered (27%) is higher than the regional average and in line with the national average (25%), probably because of the clear prevalence of the typology contracts in the agrarian sector, which represents over 78% of employed people. Furthermore, in Latina, employment seekers are equally distributed between men and women, while unemployed women seem to suffer more, with an unemployment level higher than for men. By examining the division of the workforce per sector, almost 63% of locally employed people work in tertiary activities, 30% in the industrial sector and just 7% in the agricultural sector. The provincial structure differs notably from the regional structure, especially regarding services (62.7% in Latina, compared to 77.6% at regional level). Concerning industry, the figure shows a higher level than the regional one (29.8% compared to 19.8% in Lazio), but two percentage points lower than the national average. In the Pontinian territory there is an increase of permanent training schemes registered for businesses, involving 18.1% of actual employees compared with 16.1% the previous year. Lastly, it is noticeable that the provincial labour market is distinctive for its substantial number of low and medium skilled personnel, but local enterprises have expressed that the raising of educational levels is necessary to meet their occupational needs. The trend of typology contracts issued by enterprises is seemingly moving towards short-term engagements, to the detriment of permanent engagements. If this is true at national level, it should be stressed that in Latina it appears to be much more of a grey area. Looking at the forecast for 2004, permanent employment will shift slightly from 53.2% to 53.8%. Meanwhile, the engagement of short-term employees will rise from 30.2% to 37.8%. However, this latter statistic does not take into account a possible "turnover effect", where it included a large part the previous job and training contracts, which were eventually assigned to the "inclusion" contracts in 2004 (that amounted to 2.8% in 2004). The pattern that emerges regarding the last two years (between 2003 and 2004 the level of short-term engagements rose from 14.7% to 30.2%) would be a novel aspect with respect to events in more recent years, when short term employment lost ground in the overall datum. The possible reasons for this can be explained, though, not only to various legislative interventions, but also to a cyclic state. In fact it is possible that in a stagnant state like the present one, the engagements on offer tend to be mainly short termed, explaining a widespread sense of uncertainty about the evolution of the short term market.. A number of studies highlight how low absorption of the high level human resources (highly skilled) in the Italian entrepreneurial system – characterized by "traditional" sector specializations, small-sized firms and the orientation to incremental rather than a "radical" innovation – represents one of the most relevant obstacles to the economic growth and to the competitive development of our productive structure.. Through the Excelsior Info System, we can monitor the evolution of the human resource demand, as indicated by businesses, by analysis of the levels of professionals coming into the various economic sectors, as well as by studying the levels of education requested. From 2003 to 2005 we can observe:

- an increase in the highly specialized scientific and academic professions which has no influence on the overall situation,
- a retrenchment of the technical professional, reducing their significance by half on the overall situation,
- an increase in the executive professions which doubles their significance in the overall situation,
- an increase of specialized workers, machine operators and unqualified personnel which had no effect on the overall situation.

So the general scenario seems to lack any discernible evolution, except for the confirmed inclination of the local production units towards the engagement of the low profile professionally skilled.

State and development of entrepreneurial activities

The main players of the territory concerned with the promotion, start-up support and development of enterprise are the Latina Chamber of Commerce (CCIAA), the provincial Industrial Association and the Lazio region, both directly and through agencies and other groups "ad hoc". In Latina the Lazio BIC operates the Enterprise Promotion Centre, established by the CPI – and soon to be joined by BIC's Enterprise Incubator.

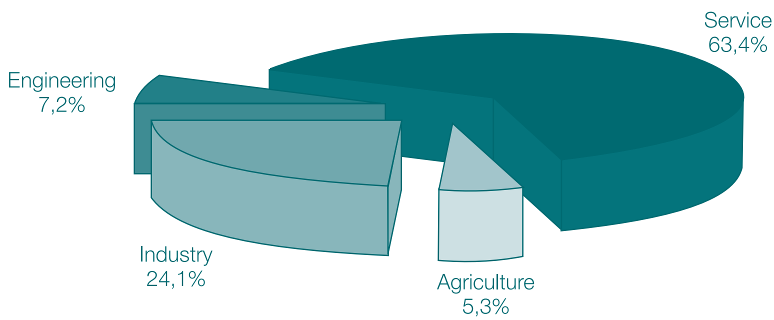
Latina is the seat of the Chamber of Commerce, Industry, Handicraft and Agriculture, where in addition to the "institutional " services, an Info Centre operates with regard to the financing of enterprise. In 1996, the "New Enterprise Point" was established and appointed to promote new pontinian enterprises. At present there are two locations in operation, one in Latina and the second in a decentralized seat in

Formia. Furthermore, the Latina Chamber of Commerce promotes initiatives aimed at reviving the local economy through companies under institutional control. In particular, the STEP (Services and Technology for the Pontinian Economy), with its main offices in Latina, Formia and Latina Scalo, deals with the creation of training bases, while the SECI (Society for International and E- Commerce), situated only in Latina, deals with the promotion and development of foreign trade. Lastly, the Consortium Intrafidi, again situated only in Latina, beside the CCIAA, deals with credit assistance for enterprises. The province has been selected by the Lazio region as the local production area for the agrarian-food and chemical-pharmaceutical sectors, and to be considered as the first stage in the recognition of industrial districts. A further resource in the territory is the Latina campus of "La Sapienza" University, noted for its excellent didactic offers, such as: 3 economic faculties (2 degree, 1 specialist degree and 2 masters courses) 3 engineering faculties (6 degree and 1 specialist degree courses) 3 medicine and surgery faculties (7 degree and 1 specialist degree courses) 3 faculties of mathematics and natural sciences (1 degree and 1 specialist degree courses).

The value added

The provincial value added and the per capita value added represent the most synthetic measure of wealth and they are indications which allow us to appreciate the growth of the territory's economic system. These data allow us to understand the path of the economic development in this province and to consider it in comparison both to the other Lazio provinces and nationally. Every year the Tagliacarne Institute reviews the ratings on the value added, and also with regard to previous years, so a careful reader will be able to notice that from one year to another not insignificant differences among the data can occur. Considering the available ratings concerning 2004, we can see that the contribution given by the Pontinian enterprises to the national gross product amounts to 0.87%. Translated in relative terms, it means that, on average, each province inhabitant earn 20 871€ against the previous 20 103, a value substantially in line with the national average but lower than the central Italy average (23 028 €). The increase in the per capita value added between 2003 and 2004 (+3.8%), although being higher than the national average (+2.6%) is the lowest among all other Lazio provinces. By analyzing this datum in static terms, i.e. considering the country mean value added to be equal to 100, the Latina (index value equal to 100.5) puts it in 52nd place of provincial ranking. That position did not change with respect to the previous year but the province gained 10 places compared to 1995. It should be noticed too that from 1995 to 2004 Latina shows the highest variation of the per capita value added: 56.4% against the 43.6% national average. In terms of sectorial desegregations, the major contribution to the formulation of value added, which in general amounts to 11 038.4 millions euro, is to be apportioned firstly to the service sector, followed by the manufacturing industry and construction. Lastly, is the primary sector, whose economic value is expressed by a fairly stable contribution if compared to the previous year.

Figure 2.1. Latina – structure of economy in 2004



Source: Osserfare su dati Instituto G. Tagliacarne.

The comparison with the 1995 datum concerning the sectorial desegregation shows the tertiarization process that characterized the Pontinian economy, along with the relative (if compared to other sectors) decrease of agrarian activities, although they maintain an absolutely relevant presence with regard to the other territorial realities. In fact, according to the analysis of the specialization indicator, which allows us to recognize the specialized productive sectors in the Pontinian area within the framework of the regional economic life, the agrarian sector and industry in particular, confirm their economic dimensions which are larger with regard to the Lazio provinces and to the national average.

2.3. Tarnobrzeg in Podkarpacie

2.3.1. Province profile

The Tarnobrzeg province is situated in the northern part of Podkarpacie. The province covers the area of 606 km^2. About 82% of the area constitutes the rural areas. The population of the province is 103.9 thousand inhabitants, which represents

0.27% of the total population of Poland[1]. The natural increase per 1000 population in the Tarnobrzeg province is one of the highest in Poland. In the province there is one state-owned university.

2.3.2. Economy

Post-industrial area

The administrative district of Tarnobrzeg is a depressed industrial area. The sulphur mines, which were located in the former, were for the entire period of intensive exploitation the key economic sector providing employment for inhabitants. The activities of the open pit mines of “Jeziórka”, “Piaseczno”, “Machów” as well as the sulphur mining complex “Siarkopol” had unfortunately led to extensive environmental degradation. The entire industrial infrastructure was finally wound up although land reclamation processes have continued unabated. This is a difficult undertaking as it is dependent on the specific nature of the environment. Transforming these territories involves the restoration of the soil’s proper chemical composition as well as changing the area’s geomorphologic configuration, which had subsided due to mining exploration. Environmental degradation was not the only reason for classifying these territories as depressed industrial areas. The economic situation of the mines as well as sulphur extraction and processing companies have degenerated since the beginning of the 1990s due to global recession occasioned by dwindling prices of raw materials. As well as global changes of the method of sulphur production. Attempts were made to restructure the complex, aligning it with realities of free market economies. Consequent upon these activities coupled with the continued global recession in the price of sulphur extraction was discontinued resulting in the dismantling of the complex into individual self-sustaining businesses. The process of winding up the “Machów” mines has continued since 1993. A similar process was begun three years later at the erstwhile “Piaseczno” mines. A huge water reservoir, being the only suitable form of reclamation for these two areas, was created due to their location and hydrological similarities. Land reclamation at the former “Jezióko” mines was undertaken towards the end of the 1990s. Programmes aimed at eliminating effects of mining activities as well as the settling of all liabilities left over by the defunct “Siarkopol” were not begun until 2002.

The economic profile of territories once occupied by heavy industries have undergone changes mainly through the creation of the “Euro Park WISŁOSAN” special

1. *Statistical Yearbook of the Republic of Poland 2005*, Central Statistical Office in Warszawa, Warszawa 2005, pg 191.

economic zone where manufacturing companies making use of modern and ecologically safe technologies are located. Improving the quality of the natural environment here is also of equal importance like in the Tarnobrzeg administrative district, hence projects aimed at protecting the ecosystem along with the Sandomierska primary forestland are being undertaken.

Tarnobrzeg Special Economic Zone

Tarnobrzeg Special Economic Zone "EURO-PARK WISLOSAN" (TSEZ) was established on the strength of the Decree of Council of Ministers dated 9th September 1997 on the base of the Act on special economic zones dated 20th October 1994 (Polish Journal of Acts No 123 item 600, with later amendments).

The mission of the Tarnobrzeg Special Economic Zone is:

"Development of the postindustrial areas with the sulphur, machine-building, armaments and metal industries using the human resources on the field of energy mediums, existing in the particular regions of the TSEZ".

The establishment of the Zone in the area of the former Tarnobrzeskie region (in present northern part of the Podkarpacie region and southern part of the Świętokrzyskie region) and its later widening by the areas of Radom, Polaniec and Nisko, Jasło and Ożarów Mazowiecki cities is a chance to solve the problems of the necessary restructuring of several big industrial areas, assuming the following goals of this projects: use of the surplus labour force, diversification of the dominating types of the economic activity (especially within the monoculture of the sulphur, metallurgical, machine-building and metal industries) as well as development of the surplus assets in the form of plots, buildings and structures.

In April 1998 there was the granting of the first permit for economic activity within the TSEZ (Stahlschmidt & Maiworm Ltd. Company). 11 permits where granted by the end of the year. By the end of 2006, 129 permits where granted. Creation of 12 000 jobs in different sectors of industry, located within the Zone and co-operation services in the surroundings of the TSEZ is the strategic socioeconomic goal of the TSEZ.

The investors can use the resources offered, which include investment areas, in the most part with technical infrastructure. Companies operating within the Tarnobrzeg Special Economic Zone on the day of the establishment of the TSEZ, communes and the managing company of the TSEZ EURO-PARK WISLOSAN the Industrial Development Agency joint-stock company in Warsaw are owners of these assets.

The managing company undertakes activities to realize the goals of the Zone in accordance with the development plan and the statue of the TSEZ, especially by:

1. Disposal of ownership and perpetual lease right to land within the Zone to investors,
2. Activities tending to create proper conditions for the utilization of the infrastructure in order to facilitate the economic subjects their production and service business.

List of investors located in the Tarnobrzeg Special Economic Zone „EURO PARK WISŁO-SAN”

Tarnobrzeg sub zone

Name of Company	Area of business activity
ZAKŁAD MECHANICZNY „SIARKOPOL” Sp. z o.o.	Machine and equipment production, metal works
„FENIX METALS” Sp. z o.o.	Products from copper, lead and tin
„TARKON” Sp. z o.o.	Concrete and gypsum products, metallic structures
„AGMA” Sp. z o.o.	Textile products
„ECHO–MEDIA” Sp. z o.o.	Newsprint services, printing products and services, book binding services and printing materials stores
„DARTE” Sp. z o.o.	Non-metallic secondary raw materials – sourcing, sorting, cleaning and treatment of feathers
„REKFOL”	Synthetic packaging materials, recycling of non-metallic products

Tarnobrzeg sub zone – Gorzyce investment area

Name of Company	Area of business activity
„ALUMETAL GORZYCE” Sp. z o.o.	Aluminium production.
„PRESS + SINTERTECHNIK” Sp. z o.o.	Production of salt cores
„RH ALURAD WHEELS POLSKA” Sp. z o.o.	Aluminium casting
„AIMT Polska” Sp. z o.o.	Metal works, production of organic and inorganic chemicals, cast iron, steel, non-ferrous metals, tools, and general purpose machines

Stalowa Wola sub zone

Name of Company	Area of business activity
„ATS STAHLSCHMIDT & MAIWORM” Sp. z o.o.	Aluminium wheel covers, metal works, machines and equipment
„HSW – Zakład Zespołów Napędowych” Sp. z o.o.	Bearings, gears, transmission, motive parts

Name of Company	Area of business activity
„HSW – Zakład Kuźnia Matrycowa" Sp. z o.o.	Drop forgings
„ALUTEC" Sp. z o.o.	Aluminium casting
„HSW – LORRESTA" Sp. z o.o.	Retrieval of materials from wastes
"UNIWHEELS Production (Poland)" Sp. z o.o.	Production of aluminium wheel covers
„EUROMETAL" S.A.	Aluminium smelting
„IWAMET" Sp. z o.o.	Metal works, powder metallurgy services
„HSW – ODLEWNIA" Sp. z o.o.	Iron, steel and other types of castings
„Zakład Zespołów Spawanych Wowi" Sp. z o.o.	Metal works and metal coating

Stalowa Wola sub-zone –Nisko investment area

Name of Company	Area of business activity
TOORA POLAND Spółka Akcyjna byłe Z.M. ALMET	Construction of metallic scaffolding

2.3.3. Labour market structure

Structure of employment

Comparing the structure of employment in the province, it is easy to notice, that the number of employees working in agriculture decreased considerably from 2000 to 2005. At the same time employment in non-market services rose twice.

Table 2.5. Rate of employment in Tarnobrzeg province

Specification	Employed % of total							
	agriculture, hunting and forestry, fishing		industry and construction		market services		non – market services	
	2000	2005	2000	2005	2000	2005	2000	2005
Podkarpacie	53.4	29.4	20.2	28.9	12.4	19.9	14.0	22.0
Tarnobrzeg province provinceowiat	55.9	35.3	29.3	36.1	5.3	10.9	9.5	17.7
Tarnobrzeg City	16.0	6.3	31.4	24.1	26.4	34.7	26.2	34.9

Source: The Podkarpacie region 2006, op. cit., p. 62.

Despite the changes, local industry has the most important influence on the structure of employment. Huge plants have the largest share among the employers. The firms running a business, have risen from industry plants are:

- Federal Mogul Gorzyce S.A.
- Metallic Plants „DEZAMET S.A. w Nowej Dębie
- Net Curtains Plants „WISAN"

Unfortunately, small or medium firms, employ 3% less than the average for the Podkarpacie region.

Table 2.8. Employed persons in services in 2004 and 2005

Specification	2004		2005	
	Market Services	Non-Market Services	Market Services	Non-Market Services
Tarnobrzeg province	715	1968	1278	2076
Tarnobrzeg City	5294	3585	4028	4157

Source: The Podkarpacie region 2006, op. cit., p. 144 and The Podkarpacie region 2005, op. cit., p. 137.

We can conclude that there is a noticeable increase in the number of employees in the services. The number of employees in market service almost doubled. There is a similar situation in Tarnobrzeg city although the increase is 6.5%.

The number of small and medium private firms is rather low. Part-time jobs, however, are common but limited in time limited activity. This kind of employment is very popular among young people and w

omen. Because of post-industrial character, the province does not have the characteristics of a tourist area. There are few hotels or campsites, so there are limited job opportunities for part-time workers. However, the province is developing, and there are many restaurants or pubs where young people can find work.

Structure of unemployment

In the Tarnobrzeg province the rate of unemployment was 18.4% in 2005.

Table 2.6. Unemployed persons in 2005 in the Tarnobrzeg province in 2005

Specification	Registered unemployed persons					Registered unemployment rate in%	Newly registered unemployed persons	Job offers
	total	of total						
		women	previously not employed	terminated for company reasons	possessing benefit rights			
Podkarpacie	163 956	87 626	47 117	5 417	18 047	18,5	151 774	41 016
Tarnobrzeg province	7 727	4 136	1 553	564	846	18,4	7 752	1 876

Source: The Podkarpacie region 2006, op. cit., p. 153.

The most difficult situation for job-seeking is for persons between 25 and 34 years old. This group includes:

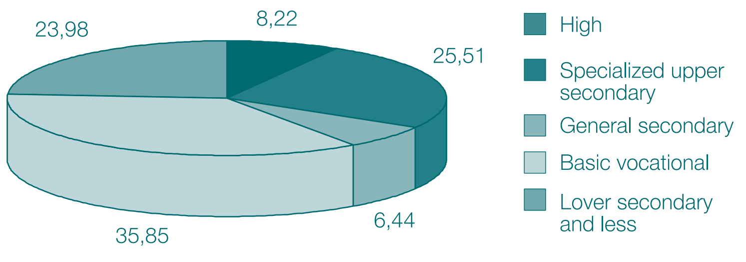
- High school leavers,
- Young mothers after the maternity leave,
- Young people after post-graduate internship.

Table 2.7. Registered unemployed persons by age in the Tarnobrzeg province in 2005

Specification	Total	By age				
		24 and less	25-34	35-44	45-54	55 and more
Podkarpacie	163 956	41 050	51 899	37 187	29053	4767
Tarnobrzeg province	7 727	1 682	2 465	1 858	1 503	219

Source: The Podkarpacie region 2006, op. cit., p. 154.

Figure 2.2. Structure of unemployment by education in 2005 in the Tarnobrzeg province



Source: The Podkarpacie region 2006, op. cit., p. 155.

Chapter 3

Selected methods of dealing with unemployment

Regional, including depressed industrial areas development is dependent on various social, political and economic factors. The most important among them, in terms of their capacity for business development and creation of new job places, are loan funds, employment agencies, foreign investors and export activity of local enterprises.

3.1. Basse-Normandie

3.1.1. Direct foreign investment in post-industrial areas (case study)

Philips France (Philips Semiconductors) – now NXP

Home country	Netherlands
French location	Colombelles Basse-Normandie
Sector	electronic components
Number of jobs created	100
Type of project	R&D center

Already present in Normandy with a plant producing integrated circuits in Caen, Philips has announced plans to create a new research center in the city's suburbs at Colombelles.

This high-tech campus is tipped to become a leading international R&D center for semi-conductors, bringing together nearly 700 researchers and engineers from Philips, as well as public sector laboratories, universities and business partners. Henri Alain Rault, director of the Philips Semiconductors center in Caen, says "Our aim is to bring together technological resources and expand cooperation with our partners, thus sharing our expertise."

The project calls for the construction of buildings with a floor area of 100 000 sq. m on a 25-hectare site. Philips will be the first to move in, occupying 18 000-20 000 sq. meters. Several partners will be joining it a little later.

Over the next five years, Philips will invest €200 million in the R&D program, including €33 million in public subsidies from the state, regional authorities and the European Regional Development Fund.

This project has been backed from the start by IFA and the state, with regional authorities in Basse-Normandie swiftly coming on board. Support from public authorities was instrumental in the company's decision to locate in *Caen* rather than in *Hamburg* (Germany) or *Nimegue* (the Netherlands). Groundbreaking took place on January 2005.

Royal Philips Electronics of the Netherlands is one of the largest electronics companies in Europe and the world, with 2004 revenues of €30.3 billion. It has had operations in France since the 1920s. Today Philips France employs around 7 750 people and reported revenues of some €3.3 billion in 2004.

3.1.2. Loan funds for start-up entrepreneurs and businesses (case study)

The **Regional Chamber of Trade and Industry** grants loans on trust or guarantees to entrepreneurs.

Another way to benefit from a financial help for entrepreneurs is **"OSEO"**.

OSEO was born in 2005, by bringing together ANVAR (French innovation agency) and BDPME (SME development bank), around a mission of general interest supporting the regional and national policies. Its mission is to provide assistance and financial support to French SMEs and VSEs in the most decisive phases of their life cycle: start up, innovation, development, business transfer / buy out. By sharing the risk, it facilitates the access of SMEs to financing by banking partners and equity capital investors.

OSEO covers four areas of activity:

- Innovation support and funding: for technology transfer and innovative technology based projects with real marketing prospects,
- Funding investments and operating cycle alongside the banks, through OSEO,
- Guaranteeing funding granted by banks and equity capital investors,
- Performing studies (SMEs Observatory) and providing services to SMEs.

OSEO head structure is a holding with public status. It reports to both the Ministry for Economy, Finance and Industry, and Ministry for Higher Education and Research.

OSEO's partners are: banks, financial institutions and equity capital investors, research laboratories, universities, engineering schools, major companies, chambers of commerce and industry, tradesmen's guilds, business start-up assistance and support networks, government agencies and private organisations working to promote the use of information technology by SMEs, European structural funds and Community research programmes,

OSEO covers all areas of France, through its regional network. It works with local communities and in particular with the French regions. It makes its skills and networks available to them, acts on their behalf and in accordance with their economic development priorities.

A young high-tech society, “Netcentrex” is surfing on the wave of telephony on IP.

The voice on IP emerges finally, as well in the operators as in the companies.

This technology is opening the way to new usages and to a simplified exploitation of telephony.

We have heard about voice and telephony in IP-format (IP=Internet Protocol) for about 6 years. Today, this technology reaches maturity. Thanks to this technology, voices communications and informatic applications use the same protocol of IP network and a common physic infrastructure. So we can have an easier coupling which leads to new usages in telephony, such as a simplified exploitation and a better integration in contact centres.

The voice on IP is limited to intersites transport in boxes in Internet Protocol format, whereas IP telephony goes further as phoning posts work themselves in this mode. The network of local transport becomes the Ethernet network of the society. All intelligent functions – routing of calls, management of the plan of classification, advertisement networks, and etc. – are guaranteed by a call server, also called softswitch. It is on this gap of phoning applications servers that the young seedling “Netcentrex” positioned itself at the end of the year 1998. “We are issued from an expansion of France Telecom”, remembers Olivier Hersant, creator and president of the start up at this time, in the middle of works that the laboratories of the operator were leading on the IP-voice. And as it wasn’t a technology in the heart of work for France Telecom, we could buy it back.

Netcentrex managed to attract prestigious partners: among investors of *Netcentrex* there are French fairy godmothers, such as *CDC ("Caisse des dépôts" = Case of the deposits*) and *Innovacom*, but also American funds like *Intel Capital* or *Newbury Ventures*. The start up employs today 130 persons, and realized a turnover of 25 million euros in 2003.

Its young story already has two great successes. The first one, which really marketed it, is from the year 2000 when the international operator *Equant* chose it in order to build its IP-voice offer for societies. The second one came a year later when the Italian operator *Fastweb* chose it for its large public offer. The successes of *Netcentrex* are also based on the fact that it managed to attract prestigious partners such as *Cisco* whose IP-telephony for operators remains uncompleted or HP. As for the future, it seems rather favourable with the growing up of IP-telephony which is now obvious.

3.1.3. Institutional forms of influencing labour market – employment agencies and temporary employment agencies (case study)

Manpower (temporary employment agency) and the French National Employment Agency renew their partnership for employment that they signed in 2003. They also reinforce their cooperation in the framework of evolutions brought by the law about social cohesion.

The collaboration took place notably through the setting up of concrete actions in order to answer lacks of competence: for instance, the creation of training courses for inclusion and of professionalization, mainly in sectors of industry, building, transports, logistic and catering.

At the same time, Manpower commited in 3 years more than 138 000 job advertisements to local agencies of the French National Employment Agency.

This new agreement shows the willing from both partners to develop their collaboration in order to insure a constant anticipation of needs from the job market. Both partners also want to set up adapted actions to support the return to employment and to answer needs about competence of societies.

The synergy of both networks concerning recruitment is reinforced with the enlargement of job advertisements proposals to all kinds of contract: temporary employment, contracts with limited duration and contracts with unlimited duration.

Getting involved in the fight against professional exclusions and discriminations

With this agreement, the French National Employment Agency and Manpower definitely get involved in the fight against discriminations and in favour of diversity. Indeed, it aims to:

- guarantee an equal treatment of applications,
- develop more widely the setting up of training courses for inclusion which could switch between job missions and training, notably for job-seekers who have to face social or professional difficulties or who are threatened to be excluded: young people, women, senior citizens, long-term job seekers, beneficiares of social minima, disabled workers,
- get involved in favour of chances equality, in particular in the framework of national plans of actions for employment of senior citizens and of young people, particularly those residing in Significant Urban Zones.

Accordingly, Manpower developed a training to let its permanent collaborators to identify and fight discriminative orders. As for the French National Employment Agency, it notably leans on the setting up of the European program ESPERE in its network and on the actions led in the framework of the "Mission Employment Suburbs".

Exchange of information and know-how for a bigger effectiveness

Manpower and the French National Employment Agency get involved to share their information about regional and local job market. Then, they can analyse pressures on the market and set up actions aiming to develop the employability of job-seekers.

Manpower involves itself to deliver regularly its tools to local agencies, notably its evaluation tools used to evaluate performances about professional abilities and competence. As for the French National Employment Agency, it will hold the Manpower agencies informed about measures and plans in favour of employment that the state and the local authorities have defined. This reinforced collaboration includes the creation of links between websites of both partners to improve the fluidness of the offers exchanges.

Sources

Website of Invest in France Agency : http://www.investinfrance.org

"OSEO": www.oseo.fr/english_version

"Netcentrex": http://www.01net.com/article/247686.html

Website of the Franch National Employment Agencies : www.anpe.fr

3.2. Lazio

3.2.1. Internationalization of the Lazio economy

Lazio, in contrast to the nation as a whole, is a region "closed" to foreign trade and the SME have a poor attitude towards dealing with the international markets. The index recording the impact of foreign trade on local economies registers Lazio at 25.3 compared to Central Italy at 32.5 and 42.2 nationally. However, there are exceptions in some districts and some technically advanced sectors, whose enterprises generate exports. Looking closer at specific provinces, we see that the Rieti and Latina areas have the highest values at 47.9 and 47.7 respectively. In third place is the Frosinone province at 37.5, followed by Rome and the Viterbo provinces, the latter being the most "closed", with just 8.8. Furthermore, Lazio suffers a foreign trade deficit, which indicates a weakness of the enterprises in achievement in the international marketplace. In 2003, the region recorded a surplus of imports over exports, although this negative situation stood out against a rosier picture on the peninsula on the whole, substantially closing the import/export trade gap: 98.7 for the centre and 100.6 for Italy. In 2004 exports were slightly above 11 billion euros compared with imports of over 21.7 billion euros. The main exports are from, the chemical – pharmaceutical sector, owing to the presence of many plants belonging to multinational companies, and to the availability of basic chemical products on the Pontinian axis (Roma-Pomezia-Aprilia-Latina) and on the highway axis between Frosinone and Anagni. Other relatively important exports are from the pottery industries of Civita Castellana, tubes and valves from the electronic industries of Borgorose in the Rieti area, not to mention the export of transportations, from aircraft and space vehicles to cars produced by the Cassino metal and mechanical sectors and of marble from Tivoli-Guidonia and the Ausoni district.

Non-EU entrepreneurs

There has been the phenomenon of a high growth rate of registered immigrant enterprises over the last few years and this is an important addition, being a form of integration that is becoming increasingly popular. This phenomenon today represents the real engine for growth of individual enterprises in our country. In 2005, the balance between the registration of new companies and closures (+ 17 103) was positive solely due to the contribution of 26 933 new enterprises created by employers from outside the European Union, bringing an increase of 15.4% compared to 2004. Without this contribution the number would have decreased by 9 830. To analyse this contribution further, we required data from the archive containing company titles as well as the Chamber Register, but it should be understood that in order to interpret the data properly, we must take into account two limitations of this data base:

- the existence of multiple titles registered by the same person,
- the lack of records concerning their nationality.

However, by focusing only on the aggregate of owners and partners, it is possible to reduce both limitations without distorting the overall conclusions of the information. In Latina, the entrepreneurial initiatives operated by non-EU citizens (according to the registers) are now 2 489. Compared to 2004 there are 152 more entrepreneurs, an increase of 6.5%. Although this growth is far more restrained with respect to national standards, it is significant if one considers that since 2000 it has never been lower than 5% .

The influx of new businesses from abroad is concentrated mainly in trade (35.2%), followed by manufacturing (13.3%), especially in the food sector and in metal treatment. The building and agrarian sectors represent 12.3% and 10.1% respectively of foreign enterprise. The data shows a clear prevalence of these enterprises of 59.8% owners/associates; another 35% includes managers and 5.2 % holding other positions. Also evident is a strong presence of individual enterprises. Concerning the origin of non-EU entrepreneurs, 37.6% are from northern Africa, 13.2% from other European countries and 11.8% from Central and South America.

3.2.2. Loan funds for entrepreneurs start-up and businesses (case study)

The Lazio economy went through a reorganisational phase during the nineties, determined by general reasons of an economic nature that concerned the whole country and the entire European Union, as well as specific reasons concerning the region. The new system Lazio had to aim for had to be characterized by a better competitiveness against others at national and European level. To do so, the region chose to enliven specific areas, called objective 2 and filed according to certain standards, with incentives, each different in shape and nature. The guide rule in the choice of areas was to direct the finances at the most efficient (which is now considered unfair). Programmes 2 and 5b (referring to years 1994 – 99) began the processes to strengthen the regional economy and, where possible, was believed appropriate to continue (especially with regard to FESR intervention) until a significant outcome was reached.

An analysis in depth of the single social and economic realities of the region allowed the recognition, through a SWOT analysis, all specific areas with the best capacities in the whole region, as well as the areas which could be a risk to lowering further their general competitiveness, if not properly supported (for instance, South Pontino and the southern area of Frosinone Province, which suffer competition from the adjoining Campania Areas that fall under objective 1). It was also decided to give boundaries to all areas of relevant dimensions for territory extension or number of inhabitants. Altogether, 171 councils or part of them were admitted to Obj. 2. 2000-2006, with a population as a whole equal of 1 102 990 inhabitants. All the selected areas fit the standards stated in paragraphs 5, 6, 7, and 9 of art.4 of the Regulation EC n. 1260/1999 of the European Council enforced at NUTS III level (§5 e §6), concerning the councils, the aggregation of councils or single councils. Those standards recognize the areas going through social and economic changes in the industrial sector, the rural being on the wane, the distressed urban zones, the rural zones in social and economic trouble caused by the ageing population or the lowering of assets in agriculture, the zones at risk, or having been at risk, of social and economic crisis. By getting the council to refer to each territorial area to determine its specific typology of structural difficulties which characterizes the current changing phase. It is recorded that of the 171 councils admitted to Obj. 2 2000-2006:

- 74 councils fit the standards of art.4, par.§5 of the Regulation. Those councils going through social and economic changes in the industrial sector have a general population of 593 006 inhabitants,
- 31 councils fit the standards of par. §6. Those rural councils on the wane have a general population of 131 925 inhabitants,
- 1 council fits the standards of par. §7 with a population of 21 568 inhabitants,
- 5 councils fit the standards of par. §9 a. 2 of these councils are experiencing a social and economic mutation in the industrial sector and they have 11 765 inhabitants. The other three are rural councils on the wane and they have a population of 14 820 inhabitants,
- 49 councils fit the standards of par.§9 b). Those rural councils with social and economic troubles have a population of 159 546 inhabitants,
- lastly, 11 councils fit the standards of par. §9 c. Those councils at risk of a crisis have a population of 170 360 inhabitants.

As follows we report some examples of the facilitationes forecast by Lazio in favour of enterprise

Young people

- L.R. 29/96 Creation and development of SME,
- Docup IV.1.3 – L.R. 29/96 Help to young enterprises investments,
- L.R. 19/99 Lazio region loan financing.

Women

- L. 215/92 Feminine enterprise,
- Docup IV.1.3 – L. 215/92 Helps to young and feminine enterprises.

SME and craftsmen

- L.R. 13/02 Contributions to handicraft enterprises aimed to young people's training and engagement,
- L.R. 13/79 Contributions to SME productive settlements,
- L.R. 2/85 Technical and financial support to Lazio SME,
- L.R. 46/02 Interventions aimed to support and develop the employment,
- Areas affected by the crisis of the FIAT plant at Piedimonte S. Germano,
- L. 1329/65 (Sabatini) Facilitations to machineries purchase or leasing,
- Docup IV.1.5 – L. 1329/65 (Sabatini) Support to SME investments through the sole regional fund,
- L. 140/97 Fiscal measures for the renewal of industrial enterprises,
- L. 240/81 Contributions in favour of handicraft enterprises,
- L. 266/97 art.8 Automatic fiscal incentives,
- Docup IV.1.4 – L. 488/92 Helps to SME investments.

Examples of community financing:

- The **European Fund for the Regional Development,** which finances infra-structures, productive investments for the creation of employment, projects of local development and interventions in favour of SME,
- The **European Social Fund** for training actions and to face unemployment,
- The **European Agrarian Fund of Orientation and Guarantee** for the actions of rural development and the support to agrarians,
- The **Financial tool to Fishing Orientation** aimed to the sector updating.

3.3. Podkarpacie

3.3.1. Foreign investors and export activity of companies in Podkarpacie

In the 1990s, companies in Podkarpacie just like thousands of others in Poland found themselves existing in new circumstances of a market economy. For a majority of them entrepreneurship, modern management styles and marketing strategies aimed at winning new clients as well as sales outlets became the preconditions for sustainable growth. Activities aim at transforming companies to be internationally oriented gained momentum. Sales analyses of products, commodities and raw materials exported by companies in Podkarpacie during 1999 – 2005 show a consistent growth in exports in relation to total sales incomes for products, commodities and raw materials from 12.7% in 1999 to 19.9% in 2005. It can be observed in table 3.1 that the percentage of export in overall sales incomes from products, commodities and raw materials in Podkarpacie was higher than the national average ranging from 2.4% to 3.2% during the period in question.

Table 3.1. Export participation in sales incomes of products, commodities and raw materials by companies based in Poland or in Podkarpacie

Details	1999	2000	2001	2002	2003	2004	2005
	Export participation in %						
Poland	9.8	11.8	12.2	13.0	14.6	16.4	17.0
Public sector	10.6	12.0	11.5	11.1	11.8	12.5	11.8
Private sector	9.5	11.8	12.4	13.5	15.3	17.1	18.0
Podkarpacie	12.7	14.6	14.6	16.4	17.8	19.2	19.9
Public sector	12.3	13.8	10.2	6.5	5.9	7.8	8.7
Private sector	**12.9**	**14.9**	**15.8**	**19.1**	**20.7**	**21.8**	**22.0**

Source: Author's presentation based on data from the Central Office of Statistics in Rzeszów.

Industrial processing companies had the highest exports. Theirs constituted 82.9% and 87.2% in 1999 and 2005 respectively of total value of exports of products, commodities and raw materials.

An important indicator of the on-going international transformation of the economy in the Podkarpacie province has been the number of companies with foreign capital participation. 251

companies with foreign capital participation were based in Podkarpacie by the end of 2004. It was however dominated by small firms employing no more than 9 persons. In 2004, a total of 136, 54%, companies with foreign capital participation were engaged in export activities. Their total export of goods and services amounted to 5 360.9 million PLN.

Encouraging results for exports from Podkarpacie was, among others, due to the fact that besides the state-owned companies with long traditions of export activity a large number of private companies that became very active and successful joined in competing for international customers in the 1990s. It should be noted also that the value of export per person was lower in Podkarpacie than the national average during the period covered.

The most important export partner, indeed for the whole country, was Germany that outshined Ukraine, USA and Great Britain. In analysing the location of exporters from Podkarpacie, it can

be observed that they were mostly located in Stalowa Wola, Tarnobrzeg, Dębica, Mielec, Rzeszów and Krosno administrative districts. Since the first four had their economic activities

based on either companies set up within the pre-war Central Industrial Zone, depressed industrial areas or special economic areas, it can be judged that this is the only area in Poland's eastern flank with high concentration of export oriented industries.

Export activity of companies in Podkarpacie during 2001–2005, based on the ranking of 100 largest companies in Podkarpacie

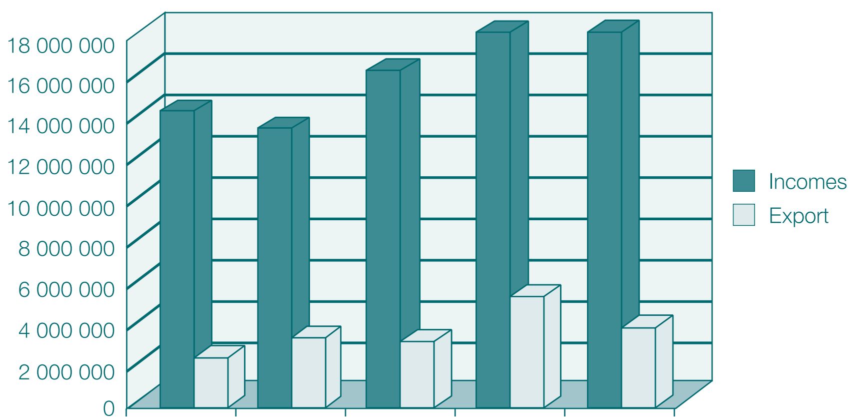
Due to legislative changes in the collation, processing and sharing of statistical data on international trade, amongst others, at the regional level the only invaluable source of information for accessing the region's level of export has been obtaining them directly from the companies. One of the most important and interesting sources of information about Podkarpacie has been the ranking of 100 largest companies in Podkarpacie published annually since 2001 by the Rzeszów School of Business. It can be seen from the data that while 44 of the companies listed engaged in export in 2001, this number had risen by more than half to 51 in 2005. Figures presented in table 3.2 are evidence of the continued growth in export values by companies from Podkarpacie listed in the top 100 ranking. The value of exports for this group, which only amounted to 1.9 billion PLN in 2001, had actually increased to over 3.6 billion PLN in 2005. What is more, the rate of increase in exports during 2001– 2005 of 90.5% was many times higher than growth dynamics in sales incomes, just 26.8%, of companies covered by the study. If the continued strengthening of the Polish zloty in relation to the euro or American dollar is taken into consideration the relative increase in the value of exports will even be higher. The export figures are also proof that companies in Podkarpacie have implemented an effective policy of cost saving for export production despite the worsening exchange rate for their exports.

Table 3.2. Volume of sales and export incomes for 100 largest companies in Podkarpacie during 2001-2005, thousand PLN

Year	Incomes	Exports	Percentage of exports in total incomes
2001	14 010 331.1	1 895 622.4	13.5%
2002	13 062 121.6	2 970 326.6	22.7%
2003	15 403 416.0	2 993 699.4	19.4%
2004	17 671 470.1	4 266 169.8	24.1%
2005	17 764 072.5	3 610 672.0	20.3%

Source: Author's own presentation based on the ranking of 100 largest companies in Podkarpacie published by Rzeszów School of Business, Rzeszów from 2001 to 2005.

Figure 1. Volume of sales and export incomes for 100 largest companies in Podkarpacie during 2001–2005 in PLN



Source: Author's own presentation based on the ranking of 100 largest companies in Podkarpacie published by Rzeszów School of Business, Rzeszów from 2001 to 2005.

Table 3.3 presents the top 10 from the ranking of 100 largest companies in Podkarpacie with the highest sales exports during 2001 – 2005.As the figures from table 3.3 have shown 8 companies existing before 1990 were among the 10 largest exporters from Podkarpacie but 5 years later only three were left. The remaining seven were companies set up in the 1990s out of which six were with foreign capital participation. The presence of WSK PZL Rzeszów and the Steel Plant in Stalowa Wola in the top 10 largest exporters from Podkarpacie is a testimony to the successful process of restructuring undertaken in these companies formerly associated with the military hardware sector. The figures from table 3.3 also show the visible dominance of three large exporting companies i.e., the automobile tyres producer DĘBICA S.A., Aeronautic and Communications manufacturing company WSK PZL Rzeszów S.A as well as Stahlschmidt & Maiworm Ltd, a foreign investment located in the Tarnobrzeg special economic zone. The value of exports by these three, 1 095 billion PLN in 2001, constituted 57.8% of all exporters from the ranking of 100 in 2001. Although the value of exports by these same companies dropped slightly to 1 711 billion PLN in 2005 it still made up almost half, 47.4%, of total exports from the group. The cities of Dębica, Rzeszów, Mielec, Stalowa Wola, Krosno, Nowa Sarzyna and Jasło are significant role players in export proceeds for Podkarpacie. Transsystem Company, a company set up in 1991 in Wola Dalsza near Łańcut is worthy of mention for its marvellous achievement in becoming a supplier to the most exacting automobile corporations worldwide.

Table 3.3. 10 companies with highest export sales in Podkarpacie during 2001–2005, in thousand PLN

Position	2001		2002		2003		2004		2005	
	Company Name	Sales	Company Name	Sales	Company Name	Sales	Company Name	Sales	Company Name	Sales
1	2	3	4	5	6	7	8	9	10	11
1	Firma Oponiarska DĘBICA S.A.	605 513	Firma Oponiarska DĘBICA S.A.	696 984	Firma Oponiarska DĘBICA S.A.	910 569	Firma Oponiarska DĘBICA S.A.	1 009 210	Firma Oponiarska DĘBICA S.A.	1 046 195
2	Wytwórnia Sprzętu Komunikacyjnego PZL-RZESZÓW S.A.	288 977	Stahlschmidt & Maiworm Sp. z o.o.	268 763	Wytwórnia Sprzętu Komunikacyjnego PZL-RZESZÓW S.A.	290 690	ATS Stahlschmidt & Maiworm Sp. z o.o.	444 639	ATS Stahlschmidt & Maiworm Sp. z o.o.	362 086
3	Stahlschmidt & Maiworm Sp. z o.o.	200 887	DRESSTA Sp.z o.o.	201 683	DRESSTA Sp. z o.o.	223 073	Wytwórnia Sprzętu Komunikacyjnego PZL-RZESZÓW S.A.	403 829	Wytwórnia Sprzętu Komunikacyjnego PZL-RZESZÓW S.A.	303 675
4	Huta STALOWA WOLA S.A.	188 170	FEDERAL-MOGUL Gorzyce S.A.	186 375	Przedsiębiorstwo Przemysłowo-Handlowe TRANSSYSTEM S.A.	180 830	NOWY STYL Krosno Sp. z o.o. GRUPA KAPITAŁOWA	247 315	DRESSTA Sp.z o.o.	233 431
5	NOWY STYL Sp. z o.o.	137 880	Krośnieńskie Huty Szkła KROSNO S.A.	172 065	NOWY STYL Krosno Sp. z o.o.	179 631	DRESSTA Sp.z o.o.	222 119	NOWY STYL Krosno Sp. z o.o. GRUPA KAPITAŁOWA	230 582
6	ZELMER S.A.	122 611	NOWY STYL Krosno	171 434	DELPHI Poland S.A.	109 970	Krośnieńskie Huty Szkła KROSNO S.A. GRUPA KAPITAŁOWA	197 051	Przedsiębiorstwo Przemysłowo-Handlowe TRANSSYSTEM S.A.	140 481
7	Fabryka Śrub w Łańcucie ŚRUBEX S.A.	75 393	Huta STALOWA WOLA S.A.	148 186	Sanockie Zakłady Przemysłu Gumowego STOMIL SANOK S.A.	90 094	STOMIL Sanok S.A. GRUPA KAPITAŁOWA	167 991	HANDLOPEX S.A.	131 498
8	JASAN Sp. z o.o.	60 582	ZELMER Rzeszów S.A.	114 523	ZELMER Rzeszów S.A.	83 365	Przedsiębiorstwo Przemysłowo-Handlowe TRANSSYSTEM S.A.	141 414	BURY Sp. z o.o.	118 223
9	Zakłady Chemiczne ORGANIKA – SARZYNA S.A.	56 974	Przedsiębiorstwo Przemysłowo-Handlowe TRANSSYSTEM S.A.	102 153	Fabryka Śrub w Łańcucie ŚRUBEX S.A.	69 389	HANDLOPEX S.A.	104 070	Zakłady Chemiczne ORGANIKA – SARZYNA S.A.	100 719
10	Produkcyjno-Usługowa Spółdzielnia Pracy AUTO-SERVICE	50 157	Fabryka Wagonów GNIEWCZYNA S.A.	66 176	Przedsiębiorstwo Niemiecko-Polskie PASS-STOMIL Sp. z o.o.	68 957	ZELMER Rzeszów S.A.	86 760	BALTIC WOOD S.A.	93 670
	RAZEM	1 787 144	RAZEM	2 128 342	RAZEM	2 206 568	RAZEM	3 024 398	RAZEM	2 760 560

Source: Author's own presentation based on the ranking of 100 largest companies in Podkarpacie published by Rzeszów School of Business, Rzeszów from 2001 to 2005.

ATS Stahlschmidt & Maiworm plc, case study

The Stalowa Wola based company Stahlschmidt & Maiworm plc, a subsidiary of ATS, was set up in February 1997. Construction work was begun in April 1998 with the first successful wheel cover being rolled out of the foundry in September of the same year. Mechanical finishing touches were given the first wheel cover a month later. November 2000 witnessed the test run of the company's in-house varnishing plant while the production of bedplates using low-pressure techniques was to follow in January 2001. A new horizontal varnishing line for acrylic varnishing was installed in 2004. Similarly, a tool workshop was constructed the same year. The company was renamed ATS Stahlschmidt & Maiworm plc in February 2006.

The company functions under the ISO TS 16 949 as well as ISO 14001 certificates of classification. It also obtained the Ford Group Q1 certification in 2007. By the end of June 2007 the company's investments had hit 257 million zlotys while its total employment stood at 839 employees. ATS Stahlschmidt & Maiworm plc is both the first and largest, in terms of capital investment and employment, investor in SSE EURPARK WISŁOSAN Tarnobrzeg covering 9.84 hectares of land.

ATS Stahlschmidt & Maiworm's products are sold mainly in the Original Equipment Market (OEM) which supplies new cars' manufacturing companies such as Mercedes, BMW, Jaguar, Volvo, PSA, Opel, Audi, Porsche, etc.

In the 2002 "Orzeł Rzeczypospolita" competition of corporate financial rating published by RZECZPOSPOLITA, the company came second in terms of productivity by production and service oriented companies. This rating awarded the best exporter and employer of Rzeczypospolita prize to the company. The weekly WPROST newsmagazine (issue no. 37/2003) placed the board chairman, Siegfried F. Teicherta 29th in the list of Poland's best Chairmen of Boards. The "Gazela Businesu" prize for the most dynamically growing companies was awarded the company in 2002, 2003 and 2004 consecutively by the PULS BIZNESU newspaper.

The RZECZPOSPOLITA newspaper "Orzeł Rzeczypospolita" prize for the most efficient company was awarded to ATS Stahlschmidt & Maiworm for being the most efficient manufacturing plant in Poland in 2003. In the 50 most efficient companies in Poland's manufacturing sector rating for 2003 published by the Institute of Economics PAN, Polish Market newspaper and MGPiPS Stahlschmidt & Maiworm plc was rated second.

Table 3.4. Selected economic and financial data of ATS Stahlschmidt & Maiworm Ltd.

Specification	2000	2001	2002	2003	2004	2005	2006
Net sales revenue (thousands PLN)	169 933	227 220	294 051	454 564	493 118	430 116	482 739
Total sales (thousands PLN)	171 433	235 818	294 060	462 933	498 216	436 200	502 218
Export sales (thousands PLN)	155 314	200 887	268 763	413 308	444 639	379 377	378 641
Operating profit (thousands PLN)	39 435	44 255	43 580	74 703	74 020	52 232	32 271
Net profit (thousands PLN)	34 490	37 527	43 850	79 098	67 728	41 213	48 740
Total assets (thousands PLN)				302 537	344 646	400 814	286 153
Equity (thousands PLN)				205 237	267 927	300 007	131 441
Return on Sales	20,12%	15,91%	14,91%	17,39%	12,59%	9,50%	10,10%
Return on Investment					18,20%	10,28%	17,03%
Employment	369	475	667	736	806	796	830

Source: ATS Stahlschmidt & Maiworm Ltd.

3.3.2 Loan funds as a source of regional and depressed industrial areas development. Activities of the Enterprise Development Fund in Podkarpacie

There were 70 institutions responsible for managing 76 loan funds in Poland as on 30 June 2006. These funds had 630.8 million PLN as lending capital at their disposal. The five loan management funds that represented Podkarpacie province were ranked 14th taking into account the value of capital per person at their disposal. This amount, 5.19PLN/person portrays the symbolic roles played by loan funds in Poland, including the region of Podkarpacie.

Table 3.4 presents some basic information about funds in Podkarpacie as on 30 June 2006. The data in table 3.4 show that funding institutions existing within Agencies for Regional Development had more lending capital at their disposal.

Table 3.5. Basic information about loan funds existing in Podkarpacie as on 30 June 2006

S/No.	Name of institution	Head office	Period of existence, in months	Area of influence L – local, R – regional, K – national	Lending capital thousands PLN	
					As on 30.06. 2006	Increase in 12 month period
1	Mielecka Agencja Rozwoju Regionalnego	Mielec	28	L	2 306	35
2	Bieszczadzka Agencja Rozwoju Regionalnego	Ustrzyki Dolne	78	L	526	0
3	Małopolski Instytut Gospodarczy	Rzeszów	117	R	998	7
4	Rzeszowska Agencja Rozwoju Regionalnego	Rzeszów	89	R	2 775	41

S/No.	Name of institution	Head office	Period of existence, in months	Area of influence L – local, R – regional, K – national	Lending capital thousands PLN	
					As on 30.06. 2006	Increase in 12 month period
5	Regionalna Izba Gospodarcza	Stalowa Wola	16	L	4 291	2 246

Source: Author's own presentation based on data provided by Funds as well as in Report No. 6/2006. Loan funds in Poland, the Polish Association of Loan funds, Szczecin, December 2006.

The most active of Funds in Podkarpacie with respect to the number and value of loans granted were the loan funds run by the Rzeszów Agency for Regional Development. The youngest of the funds based in Stalowa Wola offering services in Stalowa Wola and Tarnobrzeg depressed industrial areas has the highest value of active loans, 3.4 million PLN, including loans granted in the first half of 2006. The most important factor for borrowers is the average amount of loans granted. The highest amounts, 634 000 PLN on average, granted in Podkarpacie was to clients of the fund run by the Regional Chamber of Commerce in Stalowa Wola whilst the least, about 117 000 PLN, was paid by the fund in Ustrzyki Dolne.

Table 3.6. Active loans including loans granted by Loan Funds existing in Podkarpacie province as on 30 June 2006

S/No.	Name of Institution	Loans granted since inception till 30.06.2006		Loans granted during the last 6 months		Active loans as on 30.06.2006	
		number	Value in thousands PLN	number	Value in thousands PLN	No.	Value in thousands PLN
1	Mielecka Agencja Rozwoju Regionalnego	42	1 905	13	920	36	1 195
2	Bieszczadzka Agencja Rozwoju Regionalnego	112	1 306	4	45	27	249
3	Małopolski Instytut Gospodarczy	105	2 227	4	135	47	726
4	Rzeszowska Agencja Rozwoju Regionalnego	242	14 035	12	825	58	1 904
5	Regionalna Izba Gospodarcza	61	3 869	27	1 684	61	3 444

Source: Author's presentation based on data provided by Funds as well as in Report No. 6/2006. Loan funds in Poland, the Polish Association of Loan funds, Szczecin, December 2006.

A very important factor for economic development is what percentage of lending capital is active, i.e., available for use by entrepreneurs. The fund managed by the Regional Chamber of Commerce in Stalowa Wola came first in this category during the first half of 2006. The Małopolska Economic Institute which came second is also worthy of commendation as it grants loans to the unemployed for start-up businesses.

Enterprise Development Fund of the Małopolska Economic Institute, a case study

Table 3.6 is a presentation of very essential information that characterizes the lending activities of the Enterprise Development Fund (EDF) existing as a department of the Małopolska Economic Institute. It is an interesting source of knowledge for ideas about entrepreneurship. The visibly dominating role of commercial activities corroborates the fact that like in other parts of the world, it is the preferred form of economic activity. For customers of the EDF, the average amount of loan for start-ups commerce was 22 000 PLN while for those in building construction services it was 13 000 PLN. The 36 varied types of businesses run by the Fund's clients testify to the Fund being open to varied business ideas suggested mostly by the unemployed. From the data contained in table 3.6 it is visible that the cost of creating one job place by an unemployed beneficiary of EDF services who indeed set up their own business was 10 853 PLN. It is undoubtedly one of the lowest costs of job creation by lending institutions in Poland.

Table 3.7. Selected data about Enterprise Development Fund in Rzeszów

Number of loans	Businesses	Amount of loan in PLN	Job places
35	General commerce	768 000	69
12	Building services	160 500	21
7	Transportation services	241 000	10
6	Clothing trade	95 000	11
6	Production of wood products	146 000	15
4	Automobile services	51 000	8
2	Furniture production	80 000	6
2	Agro tourism services	10 000	3
2	Hair-dressing services	16 500	3
2	Restaurant & catering services	30 000	5
2	Dry-cleaning services	130 000	4
2	Glazing services	11 000	3
1	Fuel trade	60 000	3
1	Groceries	13 000	2
1	Slaughter animal trade	15 000	2
1	Ceramic production	10 000	2
1	Clothing production	13 000	2
1	Picture frames production	20 000	1
1	Confectionery	10 000	2
1	Baking services	20 000	2

Number of loans	Businesses	Amount of loan in PLN	Job places
1	Cane products	6 000	1
1	Styrofoam products	20 000	4
1	Foreign language teaching	5 000	4
1	Dental services	25 000	2
1	Electronic property protection	15 000	1
1	Photographic services	25 000	2
1	Hotel services	30 000	2
1	Floor conservation services	10 000	2
1	Beauticians	58 000	5
1	Tailoring services	50 000	3
1	Polygraph	15 000	1
1	Specialized metal works	60 000	2
1	Carpentry	6 000	1
1	Shoemaking	10 000	2
1	Insurance services	15 000	1
1	Organized child care services	40 000	4
TOTAL:	106	2 290 000	211

Source: Author's presentation based on data from the Enterprise Development Fund.

In tables 3.7, 3.8, 3.9 the distribution of loans granted by EDF according to number and amount of loan granted as well as number of job places created.

Table 3.8. Number of loans granted by Enterprise Development Fund in Rzeszów with regards to business activity of beneficiaries

Number of loans	Type of business activity	Percentage
15	production	14.2%
46	services	43.4%
45	trading	42.5%
TOTAL:	106	100.0%

Source: Author's presentation based on data from the Enterprise Development Fund.

Table 3.9. Amount of loan granted by Enterprise Development Fund in Rzeszów with regards to type of businesses, in PLN

Amount of loan	Type of business activity	Percentage
951 000	production	41.5%
1 014 000	services	44.3%
325 000	trading	14.2%
TOTAL:	2 290 000	100.0%

Source: Author's presentation based on data from the Enterprise Development Fund.

Table 3.10. Enterprise Development Fund in Rzeszów, number of job places created by loan beneficiaries according to the type of business

No. of job places	Type of business activity	Percentage
87	production	41.2%
89	services	42.2%
35	trading	16.6%
TOTAL:	211	100.0%

Source: Author's presentation based on data from the Fund

Over 900 people have shown interest in loan acquisition during the almost ten years of being in business. 142 people, i.e., 15.7% of all enquiries did apply for loans. Only 106 of these i.e., 15.7% actually received loans showing that they had to go through a tough screening process. The obstacles militating against granting of higher loans include the following:

1. lack of collateral was major reason for more than 90% of the cases,
2. badly prepared business plans, 50% of the cases,
3. short payback period accounted for 10%,
4. lack of consent from spouses, 5% of the cases,
5. the low lending limit as against loan requests of clients, 3% of the cases.

The percentages do not add to 100% since some of the factors occur collectively.

The dominating forms of loan security were guarantees by individual persons, which accounted for 80% as well as on pawn that made up 17%. The use of securities offered by institutional guarantors was minimal, 3%. However, in about 20% of the cases joint securities, individual guarantee plus lending on pawn or security from a guarantee fund plus individual guarantee, were allowed.

While the over 90% loan repayment rate is on the one hand a proof of reliability by loan beneficiaries and it is also a consequence of the appropriate screening process applied by the Fund. The most frequently occurring difficulties of loan beneficiaries were as follows:

1. inadequate knowledge of market and the resulting threats soon after start. For example, results turned out lower than planned for,
2. competition, which in one case degenerated to physical, attacks on a beneficiary,
3. cash flow difficulties,

4. under investment in on-going business for fear of having to contract higher loans,
5. family problems consequent upon starting up a business, e.g., 3 divorces,
6. worsening health situation that impaired business activity or totally precluded it. There were 4 such cases.

3.3.3 Temporary employment agencies and part-time employees in Podkarpacie

Podkarpcie is one of those provinces with a relatively low interest by businesses in services like agency for temporary employment. There were just 40 of such agencies in Podkarpacie as at September 2006. Despite this, the province was a leader among provinces from eastern Poland and was ranked 10th in Poland in terms of number of part-time workers in 2005. It is worthy of note however, that in terms of the percentage participation of part-time workers who offer their services to overseas employers in total part-time workers, the province was ranked 4th surpassed only by Opolskie, Pomorskie and Kujawsko-pomorskie regions. The national average for this category in 2005 was 3.43% while that of Podkarpacie was 25.6%.

Table 3.11. Data about the activities of temporary employment agencies in Podkarpacie during 2005–2006*

Details / Years		total		women		Part of the total sent to foreign employers	
		2005	2006	2005	2006	2005	2006
Number of persons recruited by agencies for part-time work		1667	1777	955	1071	11	21
including	Employed by an agency on contract basis for a limited period of time	1002	683	563	320	11	21
	Employed by an agency on contract basis for the period covering task realisation	33	18	10			
	Non-direct employees of an agency, usually sent based on the civil law contract	632	1094	373	760		
Total number of employers benefiting from the services of employment agencies		30	47				
Including number of foreign employers – beneficiaries		7	10				

* the data for 2006 were those made available to the Provincial Employment Office in Rzeszów by various temporary employment agencies up till 2 February 2007.

Source: Author's presentation based on data from the Provincial Employment Office in Rzeszów.

Figures relating to the number of temporary employment agencies as well as part-time employees presented in table 3.10 show an insignificant increase in the number of part-time workers in 2006 in comparison to the previous year. This indeed reflects the true state of the labour market due to lack of data from two of the biggest agencies in Poland, i.e., Adecco and Work Service, whose head offices are located in Warsaw and Wrocław respectively. Estimates show that employment agencies based outside Podkarpacie employed about three thousand part-time employees from Podkarpacie in 2006.

Something that is worthy of note however, is that of the 40 registered temporary employment agencies in Podkarpacie only seven were active in 2005 while in 2006 they were eight. Three of the dominating agencies employed 94% of the total part-time workers. Only three agencies recruited Polish part-time workers for the needs of overseas' employers.

Some of Poland's largest companies do benefit from the services of temporary employment agencies based in Rzeszów. Polish subsidiaries or branches of renowned multinationals, including commercial firms also benefited hugely from these services. Companies located in the special economic zones of Mielec and Tarnobrzeg were not left out. Companies from Krosno and Dębica administrative district dominated the list of small and medium-scaled enterprises benefiting from these sources.

Table 3.11. Active temporary employment agencies in Podkarpacie

S / No.	Name of Agency	Number of temporary workers employed		Those sent abroad	
		2005	2006	2005	2006
1	Agencja Pracy „KONTRAKT”	679	642	11	7
2	AGNES Consulting & Training	404	546	404	
3	Agencja Pośrednictwa Pracy „POGLESZ”	540	482		
4	WORKER. PL		66		
5	Biuro Obsługi Kadrowo-Prawnej „KADRY” SJ	24	18		
6	„AGA” Agencja Pracy Tymczasowej	10	14	10	12
7	Agencja Rozwoju Regionalnego „Karpaty” S.A.		5		
8	Wektor Consulting s.c.	10	2		
9	TOMMAX” koncesjonowana Firma Ochrony Mienia i Osób Sp. z o.o.	6			

Source: Author's presentation based on data from the Provincial Employment Office in Rzeszów.