PORTRAIT OF THE REGIONS

VOLUME 4

AUSTRIA
FINLAND
SWEDEN
ICELAND
LIECHTENSTEIN
NORWAY
SWITZERLAND

EUROPEAN COMMISSION

eurostat
Statistical Office of the European Communities

Directorate-General for Regional Policy and Cohesion

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A great deal of additional information on the European Union is available on the Internet. It can be accessed through the Europa server (**http://europa.eu.int**).

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Foreword

Learning about our partners

European integration involves not only the Union's Member States but also its regions, cities, towns and villages. Its structural policy is the tangible expression of the solidarity between all the regions and of the desire to strengthen economic and social cohesion.

In 1993, Eurostat presented the first three volumes of *Portrait of the regions,* dealing with the then 12 Member States of the Community. The main aim was to enable each region to learn more about the economic and social situation of its partners, for to know your neighbour is the first requirement for effective cooperation.

On 1 January 1995, Austria, Finland and Sweden joined the European Union, increasing its area by more than one third. In addition to their particular geographic features — high mountains and arctic areas, frequently uninhabited — they have brought to the Union their economic wealth, their technical expertise, their educational system, their way of life and their respect for the environment. The publication of this fourth volume thus completes the coverage of the enlarged Union and also presents the regional diversity of the three Member States concerned, including some previously unknown features.

In addition, the growing interdependence of European economies suggested the need to expand the scope of the survey to include the member States of EFTA, thus providing a complete panorama of the regions of western Europe, from Iceland to Sicily and from the Algarve to Burgenland.

As in previous volumes, the regions are presented, in an identical format, via maps, diagrams and statistical tables, but also by commentaries on their geography, regional strengths and weaknesses, population, employment, the economic fabric and the environment.

The *Portrait of the regions* was produced jointly by the Commission, in particular the Directorates-General dealing with regional policy and statistics, and the national statistical institutes. It expands on the information regularly presented in Eurostat's *Statistical yearbook on the regions* and in the Commission's *Periodic report on the social and economic situation and development of the regions*. Its drafting and coordination were a major task, for which all involved deserve sincere thanks.

Yves-Thibault de SILGUY

Monika WULF-MATHIES

This publication was produced with the collaboration of the national statistical institutes and with the active participation of numerous national and regional services.
Its contents do not necessarily reflect the official views of the institutions of the European Communities.

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Structure of the publication

Each region is presented in accordance with a uniform layout on six pages:

Page 1:
— topography, climate, special features (1)
— the region in relation to the EU (graph)
— strengths and weaknesses of the region (2)

Page 2:
— list of similar regions in the EU (3)
— imbalances within the region (4)

Page 3:
— population structure and trends (5)
— training and labour supply (6)

Page 4:
— employment (7)
— unemployment (8)

Page 5:
— economic structure (9)
— wage costs and income (10)

Page 6:
— agriculture, industry, services (11)
— main firms in the region (table)
— environment (12)

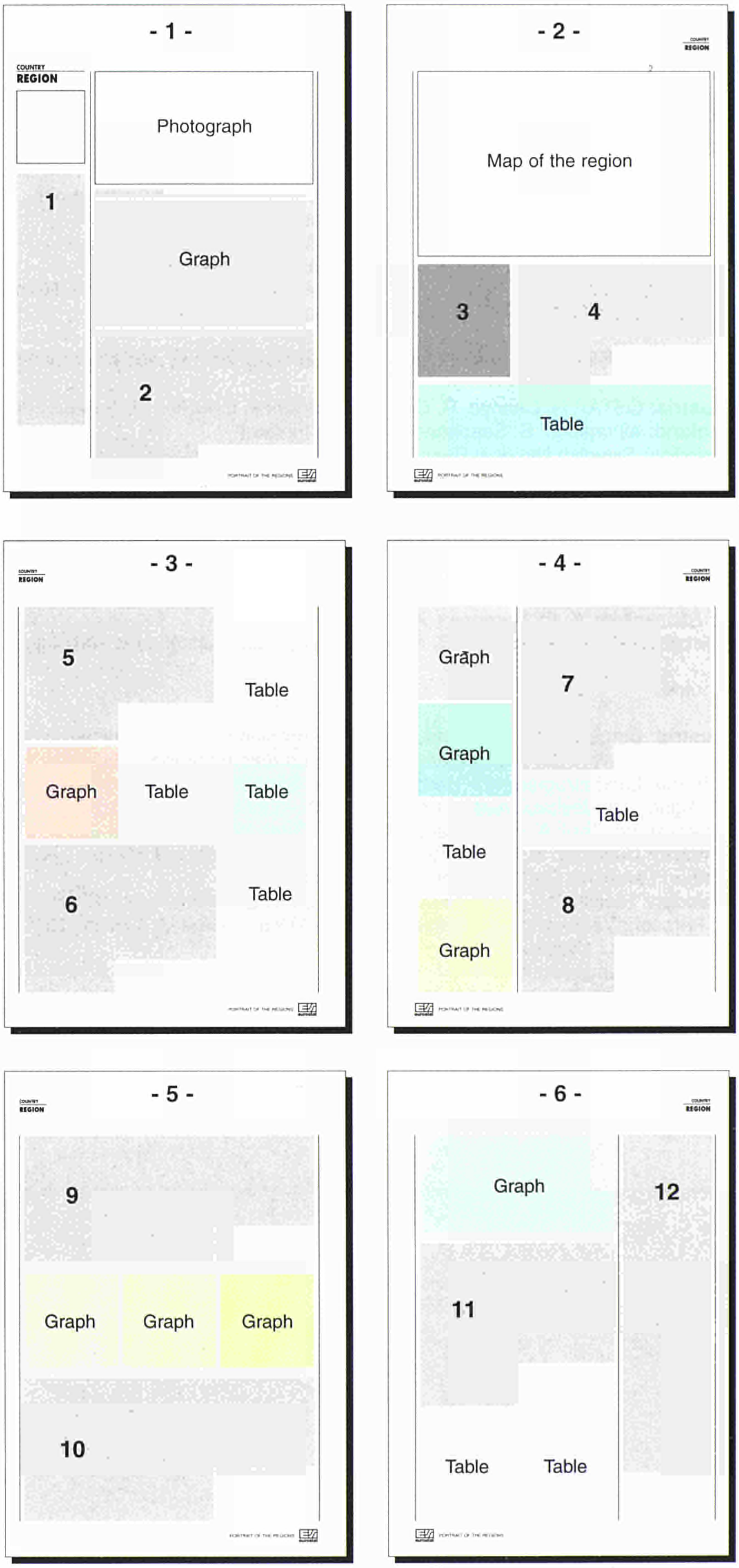
For Austria, Finland and Sweden, the regions are those classified at level 2 of the Community nomenclature of territorial units (NUTS).

Iceland, Liechtenstein and Switzerland are described in a single chapter each, using the structure mentioned above.

Norway is presented in terms of 'standard regions', a regional classification from Statistics Norway in use since 1982.

Each country's regional portraits are preceded by a national page and end with explanatory notes and a bibliography. The legend for the regional maps is given on the last page of the publication.

Please note that as the statistics in this publication predate the accession of Austria, Finland and Sweden to the European Union, where comparisons are made with the EU average this relates to EUR 12 — i.e. the 12 Member States before the latest enlargement.



The PORTRAIT OF THE REGIONS consists of four volumes:

Volume 1 Germany
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Denmark

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Volume 4 Austria
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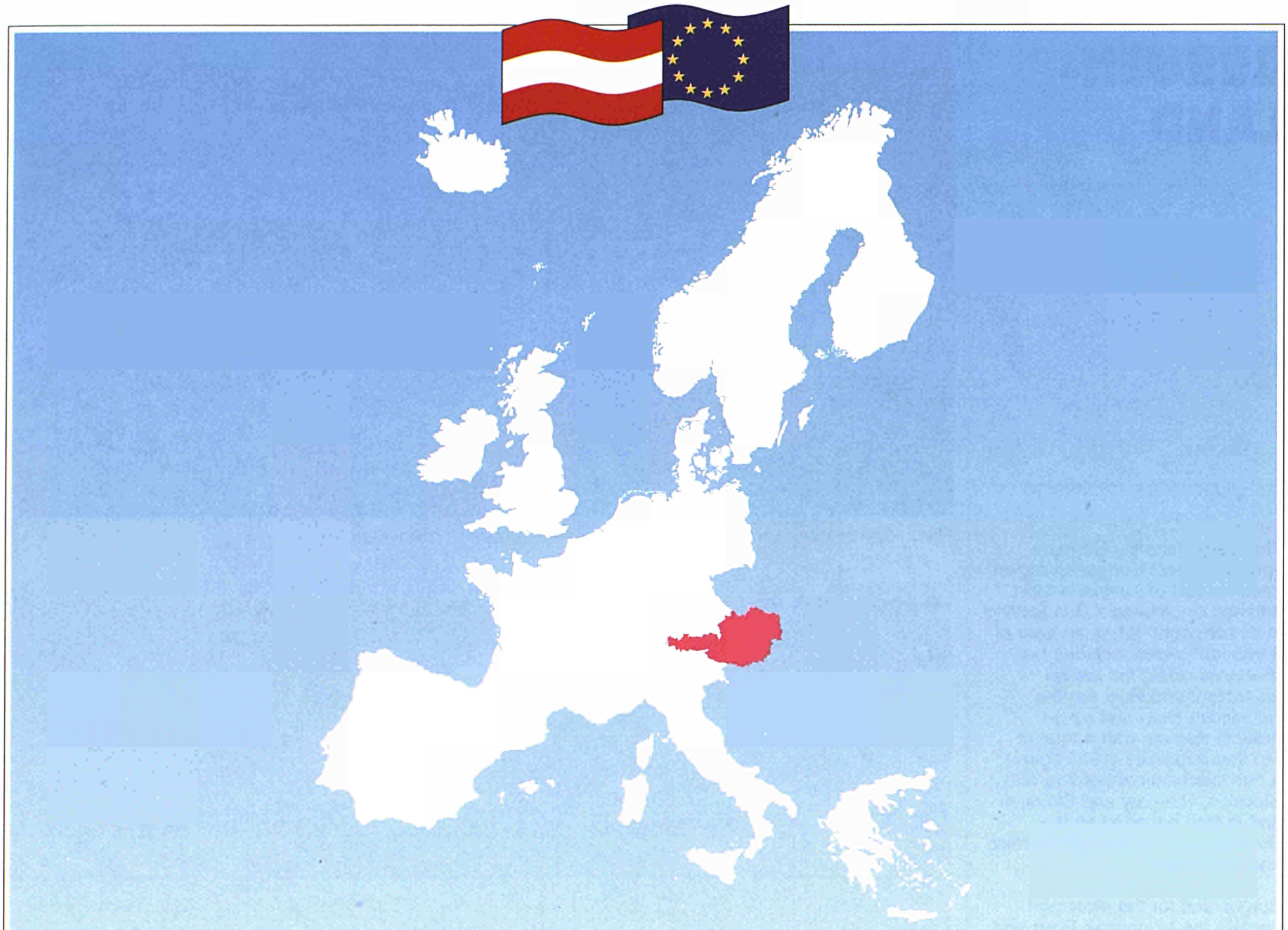
AUSTRIA



The Republic of Austria extends over 573 km from west to east and over 298 km from north to south. It has an area of 83 859 km^2 and, at the time of the population census on 15 May 1991, had a resident population of 7 796 000, and a density of 93 inhabitants per km^2. By the end of 1993, the population had gone up to over 8 million. The municipalities of Jungholz (Tirol) and the Kleines Walsertal (Vorarlberg) are outside the customs frontier of Austria and belong to the customs area of the Federal Republic of Germany.

The major types of landscape are the gneiss and granite plateaux of the Bohemian Massif in the north, the foothills of the Alps and the Carpathians which lie to the south and south-east of that plateau, the Alps (60% of the area), the Vienna Basin in the north-east and the edge of the Hungarian Plain in the east and south-east. The east and north-east belong to the dry continental Pannonian climate zone. The Alps and the western gneiss and granite plateau form part of the humid-cool to humid-cold Alpine region, with some warmer valleys, and the south-east, along with the larger valleys and the Kärnten Basin, have a dry-continental Illyrian climate. The foothills of the Alps have a climate midway between the southern German and the Pannonian climate zones.

Austria consists of nine *Bundesländer*, most of which have existed for hundreds of years. Salzburg finally became part of Austria in 1816 and Burgenland in 1921, while Vienna became an independent *Land* in 1922. The nine *Länder* are divided into 15 cities with their own charter (*Statutarstädte*) and 84 political districts. The smallest independent administrative units are the municipalities (*Gemeinden*), of which there were 2 350 on 1 January 1993, including the chartered cities.

AUSTRIA

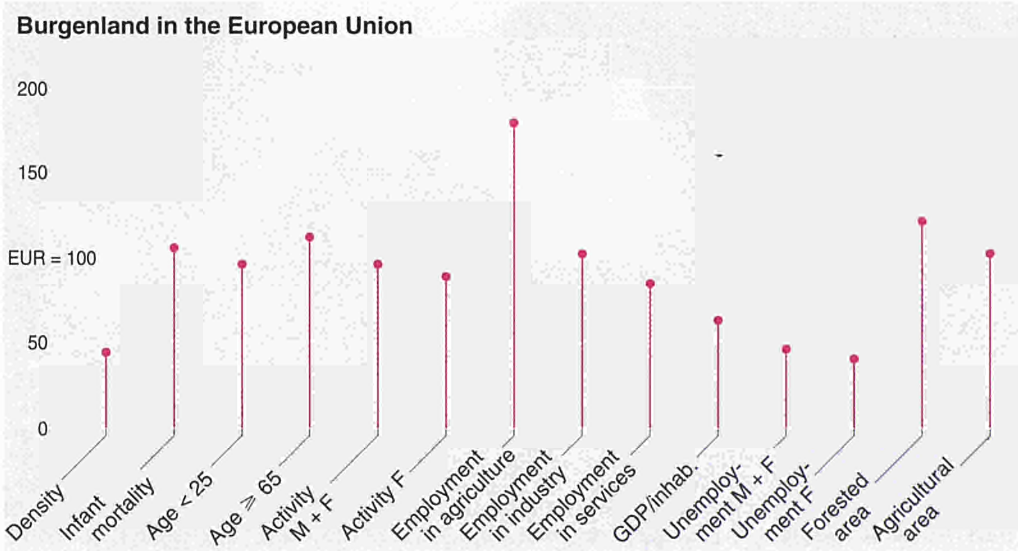
BURGEN-LAND

This predominantly German-speaking, west Hungarian region became part of Austria in 1921 and has since been a *Bundesland* in its own right. It has an area of 3 965 km² which includes two chartered cities, the capital Eisenstadt and Rust (on the Neusiedler See) and seven political districts with a total of 167 municipalities (1993 figure). It has international borders with Slovakia, Hungary and Slovenia and is also bounded by the *Bundesländer* of Niederösterreich and Steiermark.

Burgenland for the most part borders the Hungarian Plain and is divided into three zones by Alpine foothills. In the north it is mainly flat whilst central and southern areas are largely hilly. Thanks to the warm, dry Pannonian climate, Burgenland has 5.4% of its area under vines, with agriculture and horticulture taking up 53% and forest 29% of the land.

Until recently Burgenland was mainly agricultural, but it is now rapidly opening up to tourism around the Neusiedler See. The most important international traffic routes lead to Hungary, with one main road running from north to south. Croatian- and Hungarian-speaking minorities have settled in Burgenland.

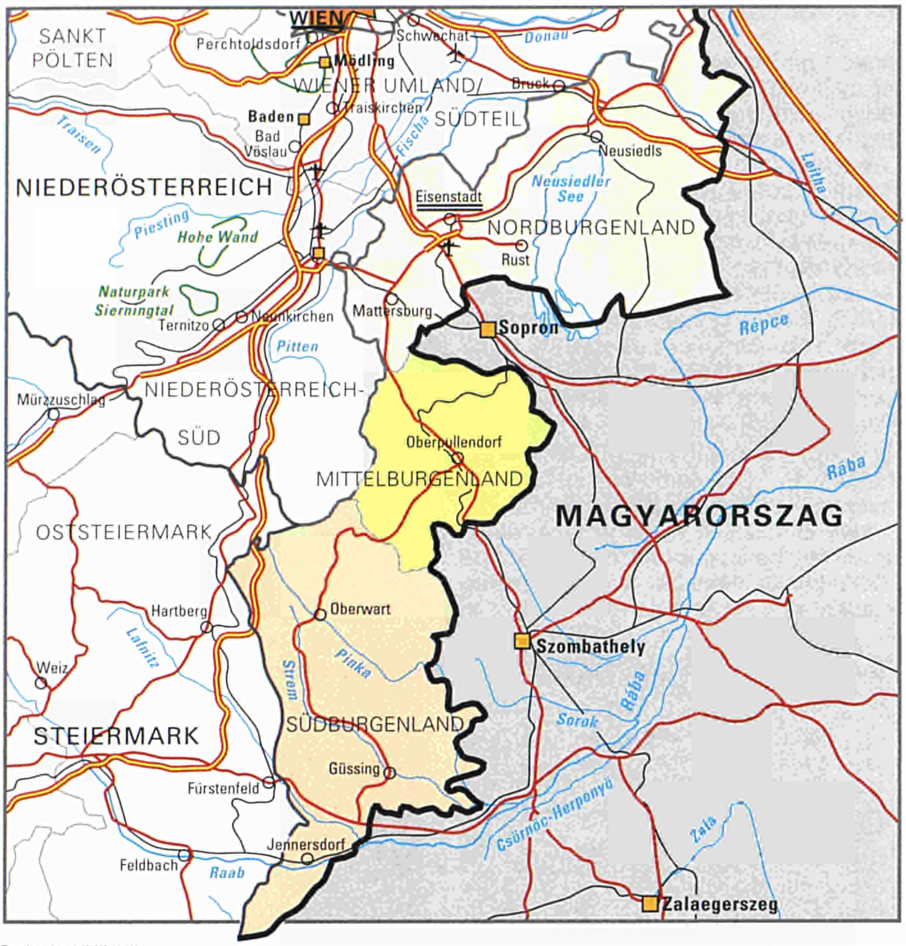
Rust: 'City of storks' and an excellent example of urban conservation.



Carefully-cultivated landscape, high percentage of commuters

The Burgenland countryside is largely cultivated, with well-maintained small farms and narrow strip fields, but with a great deal of new development in towns and villages. There is little industry. Burgenland has not, like other areas of Austria, been spoilt by indiscriminate development: although villages and market towns with a few hundred to a few thousand inhabitants have expanded since the 19th century, they have done so close to the old centres of the settlements rather than scattered around piecemeal in a landscape rendered extremely fragmented by the subdivision of holdings. The area around the Neusiedler See, a shallow, steppe lake, and the Seewinkel area adjoining it to the east, which has salt ponds and a *puszta* landscape, are unique in Austria. Both are favourite areas for tourists.

The reverse side of the coin and the main disadvantage of this well-maintained landscape with its pattern of village settlements is the fact that, owing to a shortage of jobs, almost one-third of the economically-active population have to commute to work outside Burgenland, in most cases to Vienna, and many of them return home only at weekends. A further disadvantage is the north-south orientation of the *Land*, which is 200 km long but very narrow. Apart from one road running north to south, all the main road and rail connections cross Burgenland from east to west, and the volume of traffic on the road (now a motorway) to Hungary in the northern part of the *Land* has shot up since 1989.



Scale: 1 : 1 200 000

Which EU regions are similar to Burgenland?

Area:
± 4 000 km²
Noord-Holland (NL)
Voreio-Aigaio (GR)

Population density:
± 70 inhabitants per km²
Algarve (P)
Sardegna (I)

Activity rate:
± 54%
Picardie (F)
Açores (P)

Vineyards and arable land predominate — shortage of jobs

Burgenland has a population density of 68 inhabitants per km². Some 11.4% of those employed in Burgenland still work in agriculture or forestry. With a shortage of jobs in the secondary and tertiary sectors, which is reflected in a per capita GDP of only 67% of the EU average, almost one third of all those in employment work outside the region.

The north is the most favoured of the three areas. It has the capital, Eisenstadt (10 349 inhabitants) and, around the Neusiedler See, Austria's most extensive wine-growing area and the region's most important tourist area. Many field crops are grown, and with Vienna so close, most commuters can return home every evening. Per capita GDP is 72% of the EU average.

In central Burgenland there are large areas of vineyards alongside arable land and in the south arable farming predominates, frequently as a subsidiary activity. In both areas, GDP is only just over 60% of the EU average.

	Area	Population			Activity	Unempl.	Employment			GDP/inhab.
	1 000 km²	1 000	Inhab./km²	Change (%)	%	%	% Agricult.	% Industry	% Services	EUR (PPS)=100
		1991	1991	1981-91	1991	1991-93	1991	1991	1991	1991
Mittelburgenland	0.7	38	55	− 2.5	51	4.0	12	44	44	62
Nordburgenland	1.8	133	74	3.0	55	4.8	13	30	57	72
Südburgenland	1.5	100	68	− 1.7	53	5.3	10	39	51	61
Burgenland	4.0	271	68	0.4	54	4.8	11	35	54	67
Österreich	83.9	7 796	93	3.2	57	3.9	6	35	59	107
EUR 12	2 358.2	344 854	146	3.2	55	9.4	6	33	60	100

BURGENLAND

Stagnating population

With its structural weaknesses, its situation on the fringes of Austria and its lack of major cities, Burgenland has a tradition of emigration stretching back many decades. Between 1870 and 1980, altogether 182 000 people emigrated and were not replaced by new arrivals. With births far outstripping deaths, however, the number of inhabitants had risen to just under 300 000 by the 1930s. Fertility then fell sharply to become the lowest in Austria at the present time at 1.35 births per woman. More deaths than births have been registered every year since 1975. By the end of 1988 the total population had fallen to 268 000, although it has since risen by 5 000, solely as a result of the influx of foreigners following the opening up of Eastern Europe.

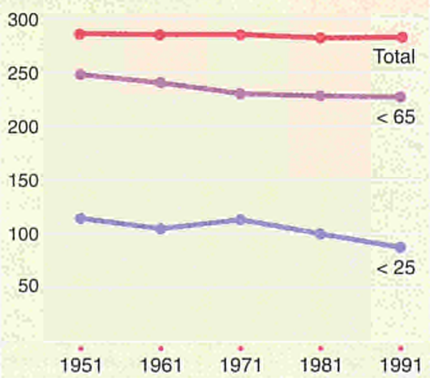
For many years foreigners accounted for only 1% of the population: now they make up over 4%. Of every 100 foreigners counted in the 1991 census, 19 were citizens of EU or EFTA countries (including 14 Germans), 21 Hungarians, 16 Yugoslavs, 12 Romanians and 8 Turks. There is an age-old tradition of immigration by Croatian and Hungarian ethnic groups who settle in language 'pockets'. In the 1991 census 7.3% of Austrian nationals gave Croatian and 1.9% Hungarian as their language of normal usage. Roman Catholics account for 82% of the population, but Burgenland has the largest Protestant minority in Austria at 14%.

The age structure is influenced by years of emigration and the decline in the number of births. Compared with the national average, all age groups under 55 are under-represented in percentage terms, whereas the population of over-55s is 3.2% higher than the average for the country as a whole.

Population by age — 1991

	M + F 1 000	M + F %	M %	F %
< 15	46.4	17.1	18.0	16.3
15-24	38.4	14.2	15.1	13.3
25-39	61.9	22.9	24.6	21.2
40-54	48.1	17.8	19.0	16.6
55-64	32.4	12.0	11.8	12.1
⩾ 65	43.6	16.1	11.6	20.4
Total	270.9	100.0	100.0	100.0

Population (1 000)



Resident population of foreign nationality — 1991

	1 000	% of total population
Total	7.8	2.9
of which EU countries	1.3	0.5
Hungary	1.6	0.6
Former Yugoslavia	1.3	0.5
Germany	1.1	0.4
Romania	0.9	0.3
Turkey	0.6	0.2
Czechoslovakia	0.4	0.1
Poland	0.3	0.1

Demographic account — 1981-91 (1 000)

Population 12.5.1981	269.8
Births	28.7
Deaths	32.5
Net migration	+ 5.0
Population 15.5.1991	270.9

One employed person in three works outside the *Land*

In 1991 two thirds of the inhabitants of Burgenland were of working age, i.e. between 15 and 64 years old. Eighty per cent of the men in this age bracket were economically active and 52% of the women, putting the female employment rate around one tenth below the national average. The activity rate for men fell during the 1980s at the same time as the rate for women rose. The average number of hours worked per week (including overtime but excluding absences) was 39.2 for men and 34.6 for women.

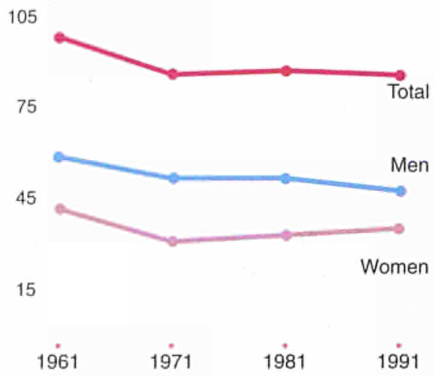
Commuting has become a way of life for many inhabitants of Burgenland on account of the chronic shortage of jobs in the *Land*. In 1991 some 64% of all persons in employment commuted to work in a municipality other than that in which they lived. One in two commuted to work in a different *Land*, i.e. 32% of residents who had a job. The number of commuters working in a different *Land* rose from 24 700 in 1961 to 37 500. Vienna was the most popular destination with one in five working there (22 700) whilst one in 11 went to work in Niederösterreich (10 300). Many of these commuters are unable to return daily, but make the journey back to their homes at weekly or longer intervals. This phenomenon is most pronounced in southern Burgenland, where 26% of those in employment are weekly commuters as against 15% for the region as a whole.

In 1993 there were 3 000 apprentices receiving 'dual' vocational training (attending part-time vocational schools offering instruction additional to the practical training received at the place of work), 2 500 young people attending full-time intermediate vocational schools in Burgenland and 4 400 following full-time courses at higher vocational schools.

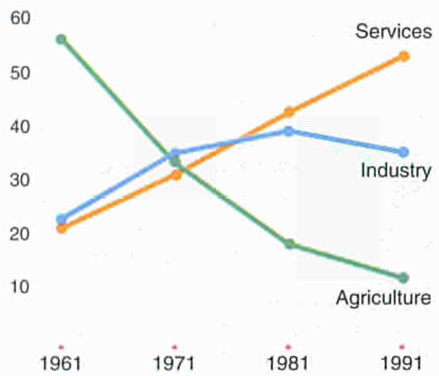
Number of pupils — 1994

	M + F 1 000	F %
Kindergarten	8.4	49.1
Pre-school	0.1	43.3
Primary	12.5	49.3
Lower secondary	13.2	49.2
Higher secondary (technical)	9.9	46.3
Higher secondary (general)	2.7	49.2
Post-secondary	0.3	78.6
Higher education	-	-

Employment (1 000)



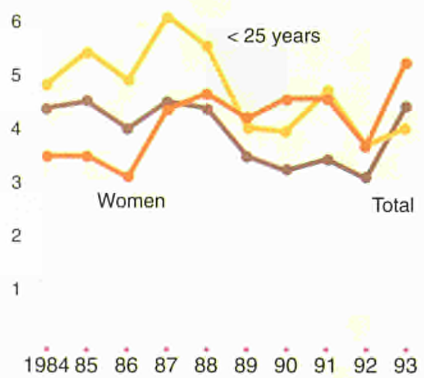
Employment structure (%)



Employment — 1991 (1 000)

Resident employment	115.5
+ Non-residents having a job in the region	6.7
– Residents having a job outside the region	37.5
= Internal employment	84.7

Unemployment (%)



Only 73 jobs per 100 persons in employment

The structural weakness of Burgenland is typified by the fact that according to the 1991 census only 84 700 of the 115 500 persons in employment resident in Burgenland had their place of work there. This figure does not include the increasing number of commuters from abroad, and Hungary in particular, who have been able to seek employment in Burgenland since the opening up of Eastern Europe. By the end of 1991, these numbered 1 400, yet even when they are taken into account, the 1980s was still a period of job losses. In contrast, after a sharp drop in the 1960s, the number of persons who both lived and worked in Burgenland rose from 85 000 to 88 000 between 1971 and 1981.

Agriculture underwent a particularly rapid process of structural change with its share of employment falling from 56.4% in 1961 to 11.4% in 1991 — just 5% above the national average. The secondary sector was of average size for Austria at 35.0% and was overtaken in 1981 by the tertiary sector which, by 1991, accounted for the majority of jobs with 53.6%.

Agriculture lost 47 000 jobs between 1961 and 1991, whilst around one-third fewer new jobs were created outside this sector (31 200). The number of persons in employment other than in agriculture rose from 43 900 to 75 000.

Employment in the production sector expanded by around 50% between 1961 and 1981, and although this wave of industrialization was followed by a 14% fall up until 1991, there were still 6 600 more jobs in the secondary sector than 30 years previously. Employment in the tertiary sector rose by 24 600 or 118%.

The level of education is now approaching that for Austria as a whole. In 1991 nearly a third (32%) of economically-active persons (by place of residence) had no more than compulsory schooling, 39% had received dual vocational training, 14% had attended specialized technical colleges and 14% had attained entrance qualifications for institutes of further education. The percentage of graduates was, however, only three fifths of the national average.

Characteristics of resident employment (%)

	< 25 years	25-54 years	⩾ 55 years	Employees	Employees: part-time
	1993	1993	1993	1993	1993
Men	19	75	6	87	1
Women	21	74	5	83	21
Total	20	74	6	85	8

High proportion of unemployed with poor qualifications

The specific nature of the labour market in Burgenland is mainly the result of its location on the fringes of Austria. There has long been a tradition of people commuting in large numbers to the Vienna area where the labour market is more resilient and there is a wider and more varied supply of jobs. This situation results in high unemployment rates in the commuter belts as the unemployed are counted at their place of residence, and produces a certain distortion in the comparisons between the rates for Burgenland and the other *Länder*. Burgenland had an annual average total of 6 500 unemployed persons registered with job centres in 1993, 10.6% more than the previous year.

All age groups are affected by these high unemployment rates, which by the Austrian method of calculation were 8.1% in 1993 and 7.5% in 1992 — well above the national average — whilst the internationally adapted rate was 5.0% for 1993 and 3.6% for 1992. The unemployment rate is particularly high during the winter months, the main reason being the high proportion of construction workers working outside the *Land* who are generally 'seasonally-unemployed' during winter. The high proportion of unemployed people with poor qualifications is another general problem afflicting the labour market. The unemployment rates for men and women are much the same at 8.2% and 7.9% respectively, with women making up 42.7% of the jobless total.

Economic structure

The second smallest of the Austrian *Bundesländer* (excluding Vienna), Burgenland still has a strong agricultural bias. Over 11% of those in employment in Burgenland stated in the last census in 1991 that they worked in agriculture and forestry, twice the average figure for the Austrian *Länder*. Agriculture and forestry's share of almost 8% of the region's value-added also places Burgenland well ahead of the rest of Austria, where the average is just 2.8%. The main products are wheat, maize, vegetables, wine and fruit.

The 9.25% share of regional value-added accounted for by Burgenland's construction industry is also well above the national average, making it the most important regional construction sector in the whole of Austria.

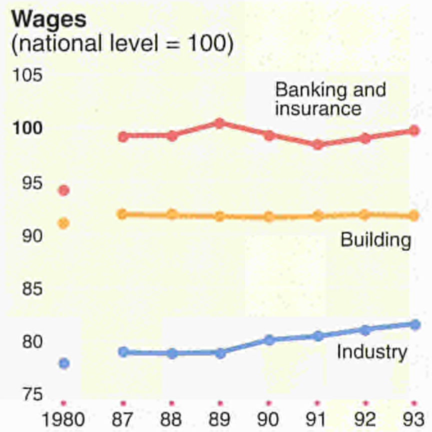
The dominant field in the services sector is public and private services, which also returned the highest percentage share (18%) of all the Austrian *Länder*.

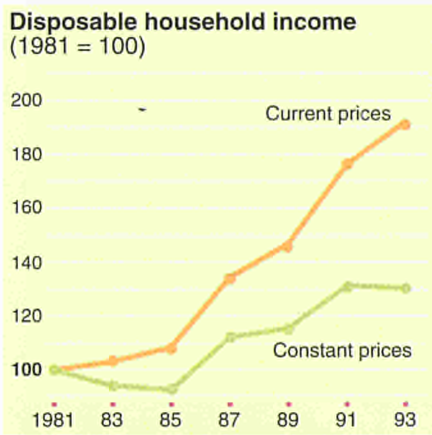
Since the regional economic growth rate between 1987 and 1991 was exactly the same as for the country as a whole, Burgenland was unable to make up any ground in terms of development during the second half of the 1980s and still lags behind the rest of Austria. However, in terms of gross value-added, excluding agriculture and forestry, Burgenland's growth rate becomes the second highest after Salzburg over the same period, and its average of 7.1% is 0.5% above the rate for Austria as a whole.

Changes in the number of workplaces and the number of persons employed in them were also much in line with national figures between 1981 and 1991.

The 9.1% increase in workplaces and 13.4% rise in the number of employees put Burgenland in seventh and fifth place respectively in the league table of Austrian *Länder*.

Burgenland accounts for just 0.3% of Austrian expenditure on research and experimental development. This amounts to approximately ECU 4.7 million in absolute terms and is by far the lowest figure for R&D expenditure in the whole of Austria. About 60% of this total comes from industry and 35% from the public purse.





Earnings in central and southern Burgenland remain low

Earned income in Burgenland is lower by far than in any other *Land*. Average gross annual earnings for manual workers were ECU 17 352 for men and ECU 12 134 for women. Non-manual male employees had an average annual income of ECU 24 461 and female employees averaged ECU 15 165. However, when wages are analysed by place of residence rather than place of work, there is less of a difference between levels in Burgenland and the rest of Austria, owing to the high proportion of commuters (particularly among the men).

Relatively good earnings can still be made by male manual workers in the construction sector, and whilst the wage differential for female workers is very low, incomes for women in the metal-working sector are still relatively more attractive.

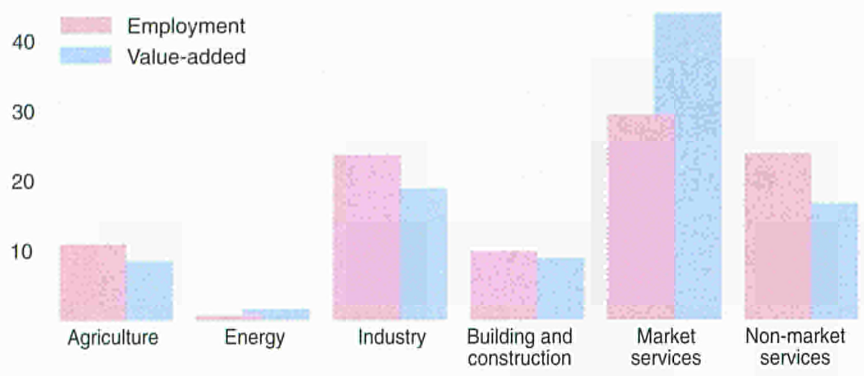
The few jobs available in the manufacturing sector provide the highest earnings for male white-collar workers, whilst the most lucrative posts for female non-manual workers are mainly to be found in the finance, banking and private insurance sectors and in the public sector. At the other end of the scale, the lowest incomes (at around one-fifth below the average for Burgenland) are recorded in the distributive trades.

Within Burgenland, figures show that whilst earnings per job in the north are around 10% below the Austrian average, those in central and southern Burgenland are almost 20% lower.

Only northern Burgenland has a reasonable level of household income

The level of household income in Burgenland is around 7% below the Austrian average. The lowest incomes are in the south (– 16%) and centre (– 12%), whilst the figures for the north are close to those for the country as a whole.

Employment and value-added: distribution by branch — 1991 (%)



Decline in the secondary sector

Whilst agriculture and forestry still account for 7.7% of the region's economic output, the secondary sector (including mining) contributes 31% and the service sector (including public services) 62%. The figures for the country as a whole are 2.8, 37 and 60% respectively. The 18% share of value-added provided by public services is by far the highest for any of the Austrian *Länder* and is the main reason why the service sector has so high a share of the total.

Food and drink production is closely linked to agriculture and still accounted for 4.4% of the region's value-added in 1983, making it Burgenland's second most important branch of production, just behind metalworking. By 1991, however, whereas metalworking had more than tripled its nominal value-added to claim a good 8% of the region's gross value-added, output in the food and drinks industry had remained virtually constant and its share had fallen to just 3.1%. The next largest branch of goods production is textiles and leather, despite the fact that its total share also fell — from 4.2% in 1983 to 3% in 1991. All other branches of goods production played a diminishing role in the Burgenland economy.

Apart from metalworking, the only growth sectors during this period were services: hotels and catering, transport and communications and especially investment management (which increased its share of value-added from 16.4 to 20.4%).

Agriculture

Number of holdings	24 533
Labour force	20 905 AWU
Agricultural area	198 659 ha
Livestock	71 834 LU
Gross value-added	10 511 ECU/AWU

Main products	
Field crops	37%
Wine	18%
Pigs	10%

Main enterprises

Name	Activity
Packard Electric GmbH	Electrical goods
Kromberg und Schubert GmbH&Co KG	Electrical goods
Burgenländische Elektrizitätswirtschafts-AG	Production and distribution of electricity
Sattler Textilwerke OHG	Cotton weaving
Vossen Frottier GmbH	Manufacture of textiles
Rosenberger Restaurant Betriebsges.	Restaurants
Kurbad Tatzmannsdorf AG	Health resort
Lehner Karl u. Co Bauges. m.b.H.	Building and construction
Neudörfler Möbelfabrik GmbH	Manufacture of office furniture
Tusch-Druck GmbH	Printing

Water quality, the main concern

The Neusiedler See, with its neighbouring bird and nature reserve, covers some 500 km^2 and is a popular destination for summer holidays and excursions. The extra traffic, construction activity and infrastructure work which the lake brings to the north of Burgenland is reflected in environmental data for the whole of the *Bundesland*.

The number of second homes tripled over a 20-year period. Burgenland has the highest per capita share of sewerage connections (81.5% in 1991) of any *Land* apart from Vienna. Despite being the least industrialized *Land*, it has an above-average sewage treatment capacity. Between 1982 and 1992 local authorities spent ECU 337.6 million on maintaining the quality of the water discharged from sewage treatment plants and increasing waste water treatment capacity.

However, steadily increasing quantities of nitrate nitrogen in the effluent from sewage treatment plants in the lake's catchment area (e.g. an increase of 1.9 tonnes from 1989 to 1992) and extremely intensive use of the land for agriculture (wine-growing) around the lake are leading to an increase in both the volume of nitrates present in the lake and in the nitrate content of the ground water, with 25% of the measurements taken showing values above European limits. The municipalities have responded by spending ECU 99.5 million on the largely public water supply (to which 95.3% of the population are connected).

Holiday traffic and transit traffic to Slovakia and Hungary regularly contribute to above-average ozone values in the summer. Sulphur dioxide emissions from the neighbouring regions of Bratislava and Sopron have an adverse effect on air quality. Since most houses and flats in Burgenland are heated by wood or wood waste (45.1%) in individual heating systems, and domestic heating emits roughly as much sulphur dioxide and nitrogen oxide into the atmosphere as industry does, the Burgenland government is attempting to improve air quality by encouraging block heating (small-scale district heating) based on biomass.

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NIEDER-ÖSTERREICH

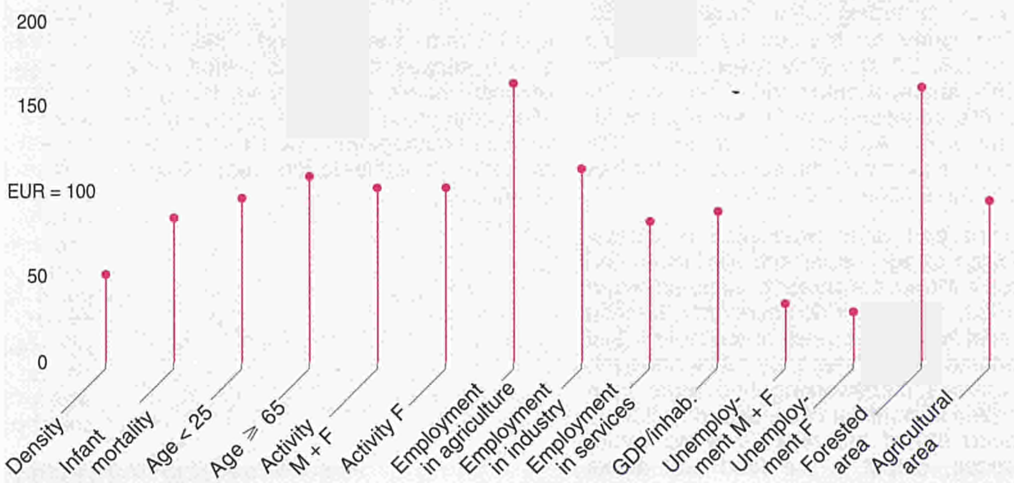
The heartland of Austria is Niederösterreich (Lower Austria), which has a total area of 19 174 km², four chartered cities including Sankt Pölten (the capital) and 21 political districts. In 1993 there were 569 municipalities. Niederösterreich has international borders with the Czech Republic and Slovakia and also borders on the *Bundesländer* of Burgenland, Steiermark and Oberösterreich. It encircles Vienna.

In the north-west is the Waldviertel gneiss and granite plateau, which has a rather harsh climate. The north-east has the hilly area of the Weinviertel and in the east is the Vienna basin, both of which have a Pannonian-type climate. The fertile Pre-Alps, between the Danube and the Alps proper, are a transitional climatic zone whilst the Alps become higher the further south one goes, and the climate increasingly Alpine. Agriculture and horticulture cover 53% of the land area, vineyards 1.8% and forests 38%.

The main motorways, roads and railway lines which converge on Vienna run both east-west and north-south. The southern part of the Vienna basin is highly industrialized and in the Alps there is a certain amount of industry, but otherwise the land is mainly given over to agriculture and forestry. Wine is an important product.

Dürnstein: cultural and historical centre of the Wachau, the unique Danube landscape in the heart of Niederösterreich.

Niederösterreich in the European Union



From the fringes to the heart of south-eastern Central Europe

The wide variety of landscapes in Niederösterreich is particularly striking, from low-lying plains and hills to uplands and high mountain ranges. The Danube valley in the Wachau, bedecked with vineyards, is particularly beautiful. Niederösterreich is Austria's prime agricultural area, concentrating on arable crops and vineyards. The traditional heartland of Austria, it has a wealth of cultural treasures — churches, castles and abbeys (Melk) from Gothic to Baroque.

For decades on the fringes of Austria, hard up against the Iron Curtain, this once disadvantaged *Bundesland* is now reaping the benefits of its central location and the opening up of Eastern Europe. The magnetic attraction of Vienna, until 1922 the capital of Niederösterreich, and still the seat of its administration — administrative offices in Sankt Pölten are still under construction — has its advantages and its disadvantages. On the one hand, people leaving Vienna or moving to Niederösterreich from elsewhere swell its population and businesses transferring to or setting up in the area around Vienna provide jobs, but on the other hand the transport network is geared primarily towards the national capital. The many commuters to Vienna who travel by road and the ever-increasing volume of transit traffic on the main road links cause major transport and environmental problems. A further disadvantage is the lack of a university and the paucity of post-secondary educational establishments.

NIEDERÖSTERREICH

Scale: 1 : 1 600 000

Which EU regions are similar to Niederösterreich?

Area:
± 19 200 km²
Kentriki Makedonia (GR)
Puglia (I)

Population:
1.5 million inhabitants
Östra Mellansverige (S)
Canarias (E)

Employment:
± 39% in industry
Thüringen (D)
Franche-Comté (F)

Rich countryside around Vienna, poorer areas in the north

The various areas of Niederösterreich (population density 77 per km² compared with the national average of 93) differ tremendously. The area around Vienna, in some parts a built-up extension of the capital city, with 125 inhabitants per km², profits from its location and is enjoying a steady increase in population and economic importance. It has a wide variety of industries, some of them moving out of Vienna and others settling in the area because of its proximity to the capital. Agriculture is a key industry, producing wine, field crops, cereals and sugar beet. With a per capita GDP of 146% of the EU average, the southern part of the Viennese hinterland is the third-wealthiest area of Austria. The Sankt Pölten area has been undergoing a boom ever since the town was chosen as the capital of Niederösterreich, but some of the industries in the south are struggling and the south has the highest rate of unemployment. The Mostviertel-Eisenwurzen region in the south-west concentrates on agriculture and forestry and has a certain amount of industry. Through decades of marginalization alongside the Iron Curtain, the rural Waldviertel area with its infertile soils (except in the peripheral wine-growing areas in Wachau and around Krems) and the productive arable land and vineyards of the Weinviertel (population densities of 50 per km²) were extremely disadvantaged. Many people commute daily to Vienna or, with increasing distance from the capital, weekly or less frequently from the whole of Niederösterreich. Only in the far west do most commuters travel to Oberösterreich.

	Area	Population			Activity	Unempl.	Employment			GDP/inhab.
	1 000 km²	1 000	Inhab./km²	Change (%)	%	%	% Agricult.	% Industry	% Services	EUR (PPS)=100
		1991	1991	1981-91	1991	1991-93	1991	1991	1991	1991
Mostviertel-Eisenwurzen	3.4	230	69	2.4	57	2.2	16	40	44	75
Niederösterreich-Süd	3.4	237	70	2.2	56	5.2	7	42	51	80
Sankt Pölten	1.2	138	112	4.4	57	3.2	4	45	51	91
Waldviertel	4.6	224	49	– 3.6	56	2.9	19	33	48	78
Weinviertel	2.4	122	51	– 3.2	54	2.6	23	27	50	61
Wiener Umland/Nordteil	2.7	251	92	11.0	58	2.8	11	36	53	82
Wiener Umland/Südteil	1.5	272	185	6.9	59	3.5	4	37	59	146
Niederösterreich	19.2	1 474	77	3.2	57	3.3	10	39	51	91
Österreich	83.9	7 796	93	3.2	57	3.9	6	35	59	107
EUR 12	2 358.2	344 854	146	3.2	55	9.4	6	33	60	100

NIEDERÖSTERREICH

Further population increase after years of decline

The number of inhabitants first peaked at 1 455 000 in 1939 only to fall back as a result of emigration to 1 374 000 in 1961. The increase to 1 508 000 by the end of 1993 was 25% below the national average growth rate. The relatively low rate of natural increase gave way to an excess of deaths over births from 1971 onwards. At about the same time, however, net migration was turned around: the influx of guest workers and refugees, together with the exodus to the suburbs from the metropolis of Vienna, led to net immigration of 140 000 people, with the move from peripheral, structurally-weak regions such as the Waldviertel continuing in the 1980s.

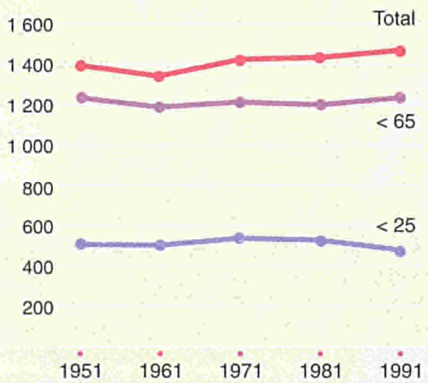
In the past five years the percentage of foreigners has doubled to 6%. At the time of the 1991 census, 13 of every 100 foreigners were EU or EFTA nationals (nine of them German), 30 were Yugoslavs and 27 Turks, and 23 came from the former Eastern Bloc (including eight from Romania and five each from Czechoslovakia and Poland). Roman Catholics accounted for 84% of the population.

The age structure differs from that of Austria as a whole in that the share of 15- to 39-year-olds is 1.8% lower and that of the over-40s correspondingly higher. This is to some extent the result of personal choices: those who move away (to Vienna) are mostly young people whereas suburban emigrants (moving from Vienna to the surrounding area) are mostly families, although many pensioners choose to spend their retirement in Niederösterreich. The percentage of elderly people is particularly high in the northern border regions.

Population by age — 1991

	M + F 1 000	M + F %	M %	F %
< 15	255.6	17.3	18.3	16.4
15-24	210.3	14.3	15.2	13.4
25-39	331.7	22.5	24.0	21.1
40-54	286.3	19.4	20.4	18.5
55-64	158.9	10.8	10.8	10.8
⩾ 65	231.0	15.7	11.2	19.9
Total	1 473.8	100.0	100.0	100.0

Population (1 000)



Resident population of foreign nationality — 1991

	1 000	% of total population
Total	67.5	4.6
of which EU countries	7.9	0.5
Former Yugoslavia	20.1	1.4
Turkey	18.1	1.2
Germany	6.1	0.4
Romania	5.6	0.4
Czechoslovakia	3.2	0.2
Poland	3.1	0.2
Hungary	2.2	0.1

Demographic account — 1981-91 (1 000)

Population 12.5.1981	1 427.8
Births	160.5
Deaths	179.6
Net migration	+ 65.1
Population 15.5.1991	1 473.8

Home to 143 000 of Vienna's commuters

In 1991 two thirds (67%) of the population was of working age, i.e. between 15 and 64 years old. Eighty out of every 100 men in this age group were economically active and 58 out of every 100 women. Both the level and the trend in the activity rate for both sexes were in line with the national average during the 1980s. The average number of hours worked per week (including overtime but excluding absences) was 41.0 for men and 36.9 for women.

This *Land* surrounding Vienna has the second-highest mobility rate after Burgenland for persons commuting to work in another municipality. In 1991 three out of every five people (59%) in employment worked outside the municipality in which they lived. With the number of those commuting across the region's borders having risen from 71 200 in 1961 to 163 300, some 42% of these commuters — or around a quarter of residents in employment — had their place of work outside the *Bundesland.*

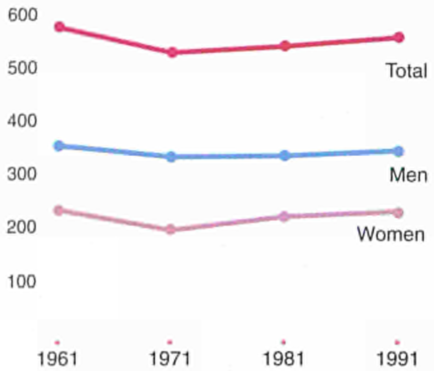
According to the 1991 census, 22% of persons in employment who lived in Niederösterreich worked in Vienna, compared with just 10% in 1961. The surge in this centripetal commuter flow from 62 300 to 143 400 in three decades can also, of course, be explained by the fact that many former inhabitants of Vienna have moved out to the suburbs.

There were 22 000 apprentices receiving 'dual' vocational training, 12 100 young people attending full-time intermediate vocational schools and 19 300 students at higher vocational schools in 1993. Schools in Vienna also played an important role in further education, mainly for the 94% out of a total of 27 700 students from Niederösterreich who were enrolled at Vienna's universities or equivalent institutions.

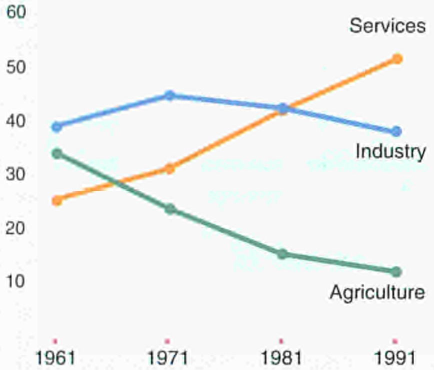
Number of pupils — 1994

	M + F 1 000	F %
Kindergarten	44.4	49.0
Pre-school	1.3	39.9
Primary	72.5	48.6
Lower secondary	70.3	48.8
Higher secondary (technical)	53.5	42.9
Higher secondary (general)	13.5	49.3
Post-secondary	2.1	68.1
Higher education	-	-

Employment (1 000)



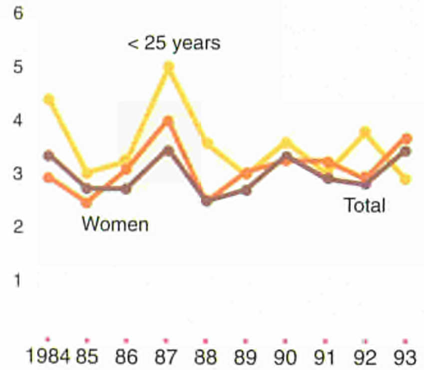
Employment structure (%)



Employment — 1991 (1 000)

Resident employment	660.5
+ Non-residents having a job in the region	60.5
– Residents having a job outside the region	164.3
= Internal employment	556.7

Unemployment (%)



Above-average employment in the agricultural and production sectors

Vienna's role as a supraregional centre also influences the size and structure of employment in Niederösterreich. According to the 1991 census, of the 660 500 persons in employment resident in Niederösterreich, only 556 700 worked there. During the 1980s the number of jobs rose by 3.2% and the labour force by 4.9%. The difference, i.e. persons commuting to work outside the *Land*, which had doubled between 1961 and 1991, rose by a further 15% to 103 800. In 1961 the number of persons in employment living in Niederösterreich and also working there was 93 in every 100. This figure had fallen to 86 by 1981 and was just 84 in 1991. The number of commuters travelling into Niederösterreich from other *Länder* also more than doubled over this 30-year period, to 60 500 or 11% of all the jobs.

With 11.3% of persons in employment (by place of work) working in agriculture, Niederösterreich was at the top of the list alongside Burgenland in 1991. The industrial sector also had a higher than average share of total employment with 37.2%, although this was still well short of the figures in Vorarlberg and Oberösterreich. Whilst the majority of jobs (51.5%) were now in the service sector, this was still 7% lower than the national average.

Although the number of those employed in agriculture fell by 140 400 between 1961 and 1991, only 114 500 jobs were created outside the primary sector during this same period. The non-agricultural working population in Niederösterreich went up from 379 200 to 493 600. Industry and manufacturing stagnated during the 1960s and 1970s and then contracted by 10% during the 1980s. Industry employed 24 800 fewer people in 1991 than in 1961, whilst the number of jobs in the service sector rose by 139 200 or 94%.

The proportion of the labour force without any qualifications after leaving school was low and the number of those to have successfully completed training courses correspondingly higher. In 1991, the percentage of graduates was about a quarter below the national average.

Characteristics of resident employment (%)

	< 25 years	25-54 years	⩾ 55 years	Employees	Employees: part-time
	1993	1993	1993	1993	1993
Men	18	75	7	86	1
Women	20	76	4	82	23
Total	19	75	6	84	9

Unemployment rate influenced by commuters to Vienna

The figures for the labour market in Niederösterreich mirror those for Austria as a whole. Its 6.8% unemployment rate in 1993 was the same as for Austria (as was the 5.9% in 1992), and the internationally adapted rate was 3.8% in 1993 (3.3% in 1992). The increase on 1992 was, admittedly, slightly above average at 15.9% and resulted in a total figure of almost 36 000 registered unemployed people (annual average, of which 45.9% were women, the highest rate of all the *Länder*).

The problem areas are the peripheral regions and some of the older industrial zones which suffer from structural weaknesses. The fact that there are large numbers of commuters travelling to Vienna from the whole of Niederösterreich means that the unemployment rates increase in their home districts in times of unemployment in Vienna (since the unemployed are counted at their place of residence), whereas any increase in employment opportunities is reflected in the employment data for Vienna. This causes a distortion in comparisons between certain districts in Niederösterreich and those of other *Länder*. The unemployment rates for women (7.6% as against 6.2% for men) and people aged 50 and over are both above average.

In general, there is a high proportion of older and poorly-qualified unemployed persons. Long-term unemployment is also higher than average, thus raising the average duration of unemployment.

NIEDERÖSTERREICH

From peripheral region to land of promise

Niederösterreich has 18.9% of the total population of Austria, but because of the large number of people who commute the short distance to Vienna it accounts for only 16.3% of employees recorded at the place of work. These produced around 16% of Austria's gross domestic product in 1991.

The economy of Niederösterreich, and its border areas in particular, was dealt an especially crippling blow by the collapse of the monarchy and its resulting separation from the Hungarian and Bohemian economic areas.

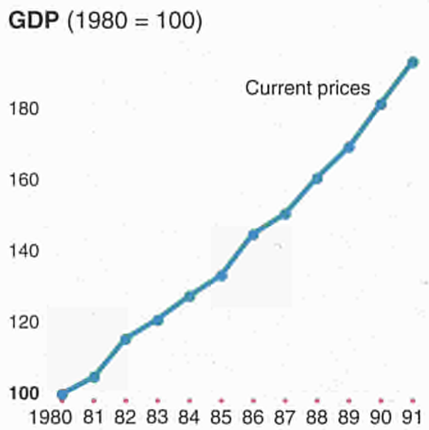
The current problems besetting the economic structure of Austria's largest *Land* are partly the knock-on, belated effects of industrialization. As a result of the comparatively early industrialization of Niederösterreich, it now has a large number of 'historic' industrial centres where the emphasis is on primary products and the service sector is underdeveloped. Since 1970 the economic structure of the *Land* has developed roughly in line with the trend for Austria as a whole and it is slowly adapting to the national model.

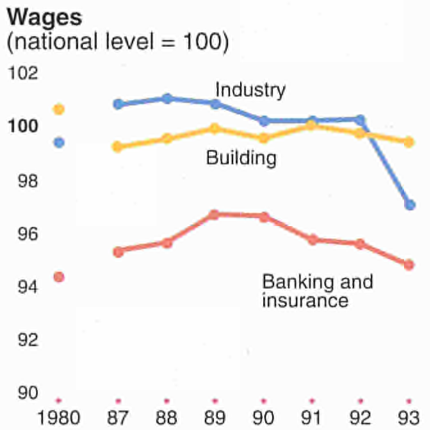
One of the key reasons why the region's service sector is underdeveloped is the historic orientation towards Vienna, which has been a separate *Land* since 1922. This explains the recent attempt to stimulate dynamic development in this sector in particular through the establishment of Sankt Pölten as its capital.

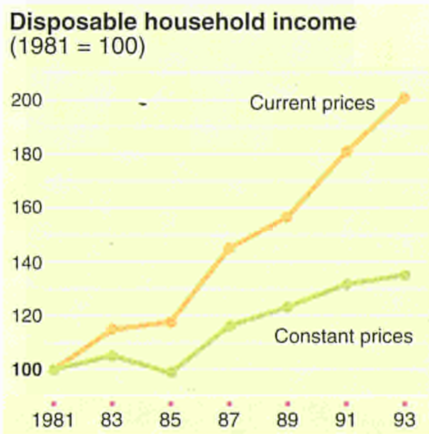
Nominal economic growth in Niederösterreich between 1987 and 1991 averaged 6.0%, which was 0.4% per year below the national figure. In the last few years, however, the opening up of Eastern Europe has had an increasingly beneficial effect on the economy of eastern Austria.

The 1991 figure for gross value-added per employee of ECU 37 200 (excluding VAT) in Niederösterreich meant that productivity was just below the national average of ECU 37 900, putting the region in fifth place in the league table of Austrian *Länder*, behind Salzburg and ahead of Oberösterreich.

The region's share of total Austrian expenditure on research and experimental development in 1989 was 6.1% or approximately ECU 96 million. Virtually 90% of this was spent by industry and the rest by the State (expenditure by the higher education sector was minimal given the lack of university establishments).







Earnings lower in the Weinviertel and the Waldviertel

Whilst income levels for men in Niederösterreich are relatively close to the national average, women earn considerably less (about 5% below the national average). Male manual workers have a gross annual average income of ECU 19 629, whilst their female counterparts average only ECU 12 403. The average annual income of a male non-manual worker is around ECU 27 264 as against the ECU 16 340 earned by female non-manual employees.

The distributive trades are a low-income sector for both male and female white-collar workers, and men are also poorly paid in the transport sector when not employed by State-controlled establishments. The highest salaries for male and female non-manual workers are paid in the chemical and oil industries, and another branch offering above-average salaries for female non-manual workers is the finance, banking and private insurance sector.

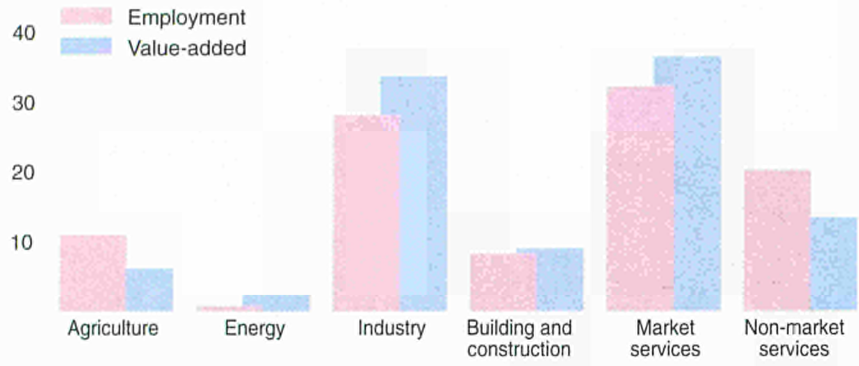
The chemical and oil sectors offer the best wages for manual workers of both sexes, and the metalworking industry pays above-average wages to female manual workers. Male manual workers in Niederösterreich are poorly paid in the hotel and catering sector, whilst the lowest wages for female manual workers are to be found in 'hairdressing and beauty salons, etc, and cleaning'.

On a regional level by place of work, earnings in the Waldviertel and the Weinviertel are around one-tenth below the average for Niederösterreich, whilst those in the southern part of the area around Vienna are around one tenth higher.

Considerable disparities within the region in terms of household income

Compared with incomes per person, incomes per household are quite good owing to the large number of commuters. The highest household incomes are recorded in the southern part of the area around Vienna where they are higher than anywhere else in Austria (17% above the national average). In the northern part of the area around Vienna and the Weinviertel, they are only slightly above the average for the whole country (+ 4% in each case), whilst those in the Mostviertel-Eisenwurzen region (– 3%) and the St Pölten region (– 6%) are below the national average. The lowest household incomes are recorded in the Waldviertel (– 14%).

Employment and value-added: distribution by branch — 1991 (%)



Primary and secondary sectors dominant

It is a feature of Niederösterreich that despite the structural changes which have taken place in the recent past, both agriculture and forestry and industry and manufacturing still claim an above-average share of economic activity.

In 1991 the service sector (including public services) accounted for barely 49% of the region's total gross value-added (Austrian average: 60%), whereas agriculture and forestry and the production of goods (including mining) were responsible for 5.6 and 34% respectively (the national figures were 2.8 and 27%).

The ECU 1 150 million contributed by agriculture and forestry amounted to almost one third of Austria's total value-added in this field (ECU 3 600 million). Burgenland is the only *Land* where agriculture and forestry have a larger share of the total economy in terms of value-added and employment.

With regard to manufacturing, almost half of Austria's chemical industry is located in Niederösterreich (due to the fact that the region possesses Austria's largest oilfields and its only oil refinery) and the metalworking and food, drink and tobacco industries are also of above-average importance. The trend over the last few decades has been to move away from crisis-prone sectors, so their position in the economy is now less dominant.

Measured in terms of both value-added and employment capacity, the construction industry in Niederösterreich has the second-highest capacity in the country after Vienna (19 and 17% respectively, as opposed to Vienna's 24 and 23%). Thus, its contribution to the regional economy is also correspondingly high (third-highest value of all the *Länder* with 8.9% of regional value-added).

Agriculture

Number of holdings	67 156
Labour force	83 268 AWU
Agricultural area	958 522 ha
Livestock	750 906 LU
Gross value-added	14 058 ECU/AWU

Main products	
Field crops	27%
Pigs	16%
Cattle	13%

Main enterprises

Name	Activity
ÖMV-Aktiengesellschaft	Petroleum industry
Spar Österreichische WarenhandelsAG	Wholesale of food products
Billa Warenhandel AG	Retail trade of food products
Austrian Airlines AG	Air transport
Semperit Reifen AG	Manufacture of tyres
Energieversorgung iederösterreich AG	Production and distribution of electricity
Triumph International AG	Manufacture of textiles
Österreichische Brau AG	Brewery
Umdasch Industrie GmbH	Manufacture of office furniture
Semperit Technische Produkte GmbH	Manufacture of tyres

First successes in the struggle to solve environmental problems

Niederösterreich encircles the federal capital, Vienna. Road and rail links radiating out from Vienna, shopping centres that have moved out of the city, industry and residential suburbs combine to make this area the most heavily trafficked in Austria (with the exception of the motorways within the city boundaries), with 410 000 car journeys per day and 2.1 per inhabitant (1990). With peak values for nitrogen dioxide and ozone concentrations and high levels of noise pollution, urgent steps have had to be taken to protect the environment. Despite the growth in traffic (+ 8.6% per annum), air pollution has not increased, partly as a result of exhaust gas regulations (60.5% of the vehicle fleet is low-polluting).

In the western half of Niederösterreich environmental problems are localized. In the south-east, one major task is the clean-up of a large number of contaminated (disused industrial) sites.

In the east of Niederösterreich, intensive land use (field crops and vineyards) causes groundwater pollution which is in some cases unacceptably high, as well as above-average levels of pollution in rivers and streams. In the east, local action has brought about a noticeable decrease in the nitrate content of the groundwater, which may explain the almost universal improvement in the quality grading of running water over the area as a whole.

The Marchfeld canal was partially filled in 1992. On completion it is expected to lead to a further improvement in groundwater quality; a gradual rise in the water table and subsurface irrigation of the meadows along the Danube and the March. A 110 km² national park, the Donau-Auen (Danube meadows), is planned in this internationally-recognized 385 km² area of wetland (Ramsar convention).

In 1982-92, the municipalities of Niederösterreich spent more money on water resources than any other *Bundesland* in Austria apart from Burgenland: ECU 2 442 million.

AUSTRIA

WIEN

Wien (Vienna), the capital city of Austria, with an area of 415 km², became a *Bundesland* in its own right, separate from the surrounding Niederösterreich, in 1922.

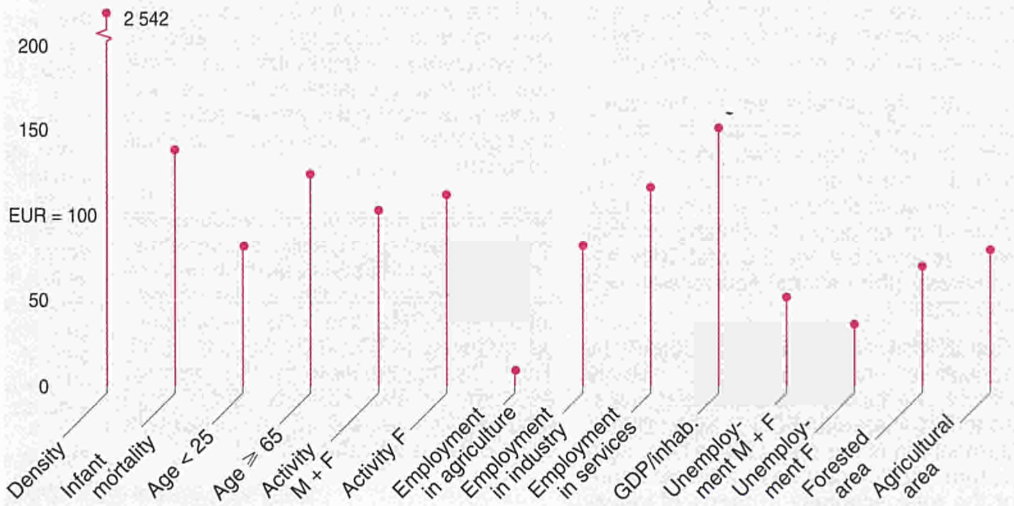
While most of the city lies in the Vienna basin, some north-western and western suburbs spread up into the Vienna Woods, part of the Pre-Alps. The warm Pannonian climate gives it an annual mean temperature of 10°C and low precipitation — just over 600 mm. Around 23% of the total land area is urbanized, 46% is given over to agriculture and horticulture, 17% is wooded and 1.7% under vineyards.

For hundreds of years, Vienna has been one of the great cities of Europe. It is home to several important international organizations. Formerly an important industrial centre, it is increasingly concentrating on the services sector. The beauty of the city and its wealth of cultural resources make it a major centre for tourism.

The Danube metropolis is at the centre of a major European traffic network, with most routes running west to east or north-east to south-west.

The city of Vienna: a high-density conurbation with historic buildings and parks in the centre and housing developments extending to the Vienna Woods beyond.

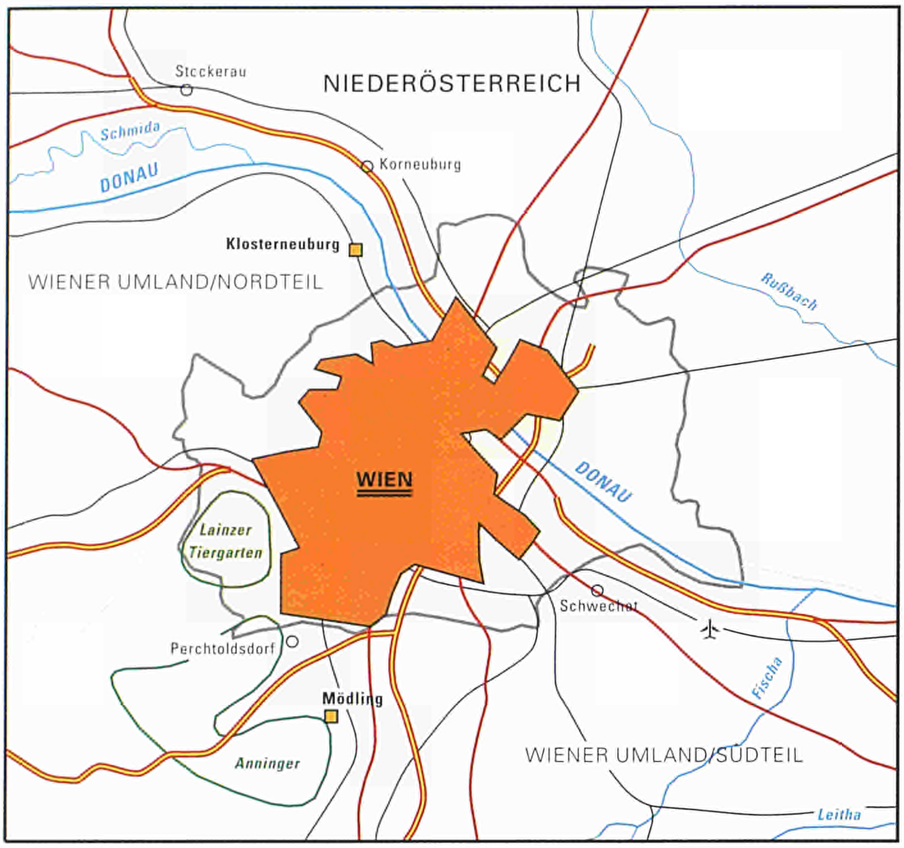
Wien in the European Union



Capital city, cultural metropolis, seat of international organizations

Austria's capital is one of the oldest in Europe. Formerly the seat of the imperial house of Habsburg, its main landmarks are the Gothic St Stephen's cathedral, the Hofburg imperial palace, numerous baroque buildings and, as a result of the city's rapid expansion in the wake of industrialization, many splendid buildings erected between 1850 and 1914. There are also extensive blocks of flats. Model local-authority housing schemes from between the wars, post-war cooperative and private housing and estates, along with office blocks, recreational facilities, new bridges over the Danube and the extension of the modern public transport network, have all left their mark on 20th-century Vienna. With its numerous museums, theatres and concert halls, its many cultural events and eight universities or equivalent institutions, the city has won international renown. It is also one of the United Nations' three headquarters as well as being the seat of other major international organizations such as OPEC and offering full congress facilities. The average age of the population is declining as a result of increasing immigration, principally by foreigners.

The down side is that housing shortages affect young people in particular, given the age of much of the housing stock, increasing rents and the high cost of building. Many industrial and other firms are moving out to the surrounding areas, where they have more space. Finally, private car use is causing serious problems in a city which has expanded but still has a maze of relatively narrow streets.



Scale: 1 : 400 000

Which EU regions are similar to Wien?

Area:
less than 500 km²
Bruxelles/Brussel (B)
Bremen (D)

Employment:
± 28% in industry
± 71% in services
Attiki (GR)
Madrid (E)

Age:
± 18% aged over 65
Västsverige (S)
Piemonte, Molise (I)
Bruxelles/Brussel (B)

Concentration of services, high percentage of foreigners

The federal capital is largely service-oriented, with a substantial commercial sector and a still-important industrial sector. Some 22.3% of the 842 000 people who work in the city commute from other *Bundesländer*, mainly Niederösterreich (17%) and Burgenland (2.7%). GDP per capita is 153 (EU average = 100), by far the highest of all the *Bundesländer*. The reverse side of the coin is that the unemployment rate is above the national average.

Vienna has 23 districts. The inner ones surrounding the inner city, built largely in the years of rapid commercial and industrial expansion at the end of the 19th century, are heavily built-up, with commercial premises and main shopping streets, and the peripheral areas closest to the city, which date from the same period, are densely populated. In the west and north-west, exclusive residential areas are spreading out from the city, whereas there are large blocks of flats in the south. The centres of the two districts on the opposite bank of the Danube still have something of a village atmosphere as well as some development from the period of industrialization. Although residential blocks, housing estates, industry and gardens congregate round the centres, there are also broad areas of undeveloped land. In many of the outer suburbs there are industrial estates. Some parts of Vienna are favoured by the upper levels of society whereas in other parts the social level is less elevated, but in most areas the mix is a small-scale reflection of the general social pattern. In 1991, 12.8% of the population were foreign nationals but by the end of 1993 this figure had risen to 16%.

	Area	Population			Activity	Unempl.	Employment			GDP/inhab.
	1 000 km²	1 000	Inhab./km²	Change (%)	%	%	% Agricult.	% Industry	% Services	EUR (PPS) = 100
		1991	1991	1981-91	1991	1991-93	1991	1991	1991	1991
Wien	0.4	1 540	3 711	0.6	58	5.1	1	28	71	153
Österreich	83.9	7 796	93	3.2	57	3.9	6	35	59	107
EUR 12	2 358.2	344 854	146	3.2	55	9.4	6	33	60	100

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The population shrinks, stagnates and expands again

As the centre of a multiracial empire, Vienna had a population of over 2 million before the First World War. By 1951 it had shrunk to 1 616 000, since many people had returned to live in the successor States of the Empire, the Jews (9% of the population) had been expelled during the Nazi period and — the main cause of the decline — the number of deaths had exceeded the number of births. The population then remained stable up to the mid-1970s, only to decline further to 1 493 000 by the end of 1986. The influx of foreigners then produced a marked increase to 1 597 000 by the end of 1993.

The prolonged decline in births was particularly sharp in the capital: by the middle of the 1930s, fertility had fallen to 0.64 births per woman. Despite being just over twice that figure at present, it is still the lowest after Burgenland. Since 1926 there have been more deaths than births. Net immigration of 394 000 people between 1951 and 1993 could not quite offset the shortfall in the number of births.

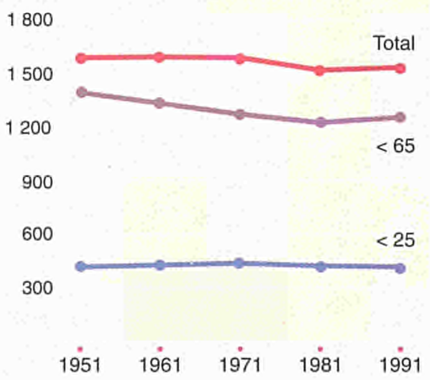
Over the past seven years, the proportion of foreigners living in Vienna has doubled to 16%. According to the 1991 census, 9% of these were EU or EFTA nationals (including 5% Germans), 44% Yugoslavs, 22% Turks and 11% from the former Eastern Bloc countries (including 6% from Poland). Religious affiliation was 58% Roman Catholic, 5% Protestant or Orthodox, 4% Moslem and 20% of no religious persuasion.

The age structure reflects the low level of fertility and the effects of migration.

Population by age — 1991

	M + F 1 000	M + F %	M %	F %
< 15	214.1	13.9	15.5	12.5
15-24	205.6	13.3	14.3	12.5
25-39	370.9	24.1	26.1	22.4
40-54	329.1	21.4	22.6	20.3
55-64	145.3	9.4	9.2	9.6
⩾ 65	274.8	17.8	12.3	22.7
Total	1539.8	100.0	100.0	100.0

Population (1 000)



Resident population of foreign nationality — 1991

	1 000	% of total population
Total	196.7	12.8
of which EU countries	15.4	1.0
Former Yugoslavia	87.4	5.7
Turkey	43.9	2.8
Poland	11.1	0.7
Germany	9.0	0.6
Hungary	3.5	0.2
Iran	3.1	0.2
Egypt	2.7	0.2

Demographic account — 1981-91 (1 000)

Population 12.5.1981	1 531.3
Births	151.4
Deaths	228.6
Net migration	+ 85.7
Population 15.5.1991	1 539.8

High female activity rate

In 1991 some 68% of the population was of working age, i.e. between 15 and 64 years old. Of the men in this age bracket, 81% were economically active, and the figure for women was 66%, making Vienna's female activity rate by far the highest of all the *Länder* at 8% above the national average. The average number of hours worked per week (including overtime but excluding absences) was 40.4 for men and 34.8 for women.

For demographic reasons, Vienna's potential Austrian labour force decreased during the 1960s and 1970s. Whereas in 1961 there were still 809 500 economically-active persons with Austrian nationality, this figure was one-fifth lower in 1981 at 651 500. The fact that it had risen to 657 300 by 1991 was simply the result of naturalization. The enormous increase in the foreign labour force from 11 000 in 1961 to 68 600 in 1981 and 117 100 in 1991 offset only 50% of the drop in the number of economically-active Austrian nationals. In 1991 some 39% of all of Austria's economically-active foreign nationals lived in Vienna.

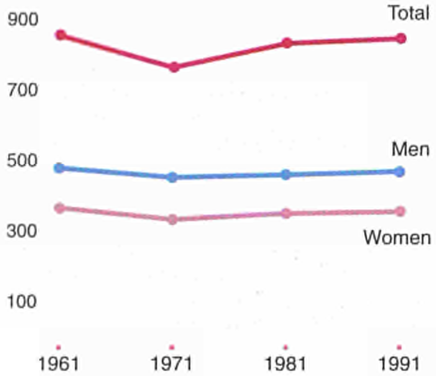
Within a city of over a million inhabitants, there is a great deal of mobility. In 1991 two thirds of the residents who had jobs commuted to and fro between two of the 23 districts, whereas only 6.9% (48 100) worked outside Vienna. The number of commuters leaving the city has nevertheless risen by 250% since 1961 as a result of jobs being moved out to the suburbs.

In 1993 there were 20 900 apprentices receiving 'dual' vocational training, 13 300 young people attending full-time intermediate vocational schools and 18 000 students at higher vocational schools. There were 45 800 students from Vienna studying at Austrian universities or equivalent institutions, and altogether 126 200 students were matriculated at Vienna's five universities and three colleges of art.

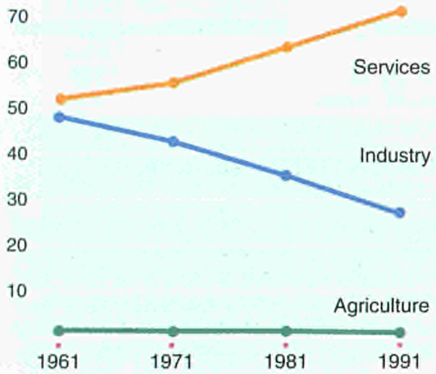
Number of pupils — 1994

	M + F 1 000	F %
Kindergarten	36.9	48.2
Pre-school	2.1	42.6
Primary	60.6	48.3
Lower secondary	61.9	48.3
Higher secondary (technical)	52.3	43.0
Higher secondary (general)	19.3	53.6
Post-secondary	5.6	67.3
Higher education	126.2	46.0

Employment (1 000)



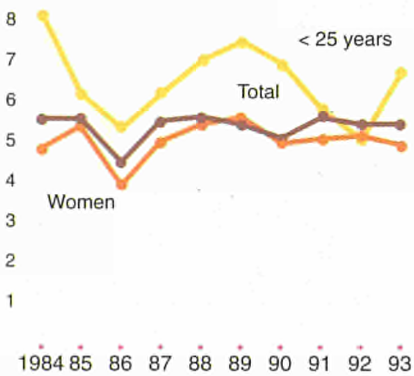
Employment structure (%)



Employment — 1991 (1 000)

Resident employment	702.5
+ Non-residents having a job in the region	188.0
– Residents having a job outside the region	48.1
= Internal employment	842.4

Unemployment (%)



Services expanding as the industrial base dwindles

According to the 1991 census, 702 500 persons in employment were resident in the capital, Vienna, and 842 400 people worked there. Following the 9.1% (78 600) drop in the number of jobs between 1961 and 1971 caused by a fall in the labour supply, the numbers rose again between 1971 and 1981 by 29 800 (+ 3.8%) and by a further 26 400 (+ 3.2%) between 1981 and 1991. The upsurge in the number of persons commuting into Vienna was the sole reason for this increase in the 1970s (from 78 800 in 1971 to 126 800 in 1981), whereas half of the increase over the next decade was due to a further rise in incoming commuters (up to 139 000 in 1991) and the other half to the influx of foreigners, who helped swell the number of resident persons in employment. Just over a fifth (22%) of the jobs were taken by commuters from other *Länder* (188 000), compared with just 9% or 80 400 in 1961.

Agriculture accounted for just 0.7% of the economically-active population by place of work in 1991. The figure for the secondary sector (27.9%) was around one fifth below the national average whilst the services sector had a proportionately higher share at 71.4%. Whilst 25% of all jobs in Austria were based in Vienna, the figure was 41% in banking, insurance and economic services, 30% in personal, social and public services, 30% again in transport and 29% in the distributive trades.

One cause for concern is the industrial sector where the number of employees has shrunk by 180 000 or 43% over the last 30 years, and not just because of the lack of space. The number of jobs in the service sector stagnated during the 1960s and has expanded by around 160 000 or 36% since 1971.

As one would expect, the educational profile of the capital shows that the number of highly-qualified persons is disproportionately high, whilst those with a vocational training are under-represented. In 1991, the percentage of graduates was two thirds above the average for the country as a whole.

Characteristics of resident employment (%)

	< 25 years	25-54 years	⩾ 55 years	Employees	Employees: part-time
	1993	1993	1993	1993	1993
Men	14	78	8	92	3
Women	14	81	5	93	23
Total	14	80	6	92	12

Centre of employment; large number of unemployed people with qualifications

The employment situation in Vienna is determined by the city's prime location at the intersection of various east-west and north-south axes and is now also increasingly influenced by the opening up of Eastern Europe. Vienna is eastern Austria's main centre of employment.

After falling for some 15 years or so, the population has recently started to rise again due to the high proportion of foreign nationals, and there has been a sharp increase in the number of daily commuters. Employment trends on the whole are not, however, particularly dynamic.

The annual average unemployment rate in 1993 was 7.2% (men 7.8%, women 6.6%), slightly above the national average. In 1992, the rate had been 6.4% with a similar divergence from the Austrian mean (the internationally adapted rate for both 1993 and 1992 was 5.6%). This means that the average annual number of registered unemployed people was still over 61 000 (41.7% of whom were women), although the 12.8% increase on 1992 was nonetheless appreciably lower than the figure for Austria as a whole (+ 15.1%).

More than a quarter (27.6%) of Austria's unemployed live in Vienna, although it should be pointed out that with unemployment being counted at the place of residence, some of the unemployment originating in Vienna is 'exported' to the municipalities where its commuters have their homes. Recent trends have seen a sharp increase in the number of older unemployed persons and a relatively high level of very long-term unemployment. The proportion of highly-qualified jobless persons is high, as is the percentage of young men.

WIEN

Driving force behind the Austrian economy

The Viennese economy displays all the characteristics typical of the economy of a conurbation: a strong service sector, a mixture of production activities focusing on consumer goods and an agricultural sector specializing in niche activities (primarily market gardens and vineyards). With an annual average growth rate of 6.9% between 1987 and 1991, Vienna was the only one of Austria's eastern *Länder* where economic growth outstripped the national average (6.4%).

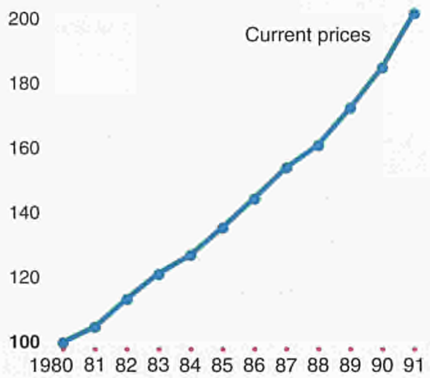
Leaving aside the already visible effects of the opening up of the economies of Austria's northern and eastern neighbours, this growth rate is primarily due to Vienna's role at the centre of the economy. It is home to the headquarters of over 200 of Austria's 500 largest enterprises and most of the Austrian head offices of foreign companies represented in the country, and it is here that the vast majority of the political decisions are taken which set the guidelines for the Austrian economy.

The foreign enterprises which have recently moved into Vienna produce 25% of their output there. Other foreign firms make use of Vienna's prime geographical location to serve the Austrian and neighbouring Central and East European markets.

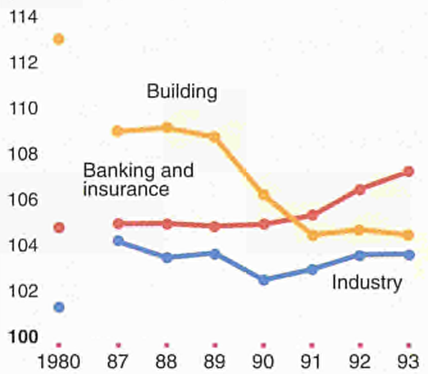
Vienna's share of Austria's total expenditure on research and experimental development in 1989 was the highest of all the *Länder* (49.3% or ECU 777 million). In view of the presence of several universities and their numerous R&D institutes, there is a high concentration of both R&D expenditure by the higher education sector (with 38.2% of the region's expenditure) and by industry (50%). The latter is due to the fact that many large enterprises carrying out R&D are based here. State R&D expenditure in Vienna is also comparatively high at 9.2% as a result of the concentration of government research establishments.

In addition, although the Viennese labour market accounts for only around 25% of employment in Austria, it has over 32% of the country's university graduates and 33% of all those with post-secondary qualifications.

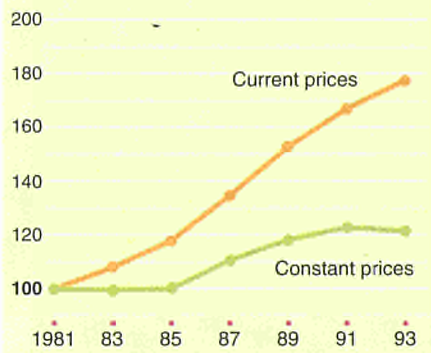
GDP (1980 = 100)



Wages
(national level = 100)



Disposable household income
(1981 = 100)



Non-manual workers in particular can earn a good living

Whilst wages for female manual workers (gross annual average of ECU 13 025) are close to the national average, salaries in all other branches, and particularly those for female non-manual workers at ECU 19 131 per year, reflect the healthy situation of the Viennese labour market. The average annual wage of a male manual worker is ECU 19 233 and a male non-manual worker averages ECU 29 056.

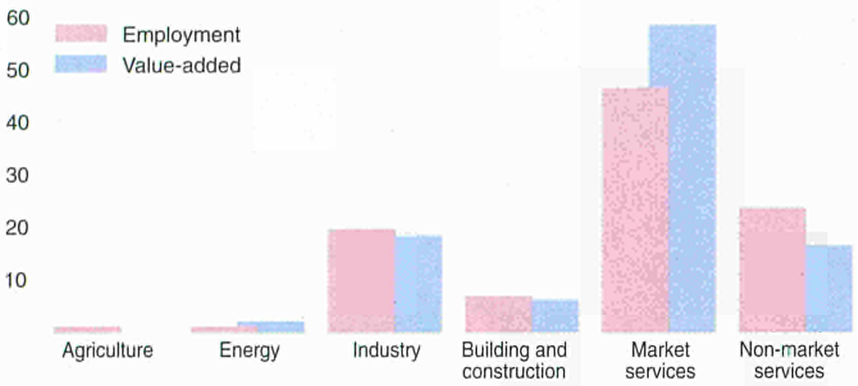
There are no major groups of male manual workers whose salaries stand out above the rest, although incomes are generally not so good in most branches of the service sector, such as the hotel and catering trade. The wages on offer to female manual workers in metalworking are above average, whilst those paid for cleaning, for example, are way below the average level for Vienna.

For male non-manual workers, earnings are very good in a number of manufacturing industries such as chemicals, metalworking and construction, but are lowest in the transport sector (excluding State enterprises). The most lucrative branches for female non-manual workers are metalworking and finance, banking and private insurance, whereas earnings in the distributive trades are relatively less attractive.

Household incomes well above the Austrian average

Household incomes in Vienna are 13% above the national average.

Employment and value-added: distribution by branch — 1991 (%)



Services account for three quarters of Vienna's economic performance

In 1991 agriculture and forestry accounted for 0.25% of the region's value-added, produced by the 6 000 or so persons employed in this sector in Vienna (0.7% of total employment).

Industry (mining, energy and water supply, goods production and construction) had a 27% share of the region's value-added in 1991, as against the 37% share this sector enjoyed nationally. It is already clear from these data how important a role services play in Vienna, and with 73% of the region's value-added they produce substantially more than the national average of 60% (including the public sector). This said, however, the difference between Vienna and the other *Länder* has been shrinking noticeably as the latter continue to adapt their economic structure to that of a modern service-oriented economy.

Whilst the energy and water supply and construction branches of Vienna's secondary sector both return Austria's highest percentage figures for value-added (at around 25% each), these same two branches in Vienna have the lowest shares of regional product of all the *Länder*.

An analysis of the contributions made to value-added by all sectors of the economy reveals that investment management in Vienna has already taken over as market leader from goods production (in the strict sense of the term), with distributive trade in third place followed by public services.

Whilst Vienna may not be one of Austria's leading tourist areas, the capital is nevertheless the fourth most-visited city in Europe (behind London, Paris and Rome). With growth rates for overnight stays reaching double figures at times in the 1980s, tourism was the city's most successful industry for a while, but it has recently experienced a downturn (overnight stays were down by 8% in 1991 and 4.7% in 1993).

Agriculture

Number of holdings	1 131
Labour force	2 854 AWU
Agricultural area	9 348 ha
Livestock	1 550 LU
Gross value-added	34 624 ECU/AWU
Main products	
Vegetables	71%
Fruit	16%
Wine	6%

Main enterprises

Name	Activity
Österreichische Bundesbahnen	State railways
Österreichische Post- und Telegraphenverwaltung	Telecommunications
Wiener Stadtwerke	Production and distribution of electricity
Konsum Österreich Reg.Gen.m.b.H.	Retail trade
Siemens AG Österreich	Precision machinery and electronics
Österreichische Philips Industrie GmbH	Electrical appliances
Creditanstalt und Bankverein AG	Banking and finance
Zentralsparkasse und Kommerzialbank AG	Banking and finance

No noticeable decline in NO_2 or ozone

The tight concentration of buildings and people (3 710 per km^2 in 1991) leads to generally high levels of environmental degradation. Domestic heating is still responsible for much of the air pollution affecting the city and for this reason great efforts have been made to promote district heating (in 1991 some 13.5% of all housing units were heated in this way). Since 1992 over 50% of the new dwellings erected each year have been connected to a district heating network. Further improvements have been brought about by the decline in consumption of solid mineral and liquid fuels, from 42% of total energy consumption in 1982 to 17% 10 years later.

Levels of ozone and nitrogen dioxide have not been reduced to any noticeable extent by the introduction of compulsory catalytic converters, since the volume of traffic carried on Vienna's roads continues to increase. Austria's highest traffic volumes are to be found on the south-east ring road, which carries around 122 000 vehicles a day.

In Vienna 51% of refuse is recycled, most of it for energy. The city has Austria's only incineration plant which can handle dangerous waste. In 1993 the city authorities were concerned that the volume of problem materials delivered from trade and industrial production had suddenly and unexpectedly plummeted. The sorting of domestic refuse, introduced in the 1970s and in operation everywhere since 1986, has produced good results. Whereas the total volume of waste rose by 2.3% last year, 1.1% less household refuse was collected.

The water table and water dynamics of the Danube marshes continue to deteriorate. Vienna is thus pressing for the Vienna marshlands to be included in the Donau-Auen national park. In 53% of the groundwater, there are nitrate pollution levels of between 45 and 100 mg/l (or even more) — Vienna contains 35% of the commercial horticultural land in Austria — and in some cases it is polluted by oil, petrol, phenols and hydrocarbons. Most (95%) of Vienna's drinking water comes from springs. The population is almost all (99%) connected to the mains water supply, with 97% connected to mains sewerage.

AUSTRIA

KÄRNTEN

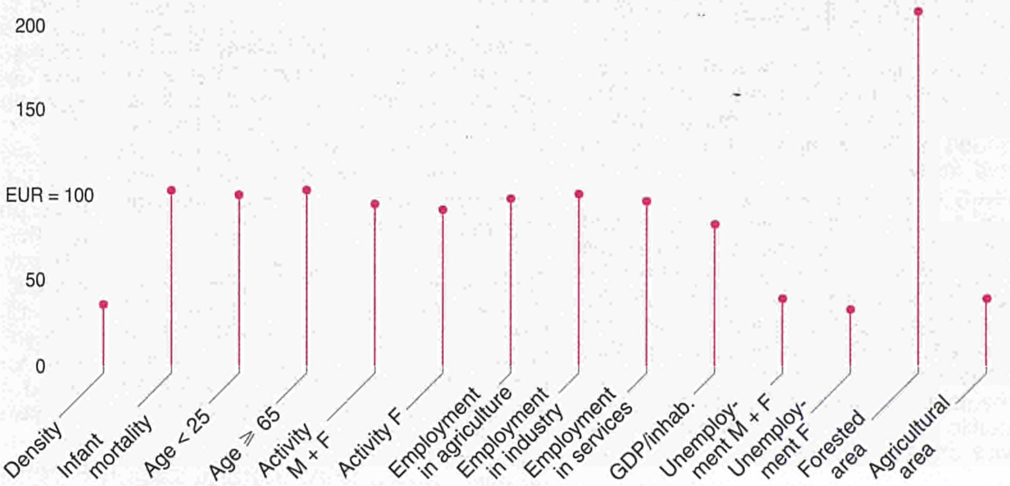
Kärnten (Carinthia) has a history going back more than 1 000 years. It has an area of 9 533 km², two chartered cities — Klagenfurt, the capital, and Villach — eight political districts and 131 municipalities (1993). It has international borders with Slovenia and Italy and is also bounded by the *Bundesländer* of Tirol, Salzburg and Steiermark.

In the north of Kärnten are the Central Alps, formed of Pre-Cambrian strata, which rise steeply in the west to culminate in Austria's highest mountain, the Großglockner, at 3 797 m. In the east they are much gentler. In the south are the southern *Kalkhochalpen* (Limestone Alps). The Klagenfurt basin, with hills and mountains as well as flatter areas and lakes, and the region's larger valleys have an Illyrian climate whereas the Alps have a humid-cool to humid-cold Alpine climate. Nearly a quarter (23%) of the land is given over to agriculture and horticulture, 17% to Alpine pastures and 50% to forests.

Kärnten attracts many tourists. In the south-east there is a Slovenian-speaking minority alongside the German-speaking population. North-east to south-west international road and rail links intersect with north-south traffic axes.

Wörthersee, with an average water temperature in summer of 24°C, looking west. In the foreground, Klagenfurt.

Kärnten in the European Union



An attractive tourist area with economic weaknesses

With its scenic beauty and variety of landscapes, Kärnten is a major tourist area. Its numerous, mainly warm-water lakes and warm summer climate make for relaxing holidays. The Alps, with their varied terrain ranging from easily-climbed grass slopes to glaciated high mountains, are magnificent and readily accessible, and Kärnten has a well-developed infrastructure. Some areas also lend themselves to the winter tourist trade, and tourism has thus become a major income-earner for the local population.

Timber is a further important industry in an area where 50% of the land is wooded. There is some wood processing in Kärnten, but a substantial percentage of the timber felled is exported as a raw material, principally to Italy.

Apart from tourism and timber, however, the economy of Kärnten is not in a healthy state. There is little industry and all lead and zinc mining recently came to an end as it was no longer profitable. The lack of jobs other than in tourism is forcing many local people to leave the area, many of them for Vienna.

KÄRNTEN

Scale: 1 : 1 200 000

Which EU regions are similar to Kärnten?

Population:
± 550 000 inhabitants
Kriti (GR)
Pohjois-Suomi (FIN)

Population density:
50-60 inhabitants per km²
Champagne-Ardenne,
Midi-Pyrénées (F)
Thessalia (GR)
Ireland
Västsverige (S)

Employment:
6% in agriculture
34% in industry
60% in services
Picardie (F)

Economy forges ahead in the central region

Kärnten has an average of 57 inhabitants per km² and GDP per capita running at 85% of the EU average.

The economic hub is the centre, around the cities of Klagenfurt and Villach, where 47% of the population live on 21% of the land area. Most industrial concerns are on a small scale. There are several power stations on the Drau (Drava) river supplying electricity, and there is arable land in the Klagenfurt basin. The warm lakes make tourism a major industry. The vast majority of the economically-active population work in the services sector. Many commuters from the rest of Kärnten work in the centre, where GDP per capita is 107% of the EU average, the same as for Austria as a whole.

In the thinly-populated mountainous areas of Oberkärnten, tourism is the mainstay of the economy. There are many power stations with reservoirs but little industry (magnesite and wood-processing). Just over a quarter (26%) of the working population have to commute to areas outside Kärnten. GDP per capita is 75% of the EU average.

Unterkärnten comprises the eastern Klagenfurt basin, the Lavant Valley and a mountainous area. Despite the employment opportunities offered by a few industrial firms and arable and grassland farming and forestry, as well as by tourism, 27% of the economically active work elsewhere. GDP per capita is thus only 58% of the EU average.

	Area	Population			Activity	Unempl.	Employment			GDP/inhab.
	1 000 km²	1 000	Inhab./km²	Change (%)	%	%	% Agricult.	% Industry	% Services	EUR (PPS)=100
		1991	1991	1981-91	1991	1991-93	1991	1991	1991	1991
Klagenfurt-Villach	2.0	260	128	3.7	55	4.0	3	30	67	107
Oberkärnten	4.1	130	31	2.1	54	4.1	8	38	54	75
Unterkärnten	3.4	159	47	– 0.2	53	3.6	12	41	47	58
Kärnten	9.5	548	57	2.2	54	3.9	6	34	60	85
Österreich	83.9	7 796	93	3.2	57	3.9	6	35	59	107
EUR 12	2 358.2	344 854	146	3.2	55	9.4	6	33	60	100

KÄRNTEN

Steady increase in the population

From 416 000 in 1939 the number of inhabitants had risen by 14% to 475 000 by 1951. Three tenths of this increase was due to net immigration of 17 000 people, some of them war refugees who later moved on elsewhere.

After 1951 the population grew by a total of 18% to reach 559 000 by the end of 1993. Although this increase was higher than the national average, Kärnten had only the fifth highest growth level of the nine *Bundesländer*. Initially it had the highest rate of natural increase but it is now in fifth position here as well, with 1.8 per thousand. Job shortages led to a total net out-migration of 50 000 persons between 1951 and 1988, with fewer emigrating towards the end of this period. In the last five years, the balance of migration has been positive thanks to an influx of foreigners, who now make up 5% of the population as opposed to 2% five years ago.

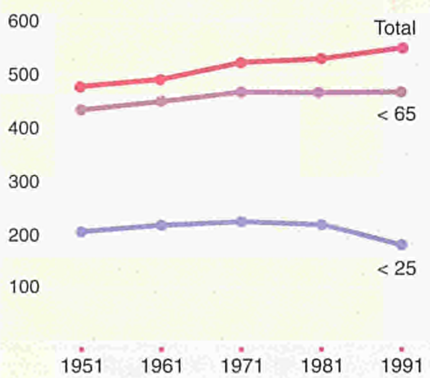
In 1991 there were 38 EU or EFTA nationals (27 of them Germans and four Italians) and 44 Yugoslavs in every 100 foreigners. Slovenians have long been settled in the mixed-language area on the southern mountainous edge of Kärnten, and in the 1991 census 2.8% of Austrian nationals gave Slovenian as their language of normal use. Four fifths (80%) of the population are Roman Catholic and 11% Protestant.

Both the age structure and life expectancy are close to the national average. There are 1% more children than the national average and 1% fewer in the group of 40- to 50-year-olds.

Population by age — 1991

	M + F 1 000	M + F %	M %	F %
< 15	100.2	18.3	19.5	17.2
15-24	81.2	14.8	15.6	14.1
25-39	129.8	23.7	24.8	22.7
40-54	100.1	18.3	18.8	17.8
55-64	55.9	10.2	9.9	10.5
⩾ 65	80.5	14.7	11.4	17.8
Total	547.8	100.0	100.0	100.0

Population (1 000)



Resident population of foreign nationality — 1991

	1 000	% of total population
Total	17.1	3.1
of which EU countries	5.9	1.1
Former Yugoslavia	7.4	1.4
Germany	4.6	0.8
Italy	0.7	0.1
Turkey	0.6	0.1
Romania	0.5	0.1
Switzerland	0.4	0.1
United Kingdom	0.3	0.1

Demographic account — 1981-91 (1 000)

Population 12.5.1981	536.2
Births	65.4
Deaths	55.7
Net migration	+ 2.0
Population 15.5.1991	547.8

Relatively low female employment rate

In 1991 two thirds (67%) of the population was of working age, i.e. between 15 and 64 years old. Eighty per cent of the men in this age bracket were economically active and 52% of the women, and although the female employment rate increased by one tenth during the 1980s, Kärnten was still at the bottom of the league table of *Länder*, just behind Burgenland. As was the case everywhere else in Austria, the activity rate for men was down. The average number of hours worked per week (including overtime but excluding absences because of illness, leave or public holidays) was 40.9 for men and 36.5 for women.

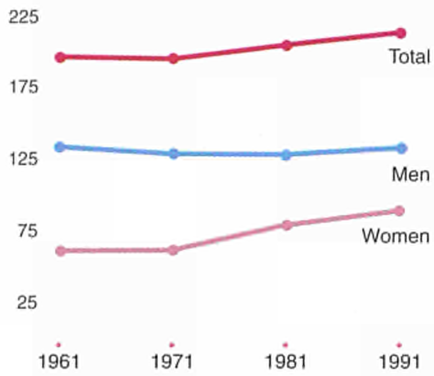
In 1991 some 45% of all persons in employment commuted to work in a municipality other than that in which they were resident, this figure being relatively low on account of the large surface area covered by the municipalities. Nevertheless, 17 900 or 7.9% of the persons in employment resident in Kärnten worked outside the *Land*, despite, or perhaps even because of, Kärnten's relative isolation. The main destinations for the commuters were other countries (5 200) and Vienna. The number of commuters travelling to work outside the *Land* has increased by 250% since 1961. The precarious situation of the labour market is also typified by the fact that one in eight persons in employment cannot commute on a daily basis.

In 1993 there were 9 800 apprentices receiving 'dual' vocational training, 4 900 young people attending full-time intermediate vocational schools and 9 400 following full-time courses at higher vocational schools. Of the 16 000 students from Kärnten studying at Austrian universities or equivalent institutions, over one-third each went to Vienna and Steiermark and only 20% enrolled at the University of Klagenfurt.

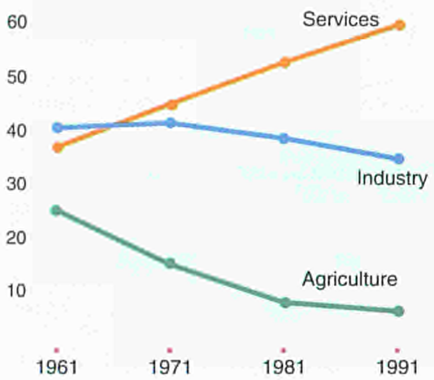
Number of pupils — 1994

	M + F 1 000	F %
Kindergarten	9.9	49.1
Pre-school	1.7	44.1
Primary	28.2	48.7
Lower secondary	28.2	48.8
Higher secondary (technical)	24.1	46.3
Higher secondary (general)	6.3	50.4
Post-secondary	0.9	77.8
Higher education	3.9	57.1

Employment (1 000)



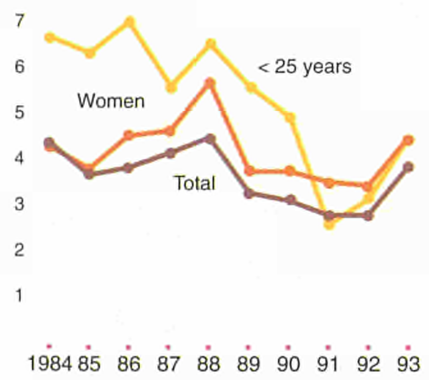
Employment structure (%)



Employment — 1991 (1 000)

Resident employment	229.0
+ Non-residents having a job in the region	4.9
– Residents having a job outside the region	17.9
= Internal employment	216.0

Unemployment (%)



Economic structure by sector of activity is average for Austria

The shortage of jobs in Kärnten is about average for Austria. According to the 1991 census, of the 229 000 persons in employment resident in Kärnten, 216 000 worked there. In the 1980s the number of jobs rose by 5.8% and the labour force by 5.1%, resulting in a slight reduction in the number of commuters leaving the *Land* (down to 12 900 or 5.6% of the resident persons in employment). At the beginning of the 1960s, this figure had been only half as high. Commuters from other *Bundesländer* occupied just 4 900 jobs (2.3%) in 1991.

In 1991 the number of persons employed in agriculture (by place of work) was around the Austrian average at 6.3%. The figure for the industrial sector was just 1% below the national average at 34.0% and the 59.7% employed in the services sector was slightly above the value for Austria as a whole. The hotel and catering sector is very well-developed with 8.0% of the total workforce, putting Kärnten into third place nationally.

The agriculture and forestry sector shed 33 100 jobs between 1961 and 1991. Over the same period the non-agricultural sectors expanded by 55 300 jobs (from 147 200 to 202 500), around two thirds more than were lost in agriculture. Employment in industry and manufacturing increased marginally in the 1960s, stagnated during the 1970s and fell by 7% in the 1980s, leading to an overall loss of 4 100 jobs. The steady increase in the services sector has meant that the number of persons working in Kärnten has risen by 59 300 or 85% since 1961. The number of persons employed in Kärnten's hotel and catering trade has more than doubled over the last 30 years to 17 400.

The proportion of the labour force without any higher qualifications was the lowest of all the *Länder* and the percentage of persons to have successfully completed training courses the highest. In 1991 nearly a quarter (24%) of economically-active persons (by place of residence) had no more than compulsory schooling. The percentage of graduates was, as in Steiermark, around one eighth below the Austrian average.

Characteristics of resident employment (%)

	< 25 years 1993	25-54 years 1993	⩾ 55 years 1993	Employees 1993	Employees: part-time 1993
Men	17	77	6	84	1
Women	20	76	4	87	18
Total	18	77	5	85	8

Fluctuating rate of unemployment due to seasonal work in the tourist trade

Many of the inhabitants of Kärnten commute to work in other *Länder* or even abroad. Particularly in the more remote regions to the north of the central zone, migration has been common for decades, partly as a result of the lack of permanent jobs. The average annual unemployment rate was therefore above average for Austria at 8.4% in 1993 and 7.6% in 1992 (using the Austrian method of calculation). The internationally-adapted rates were 4.3% in 1993 and 3.1% in 1992. The rate was 8.0% for men in 1993 and 8.9% for women, well above the national figure for women of 6.9%. It fluctuates considerably during the course of the year owing to the large share of seasonal employment in the tourism and construction sectors. There has recently been an above-average increase in the number of older unemployed persons, in many cases those who are unable or unwilling to migrate or undertake long commuter journeys.

The annual average number of registered unemployed people in Kärnten in 1993 was 17 400, 44.8% of whom were women — a 12.2% increase on 1992 but below the average increase of 15.1% for Austria as a whole.

No short-term answers to the decline in the primary and secondary sectors

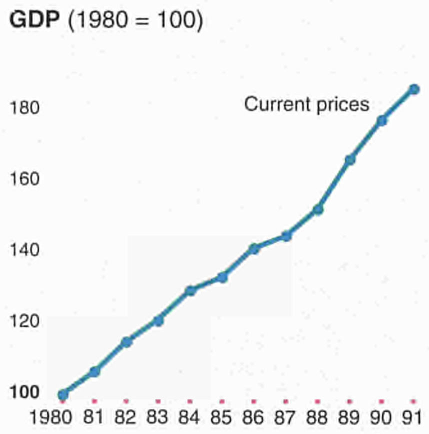
Austria's southernmost *Land* lies in seventh place in the Austrian league table for gross domestic product, contributing ECU 7.1 billion in 1991. Kärnten does, however, have the lowest rate of economic growth of all the *Länder* over the last five years for which data are available (1987-91), its average of 5.6% nominal growth per year putting it almost 1% below the national rate of 6.4%. As a result, its share of Austrian value-added fell from 5.77 to 5.54% as against its 6.3% share of total employment (employment by place of work in accordance with the 1991 census).

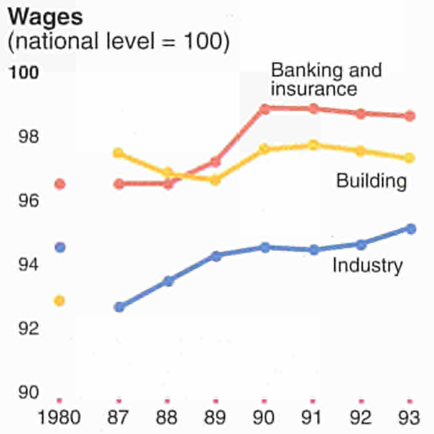
After its strong performance in 1988 and 1989, industry suffered the largest losses but the energy and water supply sectors also saw their percentage share of value-added slip during the late 1980s and early 1990s. Despite this, Kärnten's energy sector was still the second largest in Austria, claiming just under 4% of value-added (1991).

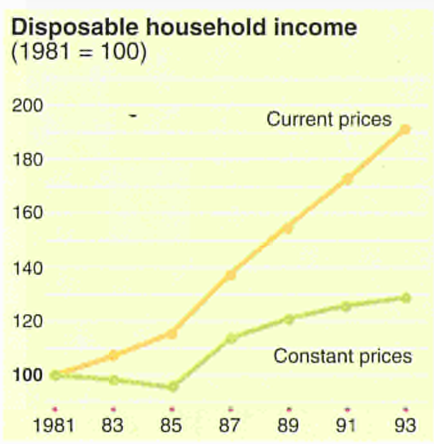
The service sector recorded across-the-board growth rates over the last few years, but was still unable to compensate for the decline in the primary and secondary sectors. If market services are added to public and private services, this sector's share of total value-added reaches 62%, the highest figure in the country apart from Vienna.

The recent healthy trend for the tourist trade was interrupted in 1993 when the number of overnight stays fell by 5.2% to 16.6 million. This brought the 'Austrian Riviera' back down to well below its level of the early 1980s when the total had stood at around 19 million.

Kärnten's share of total Austrian expenditure on research and experimental development in 1989 was 2.0% or ECU 31.5 million. Approximately 58% was invested by industry, 27% by university establishments and around 14% by the State.







Below-average earnings

Employees' income levels all fall short of the Austrian average. Male manual workers have gross annual earnings of ECU 18 708 and females ECU 12 669. The average income which a male non-manual worker can hope to earn is around ECU 25 549, whilst his female counterpart earns only ECU 16 456.

In relative terms, the metalworking sector offers the best wages for women manual workers and, in contrast to most of the other *Länder*, their earnings in the hotel and catering sector are fairly average. For male manual workers, earnings in the construction industry are a little higher, but wages in the hotel and catering sector, unlike those of their female counterparts, are below average.

Men earn relatively high salaries from the few available non-manual jobs in the manufacturing sector, whilst the highest incomes for women are to be found in the finance, banking and private insurance sector. The lowest non-manual incomes for both sexes are in the distributive trades and the hotel and catering sector.

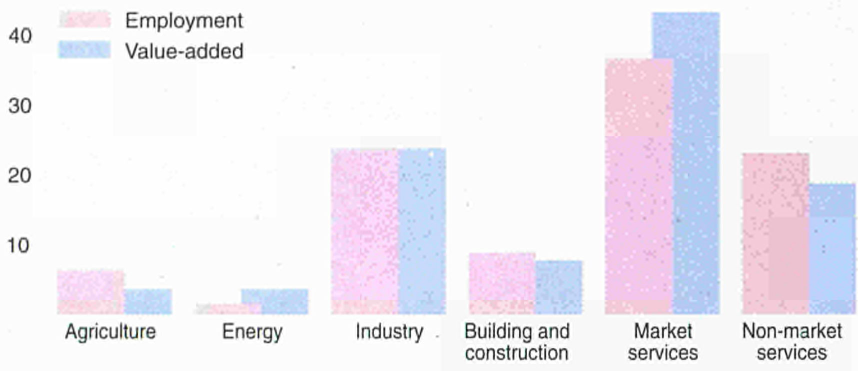
The only area which can keep pace with the national average in terms of pay per non-manual worker by place of work is the Klagenfurt-Villach region. There are no great regional disparities when it comes to male and female manual workers.

Household incomes lag well behind in Oberkärnten

The Klagenfurt-Villach region is the only area where household incomes are around average. They are 8% below the national average in Unterkärnten and 15% below in Oberkärnten.

It should be noted that tourism plays a relatively important role in Oberkärnten and that additional income generated by tourism, such as from renting out private rooms (bed and breakfast), is not contained in the basic figures. If this were taken into account, the regional disparities would be less acute.

Employment and value-added: distribution by branch — 1991 (%)



Moving towards a service society

An analysis of the production of goods in Kärnten by individual branch of industry shows that the values for wood-working and processing and the manufacture of earthenware and glassware are above average for Austria. Each of these two branches accounted for over 10% of the region's value-added from production in 1992, placing them well above the national averages of 7 and 6% respectively. The timber industry in particular is very much export-oriented (mainly to Italy), and the fact that Klagenfurt hosts Central Europe's largest trade fair for timber is ample confirmation of this. Other branches which are slightly above the average for the country as a whole are textiles and leather.

A temporal analysis reveals that the basic metal processing industry in particular has suffered heavy losses over the last few years, and the chemical industry, which is susceptible to short-term economic trends, has also experienced some setbacks.

Goods production (including mining) contributed 22.3% of the region's total value-added, while the secondary sector as a whole, which also includes the energy and water supply and construction industries, had a 33% share of the region's value-added — precisely 4% below the national average (1991).

Kärnten's service sector is strong in terms of the high percentage of value-added earned by public and private services and the growth rates of the past few years. For example, investment management recorded growth rates approaching 10% at the beginning of the 1990s and overtook industrial production to become Kärnten's second largest economic sector (after the public sector). Similar increases were recorded by the distributive trades and transport and communications, Kärnten's position on the borders with Italy and Slovenia making it one of Austria's key road and rail junctions.

Agriculture

Number of holdings	25 113
Labour force	27 414 AWU
Agricultural area	344 974 ha
Livestock	219 232 LU
Gross value-added	9 643 ECU/AWU

Main products	
Cattle	21%
Milk	16%
Pigs	12%

Main enterprises

Name	Activity
Kika Möbel-Handelsges. m. b. H.	Retail trade of office furniture
Siemens Bauelemente OHG	Precision machinery and electronics
Kärntner Elektrizitäts-AG	Production and distribution of electricity
Adeg Österreich HandelsAG	Wholesale of food products
Gabor GmbH	Shoe industry
Radex Austria AG Magnesit	Production of magnesite products
Treibacher Chemische Werke AG	Transformation of iron and steel
Österreichische Draukraftwerke AG	Production and distribution of electricity
Stadtwerke Klagenfurt	Production and distribution of electricity

Pollution from other countries; bathing water quality excellent

Kärnten has the second highest percentage of wooded area in Austria. Some of its forests are, however, being damaged by sulphur pollution. In Unterkärnten, emissions from antiquated thermal power stations on the other side of the Austrian border are even polluting protected forest areas. Domestic fires (Kärnten has the highest percentage — 51% — of solid fuel heating systems and few — 7% — district heating plants) and weather inversions also lead to an increase in pollution in the winter months.

In 1981 Kärnten was the first *Bundesland* to set up the Hohe Tauern national park in the Glockner and Schober mountain range. Salzburg and Tirol subsequently extended the park to create the largest protected area in the Alps, totalling 1 786 km² in area, of which 372 km² lie within Kärnten. The Nockberge national park, covering 182 km², lies wholly within Kärnten and contains upland formations unique to the Alpine region, with geological, botanical and zoological rarities.

The lakes of Kärnten are among the best regulated in Austria bacteriologically speaking. In order to maintain the quality of the water for bathing, the most effective form of keeping the water pure was chosen, namely a ring sewerage system to divert the effluent from the lakes' catchment area and ensure that no nutrient-containing germs could enter the lakes. Pollution still occurs, however, through the discharge and dispersal of nutrients from soils used for agriculture. Nevertheless, as the nutrient and algae content stands at present, together with rules on hygiene for bathers, water quality remains extremely good (in 1993 70% of the lakes had very good bathing quality, low nutrient contents, visibility to a good depth and presented no health risk whatsoever).

AUSTRIA

STEIERMARK

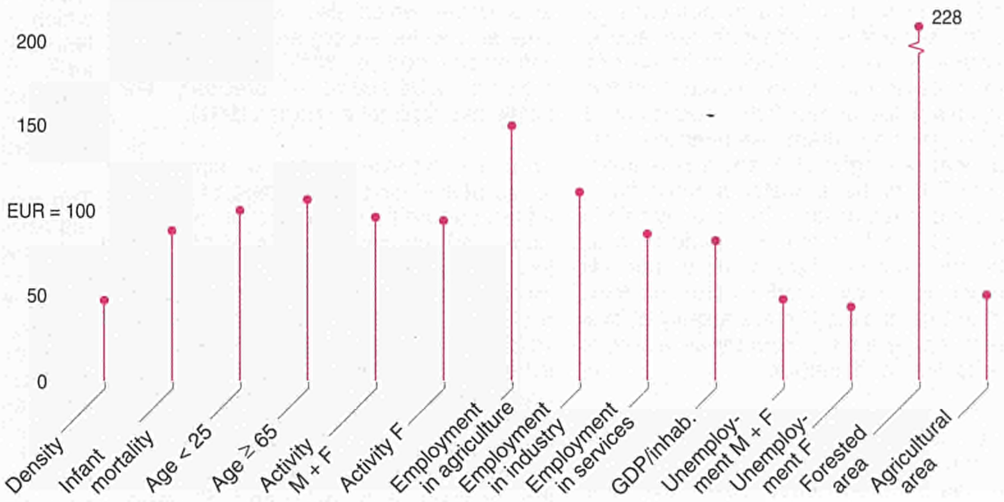
Steiermark (Styria), which has been part of Austria since the end of the 12th century, has an area of 16 388 km². Its capital is the chartered city of Graz and it has 16 political districts and 543 municipalities (1993). It has an international border with Slovenia and is bounded by five *Bundesländer*: Kärnten, Salzburg, Oberösterreich, Niederösterreich and Burgenland.

In the north, the massifs of the Limestone Alps are succeeded by the Pre-Cambrian Central Alps, which are gentler in the east and south-west and steep in the west. Between the two chains the valleys of the Mürz, Mur, Liesing-Palten and Enns run longitudinally. Both ranges have an Alpine climate. The south-east of Steiermark, with both hills and flatlands, is part of the gateway to the Hungarian Plain. Here, fruit trees and vineyards flourish in the milder Illyrian climate. Forests cover 54% of the land area, the highest percentage in Austria, and mountain pastures account for 17%, with 28% used for agriculture or horticulture.

The Mur and Mürz valleys house an important iron and steel industry and there is a further industrial belt around Graz. Otherwise, the main activity in the more mountainous parts is forestry and in the south-east agriculture. International transport routes running north-east to south-east intersect with those which run in a north-south direction.

Graz: the capital of Steiermark, a Bundesland *of contrasts. The clock tower stands watch over the centre of this historic city.*

Steiermark in the European Union



Woodlands, forestry and the problems of heavy industry

Steiermark has a wide variety of landscapes. The north-west includes part of the lakeland area of the Salzkammergut, further to the east are the Gesäuse mountains favoured by climbers and in the north-east the limestone massifs. To the south these are joined by the Central Alps which, with the exception of part of the Niedere Tauern, are at this point a rather low mountain range known as the Grasberge (grass mountains). In the south of the region, western and southern Steiermark have steep hills and vine-covered southern-facing slopes, whereas in eastern Steiermark some of the hills are wooded and there are broad valleys and flood plains along the river Mur. Sixty per cent of the tourists who visit this beautiful *Bundesland*, where tourism is a significant if highly localized industry, come from elsewhere in Austria. The cultural hub of the area is Graz. As the *Grüne Mark* (green marches), Steiermark has more woods than any other part of Austria and is thus the centre of the country's forestry industry, producing 28% of all the timber felled in Austria, 75% of it coniferous. As well as sawmills, wood processing and paper, timber exports, principally to Italy, are an important feature of the economy.

Steiermark's major problems stem from the decline of heavy industry, in particular the iron and steel rolling mills and foundries of the Mürz/Mur valleys in Obersteiermark. Metal processing (mechanical engineering, vehicle building) is faring better, in some cases at least. Lignite is now mined at only one open-cast site in the west of Steiermark. In the Graz area, industry is generally holding its own more successfully. The rail network suffers from problems of access to the other areas of Central Europe.

Scale: 1 : 1 200 000

Which EU regions are similar to Steiermark?

Population:
± 1.2 million inhabitants
Friuli – Venezia Giulia,
Abruzzi (I)
Aragon (E)
Sydsverige (S)

Age:
± 33% aged under 25
± 15% aged over 65
Thessalia (GR)
Cantabria (E)

Employment:
37% in industry
East Midlands,
West Midlands (UK)
Alsace (F)

Thriving industrial heartland around Graz, economies trailing elsewhere

Steiermark has 72 inhabitants per km^2. Per capita GDP is 84% of the EU average.

In the mountainous area of Obersteiermark, where forestry is important, the industrial pattern is varied: the districts of Liezen in the north-west and Murau in the west are thinly-populated, rural areas, parts of which have a flourishing tourist trade. The rest of this area, however, particularly around the Mur/Mürz valley, has traditionally been home to heavy industry and is now in serious trouble, one of its main problems being high unemployment. There is a paper industry and a certain amount of tourism, but concentrated in small areas. In the three regions of Obersteiermark, GDP per capita ranges from 73 to 85% of the EU average.

Graz, with 30% of the total population, is the political, economic and cultural nucleus of Steiermark, and has a varied industrial base. GDP per capita is 121% of the EU average. Over 25% of those with jobs in the city commute from eastern or south and west Steiermark, which are rural areas with arable and grassland farming, wine- and fruit-growing and a relatively large percentage of the working population employed in agriculture and forestry, and where per capita GDP is 57 to 60% of the EU average.

	Area	Population			Activity	Unempl.	Employment			GDP/inhab.
	1 000 km²	1 000	Inhab./km²	Change (%)	%	%	% Agricult.	% Industry	% Services	EUR (PPS)=100
		1991	1991	1981-91	1991	1991-93	1991	1991	1991	1991
Graz	1.2	356	290	1.8	55	4.1	3	33	64	121
Liezen	3.3	81	25	1.3	55	5.1	10	34	56	73
Östliche Obersteiermark	3.3	186	57	– 6.2	50	6.6	5	45	50	85
Oststeiermark	3.4	263	78	1.8	58	2.6	22	37	41	57
West- und Südsteiermark	2.2	187	84	0.9	55	3.8	15	41	44	60
Westliche Obersteiermark	3.1	112	37	– 2.8	53	3.8	11	41	48	74
Steiermark	16.4	1 185	72	– 0.2	55	4.1	9	37	54	84
Österreich	83.9	7 796	93	3.2	57	3.9	6	35	59	107
EUR 12	2 358.2	344 854	146	3.2	55	9.4	6	33	60	100

STEIERMARK

Variable but low level of population increase

With the expansion of the armaments industry in World War II, the number of inhabitants rose from 1 015 000 in 1939 to 1 109 000 in 1951 (9%). Two thirds of this increase came from the net immigration of 62 000 people. In contrast, however, to the situation in Oberösterreich, which is in other respects a similar area, demographic changes in the post-war years have been muted and unstable.

Between 1951 and the end of 1993 (1 203 000 inhabitants) the population of Steiermark rose by 8%, i.e. at half of the national rate of increase. It had already reached the current level by 1973-74 but then fallen back to 1 179 000 by the end of 1988. Initially, the excess of births over deaths more than made up for the numbers emigrating. Since 1975, the excess of births has been 1 per 1 000 at most. Between 1951 and 1988, there was net out-migration of 90 000, increasingly from the old-established steelmaking area of Obersteiermark, whose population fell by 54 900 between 1951 and 1991 to only 298 000 inhabitants.

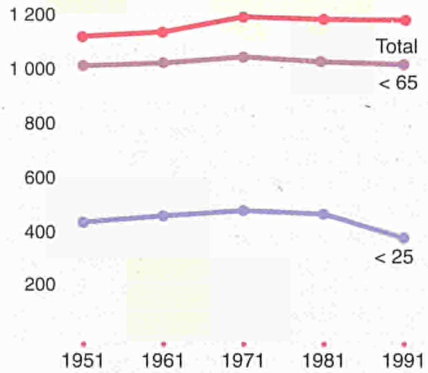
During the past five years, Steiermark's population has recovered owing to the large influx of foreigners, which boosted the non-Austrian percentage of the population from under 2% to over 4%. The 1991 census showed that out of every 100 foreigners 27 were EU or EFTA nationals (including 19 Germans), 32 Yugoslavs, 12 Romanians and five Turks. Roman Catholics account for 84% of the population, with 5% Protestant.

Age structure and life expectancy are close to the national average.

Population by age — 1991

	M + F 1 000	M + F %	M %	F %
< 15	207.7	17.5	18.6	16.6
15-24	179.2	15.1	16.2	14.2
25-39	278.2	23.5	24.9	22.1
40-54	216.8	18.3	18.9	17.8
55-64	122.8	10.4	10.2	10.5
⩾ 65	180.0	15.2	11.3	18.9
Total	1 184.7	100.0	100.0	100.0

Population (1 000)



Resident population of foreign nationality — 1991

	1 000	% of total population
Total	30.3	2.6
of which EU countries	7.3	0.6
Former Yugoslavia	9.7	0.8
Germany	5.9	0.5
Romania	3.5	0.3
Turkey	1.6	0.1
Iran	0.8	0.1
Hungary	0.8	0.1
Poland	0.7	0.1

Demographic account — 1981-91 (1 000)

Population 12.5.1981	1 186.5
Births	136.9
Deaths	132.6
Net migration	– 6.1
Population 15.5.1991	1 184.7

Relatively low activity rate

In 1991 two thirds (67%) of the population was of working age, i.e. between 15 and 64 years old. Nearly four fifths (79%) of the men in this age bracket were economically active, and 54% of the women. The male activity rate dropped at a faster than average rate during the 1980s and is now the lowest of all the *Länder*. Despite making some progress, the female rate is still 4% below the national average. The average number of hours worked per week (including overtime but excluding absences caused by sickness, leave, public holidays, etc.) was 39.6 for men and 36.6 for women.

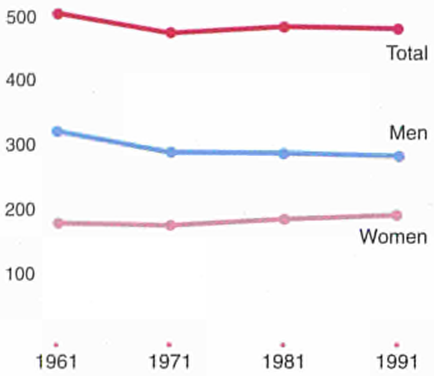
Commuter movements between the region's municipalities are above the Austrian average of 42% excluding flows between the different districts of Vienna. In 1991 nearly half (49%) of persons employed in Steiermark travelled to work outside the municipality in which they lived. The proportion of such commuters was one of the highest at 42% of residents in employment. A total of 33 300 people (6.6%) travelled to work outside Steiermark, 10 400 working in Vienna and 6 100 abroad. The number of those commuting across the region's boundaries has increased by 360% since 1961. One in every 10 resident persons in employment is unable to commute on a daily basis.

In 1993 there were 24 700 apprentices receiving 'dual' vocational training, 9 900 young people attending full-time intermediate vocational schools and 14 000 studying at higher vocational schools. There were 30 000 students from Steiermark studying at Austrian universities and colleges of art, and there was a total of 41 300 students matriculated at Steiermark's four universities (in Graz and Leoben).

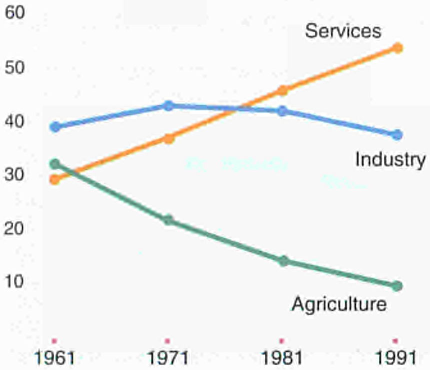
Number of pupils — 1994

	M + F 1 000	F %
Kindergarten	25.3	48.9
Pre-school	1.1	37.9
Primary	56.8	48.6
Lower secondary	58.8	49.0
Higher secondary (technical)	48.6	44.8
Higher secondary (general)	14.0	46.3
Post-secondary	2.3	69.9
Higher education	41.3	40.1

Employment (1 000)



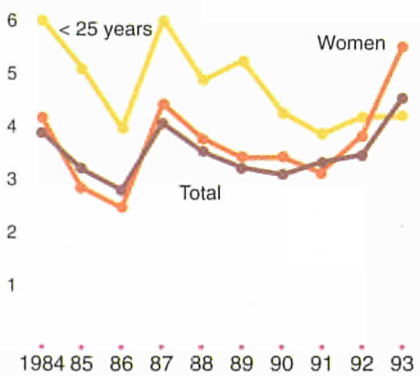
Employment structure (%)



Employment — 1991 (1 000)

Resident employment	501.9
+ Non-residents having a job in the region	10.5
– Residents having a job outside the region	33.3
= Internal employment	479.1

Unemployment (%)



Above-average importance of agriculture and forestry and industry

According to the 1991 census, 501 900 persons in employment lived in Steiermark and 479 100 worked there. As in Burgenland, there was a fall in the number of jobs in Steiermark during the 1980s (down by 4 000), and since the number of residents in employment also fell slightly, there was only a marginal increase in the number of outgoing commuters (up to 22 800, or 4.5% of the resident economically-active population). At the beginning of the 1960s the commuter balance had still been more or less even (3 200 more persons commuting out of the *Land*), but since then, and particularly in the 1970s, the shortage of jobs in Steiermark has become more critical. In 1991 commuters from other *Länder* occupied only 10 500 of the region's jobs (2.2%).

With 9.5% of the economically-active population working in agriculture (by place of work) in 1991, the figure for Steiermark was 3% higher than the national average. The 37% working in the production sector was 2% above the Austrian level, whilst the service sector accounted for the majority of jobs for the first time ever with 53.5%.

There were 112 700 fewer people working in agriculture and forestry in 1991 than in 1961, whilst only 88 300 new jobs were created in the other sectors. The non-agricultural working population rose from 345 500 to 433 800. Following a slight increase in employment during the 1960s and 1970s, the number of jobs in the industrial sector fell by 12% during the 1980s, which meant that by 1991 there were 19 600 fewer jobs in Steiermark's industrial sector than in 1961. Meanwhile, the service sector has steadily expanded, with the number of persons in employment by place of work rising by 106 900 or 72% since 1961. By 1981, the tertiary sector had outgrown the secondary sector.

Steiermark has an above-average percentage of persons who have successfully completed vocational training courses.

Characteristics of resident employment (%)

	< 25 years	25-54 years	⩾ 55 years	Employees	Employees: part-time
	1993	1993	1993	1993	1993
Men	17	78	5	86	1
Women	21	74	4	82	22
Total	19	77	5	84	9

Relatively high unemployment in the old industrial areas

Steiermark's labour market is one of contrasts. In 1993 the unemployment rate stood at 8.4% (compared with 7.4% in 1992), well above the Austrian average (internationally-adapted rate for 1993, 5.2%, and for 1992, 4.0%). The 1993 rate for men was 8.3% and for women 8.6%. There were 37 500 registered unemployed people in 1993 (41.9% of whom were women, the lowest proportion of all the *Länder*), 14.0% up on 1992 (average increase for Austria as a whole: 15.1%).

The main employment centres are Graz together with its surrounding area and the valleys of Obersteiermark in the north of the *Land*. As a result, there are substantial commuter flows from the south, east and south-east in particular into Graz. The old industrial region of Obersteiermark has felt the full brunt of the structural problems afflicting heavy industry and is beset by a persistent state of crisis. The plus points at the moment take the form of new businesses setting up mainly in the south of the region.

The industrial areas in particular are suffering from the sluggish pace of employment trends. Unemployment in these areas is particularly high and afflicts young and old alike, including those who have received vocational training or possess higher education qualifications. In contrast to many other areas in Austria, there is a lack of jobs for the more highly qualified unemployed. The duration of unemployment and the proportion of the long-term unemployed are also on average higher than in Austria as a whole.

STEIERMARK

Decline of the old industrial areas

Discussions about the regional economy in Steiermark are still dominated by the difficulties experienced by the economy and the labour market in the 'old' industrial areas in Obersteiermark, which suffered further job losses between 1981 and 1991. This region was particularly badly hit by the most recent waves of recession, especially the downturn in the early 1980s, when the most seriously affected sectors were those which had made insufficient structural adjustments.

Despite this, the secondary sector lost less ground in Steiermark than in most of the other Austrian *Länder*, preventing the development of a strong service sector and showing that it will take some time to loosen the economy's strong links with raw materials such as iron ore, coal and steel.

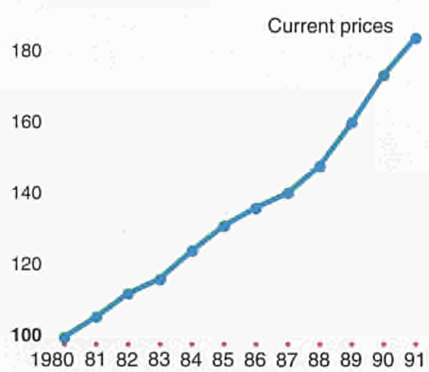
In complete contrast to the industrial regions, Oststeiermark and Weststeiermark have dominant agricultural sectors, and the nearby regional capital of Graz and its environs enjoy a dynamic economy and positive employment trends.

With a growth rate of 6.0% between 1987 and 1991 for the region as a whole, Steiermark was below the Austrian average of 6.4% and last apart from Kärnten in the *Länder* league table.

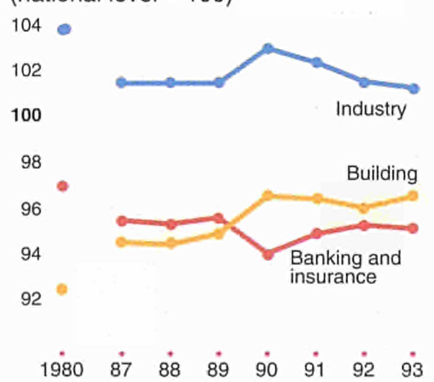
In terms of productivity measured by gross value-added per employed person, Steiermark had the lowest figure of all the Austrian *Länder* in 1991, as a result of the abovementioned problems with the region's economic structure compounded by the low proportion of finished goods in its production figures.

Steiermark's share of total Austrian expenditure on research and experimental development in 1989 was 15.9% or approximately ECU 251 million. The fact that industry's share of R&D expenditure was as high as 58% despite the existence of several universities and their numerous associated research institutes is due in no small measure to the presence of large R&D establishments belonging to the business sector. The university sector accounted for 37.1% and the State was responsible for just 4.6%.

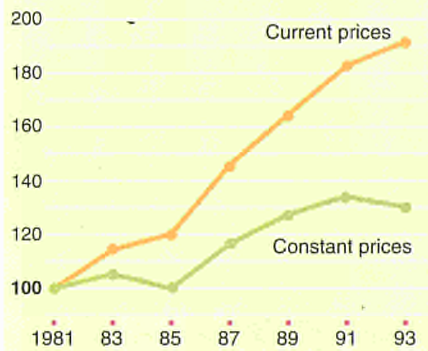
GDP (1980 = 100)



Wages
(national level = 100)



Disposable household income
(1981 = 100)



Significant regional differences in earnings

The only wages in Steiermark which reach the national average are those for male manual workers who have a gross annual average salary of ECU 19 549. The earnings of female manual workers (ECU 12 116) and those of female and male non-manual workers (ECU 16 107 and ECU 26 854 respectively) are all below average.

The relatively high incomes of male manual workers in the metalworking sector set them apart from the rest, whilst there is an even greater difference between those paid to female manual workers in the same sector and their colleagues in other sectors. In relative terms, the lowest wages are paid in the timber trade to male manual workers and in service industries such as hotels and catering to female manual workers.

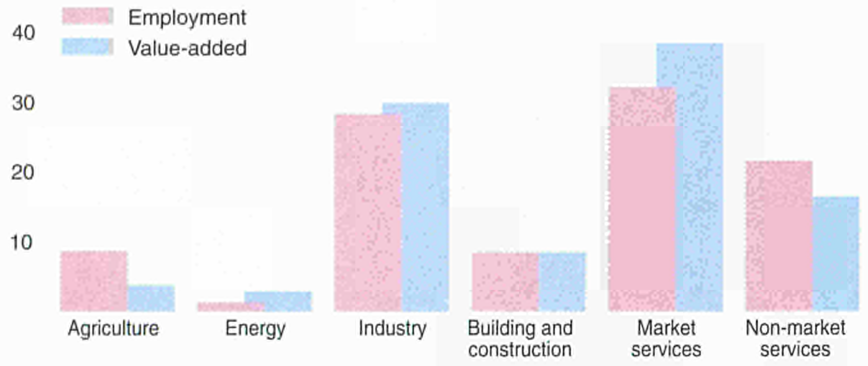
The significance of the traditional heavy industries is also reflected in the earnings of male non-manual workers, whereas the most lucrative sectors for their female counterparts are public services and finance, banking and private insurance. The salaries of both male and female non-manual workers in the distributive trades compare very unfavourably.

At an intra-regional level (by place of work), male manual workers in the eastern part of Obersteiermark earn much higher wages (approximately one seventh above the national average), as do male non-manual workers in this same area (+ 7%). The lowest earnings are recorded in Oststeiermark where male and female manual workers earn almost one tenth less than the national average, and non-manual workers one sixth less.

Household incomes in Steiermark are almost 10% below the national average

By the region's standards, household incomes in the Graz area are relatively good, although they are only around the Austrian average. In the eastern part of Obersteiermark and Liezen they are slightly above average for Steiermark, whilst in Oststeiermark they are around the regional average. In the western part of Obersteiermark, and in Weststeiermark and Südsteiermark, on the other hand, they are well below average.

Employment and value-added: distribution by branch — 1991 (%)



Balanced mix of sectors and some problem areas

In Steiermark, agriculture and forestry account for 4.3% of the region's total value-added, which is well above the Austrian average of 2.8% and almost one fifth of Austria's total output from these industries. The only Austrian *Länder* to provide more agricultural and forestry products are Niederösterreich and Oberösterreich, both of which do, however, enjoy generally more favourable geographic conditions for intensive land use. This is also reflected in the fact that the harvest in Steiermark is almost 20% smaller than in Oberösterreich although the numbers employed in the sector are much the same.

Compared to the other *Länder*, the mix of economic branches in Steiermark is relatively well-balanced and the respective shares in the economic activities not extreme by Austrian standards. Goods production accounts for a slightly higher than average share, as does the construction industry, whilst services do not fall too far short of the average. The only area where Steiermark tops the Austrian charts is the mining industry.

The situation changes when goods production is broken down in more detail. Both the basic metal industry and metal-working had the second-highest values of all the Austrian *Länder* in terms of their share of total goods production in 1992. Other industries returning above-average figures were the paper, printing and publishing trade and the production of earthenware and glassware. At the other end of the scale, Steiermark is home to Austria's weakest food, drink and tobacco industry in terms of share of total production.

Steiermark is Austria's fourth-largest tourist region in terms of overnight stays, behind the big three of Tirol, Salzburg and Kärnten.

Agriculture

Number of holdings	58 126
Labour force	70 820 AWU
Agricultural area	513 811 ha
Livestock	601 973 LU
Gross value-added	9 524 ECU/AWU
Main products	
Pigs	23%
Milk	15%
Cattle	14%

Main enterprises

Name	Activity
Steiermärkische Krankenanstalten GmbH	Hospitals
Boehler GmbH	Steel industry
Grazer Stadtwerke AG	Production and distribution of electricity
Voest-Alpine-Stahl-Donawitz GmbH	Steel industry
Kastner und Oehler Warenhaus AG	Retail sale via mail-order
Erste Allgemeine Generali AG	Insurance
Steirische Wasserkraft und ElektrizitätsAG	Production and distribution of electricity
Metro SB-Großhandel GmbH	Wholesale of food products

Improvements still need to be made

The Steiermark government is grasping the nettle and making serious efforts to reduce the heavy, largely 'home-made' pollution of the air, water and soil. Nearly a fifth (18%) of the atmospheric pollutants produced by industry in Austria are emitted in Obersteiermark and West Steiermark, where there is a large concentration of industry, much of it in need of redevelopment and modernization. Industry invests around ECU 200 million a year in environmental protection.

Some ECU 6 million a year are being spent on district heating in an attempt to improve air quality and around ECU 1 million on solar heating and small-scale district heating based on biomass. Up until 1990, Steiermark invested in one-way catalytic converters to adapt the many locally-registered vehicles (it had more than the national average) which were not low-polluting. The municipalities spent a total of ECU 653.5 million on environmental protection between 1982 and 1992.

More than half (54%) of the *Land* is wooded (the highest percentage in Austria). There has been a slight improvement recently in levels of forest die-back, but top-dying is still comparatively common in the industrialized areas and forest-damaging levels of sulphur deposits occur more frequently than elsewhere. Sulphur from industrial sites which spreads over the whole of the south-east of Steiermark is joined by air pollution imported from the south. The quality of the running water has been improved in all the industrial regions but the halogen pollution over long stretches of the Mur — over 50 micrograms per litre — has not yet been brought under control.

The quality of the water in the south-east, where the land is intensively worked by small farmers (producing 22% of the maize in Austria and 45.3% of the fruit), has led to efforts to prevent further deterioration of the running water and to reduce the nitrate content, which currently exceeds maximum permissible levels, and pesticide contamination of the groundwater. Since 1989 more sewerage plants have been built (24-31% of the inhabitants were connected to the district networks in 1991), doubling local authority spending.

AUSTRIA

OBER-ÖSTERREICH

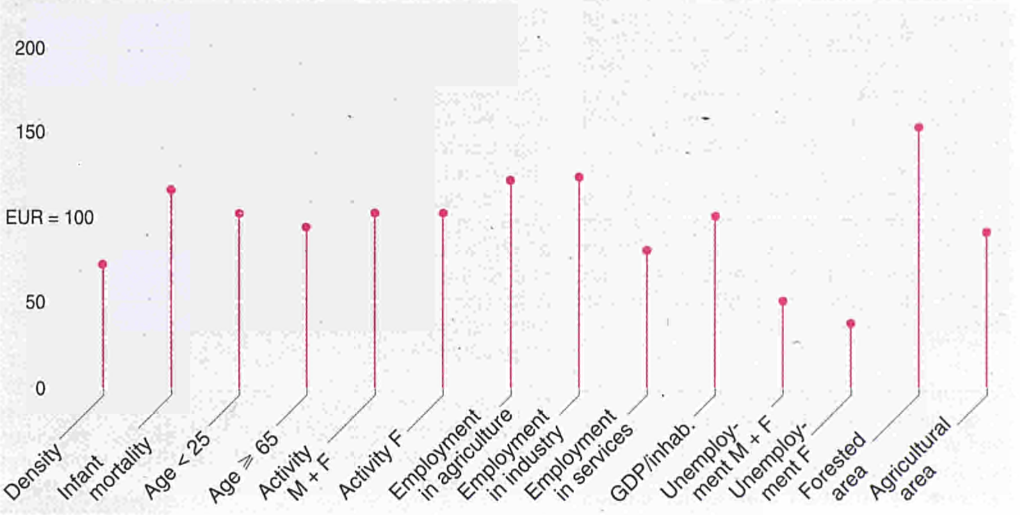
Oberösterreich (Upper Austria) came into being in the High Middle Ages. It has an area of 11 980 km², three chartered cities including its capital, Linz, 15 political districts and 445 municipalities (1993 figures). It has international borders with Germany and the Czech Republic and internal borders with the *Länder* of Niederösterreich, Steiermark and Salzburg.

North of the Danube lies the Mühlviertel, an area of hills and low mountains which is part of the Bohemian Massif. To the south stretches the fertile, predominantly hilly but in some places flat, Alpine foreland, with its transitional climate (between the southern German and the Pannonian climate zones). In the east, the central region of Oberösterreich is the most highly industrialized part of Austria. The Alps then rise southwards and the climate, too, becomes more Alpine. Here, the Salzkammergut was one of the first areas to be opened up to tourism. Just over half (52%) of the land area of Oberösterreich is agricultural or horticultural land and 37% is forested.

Most traffic routes, whether by the Danube, road or rail, run east to west or north-west. An old road leads south from Bohemia via Linz.

The Linz basin looking south-east. The capital of Oberösterreich, Linz is an industrial centre with good communications, offering skilled jobs to around 80 000 commuters from the surrounding area.

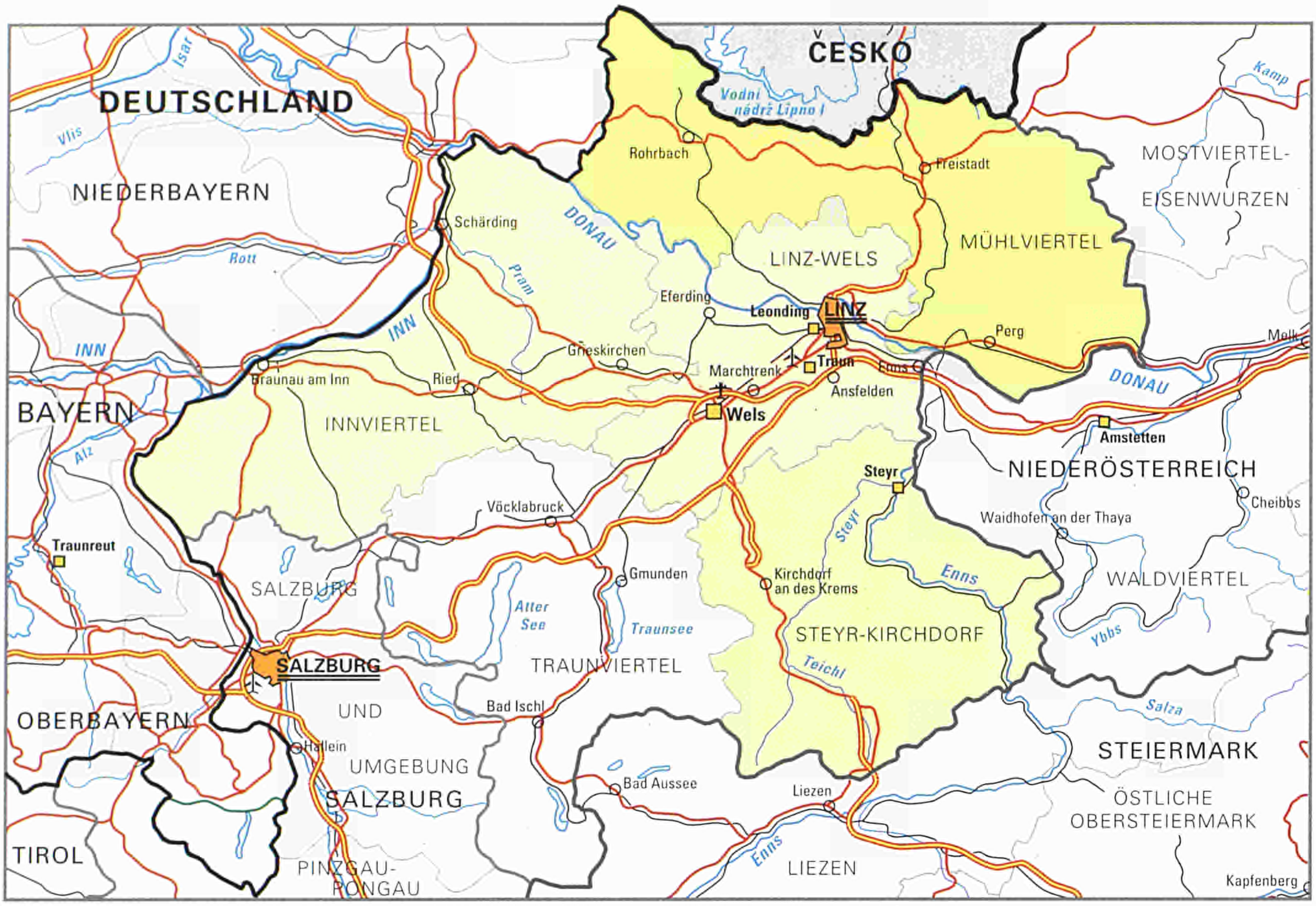
Oberösterreich in the European Union



A strong economy, but problems in many branches of industry

Oberösterreich has one of Austria's strongest regional economies. Its population increased steadily in the past and is still rising, most recently as a result of the marked influx of foreigners. It is the industrial centre of the country, with many branches of industry represented and the highest concentrations in the central area (Linz-Wels-Steyr triangle) and around the Vöckla and Ager rivers. Agriculture is also highly developed, with slightly more of the land given over to arable (feedingstuffs, cereals, sugar beet and field crops) than to grassland farming. Forestry is another major industry. Tourists are attracted to the area by the scenic beauty of the Salzkammergut lakes, the Alps and the Mühlviertel.

There are, however, problems in the industrial sector, primarily in iron and steel production and, to some extent, in the chemical works in Linz, vehicle-building in Steyr and an aluminium works. Brown-coal-mining in the Hausruck district and on the Salzach is being closed down. The lack of jobs in the Mühlviertel is forcing an exodus of commuters to Linz. There are still gaps in the motorway network (in the Pyhrnautobahn, for example), although it should be completed in the next few years.



Scale: 1 : 1 200 000

Which EU regions are similar to Oberösterreich?

Area:
± 12 000 km²
Île-de-France,
Haute Normandie (F)
Lisboa e Vale do Tejo (P)

Population:
± 1.3 million inhabitants
Auvergne,
Champagne-Ardenne (F)
Uusimaa (FIN)

Employment:
± 50% in services
Rioja (E)
Veneto (I)

Key area in the centre, considerable regional differences

The five NUTS 3 regions of Oberösterreich, which has a population density of 102 per km² and a per capita GDP around the EU average, are very different from one another.

In most of the Linz-Wels region, which covers much of the centre of Oberösterreich, 39% of the population live on 15% of the land area. This is Austria's industrial heartland, to which many people commute from the rest of Oberösterreich and the western parts of Niederösterreich. The unemployment rate is above the national average. GDP per capita, at 154% of the EU average, is the highest in Austria. In contrast, the Mühlviertel, a rural area in the north, has the lowest, at 49%, as a result of the lack of jobs. This rate does not give an accurate indication of living standards, however, since many of the working population earn their living in the Linz-Wels region. The Innviertel, despite housing a few industrial enterprises, some of them on a large scale, is predominantly an agricultural area, with arable land and grassland.

The Steyr-Kirchdorf region has some industry, notably vehicle-building in the city of Steyr, but otherwise it is rural, with arable land, grassland and forests as well as some tourist trade in the south. The Traunviertel has many kinds of industry and, in the Alpine regions of the Salzkammergut, one of the best-known tourist areas of Austria.

	Area	Population			Activity	Unempl.	Employment			GDP/inhab.
	1 000 km²	1 000	Inhab./km²	Change (%)	%	%	% Agricult.	% Industry	% Services	EUR (PPS)=100
		1991	1991	1981-91	1991	1991-93	1991	1991	1991	1991
Innviertel	2.8	263	93	4.1	58	3.0	16	43	41	64
Linz-Wels	1.7	517	296	5.8	60	5.1	3	40	57	154
Mühlviertel	2.7	191	72	5.1	58	3.3	20	38	42	49
Steyr-Kirchdorf	2.2	146	65	2.9	56	5.1	9	48	43	85
Traunviertel	2.5	216	86	5.7	56	3.0	7	48	45	83
Oberösterreich	12.0	1 333	111	5.0	58	4.1	8	42	50	102
Österreich	83.9	7 796	93	3.2	57	3.9	6	35	59	107
EUR 12	2 358.2	344 854	146	3.2	55	9.4	6	33	60	100

OBERÖSTERREICH

Above-average population increase, with more births than deaths

In the 1940s, the population of Oberösterreich was boosted by the expansion of the armaments industry and the arrival of refugees. Between 1939 and 1951 the population grew from 928 000 to 1 109 000, a 20% rise. Four fifths of this increase, 145 000 people, was attributable to immigration.

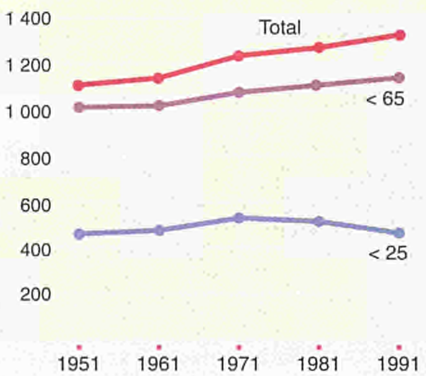
From 1951 to the end of 1993, when there were 1 379 000 inhabitants, the population rose by 24%, i.e. half as fast again as the national average. Over this period there was an increase of 270 000, all of which can be accounted for by the excess of births over deaths. Currently, there is a net natural increase of 3.8 per thousand, which puts Oberösterreich into fourth position among the nine *Bundesländer*. Between 1951 and 1971, there was a net migration loss of 67 000 people, and since then the overall balance has been positive, with a gain of 65 000. The previous wave of emigration took place mainly in the 1950s, when numerous refugees left the area, and the latest wave of immigration has occurred over the past five years, with a large influx of foreigners.

Since 1988 the share of non-nationals in Oberösterreich's population has risen from 3 to almost 8%. The 1991 census showed that 17 of every 100 foreigners were EU or EFTA nationals (including 15 Germans), 38 Yugoslavs, 19 Turks and 18 from the former Eastern Bloc (including 6 Romanians and 5 Czechs). Roman Catholics accounted for 83% of the population, with 5% Protestant.

Population by age — 1991

	M + F 1 000	M + F %	M %	F %
< 15	251.5	18.9	19.8	18.0
15-24	203.2	15.2	16.1	14.5
25-39	326.2	24.5	26.0	23.0
40-54	240.0	18.0	18.7	17.3
55-64	130.8	9.8	9.7	10.0
⩾ 65	181.7	13.6	9.7	17.3
Total	1 333.5	100.0	100.0	100.0

Population (1 000)



Resident population of foreign nationality — 1991

	1 000	% of total population
Total	71.3	5.3
of which EU countries	11.6	0.9
Former Yugoslavia	27.3	2.0
Turkey	13.2	1.0
Germany	10.5	0.8
Romania	4.4	0.3
Czechoslovakia	3.9	0.3
Poland	2.0	0.2
Hungary	1.4	0.1

Demographic account — 1981-91
(1 000)

Population 12.5.1981	1 269.5
Births	166.6
Deaths	127.7
Net migration	+ 25.1
Population 15.5.1991	1 333.5

Activity rate corresponds to national average

In 1991 just over two thirds (67.5%) of the population was of working age, i.e. between 15 and 64 years old, with 82% of the men in this age bracket economically active and 57% of the women. Whilst the reduction in the male activity rate during the 1980s was in line with the general trend, the increase in the female rate was the lowest of all the *Länder*. The average number of hours worked per week (including overtime but excluding absences caused by sickness, leave, public holidays, etc.) was 39.0 for men and 35.5 for women.

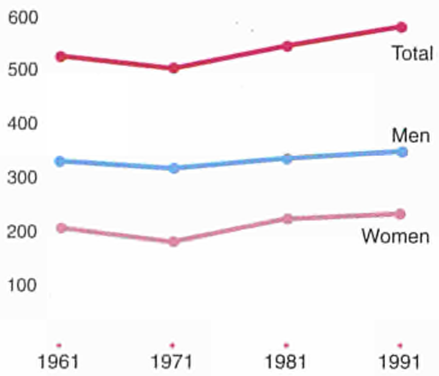
Commuter movements between the region's municipalities are one fifth above the Austrian average. In 1991 just over half (51%) of the economically-active population travelled to work outside the municipality in which they lived. The proportion of persons commuting between municipalities within Oberösterreich was Austria's highest at 44% of the resident active population. Some 38 300 residents (6.4% of the working population) commuted to work outside the *Land*, the most popular destinations being the Salzburg region and abroad (12 700 persons each). The number of those commuting to work across the region's boundaries has increased by 340% since 1961.

In 1993 there were 24 500 apprentices receiving 'dual' vocational training, 12 500 young people attending full-time intermediate vocational schools and 19 000 studying at higher vocational schools. There were 28 800 students from Oberösterreich studying at Austrian universities and colleges of art, with over one third each of this total choosing Vienna and Linz. A total of 13 600 students were matriculated at the university and the College for Artistic and Industrial Design in the region's capital, Linz.

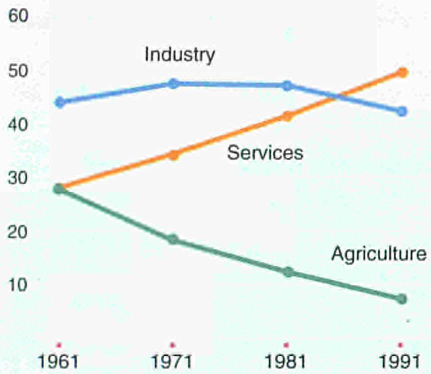
Number of pupils — 1994

	M + F 1 000	F %
Kindergarten	37.2	49.0
Pre-school	1.7	39.4
Primary	72.2	48.7
Lower secondary	70.5	48.9
Higher secondary (technical)	55.9	45.0
Higher secondary (general)	13.7	50.6
Post-secondary	2.2	78.0
Higher education	13.6	34.8

Employment (1 000)



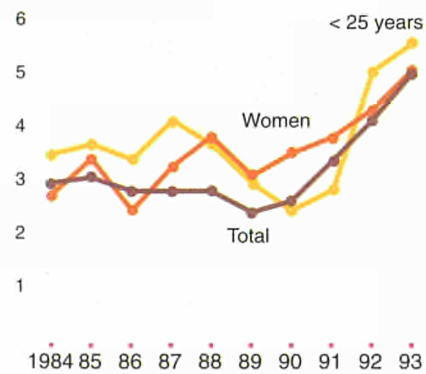
Employment structure (%)



Employment — 1991 (1 000)

Resident employment	600.0
+ Non-residents having a job in the region	20.7
– Residents having a job outside the region	38.3
= Internal employment	582.3

Unemployment (%)



Second-highest rate of industrial employment of all the *Länder*

According to the 1991 census, 599 900 persons in employment lived in Oberösterreich and 582 300 worked there. The number of jobs increased by 5.3% during the 1980s whilst the labour force rose by 5.5%. As a result, there was only a small increase in the number of commuters leaving the *Land* (up from 15 800 in 1981 to 17 600 in 1991), who still accounted for less than 3% of the resident economically-active population. At the beginning of the 1960s, the commuter balance had been more or less even with 1 800 more persons commuting out of the *Land*. In 1991 incoming commuters from other *Länder* nevertheless filled 20 700 of the region's jobs (3.5%).

With 7.9% of the active population by place of work employed in agriculture and 42.2% in the industrial sector, the agricultural employment rate was 2% above the national average and the industrial rate 7% higher. The service sector was therefore under-represented and with 49.9% of the region's jobs it was weaker than in any other *Land*.

Agricultural and forestry lost 102 500 of its work-force between 1961 and 1991, whilst 160 600 new jobs were created in the other sectors of the economy. The non-agricultural working population rose from 375 800 to 536 400. The secondary sector expanded by 15% during the 1960s and 1970s and in 1981 still contained more jobs than the tertiary sector. Industrial employment then fell by 5.5% in the 1980s, but was still 19 800 higher in 1991 than 30 years previously. The number of persons in employment in the service sector by place of work has gone up progressively since 1961 by 140 800 or 94%.

The educational structure for Oberösterreich reveals a low percentage of persons who have successfully completed training courses at intermediate and higher schools. In 1991 one third (33%) of the economically-active persons by place of residence had no more than compulsory schooling, 42% had received 'dual' vocational training, 11% had attended specialized technical colleges and 14% had attained entrance qualifications for institutes of higher education.

Characteristics of resident employment (%)

	< 25 years	25-54 years	⩾ 55 years	Employees	Employees: part-time
	1993	1993	1993	1993	1993
Men	19	76	5	89	2
Women	23	74	3	86	25
Total	21	75	4	88	11

Relatively healthy situation on the labour market

The labour market in Oberösterreich is in a better state than in many other *Länder* and is healthier than in Austria as a whole. Using the Austrian method of calculation, the unemployment rate in 1993 was 5.8% (compared with 4.9% in 1992), 1% below the respective figures for Austria. The internationally-adapted rates were 5.4% for 1993 and 4.6% for 1992. The annual average number of registered unemployed persons in 1993 stood at over 31 000 (41.9% of whom were women), 17.3% up on 1992 and a larger increase than for Austria as a whole.

The labour market situation in the centre of Oberösterreich is heavily influenced by industry in the region's capital, Linz. Employment trends are generally rather static, due to the importance of heavy industry, but as in the rest of Austria there has been a recent sharp rise in unemployment. Rates are particularly high for older members of the labour force and for those with few qualifications. The overall unemployment rate in 1993 was 5.9% for women and 5.7% for men. The Mühlviertel to the north of the Danube is a commuter belt for Linz, whilst employment across the border in Bavaria is of importance to those living in the Innviertel.

OBERÖSTERREICH

A thriving region where the economic data are average for Austria

In 1991 Oberösterreich produced 16.2% of Austria's value-added, which meant that the economy of the country's third-largest *Land* in terms of population (17.1%) was second in size only to Vienna, pushing Niederösterreich into third position.

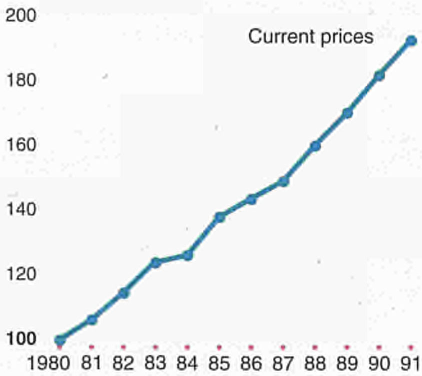
Economic activity in Oberösterreich enjoys the benefits of the region's good communications network and the concentration of activities in the central area, which is home to Austria's second-largest conurbation after Vienna (the Linz-Wels-Steyr triangle). At the same time, however, it has Austria's least-developed NUTS 3 region in terms of gross value-added, the Mühlviertel.

Oberösterreich's economy is closely interwoven with those of its neighbours, the adjacent Austrian *Länder* of Niederösterreich and Salzburg and southern Bavaria in Germany. This goes hand in hand with the relatively high number of persons commuting from Oberösterreich to Germany.

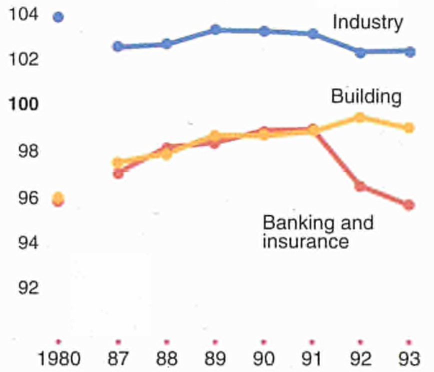
Over the last five years for which data are available (1987-91), economic growth in the region has averaged a nominal 6.3%, slightly below the Austrian figure of 6.4%. There was a 13.5% increase in the number of workplaces during the 1980s, mainly to the benefit of the central area. The urban district of Wels, for example, recorded the second-highest percentage increase in workplaces of all Austria's districts, whilst the urban district of Linz came in seventh position.

Oberösterreich's share of total Austrian expenditure on research and experimental development in 1989 was 12.5% or approximately ECU 197 million. Industry contributed around 85% of this total, the higher education sector (almost exclusively university establishments) 10.7% and the State just 3.5%.

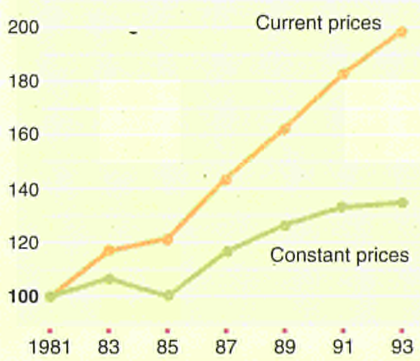
GDP (1980 = 100)



Wages
(national level = 100)



Disposable household income
(1981 = 100)



Relatively attractive earnings

While men in Oberösterreich can earn incomes slightly above the national average, the earnings for women are below-average for Austria. The average gross annual wage of a male manual worker is around ECU 20 176, whilst female manual workers earn ECU 12 483. Male non-manual workers earn an annual average of ECU 28 836, whereas their female counterparts gross ECU 16 411.

The best wages for male manual workers are in the chemical and metalworking industries, whereas those for workers in the construction industry are only average. Men working in the trade sector are relatively badly off. The metalworking sector is clearly the most lucrative for female manual workers, whilst the lowest wages tend to be paid in most service branches.

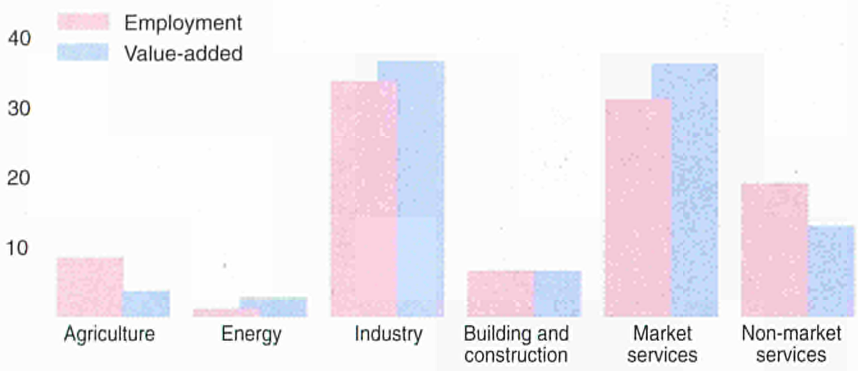
The dominant position of metalworking is also reflected in the salaries paid to both male and female non-manual workers. The bulk of the high-earners in this category are in metalworking, whilst the lowest salaries for both men and women are in the distributive trades.

Earnings are above the *Land* average in the Linz-Wels and Steyr-Kirchdorf regions and are exactly average in the Traunviertel. Earnings in the Innviertel and the Mühlviertel, on the other hand, are lower.

High household incomes in the central areas

Household incomes in the Linz-Wels area are at the same level as in Vienna (13% above the Austrian average) and are 4% above average in the Steyr-Kirchdorf region. The more disadvantaged areas are the Traunviertel (7% below the national average), the Innviertel (– 10%) and particularly the Mühlviertel (– 16%).

Employment and value-added: distribution by branch — 1991 (%)



Industrial region with productive agricultural sector

The first main wave of industrialization did not hit Oberösterreich until the late 1930s, and 50 years ago the absolute majority of jobs in the labour market were still in the agriculture and forestry sectors. Nowadays (1991) the agriculture and forestry sector accounts for 7.9% of employment and produces 4% of the region's value-added (around ECU 820 million).

In 1991 goods production (including mining) claimed an above-average 37% share of Oberösterreich's total economic performance (Austrian average: 27%), thus contributing 22.3% of Austria's total goods production. The main contributor is the metalworking sector which remains dominant because this formerly nationalized industry has traditionally been based in Oberösterreich. Other industries of above-average importance are food, drink and tobacco production and the woodworking and wood processing sector.

The service sector in Oberösterreich is similar to its counterpart in neighbouring Niederösterreich in that it remains somewhat underdeveloped. Including private and public services, it accounts for around 50% of the region's total value-added (Austrian average: 60%).

Tourism plays a role mainly in the economically less-developed areas of the *Land*, where it is a key factor in the local economy. It does not, however, have anything like the vital economic significance it has attained in the west and south of Austria. One aspect of the regional tourist trade which shows particular promise is the number of visitors to health resorts and spas, who accounted for almost 30% of all overnight stays in 1993.

Agriculture

Number of holdings	52 092
Labour force	65 405 AWU
Agricultural area	577 548 ha
Livestock	853 509 LU
Gross value-added	12 613 ECU/AWU

Main products	
Milk	26%
Pigs	21%
Cattle	21%

Main enterprises

Name	Activity
Voest-Alpine Stahl Linz GmbH	Steel industry
Lenzing AG	Chemical fibres
Steyr-Nutzfahrzeuge AG	Manufacture of vehicles
Oberösterreichische Kraftwerke AG	Production and distribution of electricity
Voest-Alpine Industrie-anlagenbau GmbH	Machinery manufacture
Quelle AG	Retail trade via mail-order
Elektro-Bau AG	Manufacture of electrical goods
BMW-Motoren GmbH	Manufacture of engines and turbines
Steyr-Daimler-Puch AG	Manufacture of vehicle parts
Hofer KG	Retail trade

Highest levels of air pollution in Austria, not all of it home-made

Oberösterreich has the highest level of home-produced air pollution in Austria, with around 25% of the country's total industrial emissions of both sulphur dioxide and nitrogen oxides. At the same time, it 'imports' air pollutants from other countries to the west and north.

The reductions achieved in sulphur deposits in precipitation, which in 1993 were running at only one third of the 1984 level, indicate that, as well as cutting down drastically on home-made pollution, the burden from other countries must be cut back. Since 1986, emissions of nitrogen compounds and dust have gradually been reduced. The ozone problem has been alleviated to some extent, but in the eastern part of central Oberösterreich ozone burdens continue at times to exceed the early warning levels as a result of the enormous volume of road traffic.

The antiquated industrial fabric that the area has inherited means that, as well as a reduction in carbon dioxide, dangerous waste from the past has to be cleaned up and some of the streams and rivers rehabilitated. The Traun and Ager rivers are two success stories: by more than doubling the capacity of sewerage plants over the past 10 years or so, their sewage load has been reduced to roughly one twentieth of previous levels. The water quality of over half of the river courses has been improved considerably. In most areas, visibility in the lakes of Oberösterreich has also improved: the Attersee, with 12 metres, is the clearest of all Austria's bathing lakes.

Expenditure on environmental protection increased by a factor of eight between 1972 and 1992, with the municipalities spending ECU 651 million between 1990 and 1992 alone. Oberösterreich's environmental concerns include noise pollution alongside railways, the changeover to renewable energy sources, the construction of a special waste disposal plant, experimental soil protection programmes, the withdrawal of agriculture from flood danger areas and erosion-prone slopes, etc. A 750 km² national park is planned.

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SALZBURG

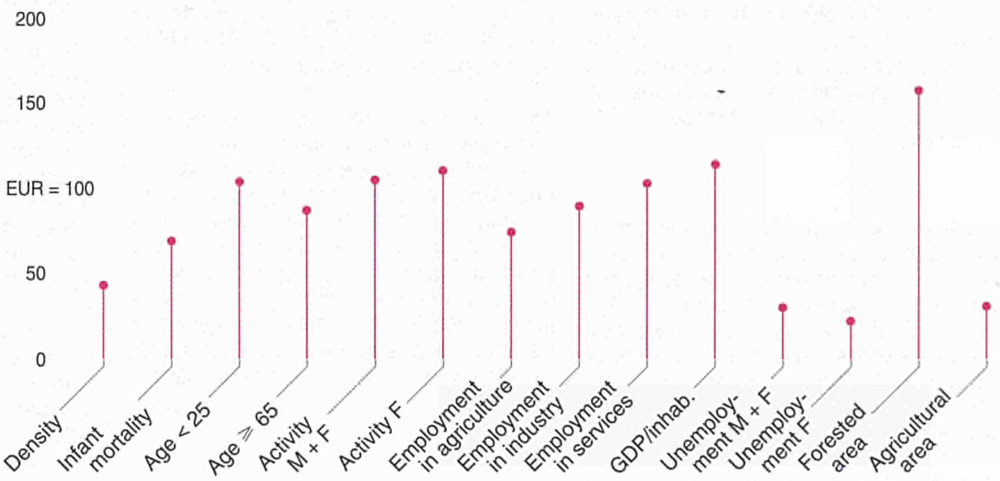
The *Bundesland* of Salzburg, which finally passed to Austria in 1816, has an area of 7 154 km^2, the chartered city and capital, Salzburg, five political districts and a total of 119 municipalities (1993 figures). It has international borders with Germany and Italy and is also bounded by the *Bundesländer* of Oberösterreich, Steiermark, Kärnten and Tirol.

Although the flatter area in the north, the Flachgau, can be assigned to the Alpine foothills, most of Salzburg lies within the Alps proper. To the south of a sandstone zone are the northern Limestone Alps, which consist of the lower Alpine foothills and high limestone massifs. These are separated from the Pre-Cambrian Central Alps further south, where the Groβvenediger rises to 3 674 m, by the gentler Schieferalpen (Shale Alps), which have been opened up for skiing, and the Salzach Valley which occupies the northern longitudinal valley gap. The climate is Alpine. Nearly a fifth (19%) of the land area is given over to agriculture and horticulture, 26% is mountain pastures and 38% wooded.

This mecca for tourists, with a thriving economy based on its capital, is crossed from north to south by major European rail and road links which intersect in the city of Salzburg with east-west routes. Main trunk routes follow the longitudinal valley corridor.

View of the capital, Salzburg, looking south. The mighty fortress of Hohensalzburg towers over the historic city centre.

Salzburg in the European Union



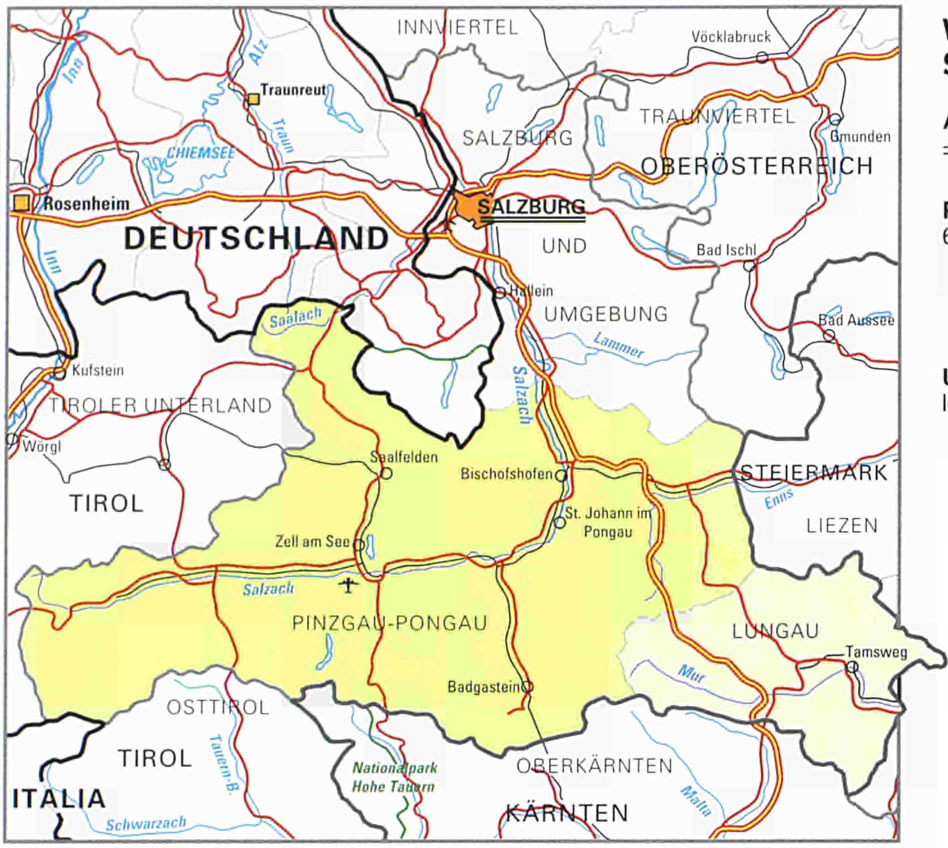
A major tourist area with cultural attractions and many local advantages

The beauty of the landscape, be it in the Salzkammergut, the Alpine valleys or the mountain ranges, together with its numerous recreational facilities, make Salzburg the country's second most important tourist region after Tirol (4.5 million arrivals and almost 25 million overnight stays in 1992). Tourism is an important industry in both summer and winter. The city of Salzburg and its surrounding area derive many advantages from their situation in the centre of Austria, proximity to Germany and development at the junction of major international traffic routes. Many firms (e.g. in the motor trade) have their headquarters there.

Particularly noteworthy are the world-famous Easter and Summer Festivals in the capital, whose architecture is reminiscent of southern Europe.

The downside of this flourishing region with its above-average economic growth is the shortage of housing which pushes up housing costs.

Further problems arise from the north-south transit traffic when, during holiday periods, long traffic jams pollute the valleys with exhaust fumes and noise.



Scale: 1 : 1 200 000

Which EU regions are similar to Salzburg?

Area:
± 7 200 km²
Canarias, Pais Vasco (E)

Population density:
65-70 inhabitants per km²
Trentino – Alto Adige,
Sardegna (I)
Franche Comté, Aquitaine (F)
Scotland (UK)

Unemployment:
lower than 4%
Luxembourg (grand-duché)
Ahvenanmaa/Åland (FIN)

Salzburg conurbation and mountain holiday resorts

The three Salzburg NUTS 3 regions, which together have a substantial per capita GDP of 118 (EU: 100) and a population density of 67 per km², are very varied in structure.

The thinly-populated Lungau (20 inhabitants per km²) is a region of high mountains with livestock farming based on grassland and mountain pastures, forestry, small commercial businesses and a large tourist sector. Per capita GDP is only 74% of the EU average. The Pinzgau-Pongau region is also mountainous, with a small amount of industry, major hydroelectric power stations, commercial businesses (mostly on a small scale), forestry and livestock farming on grassland and mountain pastures. The tourist trade is important both summer and winter. Per capita GDP is 94% of the EU average.

The nucleus in terms of population, economic activity and cultural resources is the city of Salzburg and its hinterland, where almost two thirds of the population live on just under 25% of the land area. In this city, with its concentration on the services sector, many firms have their head offices and large numbers of people commute in from the surrounding area and from other *Bundesländer*. There are many kinds of industry, and tourism is a major income-earner in and around the city. Per capita GDP in this flourishing region is one-third above the EU average.

	Area	Population			Activity	Unempl.	Employment			GDP/inhab.
	1 000 km²	1 000	Inhab./km²	Change (%)	%	%	% Agricult.	% Industry	% Services	EUR (PPS)=100
		1991	1991	1981-91	1991	1991-93	1991	1991	1991	1991
Lungau	1.0	21	20	2.6	56	3.4	11	35	54	73
Pinzgau-Pongau	4.4	149	34	7.2	60	3.8	7	31	62	94
Salzburg und Umgebung	1.7	313	180	10.4	61	2.5	4	30	66	133
Salzburg	7.2	482	67	9.1	60	2.9	5	31	64	118
Österreich	83.9	7 796	93	3.2	57	3.9	6	35	59	107
EUR 12	2 358.2	344 854	146	3.2	55	9.4	6	33	60	100

SALZBURG

Population almost double the 1939 figure

For the last 120 years the *Land* of Salzburg has acted as a magnet for immigrants, the numerous advantages of its location making it particularly attractive since the Second World War. From 257 000 inhabitants in 1939, the population grew more rapidly than in any other *Bundesland* (+ 27%) up to 1951. It had risen by a further 54% to 503 000 by the end of 1993, the second-highest increase of any *Bundesland*. More than two fifths (107 000) of the total population growth of the past 50 years or so has come from immigration. In the 1950s, there was a net migration loss, since some of the refugees who had been taken in at the end of the war moved on. Since 1960, the excess of births over deaths has been the third highest of any *Bundesland*, and it is currently running at an annual average of 4.9 per thousand.

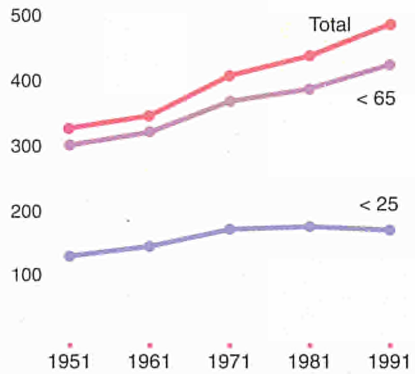
Most of the recent immigrants have been foreigners. Since 1988, the share of foreigners in the population has risen from over 5% to 11%. The 1991 census showed that 24 in every 100 foreigners were EU or EFTA nationals (19 of them Germans), 46 Yugoslavs, 17 Turks and 4 from the former Eastern Bloc. Roman Catholics accounted for 79% of the population, with 5% Protestant.

With fertility above the Austrian average, life expectancy is two years longer than the average for men and one year longer for women. In 1991, the younger and middle-aged groups were noticeably over-represented compared with the national average and the over-55s correspondingly (by 3.2 percentage points) under-represented. The favourable age structure is largely immigration-induced.

Population by age — 1991

	M + F 1 000	M + F %	M %	F %
< 15	91.3	18.9	20.3	17.6
15-24	74.8	15.5	16.2	14.9
25-39	118.2	24.5	25.1	23.9
40-54	93.6	19.4	20.0	18.8
55-64	43.1	8.9	8.8	9.0
⩾ 65	61.4	12.7	9.6	15.7
Total	482.4	100.0	100.0	100.0

Population (1 000)



Resident population of foreign nationality — 1991

	1 000	% of total population
Total	38.0	7.9
of which EU countries	8.6	1.8
Former Yugoslavia	17.2	3.6
Germany	7.2	1.5
Turkey	6.6	1.4
USA	0.8	0.2
Romania	0.5	0.1
Italy	0.4	0.1
Poland	0.3	0.1

Demographic account — 1981-91 (1 000)

Population 12.5.1981	442.3
Births	60.9
Deaths	41.3
Net migration	+ 20.5
Population 15.5.1991	482.4

Activity rate above the national average

In 1991 more than two thirds (68%) of the population was of working age, i.e. between 15 and 64 years old, with 83% of the men in this age bracket economically active and 60% of the women. The activity rate was therefore 2% above the Austrian average for both sexes. The decrease in the male activity rate during the 1980s was lower and the increase in the female rate higher than the national average. The average number of hours worked per week (including overtime but excluding absences caused by sickness, leave, public holidays, etc.) was 41.1 for men and 35.5 for women.

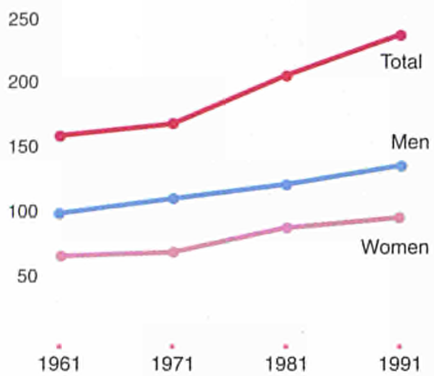
There are fewer commuter movements between municipalities in the Salzburg region than in any other *Land* (excluding Vienna), partly because the proportion of persons in employment living in the regional capital is by far the highest at 31%. In 1991 just over two fifths (41%) of the economically-active population travelled to work outside the municipality in which they lived. Some 12 800 persons, or 5.7% of the resident working population, were employed outside the *Land*, the main destinations being Germany and Oberösterreich. The number of persons commuting out of the *Land* to work has more than doubled since 1961.

In 1993 there were 9 900 apprentices receiving 'dual' vocational training, 5 000 young people attending full-time intermediate vocational schools and 7 000 studying at higher vocational schools. There were 11 300 students from Salzburg at Austrian universities or equivalent institutions, with almost half of these studying in their own regional capital and over a quarter choosing Vienna. A total of 12 000 students were matriculated at the University of Salzburg and the Mozarteum College of Art.

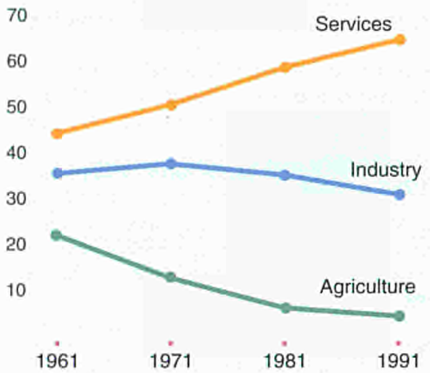
Number of pupils — 1994

	M + F 1 000	F %
Kindergarten	12.9	48.7
Pre-school	0.7	39.0
Primary	26.1	48.9
Lower secondary	26.1	48.6
Higher secondary (technical)	22.0	44.2
Higher secondary (general)	6.6	49.3
Post-secondary	1.4	76.3
Higher education	12.0	54.1

Employment (1 000)



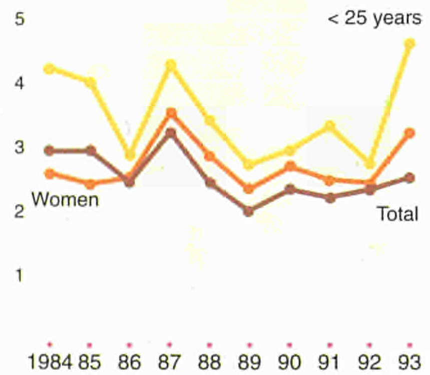
Employment strucutre (%)



Employment — 1991 (1 000)

Resident employment	224.4
+ Non-residents having a job in the region	21.0
– Residents having a job outside the region	12.8
= Internal employment	232.6

Unemployment (%)



Highest rate of employment in services of all the *Länder* excluding Vienna

According to the 1991 census, 224 400 persons in employment lived in Salzburg and 232 600 worked there, making it the only *Land* apart from Vienna where the supply of jobs exceeded the labour force. The number of jobs increased by 13% during the 1980s whilst the labour force rose by 12%. As a result, the number of commuters travelling into the *Land* rose from 4 800 in 1981 to 8 100 in 1991, 3.5% of the economically-active population by place of work. At the beginning of the 1960s, the commuter balance had still been more or less even. In 1991, commuters from other *Länder* filled 20 900 of the region's jobs (9%).

With 4.9% of the active population by place of work employed in agriculture and 30.7% in the secondary sector, the agricultural employment rate was 1% below the national average and the industrial rate 4% below. In 1991 the service sector accounted for as many as 64.5% of the region's jobs. In addition to the hotel and restaurant trade which was three fifths above the Austrian average with 8.9%, other branches returning above-average figures were the distributive trades, transport and finance.

Some 21 700 jobs were lost in the agricultural sector between 1961 and 1991, whilst over four times as many (95 600) were created in the other sectors over the same period, non-agricultural employment rising from 125 600 to 221 300. In the production sector, there was a net increase of 15 500 jobs over these three decades, the number of employees rising by 28% between 1961 and 1981 and remaining more or less stable during the 1980s. The service sector was already stronger than the industrial sector in 1961 and since then it has provided a further 80 100 jobs, an increase of 115%.

In terms of qualifications, the work-force is very much around the national average. In 1991 more than a quarter (29%) of economically-active persons by place of residence had no more than compulsory schooling, 42% had received 'dual' vocational training, 13% had attended specialized technical colleges and 16% had attained entrance qualifications for institutes of higher education.

Characteristics of resident employment (%)

	< 25 years	25-54 years	⩾ 55 years	Em-ployees	Employees: part-time
	1993	1993	1993	1993	1993
Men	18	75	7	86	1
Women	21	75	4	85	25
Total	19	75	6	86	11

Labour market benefits from tourism and an attractive regional capital

Salzburg's geographical location is one of its great assets. The centre of employment is the regional capital and its surrounding area, and a high percentage of commuters travel into this central area from the outlying regions.

The unemployment rate in Salzburg is comparatively low, although it has recently increased at a slightly faster rate than in Austria as a whole. In 1993, the annual average number of registered unemployed was around 10 000, of whom 43.1% were women. This produced an unemployment rate of 4.4% (3.8% in 1992), well below the national figure of 6.8% (5.9% in 1992). The internationally-adapted rates for Salzburg were 3.4% in 1993 and 2.6% in 1992. The unemployment rates were the same for men and women at 4.4%.

Tourism plays a particularly important role when it comes to employment and the labour market in Salzburg, as it leads to large seasonal variations in employment and *ipso facto* unemployment. The proportion of young unemployed persons is well above the Austrian average, as is the percentage of persons who have successfully completed training courses.

SALZBURG

A key link between Austria and Germany

In 1991 the Salzburg economy contributed ECU 8.9 billion to Austria's total economic output in terms of gross value-added at current prices, a share of around 6.9%. Compared with the country as a whole, its economy was notable for the proportion falling to services — 68% (including the public sector) as against the national figure of 60%.

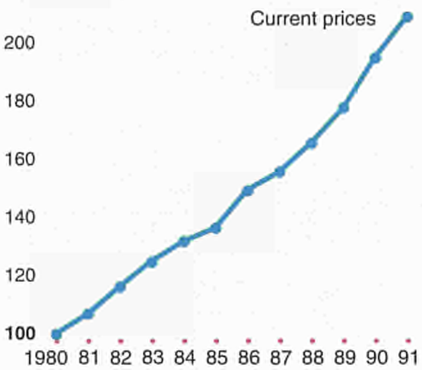
Over the last few decades, this economic structure combined with Salzburg's central location has helped it develop into a key link between the Austrian and German economic areas. Growth has also been stimulated by its relatively flexible labour supply and this has resulted in average growth rates measured over a number of years being well above the Austrian average. The 7.1% growth rate recorded between 1987 and 1991 is the highest of all the Austrian *Länder*.

The powerhouse of the regional economy is the central zone from the city of Salzburg to Halloween. Three quarters of the jobs created between 1980 and 1991 were in this area, with the main boom areas being the municipalities surrounding the regional capital. Over 90% of these new jobs were in the service sector. Public, social and personal services are now a larger employer than industry and manufacturing, claiming the largest segment of the region's labour market.

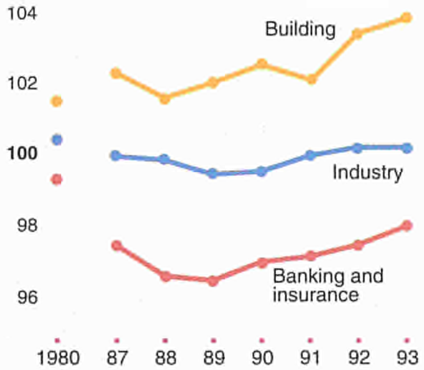
Enterprises in Salzburg are relatively small, averaging 9.5 employees, produce a highly-specialized range of goods and are very adaptable. Many international enterprises have branches or subsidiaries in Salzburg.

Salzburg's share of total Austrian expenditure on research and experimental development in 1989 was 3.5% or approximately ECU 55 million. The industrial sector had the lowest share of regional R&D expenditure in the whole of Austria with just 36.3%, whereas the higher education sector had the highest at 58.8%. The State was responsible for 3.6%.

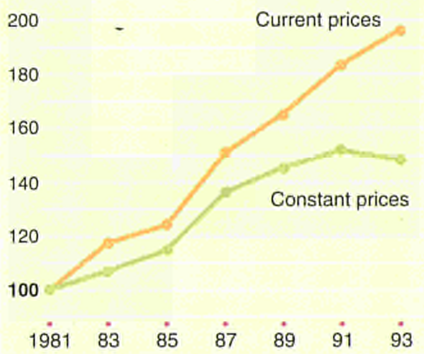
GDP (1980 = 100)



Wages
(national level = 100)



Disposable household income
(1981 = 100)



Good incomes in the city of Salzburg and its environs

Earned income in Salzburg is almost exactly in line with the Austrian average. Male manual workers earn a gross annual average of ECU 19 548, female manual workers ECU 13 255. The average annual salary for male non-manual workers is ECU 27 702, as against only ECU 16 934 for their female counterparts.

The highest incomes for male manual workers are to be found in smaller industries such as energy and water supply, mining and paper, whilst female manual workers are best paid in the paper, printing and chemicals sectors. Whereas the lowest earners amongst male manual workers are those in the hotel and catering trade, there is relatively little variation in the wages paid to female manual workers.

Male employees in the energy and water supply sector are also by far the best paid of the non-manual workers, although their colleagues in the construction and metalworking industries also earn slightly above-average salaries. The only female white collar workers with salaries which are well above average are those working in finance, banking and private insurance.

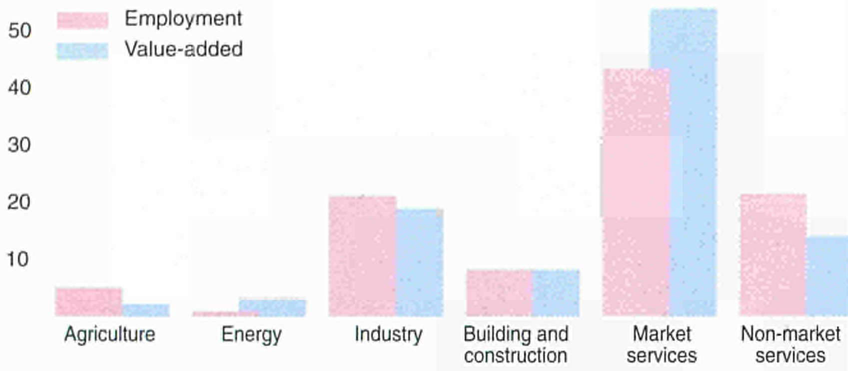
When broken down within the region by place of work, earnings in the city of Salzburg and its environs are slightly above the national average. In the Pinzgau-Pongau and Lungau regions, on the other hand, the lack of jobs means that income levels are lower, this being considerably more of a problem for non-manual than manual workers.

Household incomes just short of the national average

Household incomes in the city of Salzburg and its environs are exactly in line with the national average, but fall short of this mark in the Pinzgau-Pongau and Lungau regions.

It should, however, be noted that tourism plays a relatively important role in some parts of the *Land*, and that additional income generated by tourism, such as from renting out private rooms (bed and breakfast), is not contained in the basic figures. If this were taken into account, the regional disparities would become less acute.

Employment and value-added: distribution by branch — 1991 (%)



Industry, production-related services and tourism

The region's economy rests on three main pillars: industry, production-related services and tourism.

Agriculture and forestry's share of the economy is substantially less than the Austrian average, with farmers in the region concentrating mainly on livestock breeding, dairy farming and forestry.

The main primary industries found in Salzburg are sawmills and paper production facilities. Industries such as chemicals or basic metals do not produce much in the way of regional value-added.

The goods production industry also has a comparatively small share of the region's value-added by Austrian standards, but it is very dynamic and adaptable and a large proportion of its output is exported.

With 7.5% of the region's gross value-added, the construction industry's contribution is average for Austria.

In the service sector, the importance of tourism, the wholesale trade and business services, such as goods transport and banking, extends beyond the region's borders and reflects the region's special geographical situation. In banking, insurance and economic and legal services, Salzburg is second only to Vienna and well ahead of the other *Länder*.

Leaving aside the importance of the regional capital for urban and cultural tourism, tourist activity tends to be confined to the more remote and less industrialized areas of the *Land*, where it is an important source of income and has led to the growth of a very efficient tourist trade. In terms of overnight stays, Salzburg is Austria's second-largest tourist region after Tirol and ahead of Kärnten.

Agriculture

Number of holdings	11 923
Labour force	16 662 AWU
Agricultural area	302 177 ha
Livestock	154 531 LU
Gross value-added	9 291 ECU/AWU
Main products	
Milk	37%
Cattle	22%
Pigs	4%

Main enterprises

Name	Activity
Interspar GmbH	Retail trade
Salzburger Stadtwerke AG	Production and distribution of electricity
Salzburger AG für Energiewirtschaft	Production and distribution of electricity
PWA-Hallein-Papier-AG	Paper industry
DM-Drogerie Markt GmbH	Retail trade
Alpine Bauges. m. b. H.	Building and construction
Bosch Robert AG	Wholesale of machinery
Raiffeisenverband Salzburg Reg. Gen.m.b.H.	Banking and finance
Tauernkraftwerke AG	Production and distribution of electricity
Salzburger Sparkasse	Banking and finance

Endeavours to solve the conflict between environment and economy

Salzburg has achieved a considerable reduction in its output of pollutants, and this is one reason why European limit values for sulphur dioxide and carbon monoxide in the atmosphere are no longer exceeded. Although it has an above-average share of low-polluting Austrian-registered motor cars and vans (64.1% in the city of Salzburg as opposed to the national average of 54.4%), the heavy volume of traffic in greater Salzburg and on the Tauern motorway still leads to excessive noise and nitrogen dioxide levels.

As well as localized emissions in the north, there is a considerable amount of atmospheric pollution imported over greater distances: excessive levels of cadmium, arsenic and vanadium are deposited in the soil, and in the forests above-average numbers of trees are dying at the top. Wind snap and bark beetles have added considerably to the damage caused by air pollution. Around most of the industrial areas, limit values are being exceeded for nickel and lead deposits in the soil, as well as for sulphur content in the needles of coniferous trees. In the south of the *Bundesland*, the damage is generally slight.

Overall, the quality of surface water and groundwater is good. The municipalities spend ECU 275 per annum per head of the population on environmental protection, more than double the amount spent in Burgenland, for example.

Salzburg has a larger percentage of its total area included in national parks than any other *Bundesland*. The Hohe Tauern national park in the upper reaches of the Tauern river covers 12% of the total area (804 km^2, 430 of them totally unused) and the Kalkhochalpen (high Limestone Alps) National Park covers 3%. More than half (54%) of the area within the national parks is privately owned and divided into zones. In the outer zones, although they may have cultivated areas, the natural environment is disturbed as little as possible. The Salzburg authorities take the views of the local population into account when settling conflicts pitting land use against nature protection and are vigorously campaigning on behalf of nature preservation. Between 1984 and 1993 they spent a total of ECU 7 340 million on the national parks and received a further ECU 4 500 million in federal government funding.

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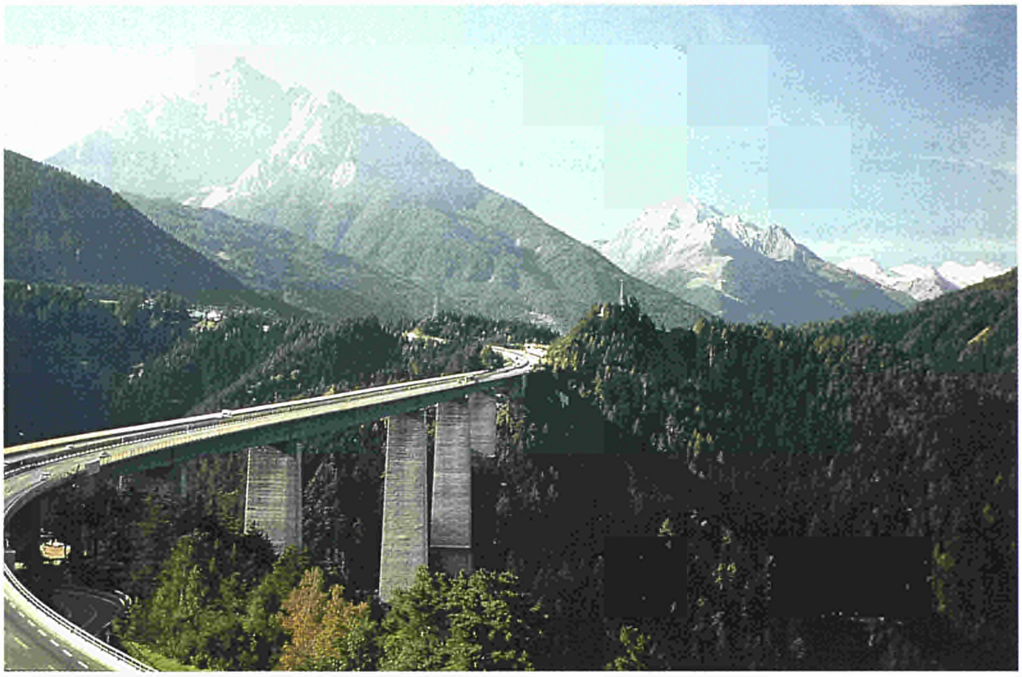
TIROL

Tirol has existed as a territorial unit since the 13th century. It has an area of 12 648 km², one chartered city — its capital, Innsbruck — eight political districts and 279 municipalities (1993). It has international borders with Italy, Switzerland and Germany and is also bounded by the *Bundesländer* of Salzburg, Kärnten and Vorarlberg.

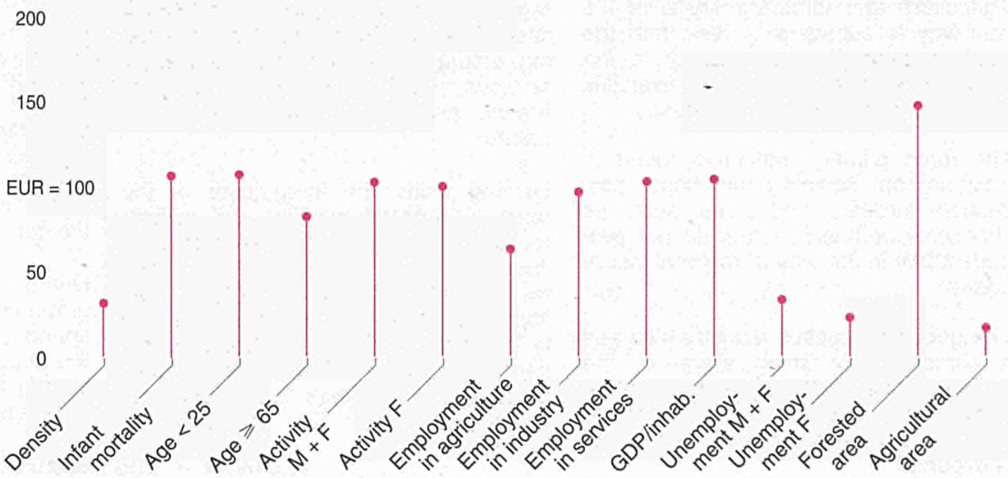
Although it has a substantial industrial sector, Tirol, with its Alpine scenery, is a noted tourist area. South of the northern Limestone Alps, there are the Pre-Cambrian Central Alps to the west of the Brenner Gap and a less rugged area of slate hills to the east. The generally broad sweep of the Inn valley, part of the northern longitudinal valley gap, cuts through Tirol. Most of Osttirol lies in the Central Alps, which culminate in the Groβglockner, at 3 797 m Austria's highest mountain. South of the Drau (Drava) valley, it forms part of the southern Limestone Alps. The region has an Alpine climate. Only 11% of the land area is used for agriculture or horticulture but 26% is mountain pasture and 35% wooded. Tirol's Alpine character means that only 12.5% of its total area is available for permanent settlements.

Rail and road links through the lower Inn valley and over the Brenner Pass form one of the most important north-south traffic routes in Europe.



Europa Brücke: A key link between the north and south of Europe in the heart of the Alps.

Tirol in the European Union



A tourist area with through-traffic problems and a shortage of land for permanent settlements

With its scenic beauty and ease of access from the main population centres of the European Union, the mountainous *Bundesland* of Tirol is one of the most important tourist areas not only of Austria but in the whole of Europe. In 1992, there were 8 million arrivals and 46 million overnight stays, with the summer and winter seasons equally important. Tirol also has a substantial industrial base, concentrating on metal-producing and metalworking (special metals and motor vehicles), optics, glass and biochemicals.

Some of Tirol's most serious problems, however, are caused by the through traffic between Germany and Italy. Exhaust gases cannot escape as easily from the valleys as they can from open country, and noise is reflected. The only solution is to reduce the volume of goods traffic and extend rail links so that they can compete effectively with road transport.

The situation is made worse by the fact that the Inn valley between Innsbruck and Kufstein is the most heavily built-up area of Tirol, and that while the land used for permanent habitation (covered by buildings, roads and railways, horticulture and agriculture, but excluding mountain pastures) is only 12.5% of the total area, i.e. 1 589 km², it housed a population of around 650 000 in 1993. A further problem in many areas is the high percentage of second homes owned by foreigners.

TIROL

Scale: 1 : 1 200 000

Which EU regions are similar to Tirol?

Area:
± 12 500 km²
East Anglia (UK)
Nord-Pas-de-Calais (F)

Population:
± 630 000 inhabitants
Réunion (F)
Peloponnisos (GR)

Activity rate:
± 58%
Rhône-Alpes (F)
Sachsen (D)

Population and industry converge on Innsbruck and the lower Inn valley

Nearly two thirds (63%) of the working population of Tirol is employed in the service sector and just under one third in industry, commerce and construction. There is little unemployment and GDP per capita, at 107% of the EU average, is close to the national figure.

Almost 75% of the population live in the Innsbruck area and the lowlands, especially in the valleys of the Inn and the Ziller and around Kitzbühel, and as a result the lower Inn valley, with its varied industrial activity, is very densely populated. The main tourist centres are Innsbruck and its surrounding area, the Zillertal, Kitzbühel, the Achensee area and Seefeld. Per capita GDP is 123% of the EU average in and around Innsbruck and 107% in the lowlands.

The rural Tirol uplands, where per capita GDP is relatively low at only 81% of the EU average, has a flourishing tourist trade (Ötztal and Arlberg), as has the Außerfern (valley of the Lech) where, however, a large special metalworks boosts GDP to 115% of the EU average.

Eastern Tirol, which is cut off from the West and where the traditional agricultural landscape has been best preserved, has a few tourist resorts. In 1991 some 10% of the working population were employed in agriculture or forestry. Per capita GDP, at 75% of the EU average, is on the low side.

	Area	Population			Activity	Unempl.	Employment			GDP/inhab.
	1 000 km²	1 000	Inhab./km²	Change (%)	%	%	% Agricult.	% Industry	% Services	EUR (PPS)=100
		1991	1991	1981-91	1991	1991-93	1991	1991	1991	1991
Außerfern	1.2	29	24	6.5	58	3.3	3	41	56	115
Innsbruck	2.1	259	124	7.0	57	2.6	2	29	69	123
Osttirol	2.0	48	24	1.8	55	4.1	10	35	55	75
Tiroler Oberland	3.3	87	26	8.9	57	4.0	4	32	64	81
Tiroler Unterland	4.0	207	52	9.6	60	2.5	6	38	56	105
Tirol	12.6	631	50	7.6	58	2.9	4	33	63	107
Österreich	83.9	7 796	93	3.2	57	3.9	6	35	59	107
EUR 12	2 358.2	344 854	146	3.2	55	9.4	6	33	60	100

TIROL

Population four fifths higher than in 1939

As in neighbouring Salzburg and Vorarlberg, the population of Tirol (within its present boundaries) stagnated towards the middle of the 19th century to increase thereafter, especially after the Second World War. From 364 000 in 1939, the population rose by 17% in the years up to 1951 and had shot up by a further 53% to 652 000 by the end of 1993, giving Tirol the third-highest population growth rate in Austria, way ahead of Oberösterreich. Over a quarter of the total increase over the past 50 years (80 000) is attributable to net immigration, despite the outflow of war refugees who had not become integrated by the 1950s. Unlike the north of Tirol, the separate area of Osttirol lost more people than it gained from immigration, a state of affairs which persisted during the 1980s. In terms of natural increase, currently running at 5.6 per 1 000, Tirol has ranked second in the *Bundesländer* table since 1959.

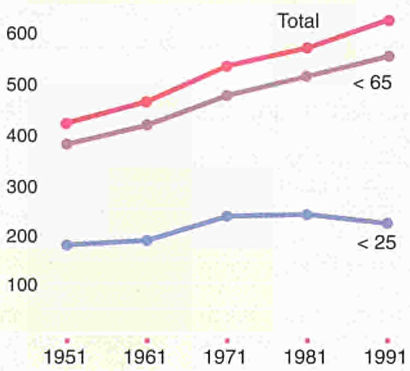
Since the 1980s the net immigration increase has been due solely to the influx of foreigners, who now make up almost 9% of the population, around the national average. The 1991 census indicated that 33 of every 100 foreigners were EU or EFTA nationals (including 19 Germans and 9 Italians), 30 were Turks and 29 Yugoslavs. Tirol has the highest percentage of Roman Catholics (87%) in Austria.

Fertility is somewhat above the national average, as is life expectancy for both men and women — around one year longer in each case. In 1991 Tirol had the second-highest percentages of children and young adults and 4.3% more under – 40s than the average for Austria.

Population by age — 1991

	M + F 1 000	M + F %	M %	F %
< 15	121.9	19.3	20.5	18.2
15-24	103.5	16.4	17.1	15.7
25-39	154.7	24.5	25.4	23.7
40-54	117.0	18.5	19.1	18.0
55-64	56.4	8.9	8.9	9.0
⩾ 65	77.9	12.3	9.2	15.3
Total	631.4	100.0	100.0	100.0

Population (1 000)



Resident population of foreign nationality — 1991

	1 000	% of total population
Total	45.1	7.1
of which EU countries	13.9	2.2
Turkey	13.7	2.2
Former Yugoslavia	13.1	2.1
Germany	8.5	1.3
Italy	3.9	0.6
Switzerland	0.6	0.1
Netherlands	0.5	0.1
United Kingdom	0.4	0.1

Demographic account — 1981-91 (1 000)

Population 12.5.1981	586.7
Births	81.6
Deaths	51.4
Net migration	+ 14.6
Population 15.5.1991	631.4

Female activity rate still low

In 1991 more than two thirds (68%) of the population was of working age, i.e. between 15 and 64 years old, with 82% of the men in this age bracket economically active and 54% of the women. Despite rising sharply during the 1980s, the activity rate for women was therefore the third-lowest in the Austrian league table. The male activity rate went down only slightly and is now even marginally above the national average. The average number of hours worked per week (including overtime but excluding absences caused by sickness, leave, public holidays, etc.) was 38.9 for men and 33.9 for women.

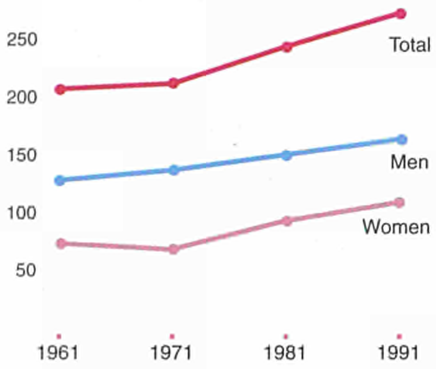
In 1991 nearly half (48%) of the economically-active population travelled to work outside the municipality in which they lived. With 43% of the active population working in one of Tirol's other municipalities, the proportion of commuters between municipalities was as high as in Oberösterreich and Steiermark. A total of 15 000 Tiroler or 5.4% of the resident active population were employed outside the *Land*, the lowest rate of all the *Länder*, and most of these (8 500) worked abroad. The number of people commuting out of the *Land* to work has tripled since 1961.

In 1993 there were 12 600 apprentices with contracts for 'dual' vocational training, 7 300 young people attending full-time intermediate vocational schools and 7 700 studying at higher vocational schools. There were 14 700 students from Tirol studying at Austrian universities or equivalent institutions, with 80% of these attending university in Innsbruck and one in eight choosing Vienna. A total of 24 000 students were matriculated at the University of Innsbruck, which traditionally has the highest percentage of foreigners of all Austria's universities (22%).

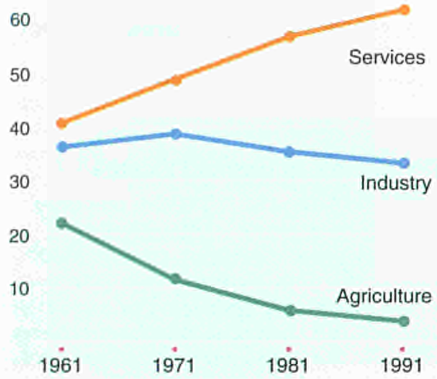
Number of pupils — 1994

	M + F 1 000	F %
Kindergarten	16.2	48.7
Pre-school	0.5	37.9
Primary	33.8	48.6
Lower secondary	33.9	48.7
Higher secondary (technical)	27.6	45.4
Higher secondary (general)	7.9	49.0
Post-secondary	1.6	75.8
Higher education	24.0	44.7

Employment (1 000)



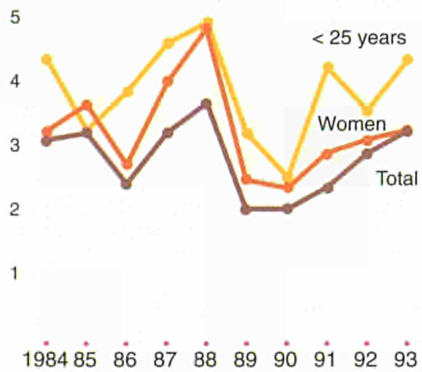
Employment structure (%)



Employment — 1991 (1 000)

Resident employment	278.6
+ Non-residents having a job in the region	8.3
– Residents having a job outside the region	15.0
= Internal employment	272.0

Unemployment (%)



Tourist services to the fore

According to the 1991 census, 278 600 persons in employment lived in Tirol and 272 000 worked there. The number of jobs increased by 12% during the 1980s whilst the potential labour force rose by 13%. Although this resulted in a rise in the number of commuters leaving the *Land* from 4 000 in 1981 to 6 600 in 1991, Tirol still has the fewest outgoing commuters of all the *Länder* with a negative commuter balance (2.4% of the resident economically-active population). In 1991 incoming commuters from other *Länder* filled just 8 300 of the region's jobs (3.1%).

With 4.2% of the active population by place of work employed in agriculture and 32.9% in the secondary sector, both the agricultural and the industrial employment rates were 2% below the national average. As a result, the service sector was 4% higher, accounting for 62.9% of the region's jobs. The hotel and catering sector alone employed twice as many people as the Austrian average with 11.4% and employment in the transport service sector was also very high at 8.0%.

Some 33 200 jobs were lost in agriculture between 1961 and 1991, whilst three times as many (103 000) were created outside this sector over the same period, the number of persons in employment other than in agriculture rising from 157 500 to 260 500. Tirol was the only *Land* in which the number of persons employed in the production sector continued to rise during the 1980s, the 1991 figure being 15 100 or 20% higher than in 1961. In the service sector, which was already stronger than the industrial sector in 1961, the economically-active population by place of work has since risen by a further 87 900, an increase of 106%.

In terms of qualifications, the work-force does not differ much from the national average. In 1991 nearly a third (32%) of economically-active persons by place of residence had no more than compulsory schooling, 39% had received 'dual' vocational training, 14% had attended specialized technical colleges and 15% had attained entrance qualifications for institutes of higher education.

Characteristics of resident employment (%)

	< 25 years	25-54 years	⩾ 55 years	Employees	Employees: part-time
	1993	1993	1993	1993	1993
Men	18	75	7	86	2
Women	23	73	4	85	24
Total	20	74	6	85	10

Low unemployment rate with seasonal variations caused by tourism

The labour market in Tirol is in a relatively healthy state. Using the Austrian method of calculation, the unemployment rate in 1993 was 5.6% (5.4% for men and 5.8% for women), over 1% below the figure for Austria. In 1992 it had been 4.9%. The internationally-adapted rates were 3.7% for 1993 and 3.2% for 1992. The annual average number of registered unemployed in 1993 stood at 15 000, of whom 43.4% were women. This above-average proportion is very closely linked to the considerable seasonal fluctuations caused mainly by the significant role of tourism and its heavy reliance on seasonal work.

Apart from some of the side valleys, most areas are very accessible (leaving aside Osttirol which is geographically separate from Westtirol). As most of the employment centres in the Inntal are easily reached by commuters, labour market problems are partly obscured by the conflicting uses to which the labour force is put. The geographical proximity of different activities means that industry, the environment, transport and tourism are all competing for the labour-force. Young people make up a high percentage of the total unemployed, as do poorly qualified workers.

Dynamic economy in the Alps

With a nominal average growth figure of 6.8% between 1987 and 1991, the performance of the Tyrolean economy was much better than that of Austria as a whole (6.4% average growth rate), putting the region in third position behind Salzburg (7.1%) and the national capital, Vienna (6.9%). As a result, Austria's third-largest and fifth most heavily populated *Land* increased its share of the country's gross domestic product from 7.9% in 1981 to 8.1% in 1991. This now matches exactly its share of the total Austrian population and is close to its 8.0% share of employment (by place of work and according to the 1991 census).

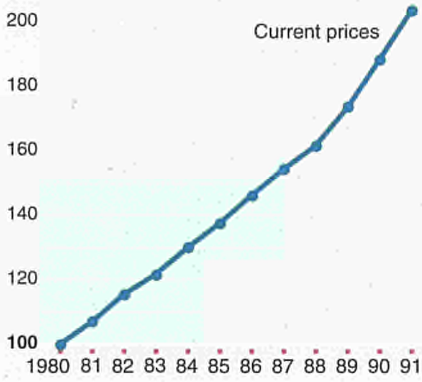
Two of the reasons behind this positive trend in Tirol's economic development are its well-balanced structure of medium-sized enterprises and the general absence of crisis-prone industries. For example, primary industries (chemicals and basic metals) had only a 15.3% share of the economy in 1991, as opposed to 20.1% in Austria as a whole.

Tirol's economy also benefits from the fact that it is ideally situated between the important economic areas of southern Germany and northern Italy, has good transport links and, in summer at least, a plentiful energy supply.

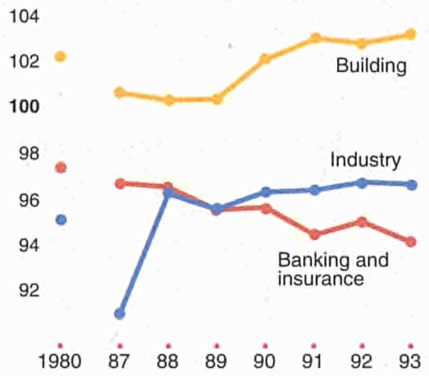
Tirol's extensive transport system also, of course, works to the advantage of tourism and Tirol is Austria's undisputed leader in this field, with approximately 45 million overnight stays in 1993.

The employment figure in Tirol was 16.4% higher in 1991 than in 1981, putting this table-topping *Land* ahead of Salzburg and Vorarlberg. This growth is also better distributed between the various districts than is the case in most of the other *Länder*. Tirol's share of total Austrian expenditure on research and experimental development in 1989 was 8.3% or ECU 131 million. Industry contributed 48.0% of this total, closely followed by the higher education sector with 44.1%, with the State responsible for 6.6%.

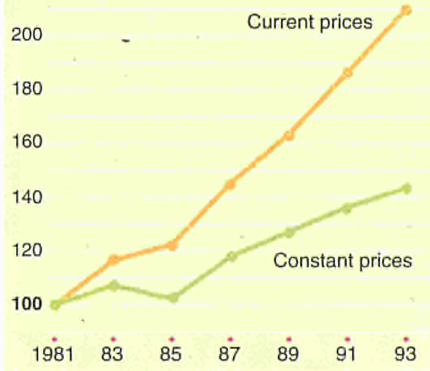
GDP (1980 = 100)



Wages
(national level = 100)



Disposable household income
(1981 = 100)



Relatively low earned income

The earnings of male manual and non-manual workers in Tirol are lower than the national average, and those of female non-manual workers fall a good way short. The only persons earning above-average wages are female manual workers. Male manual workers earn gross annual average wages of ECU 19 118 and female manual workers ECU 13 407. The average annual salary for male non-manual employees is ECU 26 353, as against ECU 16 006 for their female counterparts.

Whilst male manual workers in the metalworking and construction sectors have average earnings, the wages paid to those in the hotel and catering trade and the timber industry are lower. The best wages for female manual workers are to be found in the earthenware and glassware industries, otherwise the differences are only slight. In contrast to the other *Länder*, there are no branches in Tirol where female manual workers are poorly paid, and their wages are in fact slightly above the *Länder* average.

White collar workers tend to be paid above-average salaries in the manufacturing sector, but have below-average earnings in the service sector, with the exception of finance, banking and private insurance.

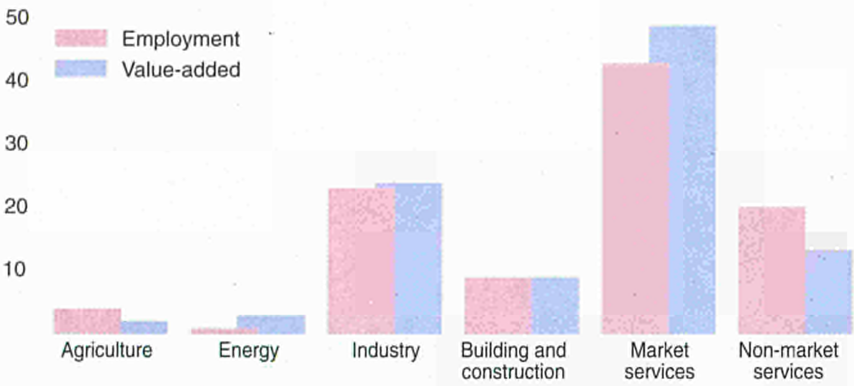
Within the region, earnings keep pace with the Austrian average only in the Innsbruck area, and are up to one tenth below the national average in all other areas. Although the wages paid to manual workers of both sexes are generally around the Austrian average, the lack of jobs in the Osttirol and the Tiroler Oberland in particular reduces the opportunities for non-manual workers to earn high incomes.

Household incomes low when additional income from tourism is discounted

Whilst household incomes in the Innsbruck area are slightly above the Austrian average (+ 5%), they are substantially below average in the other parts of Tirol (by 12% in Tiroler Unterland, 17% in Tiroler Oberland, 20% in Osttirol and 31% in Außerfern). It should, however, be noted that tourism plays a relatively important role in Tirol, and that additional income generated by tourism, such as from renting out private rooms (bed and breakfast), is not contained in the basic figures. If this were taken into account, the regional disparities would become less acute.

Another reason for the lower level of household incomes in Tirol is the relatively low female activity rate.

Employment and value-added: distribution by branch — 1991 (%)



Tourism, industry, Alpine scenery

Despite the difficult geographical conditions they have to deal with, Tirol's farmers account for approximately 5.5% of Austria's agricultural and forestry production. Within the region, farmers contribute just under 2% of value-added, as against the Austrian average of 2.8%. It should not be forgotten, however, that they also play an invaluable role in preserving and protecting the fragile Alpine environment and ensuring that the area does not become depopulated.

Although the once-important mining industry (salt, silver, copper, iron ore) only plays a minor role in modern-day Tirol, the *Land* is still one of Austria's leading producers of earthenware and glassware. In 1992, this branch of industry was responsible for 16.2% of the region's total goods output and accounted for one fifth of Austrian production in this field. The figure for glassware alone is even higher.

Other areas of goods production where Tirol's economy returned above-average figures were food, drink and tobacco and woodworking and wood processing (each of which were around one third above the Austrian average), as well as textiles and leather.

The region's construction industry should also not be underestimated, as its 9% share of Tirol's total value-added in 1991 meant that it was Austria's second-strongest construction sector.

The service sector in Tirol has an above-average share of value-added, with tourist services being particularly strong.

Almost 40% of foreign tourists to Austria in 1993 chose Tirol as their holiday destination, with 90% of the overnight stays in the region being made by foreign visitors.

Agriculture

Number of holdings	20 756
Labour force	24 789 AWU
Agricultural area	455 673 ha
Livestock	180 311 LU
Gross value-added	8 003 ECU/AWU
Main products	
Milk	38%
Cattle	23%
Pigs	5%

Main enterprises

Name	Activity
Tiroler Landeskrankenanstalten GmbH	Hospitals
Swarovski D. u. Co	Glass industry
Tiroler Wasserkraftwerke AG	Production and distribution of electricity
Biochemie GmbH	Manufacture of pharmaceutical products
Tyrolit Schleifmittelwerke Swarovski KG	Manufacture of grinding tools
Metallwerk Plansee GmbH	Metalworking
Jenbacher Energie- und Transportsysteme AG	Manufacture of railway rolling stock
Bank für Tirol und Vorarlberg	Banking and finance
Liebherr-Werk Lienz GmbH	Heating and air-conditioning systems

State of the forests and traffic pollution cause concern

Tirol has suffered little soil pollution from agriculture but, owing to the shortage of land for permanent habitation (only 12.5% of the total area), the highest level of construction activity in Austria over the past 20 years and the heavy concentration of industry and traffic (around 23 000 vehicles a day head for the Brenner and 44 000 travel along the lower Inn valley), home-produced pollution is a serious problem, particularly in the lower Inn and Lech (Außerfern) valleys. A further factor is tourism, 33.5% of Austria's tourist trade being in Tirol (all year round, with four areas for glacier skiing).

As a result of the intensive use of the lower Inn valley, the continuous noise level is at least 65 dB and reaches 75 dB by day alongside the railway (even higher at night owing to goods traffic). On occasion, air pollution reaches the smog alarm early warning limit, and there are maximum levels of ozone concentration on the southern slopes.

Tirol has the highest level of damage to forest floors in Austria. Near to emission sources, sulphur concentrations produce visible damage to coniferous needles and the leaves of deciduous trees. On soils which are less efficient as buffers, the later consequences of pollution damage can be seen: north of the Inn, 48% of the trees are dying back at the top and in the Außerfern the figure is 54%. In Tirol, the extremely widespread damage wreaked upon open and wooded meadows must also bear some of the blame, along with the bark beetle and storm damage which hit the forests in 1993. Nearly half (47%) of the forests are protected. The regional government spent a total of ECU 49 million on improving the protected forests and afforesting upland areas between 1972 and 1993. In the lower Inn valley, the condition of the woodlands has shown a noticeable improvement over the past two years thanks to compulsory curbs on emissions.

The quality of running water is a matter for concern only in the Außerfern, where water protection eats up 17% of the municipal budget (10.8% average in Tirol). Up to 1993, Tirol was the only *Land* to have numerous small waste disposal plants and it had the most extensive collection system for problem waste in Austria, though only 25% of waste matter was recycled in 1990. In 1991, Tirol was the last of the three *Bundesländer* to join the Hohe Tauern National Park project, contributing 610 km^2 of legally-protected land.

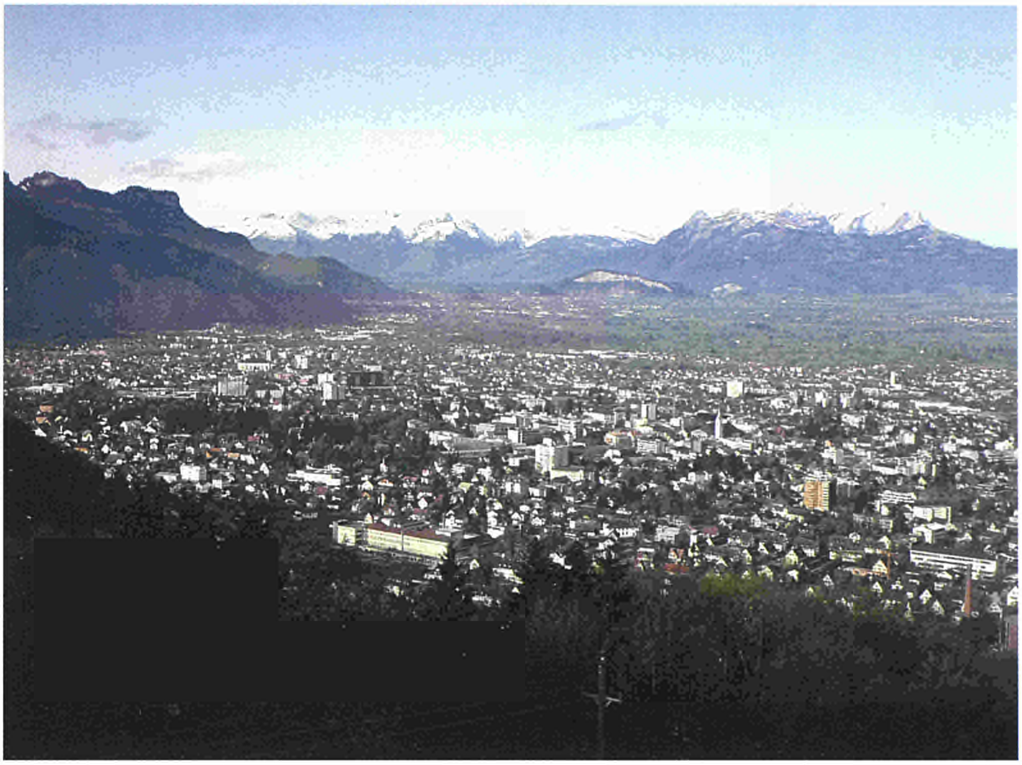
AUSTRIA

VORARL-BERG

Over an area of 2 601 km², Vorarlberg has four political districts with a total of 96 municipalities. Its capital is Bregenz. It has a border with Tirol and international borders with Germany, Switzerland and Liechtenstein.

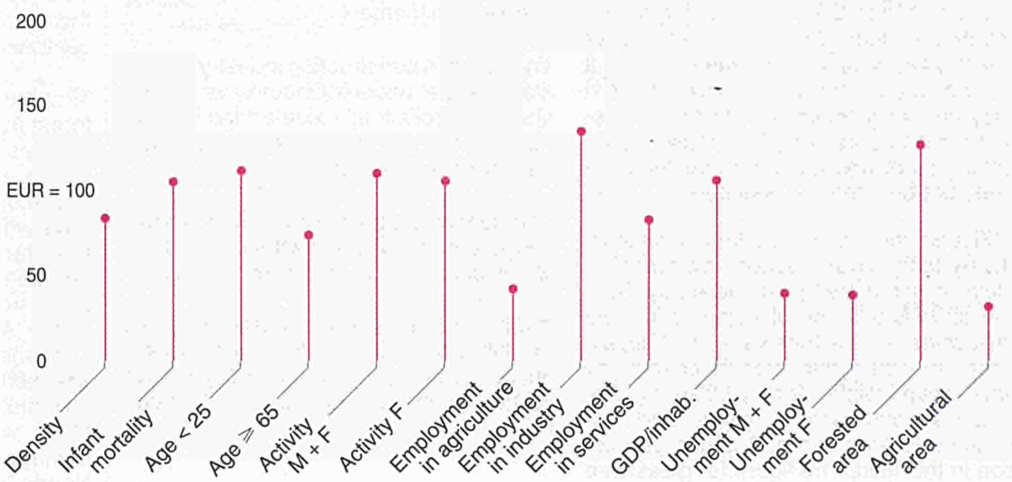
Vorarlberg is largely mountainous. The area around the Bodensee (Lake Constance) in the north-west has a very favourable climate, whilst the broad Rhine valley in the west and the lower Ill valley also benefit from having the climate of the Alpine foreland as opposed to the humid-cool Alpine climate which predominates in the rest of Vorarlberg. The northern, lower mountains form part of the Bregenzerwald (Bregenz woods), assigned to the Flysch range. To the south come the northern Limestone Alps and, in the south-east, the Pre-Cambrian Central Alps. Only 20% of the land is used for agriculture or horticulture, 34% is taken up by the Alps and 31% is wooded.

Three quarters of the population live in the heavily-industrialized Rhine valley, in the surrounding area and near Lake Constance. Tourism is a major industry throughout Vorarlberg. The two tunnels through the Arlberg (road and rail) form the main links with the rest of the country and roads and railways lead to Germany and Switzerland.



The Rhine valley in Vorarlberg. Dornbirn, a venue for trade fairs and exhibitions, is the centre of a modern industrial complex.

Vorarlberg in the European Union

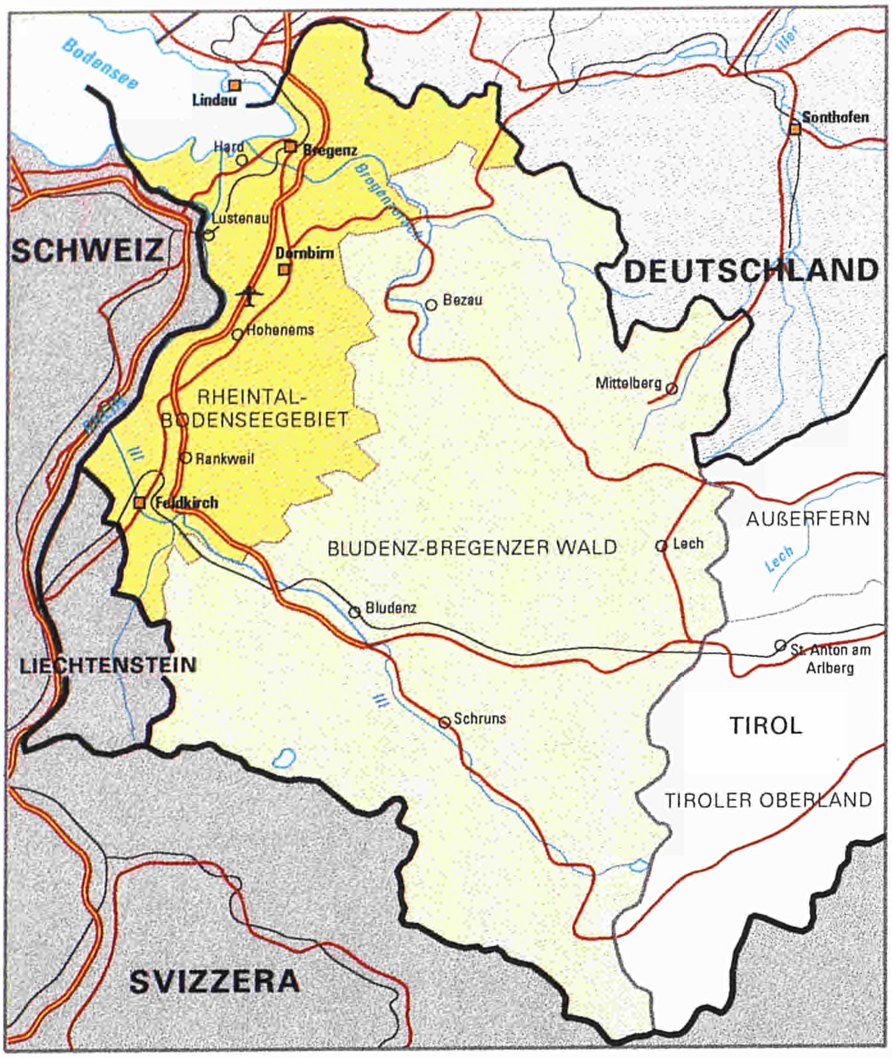


A tourist area with a wide variety of industries

Although it is largely mountainous, Vorarlberg, with its Alemannic population, boasts a variety of landscapes in a very small area. Along Lake Constance are flat areas as well as hills and mountains and the mild climate lends itself to fruit-growing. The broad Rhine valley, which also stretches into Switzerland and Liechtenstein, houses most of Vorarlberg's population. The Bregenzerwald, with its range of low mountains, has a wealth of forests as well as meadows and mountain pastures. In the south are the high Limestone Alps with the Rätikon and in the south-east the Central Alps with the Silvretta group, which is partly glaciated. The scenic beauty of the area and highly-developed infrastructure help to give Vorarlberg the third-highest number of tourists per square kilometre (excluding Vienna) in the country. Finally, many different types of industry are established in the area which also has substantial hydroelectric power generating facilities.

The traditional textile industry, geared largely to high-quality products, is struggling for survival. Vorarlberg has only a few post-secondary educational establishments and a relatively low percentage of graduates. In the autumn of 1994 a university-level applied science course in production automation was set up. Finally, the distance separating Vorarlberg from much of the rest of the country and the fact that it is cut off by mountain ranges brings serious transport and communication problems.

VORARLBERG



Scale: 1 : 600 000

Which EU regions are similar to Vorarlberg?

Area:
± 2 600 km²
Luxembourg (grand-duché)
Saarland (D)
Drenthe (NL)

Population density:
± 125 inhabitants per km²
Rhône-Alpes (F)
Uusimaa (FIN)
Flevoland (NL)

Employment:
± 45% in industry
± 51% in services
Baden-Württemberg (D)

Heavily built-up area in the Rhine valley and around Lake Constance, elsewhere rural in character

In 1991 Vorarlberg had an overall population density of 127 per km², but as much as 543 in the area where most of the population is concentrated. In the same year, 46% of the working population were employed in the secondary sector and 51.4% in the tertiary. GDP per capita was 109% of the EU average (107% in Austria as a whole). The various parts of the region differ tremendously from one another.

In the Rhine valley and along Lake Constance there are many small and medium-sized towns, which often merge with each other, along with municipalities made up almost entirely of new housing. Here, 78% of Vorarlberg's population, mostly in owner-occupied housing, are packed into just under 28% of its total area (population density 344 per km²) along with industry, predominantly textiles and clothing, metal, electrical and sports goods and foodstuffs, the main cultural facilities and the offices of the Vorarlberg Government. Per capita GDP is 114% of the EU average. In 1991 as much as 12.4% of the working population living in Vorarlberg commuted to work in other countries, mainly Switzerland and Liechtenstein.

With a population density of 44 per km² and GDP of 94 per inhabitant, the Bludenz-Bregenzerwald area (excluding the town of Bludenz) is a largely rural area of livestock, grassland, Alpine farming and forestry, with a thriving summer and winter tourist trade and a substantial output from hydroelectric plants.

	Area	Population			Activity	Unempl.	Employment			GDP/inhab.
	1 000 km²	1 000	Inhab./km²	Change (%)	%	%	% Agricult.	% Industry	% Services	EUR (PPS)=100
		1991	1991	1981-91	1991	1991-93	1991	1991	1991	1991
Bludenz-Bregenzer Wald	1.9	82	44	7.8	59	2.1	5	42	53	94
Rheintal-Bodenseegebiet	0.7	249	344	8.9	63	2.6	2	47	51	114
Vorarlberg	2.6	331	127	8.6	62	2.5	3	46	51	109
Österreich	83.9	7 796	93	3.2	57	3.9	6	35	59	107
EUR 12	2 358.2	344 854	146	3.2	55	9.4	6	33	60	100

VORARLBERG

For many years, the highest rate of population increase in Austria

The increase in population which had started in the 1860s came to an abrupt halt at the end of the First World War with the crisis in the embroidery industry. Between 1910 and 1920 Vorarlberg lost 8% of its population. After the depression years, the population shot up again. From 158 000 in 1939, it had risen by 22% by 1951 and by a further 76% to a total of 341 000 by the end of 1993. Although outstripped by Salzburg in terms of population growth since the 1980s, Vorarlberg has been way ahead at the top of the long-term population increase table with + 115%. Almost three tenths (53 000) of the total increase since 1939 has been attributable to net immigration. Natural increase is currently 6.8 per 1 000: since it overtook Kärnten in 1956, Vorarlberg has had a higher rate of natural increase than any other *Bundesland*.

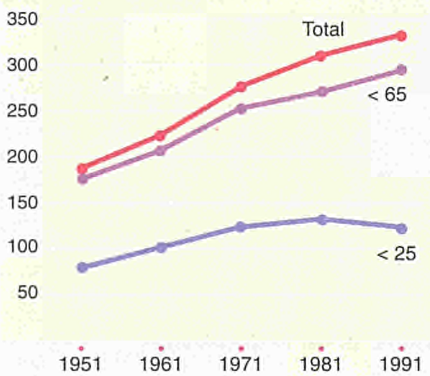
Since the mid-1960s the bulk of immigrants have arrived from other countries. As long ago as 1971 some 9% of the population were foreigners and, until overtaken by Vienna in 1991, Vorarlberg ranked first in this respect too. Currently, one in seven of the population is a foreigner: 16% are from EU or EFTA countries (including 10% from Germany), 46% from Turkey and 33% from Yugoslavia. Roman Catholics account for 82% of the population and the second most widely-practised religion is Islam (6.6%).

Fertility is the highest in Austria at 1.68 per woman. Life expectancy for men is two years and for women one year above the national average. Vorarlberg has the country's highest percentages of children and young adults in its population.

Population by age — 1991

	M + F 1 000	M + F %	M %	F %
< 15	68.1	20.5	21.4	19.7
15-24	54.8	16.5	17.1	16.0
25-39	80.9	24.4	25.3	23.5
40-54	62.6	18.9	19.8	18.0
55-64	29.2	8.8	8.7	8.9
≥ 65	35.9	10.8	7.7	13.9
Total	331.5	100.0	100.0	100.0

Population (1 000)



Resident population of foreign nationality — 1991

	1 000	% of total population
Total	44.1	13.3
of which EU countries	5.7	1.7
Turkey	20.4	6.1
Former Yugoslavia	14.4	4.4
Germany	4.5	1.3
Switzerland	1.0	0.3
Italy	0.5	0.1
Liechtenstein	0.3	0.1
Hungary	0.3	0.1

Demographic account — 1981-91 (1 000)

Population 12.5.1981	305.2
Births	44.8
Deaths	23.8
Net migration	+ 5.3
Population 15.5.1991	331.5

Male activity rate in Vorarlberg is the highest in Austria

In 1991 more than two thirds (69%) of the population was of working age, i.e. between 15 and 64 years old, with 85% of the men in this age bracket economically active and 57% of the women. The male activity rate went down only slightly during the 1980s and is now 4% above the national average, whilst the female activity rate is still slightly below average. The average number of hours worked per week (including overtime but excluding absences) was 39.6 for men and 33.6 for women.

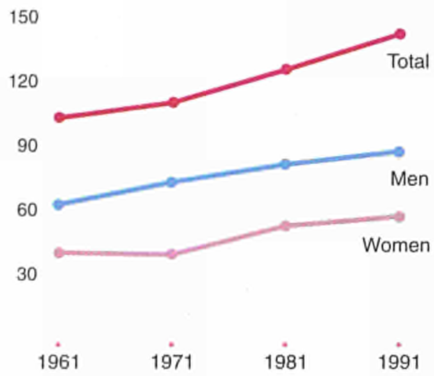
In 1991 almost 52% of the economically active population travelled to work outside the municipality in which they lived, 39% working within Vorarlberg. One in every eight workers commuted outside the *Land* (19 400), 17 200 working abroad, mainly in Switzerland (10 800) and Liechtenstein (4 300). From 7 900 in 1961, the ranks of frontier workers swelled to 8% of the resident working population in 1981 and then up to 11% in 1991, making Vorarlberg much more dependent on jobs abroad than any other Austrian *Land*. The number of frontier workers commuting to Switzerland and Liechtenstein is, however, very susceptible to short-term economic trends, and the latest recession resulted in their numbers falling by 2 400 or 16% in 1992 and 1993.

In 1993 there were 7 200 apprentices receiving 'dual' vocational training, 3 000 young people attending full-time intermediate vocational schools and 4 000 studying at higher vocational schools. There were 5 900 students from Vorarlberg studying at Austrian universities or equivalent institutions, half of these at the University of Innsbruck and almost 40% choosing Vienna.

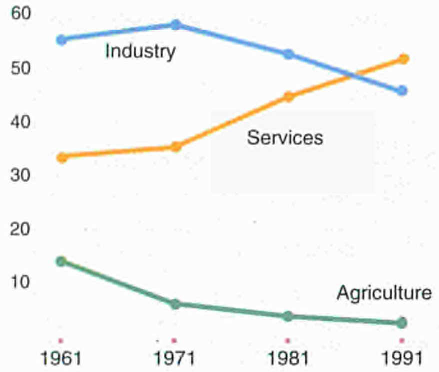
Number of pupils — 1994

	M + F 1 000	F %
Kindergarten	8.8	48.8
Pre-school	0.6	37.8
Primary	18.9	48.3
Lower secondary	19.0	49.0
Higher secondary (technical)	14.2	48.5
Higher secondary (general)	4.0	46.2
Post-secondary	0.5	68.8
Higher education	-	-

Employment (1 000)



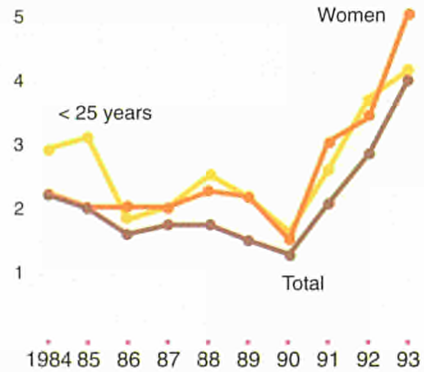
Employment structure (%)



Employment — 1991 (1 000)

Resident employment	156.2
+ Non-residents having a job in the region	3.7
– Residents having a job outside the region	19.4
= Internal employment	140.5

Unemployment (%)



Industrial region with surplus of commuters working outside the *Land*

According to the 1991 census, 156 200 persons in employment lived in Vorarlberg and 140 500 worked there. The number of jobs has increased by 10% since 1981, whilst the labour force has grown by 13%. As a result, commuters working outside the *Land* rose from 10 500 in 1981 to 15 700 in 1991, and Vorarlberg now has by far the highest number of all the *Länder* (excluding Niederösterreich and Burgenland whose inhabitants are drawn towards Vienna) at 10% of the resident working population. Since 1961, this figure has almost tripled in absolute terms and virtually doubled in relative terms. In 1991 incoming commuters from other *Länder* filled just 3 700 of the region's jobs (2.7%).

Only 2.7% of the active population by place of work still worked in agriculture. The region's industrial sector is traditionally the strongest of all the *Länder* and in 1991 employed 46.0% of the region's economically-active population, a full 11% above the national average. The textile and clothing industry alone was 10% above the Austrian average. Within the service sector (51.4%), the hotel and catering trade was 1% above the average, whilst public services were 3% below average in employment terms.

Some 9 400 jobs were lost in agriculture between 1961 and 1991, whilst five times as many (48 700) were created in the other sectors over the same period. The number of persons in employment other than in agriculture rose from 88 000 to 136 700. The number of jobs in the production sector increased by 21% between 1961 and 1981, and although it dropped by 4% over the next 10 years, there were still 9 000 more jobs than 30 years previously. In the tertiary sector, there are 39 700 or 123% more jobs than in 1961.

In terms of qualifications, the structure is very different from the national average. The number of persons without any further qualifications in 1991 was 9% higher than the national average, whilst there were 6% fewer workers with a practical training and 4% fewer graduates from institutes of higher education. Just under two fifths (39%) of economically-active persons by place of residence had no more than compulsory schooling.

Characteristics of resident employment (%)

	< 25 years	25-54 years	≥ 55 years	Employees	Employees: part-time
	1993	1993	1993	1993	1993
Men	20	72	8	89	2
Women	26	71	3	94	23
Total	22	72	6	91	10

Some setbacks in the labour market after decades of stability

The employment position and the state of the labour market are influenced on the one hand by the fact that the region is well placed on the Rhine valley communications axis and close to the economic centres of western Europe, and on the other by its geographical isolation from the rest of Austria (and many of its further education institutes). Even within the region, some areas pose problems of accessibility, because the employment centres are mainly located in the Rhine valley. The proximity of Switzerland has traditionally meant that a large number of commuters work abroad. In the recent past, the labour market situation has become more difficult, primarily because of the slump in employment in certain industries. There has been a substantial increase in unemployment afflicting all age groups.

The total unemployment rate in 1993 was still only 5.8% (average for the 12 months: 5.4% for men and 6.3% for women), 1% below the figure for Austria as a whole, but it had been just 4.1% in 1992, almost 2% below the Austrian level (the internationally-adapted rates were 4.4% for 1993 and 3.0% for 1992). The negative trend shows up particularly clearly in the absolute figure for registered unemployment, around 8 000 in 1993 (45.5% of whom were women) and over 40% up on 1992, as opposed to the average increase for Austria of 15.1%.

VORARLBERG

Growth market with a strong export bias

Vorarlberg's economy was industrialized at a very early stage. It is dominated by small and medium-sized enterprises and is very much export-oriented. Its early industrialization, combined with its proximity to the old textile industry centres and its rich energy resources in the form of hydroelectric power is reflected in its strong secondary sector, which still plays a leading role nowadays.

The relatively small average size of Vorarlberg's enterprises, the fact that they are well distributed throughout the *Land* and their strong export bias provide a firm basis for flexible and successful economic activity in this, the most western of Austria's *Länder*.

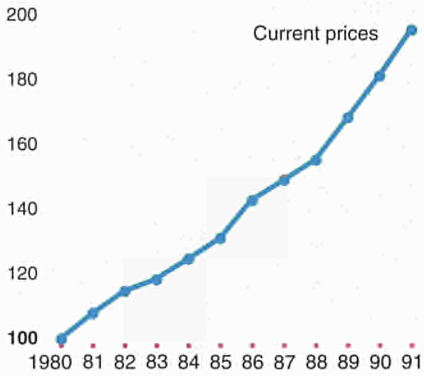
The region's economy recorded a 6.6% average growth rate between 1987 and 1991, putting it, along with all the other western *Länder*, above the Austrian average of 6.4%.

The number of workplaces in Vorarlberg rose by 17.9% between 1981 and 1991, the highest rate of all the *Länder*. Meanwhile, the number of persons employed rose by 14.0%, the third best performance behind neighbouring Tirol and fractionally less than Salzburg.

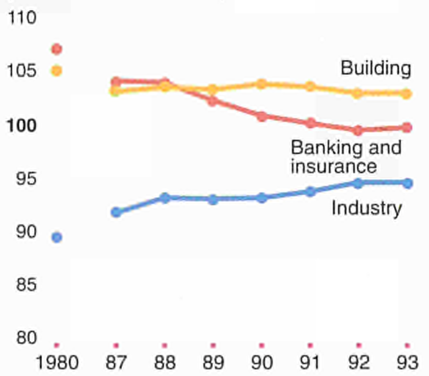
Vorarlberg has a singularly high level of two-way commuting across the national border. It not only had the highest proportion of foreign employees for a number of decades (only recently having been overtaken by Vienna), but there are also large numbers of Austrians commuting to work in Switzerland, Liechtenstein and Germany. This cross-border activity exacerbates the low supply of qualified workers on the Vorarlberg labour market.

Vorarlberg's share of total Austrian expenditure on research and experimental development in 1989 was 2.1% or ECU 33 million. Owing to the complete absence of university R&D establishments in the *Land*, industry's 94.0% share of the region's R&D expenditure was the highest of all the Austrian *Länder* and the State was responsible for 6.0%.

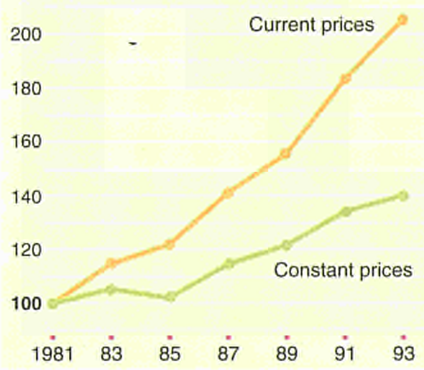
GDP (1980 = 100)



Wages
(national level = 100)



Disposable household income
(1981 = 100)



Earnings relatively well distributed

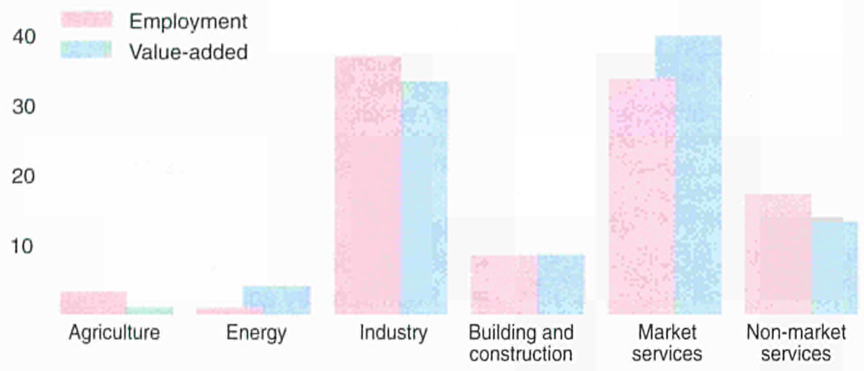
Whilst the earnings of male manual workers in Vorarlberg (mean annual wage: ECU 19 851 gross) and female non-manual workers (mean annual salary: ECU 17 469 gross) are average, the earnings of female manual workers (ECU 13 617) and male non-manual workers (ECU 29 735) top the average mark. The distribution of income in Vorarlberg is therefore the most 'egalitarian' of all the *Länder*. There is no branch of employment where earnings diverge by more than 15% from the regional average.

Higher household incomes in the Rhine valley and by Lake Constance

Whereas household incomes in the Rhine valley and Lake Constance area are above the Austrian average (+ 4%), those in the Bludenz-Bregenzerwald region are well below.

It should be noted that tourism in the Bludenz-Bregenzerwald area plays an important role, and that additional income generated by tourism, such as from renting out private rooms (bed and breakfast), is not contained in the basic figures. If this were taken into account, the regional disparities would become less acute.

Employment and value-added: distribution by branch — 1991 (%)



Extremely important secondary sector

The characteristic features of the Vorarlberg economy are its disproportionately large production sector (by Austrian standards), the relatively insignificant role to which difficult topography and early industrialization have relegated agricultural and forestry, and a service sector largely dominated by tourism.

In 1991 agriculture and forestry accounted for 1.2% of the region's value-added and 1.8% of total Austrian output in this field. Agriculture in Vorarlberg experienced its last major slump at the beginning of the 1970s.

The secondary sector underwent radical restructuring and upheavals as long ago as the 1950s, when textiles, which had hitherto been its flagship industry, gave way to the electrical, metalworking, mechanical engineering and food industries. Although, as in most other economically-developed countries, the 1970s and 1980s saw the focus move from the secondary to the tertiary sector, the former still retains its extremely important position in Vorarlberg. In 1991 its share of the region's value-added was 45%, well up on the national average of 37%.

Two sectors which accounted for strikingly high proportions of value-added were the energy and water supplies (4.4% in 1991, the highest in Austria, and the textile industry, which has a long tradition in the region reflected in figures such as 9% of Vorarlberg's value-added and 26% of its goods production.

Although still very much under-represented in Austrian terms, the service sector recorded an annual average growth rate of 7.7% between 1987 and 1991, with the distributive trades leading the field with an increase of 9.8%, followed by transport and communications (8.7%) and investment management (7.5%). Vorarlberg's tourist industry, as measured by the number of overnight stays, is the fifth largest in Austria.

Agriculture

Number of holdings	6 616
Labour force	7 293 AWU
Agricultural area	124 620 ha
Livestock	58 780 LU
Gross value-added	9 055 ECU/AWU

Main products	
Milk	41%
Cattle	19%
Vegetables	9%

Main enterprises

Name	Activity
Zumtobel Licht GmbH	Manufacture of lamps
Blum Julius GmbH	Manufacture of fittings
Hämmerle F.M. Textilwerke AG	Cotton weaving
Huber Tricot GmbH	Manufacture of textiles
Wolford AG	Manufacture of textiles
Getzner Textil AG	Cotton weaving
Hirschmann Richard GmbH	Manufacture of electrical goods
Head GmbH u. Co, OHG	Manufacture of sports material
Maeser Benedikt KG	Knitwear
Vorarlberger Kraftwerke AG	Production and distribution of electricity

Environment largely intact

Vorarlberg's priorities in the field of environmental protection are the state of its soils and small-scale air and water pollution. In 1990-92, the municipalities spent a total of ECU 205 million on protecting the environment. There is no serious large-scale pollution.

Along the northern borders of Vorarlberg (lead deposits, acid rain or snow) and in the Montafon (acid soil), around four times as many sulphur and oxidized nitrogen compounds are imported as are home-produced. Nearly three quarters (72.7%) of coniferous needle samples, however, had a sulphur content below the value at which the forests are damaged. Ozone levels very seldom reach the limit values above which precautionary measures are triggered.

In spite of its rural Alpine character, the built-up area of Vorarlberg is the most densely populated part of the country after Vienna (534 inhabitants plus 51 tourists and second-home users per km^2). This recent phenomenon — in 1880 Vorarlberg had only one third of its present population — has led to a modern water supply infrastructure (94.2% of the population were connected to the mains water supply by 1991 and 77.2% to the sewerage system, up 25 percentage points since 1981). The cost to the municipalities, including running costs, amounted to ECU 1 675 per head of the population in the 10 years up to 1992.

The overall capacity of sewage treatment plants has increased by 28.6% during the past five years. At 4.0%, Vorarlberg has the best sewage treatment plant index (plant capacity in relation to population) of any *Bundesland*. Pollutants in the groundwater are still mostly in the lowest concentration range and 90% of running water is classified as being of very good quality.

More needs to be done to extend district heating, however: in 1991, only 0.9% of dwellings were heated in this way. Solar equipment is slightly more common than in the country as a whole and 2% more waste is recycled than the average for Austria.

Explanatory notes — Austria

The statistical data presented here have been compiled by either the national statistical institutes themselves or in collaboration with Eurostat. Despite the efforts which have been made, the comparability of the data between regions in different countries cannot always be guaranteed.

Graph: The region in the European Union

Sources: Eurostat — regional database REGIO;

Population census of 15.5.1991 (density, age, activity rate, employment by sector);

ÖSTAT, Statistik der natürlichen Bevölkerungsbewegung 1993 (infant mortality);

Eurostat (GDP per capita);

ÖSTAT (unemployment rates M + F, and F);

Kataster des Bundesamtes für Eich- und Vermessungswesen (agricultural and forested area).

Definitions:

– Activity rate: number of employed persons as a proportion of the total population aged 15 or over.

– GDP per capita: the national GDP at market prices has been broken down to a regional level according to the last available regional distribution of gross value-added at market prices (1990 and 1991). The same purchase power parities have been used for all regions.

– Unemployment rates: data were taken from the Austrian Microcensus (March); employment figures were obtained by extrapolation of population census data with Microcensus data.

– Agricultural and forested area: the data used were taken from the cadastral survey and might differ from the data obtained in agricultural and forest censuses but offer the advantage that they refer to the entire territory.

Table: The subregions

Sources: Eurostat — regional database REGIO;

Bundesamt für Eich- und Vermessungswesen (area);

Population census 1991 and 1981 (population, activity rate and employment);

Eurostat (unemployment rate and GDP per capita).

Definitions:

– Population: resident population according to the population census of 15.5.1991 and (for the calculation of the changes) 12.5.1991.

– Unemployment (rate): the unemployment figures for the regions up to NUTS level 2 were taken from the Austrian Microcensus. The NUTS level 2 estimations were broken down to NUTS level 3 by using the registered unemployed (1991, 1993) and the population census figures. Employment figures for NUTS level 2 were obtained by extrapolation of population census data with Microcensus data. Subsequently, the NUTS level 2 estimations were broken down to NUTS level 3 using social security data.

– GDP per capita: see above.

Graph: Population

Source: Population censuses 1951 to 1991.

Definition:

– Population: resident population, 1971 including the 'temporary absent foreign workforce', which, at the time, was not included in the resident population. For 1951 and 1961, 'unknown age' has been distributed.

Tables:
Resident population of foreign nationality and Population by age

Source: Population census 1991.

Table: Demographic account

Sources: Population censuses 1991 and 1981;

ÖSTAT: Statistik der natürlichen Bevölkerungsbewegung.

Table: Number of pupils

Sources: Österreichische Schulstatistik (Schuljahr 1993/94);

Österreichische- Hochschulstatistik (Studienjahr 1993/94).

Graph: Employment

Source: Population censuses 1961 to 1991.

Definition:

– The data refer to the employed at the place of work. The graph starts in 1961 only, since information on commuting (and thus figures relating to the place of work) are available from that year on. For 1961 (in order to comply with the definition introduced in 1971), the data do not include the (estimated) number of non-active wives of farmers.

Graph: Employment structure

Source: Population censuses 1961 to 1991.

Definition:

– The data refer to the employed at the place of work. The graph only starts in 1961, since information on commuting (and thus figures relating to the place of work) are only available from that year on. For 1961 and 1971, the category 'unknown sector' has been attributed to the 'industry' sector.

Table: Employment 1991

Source: Population census 1991.

Graph: Unemployment

Source: ÖSTAT (Microcensus).

Definitions:

– Unemployed: see above.

– Employed: all, i.e. self-employed, employees and family workers.

– Rate: share of unemployed in the sum of unemployed and employed.

Table: Characteristics of resident employment

Source: Österreichischer Mikrozensus Jahresdurchschnitt 1993.

Definition:

– As employed were considered: persons with a weekly working time of at least 12 hours.

Graph: GDP (1980 = 100)

Source: Österreichisches Institut für Wirtschaftsforschung.

Definition:

– Current prices after revision per December 1993; imputed output of bank services, import duties and VAT are not included. Accounts on the basis of constant prices are not available.

Graph: Wages

Source: Hauptverband der Österreichischen Sozialversicherungsträger.

Definitions:

– Building: 'Wirtschaftsklasse XIV' (economic category XIV).

– Banking and insurance: 'Wirtschaftsklasse XVIII'.

– Industry: weighted arithmetic mean of the 'Wirtschaftsklassen' II to XIII. Based on the Austrian 'Grundsystematik der Wirtschaftstätigkeiten' (1968);

Mean income (median) of workers in construction and industry, of employees in banking and insurance. Indexed figures (Austria = 100).

Graph: Disposable household income

Source: ÖSTAT, Austrian Microcensus of the years 1981, 1983, 1985, 1987, 1989, 1991 and 1993.

Definition:

– Net household income of employees (data on household income of the self-employed are not available). The household income has been recalculated by using the Austrian equivalence scale, which is similar to the OECD equivalence scale. Concerning the interpretation of the time series, please note that the reason for the sharp increase of the incomes between 1985 and 1987 can be found in a break in the series: until 1985, one seventh of the yearly income was not considered in the calculation methods; from 1987 on, special payments (fringe benefits) are subject to a low, fixed tax-rate.

Graph: Employment and value-added: distribution by branch

Sources: ÖSTAT, Population census 1991 (employment);

Österreichisches Institut für Wirtschaftsforschung (regional accounts, value-added).

Definitions:

– Employed at the place of work: employed with a weekly working time of at least 12 hours.

– Value-added: VAT, import duties and imputed output of bank services not considered.

– Branch classification: according to the Austrian 'VGR-Klassifikation'. This does not allow an exact sectoring (separation market services — non-market services).

Table: Agriculture

Sources: ÖSTAT, Agrarstrukturerhebung 1993 (number of holdings, labour force, area);

ÖSTAT, Allgemeine Viehzählung 1993 (Livestock);

Österreichisches Institut für Wirtschaftsforschung (WIFO), Monatsbericht 8/1994 (gross value-added);

Calculations of WIFO (main products).

Definitions:

– Number of holdings (1993): including forestry holdings.

– Labour force (1993): including labour force in forestry.

Table: Main enterprises

Source: Arbeitsstättenzählung 1991, Stichtag 12.5.1991.

Definition:

– The list contains the 10 biggest companies per *Bundesland*. Each company has been assigned to the *Bundesland* where it had the highest number of employees.

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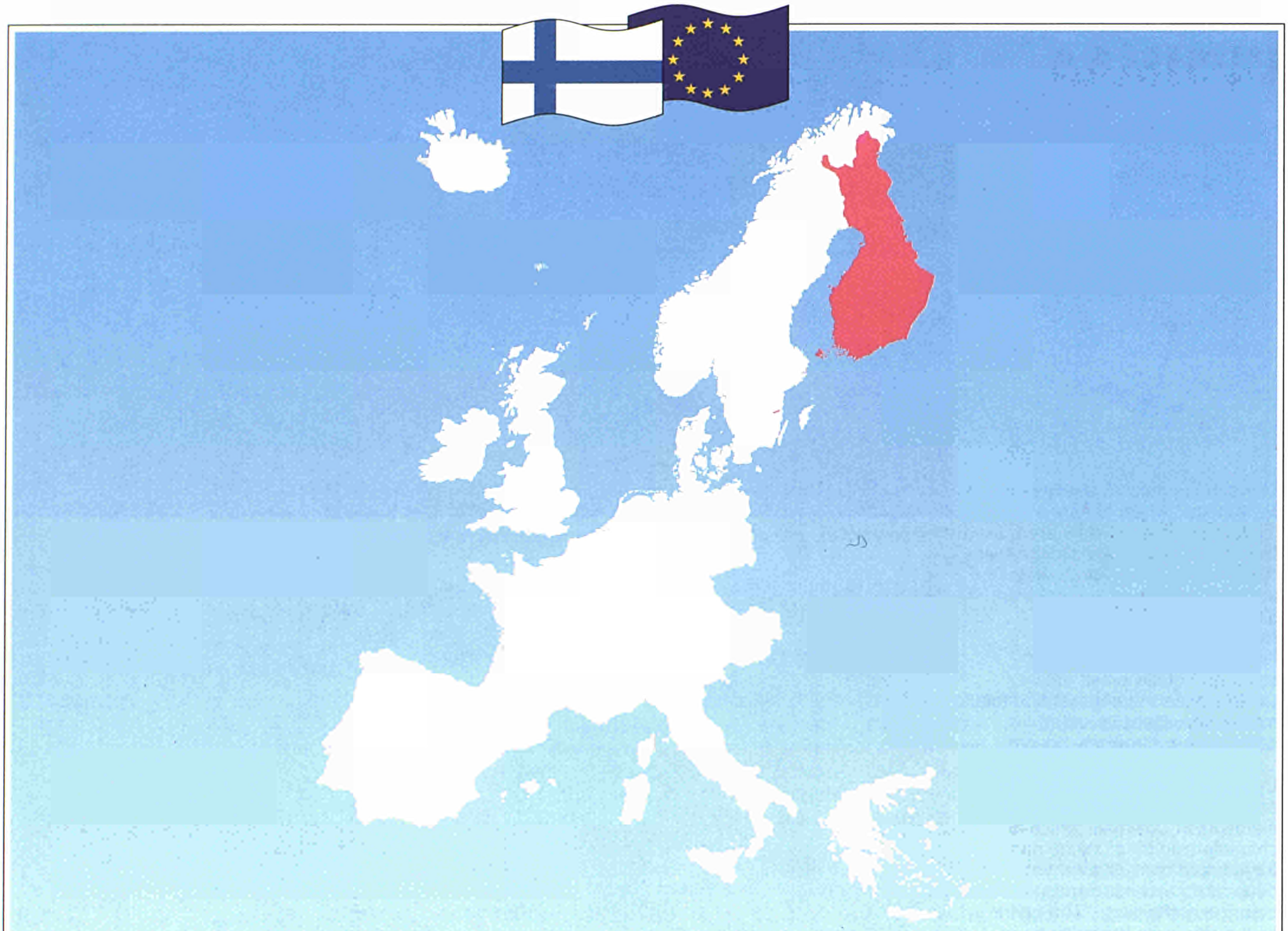
FINLAND



The Republic of Finland, which gained independence in 1917, is one of Europe's youngest independent States. Although it is one of the biggest countries in Europe in area, it is also one of the most sparsely populated, with an average of only 15 people per km^2 living in its over 337 000 km^2. All in all, there are just slightly over 5 million Finns. The history of independent Finland has been characterized by rapid transformation from an agrarian to a modern Western society.

Since the 17th century, general regional administrative authority has been exercised by provincial State offices. After independence, Finland had nine provinces, but over the years their number rose to 12. The provincial State offices had significant regional powers and responsibility. The next tier below the province was the municipality, which saw to such matters as education, municipal road traffic, social security, culture, waste management and public transport. The brief of the municipalities is currently unclear since many traditional municipal services are being privatized. At the beginning of 1995, there were 455 municipalities in Finland.

Regional administration was reformed in 1994, when regional development was transferred from the provincial State offices to regional councils. These councils are now responsible for the general development of the regions. Other issues are still handled by the provincial State offices. The regions, which number 19, correspond to the NUTS 3 division. There are six major regions at NUTS 2 level. The division into major regions is solely statistical and has no bearing on regional policy.

Subordinate to the regions are regional sub-units. This division is based mainly on employment and intermunicipal cooperation. Most regional income transfers are allocated on the basis of the sub-unit division. There are 88 such sub-units in Finland. The municipality is still the basic tier of regional administration.

One of the regions, and also itself a major region, is Åland, a group of islands that forms a NUTS 1 area of its own. A demilitarized autonomous region, Åland has the right to enact laws. This is done through the Åland Legislative Assembly (*lagtinget*). Relations between Finland and Åland are regulated by the Act on the autonomy of Åland. Matters pertaining to autonomy are prepared and dealt with by the Government of Åland. The central administrative agency functions in association with the Government of Åland.

FINLAND

UUSIMAA

The surface area of Uusimaa is 10 405 km² which is only one thirtieth of Finland's total area. In fact Uusimaa is Finland's smallest major region after Åland. Water accounts for 5% of its total area; 57% of the land is forested. Nowhere else in mainland Finland does water or forest cover an equally small area. Uusimaa has the densest and the most comprehensive urban settlement in the whole country.

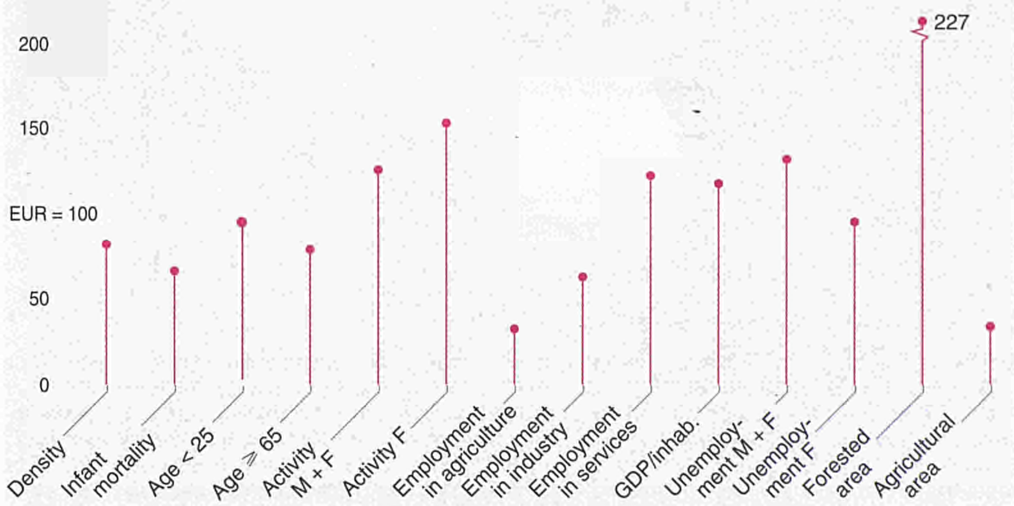
Uusimaa is ancient seabed. The sea is still one of the main scenic elements in Uusimaa, which is characterized by a unique and fragmented coastal zone with deep inlets and headlands and a beautiful archipelago. The Lohja lake district with its multitude of lakes differs from the rest of Uusimaa, which has very few lakes.

The inland scenic features include the north-south river valleys, with their fertile clay deposits that have long been used for farming. Scenically, the most striking features of Uusimaa are its undulating open fields punctuated by forest-islands. Although spruce is the dominant species in the forests of Uusimaa, broad-leaved deciduous trees grow in some places. Uusimaa also has many deciduous woodlands. An added feature of the landscape is the esker ridges which run from north to south.

The climate of Uusimaa is mild and the proximity of the sea reduces temperature differences and seasonal changes.

The heart of the city of Helsinki is noted for its architecture in the Empire style

Uusimaa in the European Union



Uusimaa, centre of the Finnish economy

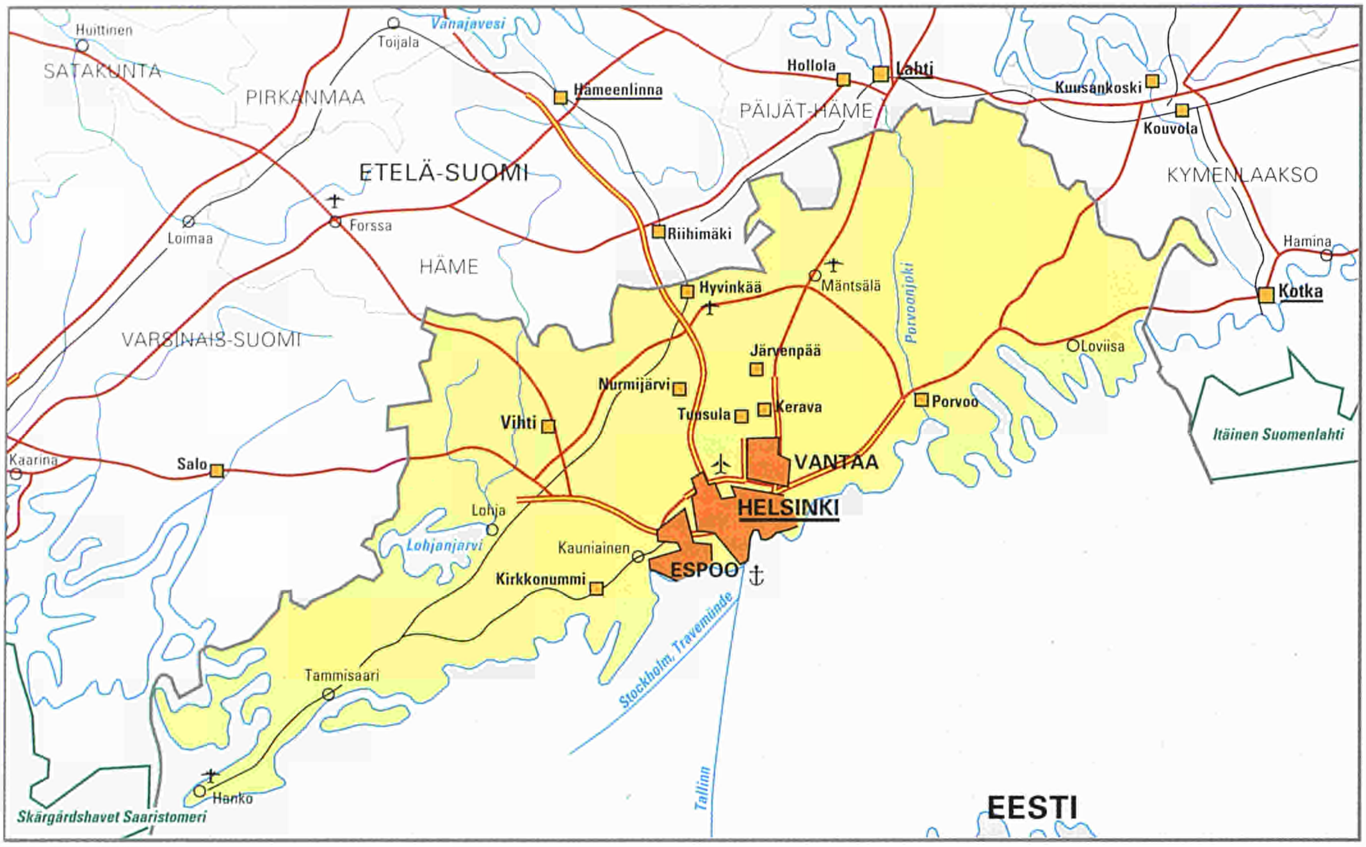
Uusimaa is the source of most of Finland's economic wealth. The rate of employment and the profitability of business and industry are higher than elsewhere in Finland. Uusimaa generates one-third of Finland's GDP.

The recession of the early 1990s has, however, put a heavy strain on Uusimaa and consequently on the economy of the whole country. The profitability and jobs of many home-market firms, for example, wholesale and retail shops, and the service sector, have been heavily cut.

The economic development of the rest of Uusimaa has become increasingly dependent on that of the Helsinki area. Hard hit by the recession, the metropolitan area has no longer been able to radiate prosperity to its environs in the past few years.

A large proportion of the country's cultural export products come from Uusimaa. Industrial design, architecture and classical music have all attained international renown. The regional network of educational institutes provides strong support for scientific and cultural life in the country.

Uusimaa has traditionally been Finland's gateway to the Baltic Sea. Helsinki has developed into an internationally important seaport with frequent cargo and passenger services to other parts of the Baltic Sea. Except for air and sea connections, trade with the Baltic countries suffers from inadequacies in the transport network. Helsinki has, in fact, been actively involved in developing faster rail and overland routes from Finland to the Baltic region.



Scale 1 : 1 500 000

Which EU regions are similar to Uusimaa?

Area:
± 10 400 km²
Navarra (E)

Population density:
± 125 inhabitants per km²
Zeeland, Flevoland (NL)
Vorarlberg (AT)
Rhône-Alpes (F)

GDP per capita:
20% above EU average
Liguria, Piemonte (I)

Growing welfare gap in Uusimaa

The differences in the regional structure of the various parts of Uusimaa are considerable. The population, business and wealth are centred in the metropolitan area and in the Helsinki economic area, which is within the metropolitan area's sphere of influence. The primarily rural periphery displays the same negative development trends common to all peripheral areas in Finland.

Two thirds of the people of Uusimaa live in the metropolitan area, which is the most densely populated part of Uusimaa. With its 1 300 people per km², it is also the most densely populated in the whole country. The economic influence of the metropolitan area covers the entire regional sub-unit of Helsinki. The area is densely populated throughout, and population growth is rapid. The biggest employer is the service sector, which employs more than half of the working population. The per capita GDP in the Helsinki regional sub-unit is the second highest in Finland. Also, unemployment is lowest in Uusimaa.

Most people in the Helsinki regional sub-unit go to work in the metropolitan area. Thus, more than 80% of all workplaces in Uusimaa are in the metropolitan area. Good transport services in the area facilitate travel to work. On the other hand, in recent years municipalities outside the metropolitan area have made a concerted effort to diversify the structure of their business and industry and are thus able to provide more jobs for their inhabitants.

In contrast to the Helsinki regional sub-unit, several independent economic areas have emerged in coastal Uusimaa. Thus, the per capita GDP of the Porvoo regional sub-unit — which is the most prosperous — exceeds the national average. The success of Porvoo is largely based on its export industry, although in recent years production has been declining.

The poorest areas of Uusimaa are in the east and west, which are characterized by a negative population trend. Their rural population is declining and the age structure getting older. Other typical features of rural municipalities include poor transport services, an often inefficient level of services, a high taxation rate and unemployment. The per capita GDP of the poorest Uusimaa municipalities is clearly below the national average. In the past years, impoverishment of the countryside has widened the welfare gap within the region.

	Area	Population			Activity	Unempl.	Employment			GDP/inhab.
	1 000 km²	1 000	Inhab./km²	Change (%)	%	%	% Agricult.	% Industry	% Services	EUR (PPS) = 100
		1993	1993	1983-93	1993	1993	1992	1992	1992	1992
Uusimaa	10.4	1 293.7	124.3	11.3	70.1	14.0	2.0	21.6	76.4	120
Suomi	338.1	5 077.9	15.0	4.3	65.3	17.9	8.9	26.0	65.2	93
EUR 12	2 358.2	347 937.8	147.5	3.2 (1980-90)	55.4 (1992)	10.4	5.8	32.6	61.2	100

UUSIMAA

Highest population gain in the country

Uusimaa is one of Finland's earliest settled areas. The Swedish-speaking Finns on the coast represent the original settlers, with Swedish speakers now accounting for 11% of the population of Uusimaa.

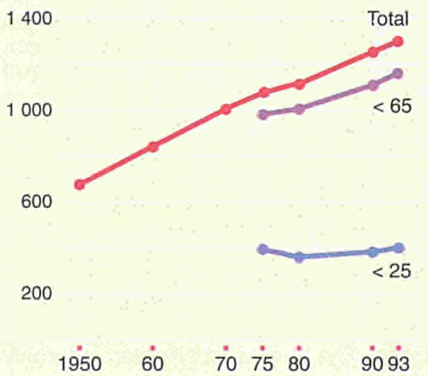
A considerable proportion of the present population has moved to Uusimaa from some other part of the country. The population growth really got under way in the last century with the move of the capital from Turku to Helsinki. The concentration of administration and commerce in the capital has ever since been attracting people to the metropolitan area. Growth was most rapid from the 1950s to the early 1970s, when the expanding labour market in Uusimaa attracted large numbers of working-age population from other parts of the country. At the same time a considerable number of people moved from Uusimaa to Sweden. Migration has since evened out. In recent years Finland has had more immigrants than emigrants, and most of these foreign immigrants live in Uusimaa. However, the number of foreigners living in Finland is very small compared with the figures for other parts of Europe.

As a result of the population gain the proportion of the working-age population has remained larger in Uusimaa than elsewhere in Finland. Together with northern Finland, the birth rate in Uusimaa is the highest in the country. Currently one in four Finns lives in this region. Four out of every five inhabitants in Uusimaa live in an urban area. The rural areas in Uusimaa are also the most densely populated in the country.

Population by age — 1993

	M + F 1 000	M + F %	M %	F %
< 15	243.5	18.8	20.2	17.6
15-24	156.7	12.1	12.7	11.6
25-39	328.6	25.4	26.4	24.5
40-54	300.7	23.2	23.7	22.8
55-64	116.7	9.0	8.9	9.1
⩾ 65	147.4	11.4	8.2	14.3
Total	1 293.7	100.0	100.0	100.0

Population (1 000)



Resident population of foreign nationality — 1993

	1 000	% of total population
Total	27.85	2.15
of which EU countries	3.45	0.17
of which non-EU countries	24.40	1.89
Russia	6.05	0.47
Estonia	3.52	0.27
Sweden	2.06	0.16
Somalia	2.04	0.16
United Kingdom	1.05	0.08

Demographic account — 1983-93 (1 000)

Population 31.12.1983	1 162.9
Births	185.5
Deaths	116.8
Net migration	+ 62.2
Population 31.12.1993	1 293.7

Highest education level

Uusimaa has the highest number of graduates in the whole country: 56% of the population have post-comprehensive qualifications. Kauniainen and Espoo, the municipalities with Finland's best educated populations, are both in Uusimaa. Kauniainen has the highest education level, with post-comprehensive qualifications held by 74% of the population.

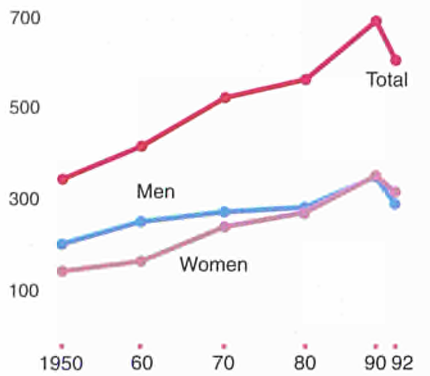
At the same time, education differences are bigger in Uusimaa than elsewhere in Finland. One in four is without training, which means that Uusimaa has the highest number of untrained people in Finland. Likewise, qualifications are at the extreme ends of the scale as the proportion of people with basic qualifications and university degrees is higher than elsewhere in Finland. However, the rest of Finland is gaining on Uusimaa's educational lead, as the proportion of university graduates is rising faster in other parts of the country.

The high education level in Uusimaa is a result of the wide-ranging network of educational institutions. Tertiary education is centred on Helsinki, the seat of the country's biggest university, the Finnish- and Swedish-language schools of economics and business administration and Finland's only universities of art. Helsinki has one of Europe's biggest tertiary education and scientific communities. The network also includes several research units, including Otaniemi technology and science centre and Viikki science park. The diversity of jobs for the qualified has made Uusimaa the most significant population gain area for those who are well educated.

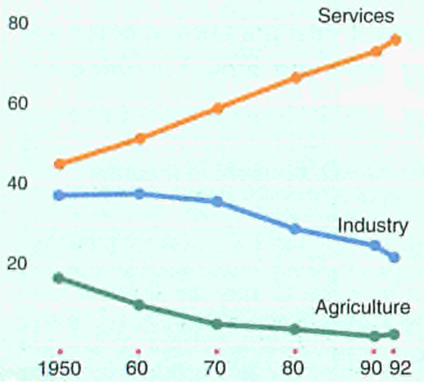
Number of pupils — 1992

	M + F 1 000	F %
Pre-primary	0.6	46.3
Primary	92.1	48.7
Lower secondary	45.4	48.5
Upper secondary	65.5	56.6
Lower tertiary	11.3	72.8
Higher education	54.4	47.6
Total	269.2	51.4

Employment (1 000)



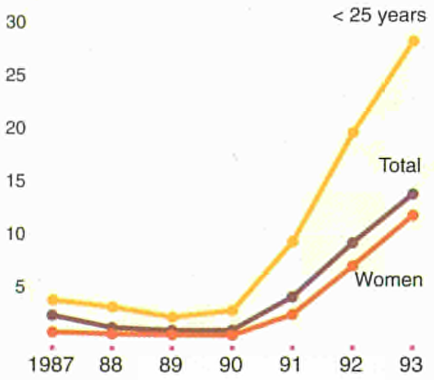
Employment structure (%)



Employment — 1992 (1 000)

Resident employment	585.7
+ Non-residents having a job in the region	28.5
– Residents having a job outside the region	10.6
= Internal employment	603.6

Unemployment (%)



Women account for more than half of the working population

A comprehensive service sector and a small number of jobs in primary production are characteristic features of the Uusimaa labour market. The service sector employs a larger proportion of the working population than anywhere else in mainland Finland. Similarly, the importance of primary production as an employer is clearly less significant than in other parts of the country. Only 3% of the people of Uusimaa earn their living in agriculture and forestry.

The labour market in Uusimaa has undergone major changes in the past few decades. This has meant a reduction in the number of jobs in manufacturing and an increase in service sector jobs. As recently as the early 1970s, Uusimaa was Finland's second most industrialized major region and just over one in three of the working population was employed by industry. Currently, industry provides a job for less than one in five.

Meanwhile the service sector has continued to expand and today provides employment for 76% of the working population. The occupational structure of services displays a high proportion of senior administrative and technical jobs and office work compared with the rest of the country. The large service sector has also enabled a large number of women to get jobs. By the early 1980s, women already accounted for half of the working population. Uusimaa is now Finland's only major region where women account for over half of the working population. Moreover, the proportion of women working part-time is the smallest in Finland. On the other hand, the service-intensive business structure has not supported private enterprise. Rather fewer than one wage-earner in 10 is an entrepreneur, the lowest figure in the whole country.

The age structure of the workforce in Uusimaa is exceptional in that the proportion of the young and of those who have been working for a long time is smaller than elsewhere in Finland. The long time spent studying keeps young people out of the labour market. Uusimaa is also Finland's only major region to attract working people from neighbouring major regions, albeit to a limited extent.

Characteristics of resident employment (%)

	< 25 years	25-54 years	⩾ 55 years	Employees	Employees: part-time		Employees: full-time temporary contract	
	1993	1993	1993	1993	1984	1993	1983	1993
Men	8	84	8	87	3	4	5	5
Women	9	82	9	95	9	9	9	10
Total	9	83	9	91	6	6	7	7

Unemployment periods the longest in Finland

For many years Uusimaa, together with Åland, enjoyed the best employment situation in Finland. The labour market grew faster than elsewhere and the jobless were quickly assigned new jobs. The annual unemployment rate remained at a couple of percentage points.

This situation has clearly deteriorated during the recent recession. In 1993, the unemployment rate rose to 14%, and 42% of the unemployed were women. The labour market has closed rapidly and re-employment of the jobless has been difficult. Unemployment periods have lengthened and are now the longest in Finland. Long-term unemployment has also become more common than elsewhere. The number of vacancies is one-tenth of what it was at the end of the 1980s. Today, one in every five vacancies in Finland is reported to employment offices in the Uusimaa main region, whereas the figure was slightly more than one in three at the end of the 1980s.

Despite the increasing rate of unemployment, Uusimaa has remained one of Finland's best employment areas. The unemployment rate is lower than anywhere else in mainland Finland. Youth unemployment, too, is the lowest in mainland Finland, although for those under 25 it soars to 28%.

The poor employment situation results primarily from the difficulties encountered by the home market industry and the retrenchments in the public sector. Among the jobless in Uusimaa are tens of thousands of university graduates who have been excluded from business and public administration. The well-educated unemployed form perhaps the most significant untapped resource in the region.

Uusimaa produces one third of Finland's GDP

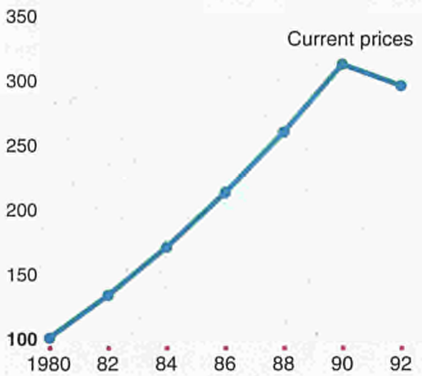
After Åland, Uusimaa is the most prosperous major region in Finland. The region has continued to prosper and until the end of the 1980s the GDP was clearly growing more rapidly than elsewhere in Finland. The recession has, however, slowed down the growth in GDP. Uusimaa's share of the GDP is still the biggest, i.e. one third. Primary production accounts for the smallest and services for the biggest slice of GDP in Finland with the exception of Åland.

Industry accounts for about a quarter of the GDP. A relatively large part of industry operates on the domestic market, and Finland's biggest domestic market businesses are in fact in Uusimaa. The most important are food, oil, coal and graphic industry enterprises. Earlier, industrial development relied primarily on major companies, but in recent years small and medium-sized companies have come to account for a large proportion of industrial output.

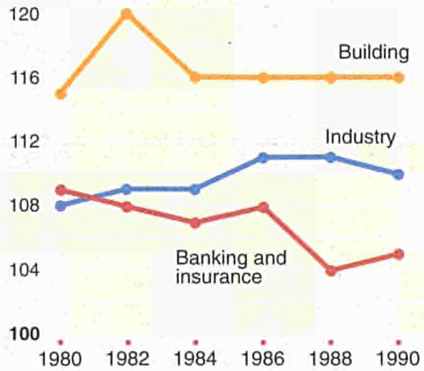
The chemical and metal industries are the two most successful branches of the export industry in Uusimaa. Although a relatively small part of the Finnish export industry is situated in Uusimaa, the region has major significance in foreign trade because of its central location for communications and corporate head offices.

Uusimaa is also one of Finland's most important production areas for high technology, and the region accounts for almost half of the R&D expenditure of Finnish companies. Technology management and telecommunications have been two of the areas of emphasis in research to enhance the corporate operating environment. Space, bio-, telecommunications and automation technologies have produced internationally valuable high-tech innovations.

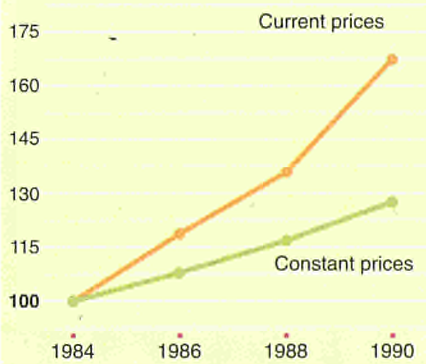
GDP (1980 = 100)



Wages
(national level = 100)



Disposable household income
(1984 = 100)



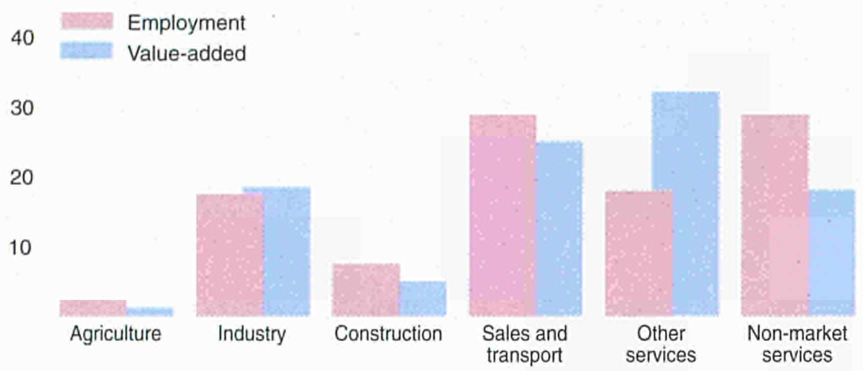
Highest earnings in Finland

With average annual earnings of ECU 24 600, wage-earners in Uusimaa had on average the highest earnings for full-time work in the whole country in 1992. However, the wage differential between men and women was high, women's salaries being only 73% of men's. Nowhere else was the wage differential between the two sexes so high.

Households' disposable income totalled ECU 24 300 on average in 1992. The level in Uusimaa is the second highest in the country. The difference between Uusimaa and Åland, which has the highest income level in the country, is, however, minimal. Moreover, households earned clearly more in Uusimaa and, after Åland, earnings accounted for a bigger proportion of disposable income than anywhere else in Finland. Thus income transfers are paid less to the inhabitants of Uusimaa than to people in other parts of mainland Finland. On the other hand, urban households in Uusimaa earn slightly more than their rural counterparts.

The large proportion of housing costs relative to households' total consumption is marked in Uusimaa. Mid-Finland and Uusimaa people spend the most on culture and leisure but the consumption structure of households in Uusimaa otherwise corresponds to the average for Finnish households, with most money going on food, transport and housing.

Employment and value-added: distribution by branch — 1992 (%)



The home market industry accounts for a larger proportion of value-added than in any other part of the country

Uusimaa's share of value-added in agriculture and forestry and jobs is smaller than elsewhere in Finland. Although only 7% of the country's active farms are in Uusimaa, it is one of the country's most important bread cereal producers. Wheat and horticultural products are the most widely cultivated. Organic farming also has a firm foothold in the area. Beekeeping is the most important of the small-scale agricultural occupations.

The home market industry in general and the graphic and food industries in particular provide most of the region's value-added and jobs. The biggest construction employers are also in Uusimaa. On the other hand, export industry's share of value-added has continued to grow. The most successful export companies include Finland's biggest company, Neste, and Finland's internationally best-known company, Nokia Telecommunications. The shipbuilding industry, too, is internationally competitive. The region's service sector-dominated employment structure is often seen as a hindrance to industrial expansion.

Trade and financing services were the two most rapidly expanding service sectors in the last decade. Meanwhile, the public sector shrank and jobs declined. Export services have grown considerably in volume and revenues from tourism are significant as half of the tourists coming to Finland stay the night in Uusimaa. A large number of the tourists are business and conference travellers.

Agriculture

Number of holdings	7 799
Labour force	11 624 AWU
Agricultural area	214 287 ha
Livestock	53 143 LU
Gross value-added	15 930 ECU/AWU
Main products	
Cereals	37%
Milk	19%
Cattle	8%

Main enterprises

Name	Employees	Activity
Finnair Oy	6 329	Air transport
Neste Oy	5 552	Resins and plastics manufacture
Kansallis-Osake-Pankki	4 369	Banking and finance
Suomen Yhdyspankki Oy	4 236	Banking and finance
Postipankki Oy	3 744	Banking and finance
Helsingin puhelinyhdistys	3 688	Telephone service
Sanoma osakeyhtiö	3 409	Press and publishing
Oy Yleisradio Ab	3 299	Radio and television
Oy Stockmann Ab	3 248	Department stores
Osuusliike Elanto	3 148	Superstores

Community waste and traffic pollute the environment

Helsinki and the islands in the Gulf of Finland make up the most important scenic entity in Uusimaa. Suomenlinna close to the capital is the best-known of the islands in the Gulf of Finland. The architecture of the island and its natural diversity form an internationally unique whole which has entitled it for entry in the Unesco World Heritage list.

The state of the Gulf of Finland and of the Baltic Sea as a whole is important for Uusimaa. Several protected areas and the Jussarö strict nature reserve have therefore been established on the outer islands, and research is carried out into the biology of the Baltic at the research centre on the Hanko peninsula.

Uusimaa produces more community waste than any other part of Finland, as its population and business structure are the most dense in the country. With the exception of paper and glass collection, the recycling of other community wastes, for example, packaging, is still inadequate.

Uusimaa has Finland's highest traffic density, which means that exhaust fumes form a bigger problem in the region than elsewhere. Thanks to advanced purification methods the carbon monoxide emissions from traffic have been reduced. Carbon dioxide emissions are, however, expected to increase in the future. The objective in Uusimaa is to reduce traffic emissions by improving traffic flow, fuels and the energy economy of vehicles.

FINLAND

ETELÄ-SUOMI

Etelä-Suomi (southern Finland) covers 58 248 km² or 17% of Finland's total area. Forests and lakes make up a major proportion of the surface area, with forest constituting 67% of the land and water 11% of the total area.

Southern Finland is culturally one of the oldest parts of the country. Typical features of the cultural landscape are the prosperous country villages enhanced with parks and gardens, whilst the history of industrialization can be traced through the old redbrick factory milieus. Idyllic old wooden towns dot the coastal landscape.

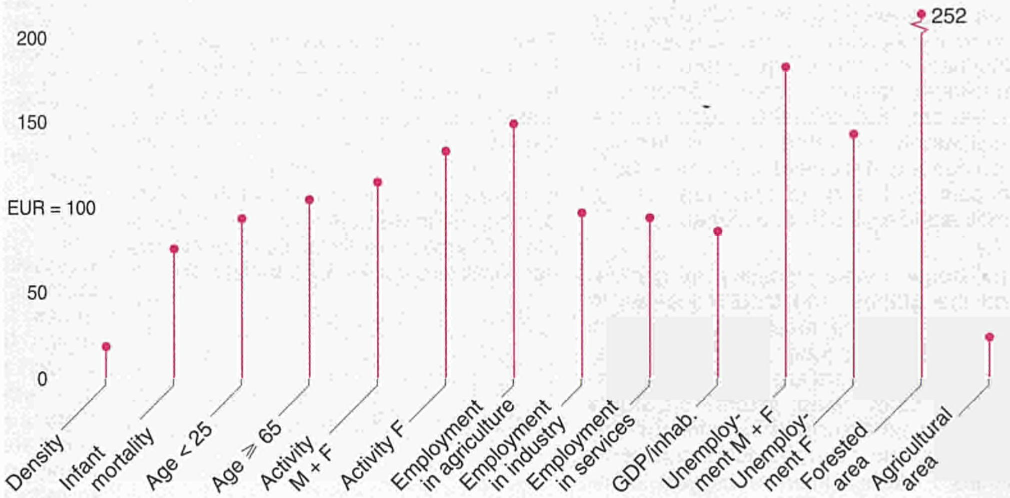
The landscape of this region is very varied, with winding rivers, large and small, dominating the coastal areas, and lakes and waterways further inland. Much of Greater Saimaa, which is the largest lake in Finland and the fourth largest in all of Europe, lies in southern Finland, whilst the southern reaches of Finland's second largest lake, Päijänne, extend into the area known as Päijät-Häme. The myriad coastal islands off the west coast offer superb views.

Forest expanses make up another striking feature of the landscape, with rugged pine stands on the coast contrasting with stately broadleaves in the south-west, where they grow in greater profusion than elsewhere in Finland. Deciduous enclaves are to be found in Häme, too. Inland, mixed pine and spruce stands become increasingly dominant.

Southern Finland enjoys a mild climate with a long growing season. Inland, the climate becomes more continental, with more striking seasonal changes and annual temperature differences.

The Tammerkoski industrial area in the city of Tampere — a chapter in the history of Finland's industrialization

Etelä-Suomi in the European Union



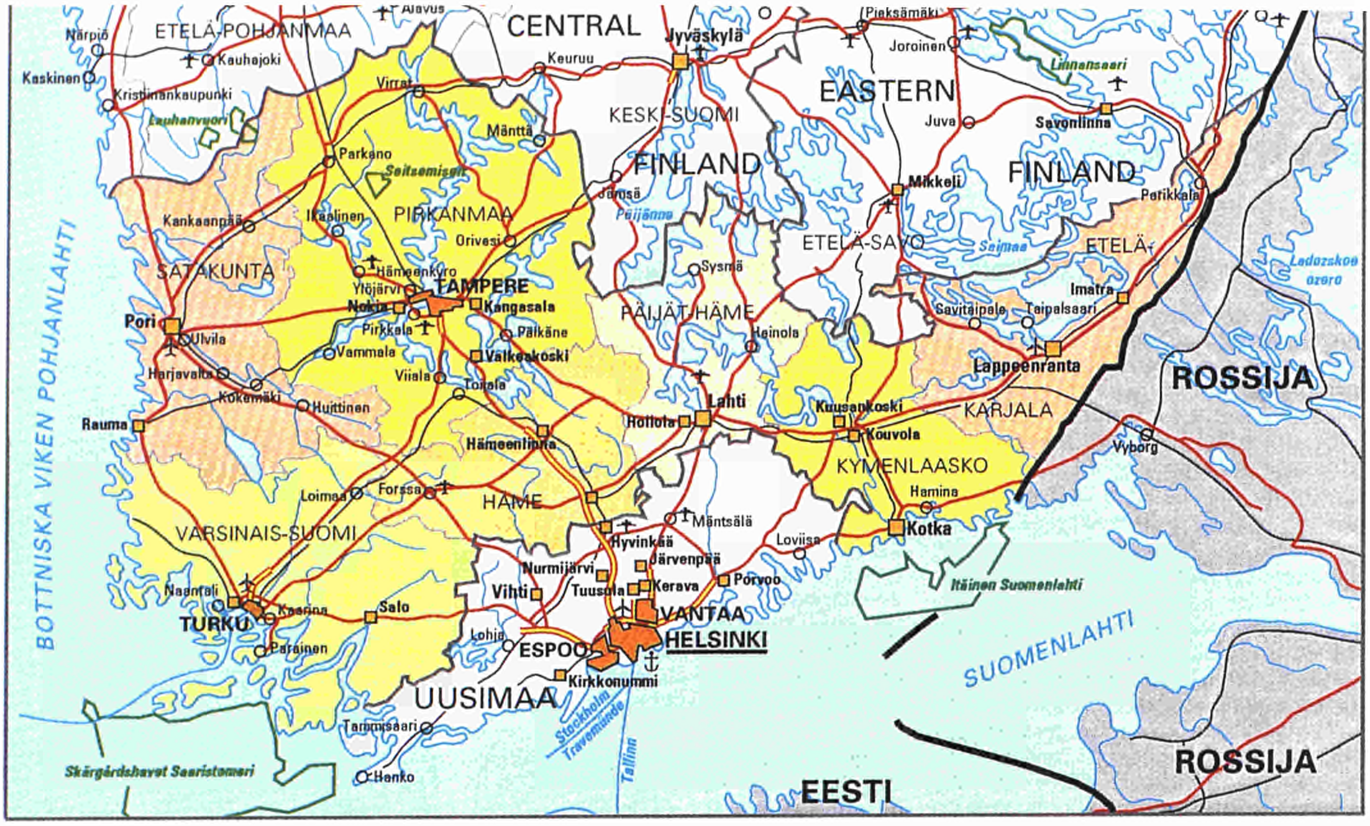
Diverse industry — the key to prosperity

The wealth of Etelä-Suomi is based on industry. In no other part of the country has industrialization proceeded so rapidly or value-added risen so high. The structure of manufacturing is very broad, extending from heavy basic industry to high technology.

Even so, industry has its structural weaknesses. Growth in industrial output has not automatically created new jobs.

The western part of the coast has acted over the centuries as Finland's gateway to the Baltic Sea and Scandinavia, and the eastern part to Russia and the Baltic countries. Because of their good ports and communications, many of the coastal towns have evolved into hubs of transit traffic. The 'gateway to the East' status has been utilized to the full by the transport sector, and the roads to Russia and the Baltic States are frequently travelled by international haulage firms. Weaknesses in the transport system are still to be found, however. Rail links are too slow, and not enough use is made of East-West routes.

Cultural heritage plays a key role in southern Finland. Turku, the region's second largest town, is Finland's oldest administrative and cultural centre, and also home of the oldest university. Another important university town in the region is Tampere. A tight network of schools and colleges, research institutions and science centres covers the whole of southern Finland. Also striking is the number of towns with innovative, internationally acclaimed cultural events, for example, the Pori jazz and the Tampere theatre festivals. The region's cultural identity is reinforced by the strong local cultures.



Scale 1 : 3 000 000

Which EU regions are similar to Etelä-Suomi?

Population:
± 1.8 million inhabitants
Gelderland (NL)
Picardie, Haute Normandie (F)

Activity rate:
± 65%
South East (UK)
Mecklenburg-Vorpommern (D)

Employment:
± 9% in agriculture
Valle d'Aosta (I)
Steiermark (AT)

Prosperity on the coast, inland in decline

Although fairly evenly distributed, the population of southern Finland has accumulated in the port towns along the coast and at centres of rail and water traffic. The most sparsely populated areas are inland in the north and east, and near the Russian border, where there are totally uninhabited tracts. Surprisingly, the two municipalities with the smallest population in all mainland Finland — Iniö and Velkua — are in southern Finland; they each have a population of 300.

Southern Finland has retained its status as the country's most heavily industrialized major region. The proportion of industrial employees accounts for around a third of the workforce in each of its regions. Primary production is the major employer in inland rural areas and services in urban areas.

Affluence is not evenly distributed, however, the coast and east being more prosperous than the interior. The wealthiest area of all is Varsinais-Suomi, or 'Finland proper'. Per capita GDP also exceeds the Finnish average in South Karelia. In recent years, coastal parts of Kymenlaakso and Satakunta have joined Finland proper and South Karelia as pockets of prosperity.

The most depressed inland region is Häme. In recent years the productive value of Häme has fallen more than in any other of Finland's regions. Likewise the income level is the lowest in southern Finland. Other poor regions are Päijät-Häme and Pirkanmaa. Per capita GDP in these three regions is not only below the Finnish average but is also continuing to decline.

The coast and South Karelia have profited from the symbiosis of an export industry with good communications, whereas the interior has relied on domestic markets and thus been more heavily affected by the recent slump in consumption.

	Area	Population			Activity	Unempl.	Employment			GDP/inhab.
	1 000 km²	1 000	Inhab./km²	Change %	%	%	% Agricult.	% Industry	% Services	EUR (PPS) = 100
		1993	1993	1983-93	1993	1993	1992	1992	1992	1992
Varsinais-Suomi	10.9	430.4	39.6	4.5	65.6	17.1	8.8	30.7	60.6	96
Satakunta	8.6	244.6	28.4	– 2.0	64.2	19.6	10.5	34.1	55.5	87
Häme	5.7	164.8	28.9	4.9	65.3	17.9	10.2	30.0	59.9	85
Pirkanmaa	14.8	433.4	29.3	4.0	65.2	19.6	6.9	33.0	60.1	86
Päijät-Häme	5.4	182.4	33.5	2.1	65.9	23.1	6.8	35.8	57.4	86
Kymenlaakso	5.6	193.8	34.7	– 2.2	63.2	19.2	9.0	30.4	60.6	87
Etelä-Karjala	7.2	140.5	19.4	– 2.5	63.0	18.8	11.1	31.4	57.5	91
Etelä-Suomi	58.2	1790.0	30.7	1.9	64.8	19.1	8.7	32.2	59.2	89
Suomi	338.1	5077.9	15.0	4.3	65.3	17.9	8.9	26.0	65.2	93
EUR 12	2 358.2	347 937.8	147.5	3.2 (1980-90)	55.4 (1992)	10.4	5.8	32.6	61.2	100

ETELÄ-SUOMI

Finland's largest population

Propitious conditions for business and industry produced dense settlement in southern Finland at an early stage. Permanent habitations grew up where the soil was suitable for either agriculture or forestry. On the coast the rivers served as channels along which the population spread into the interior. Inland, habitation also arose at traffic junctions.

Southern Finland has traditionally profited from migration. The opportunities provided by jobs and services have attracted people of working age from northern and eastern Finland and also immigrants, mainly returnees from Sweden, who have settled in larger numbers than elsewhere in Finland. Exceptions to this pattern are the eastern districts, which have lost population, mainly to Uusimaa. Even so, the population of southern Finland has grown steadily, and is currently the largest in Finland, with 35% of all Finns living within its borders.

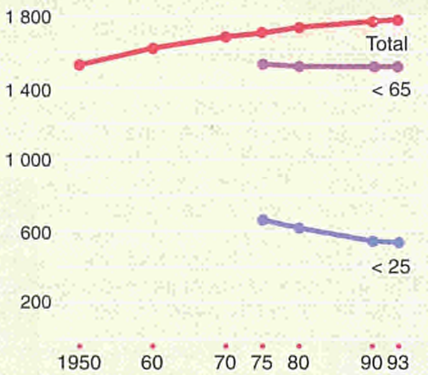
Urban migration is the greatest single cause of southern Finland's population growth, as the birth rate has been below the national average ever since Finland gained independence, and it is currently the lowest in the country. Mortality in turn has been above the Finnish average since the 1950s, and in many years deaths have exceeded births, particularly in Kymi and South Karelia. Such a low birth rate means that the population of southern Finland is ageing more rapidly than that of Finland in general.

Immigration, too, has been considerable, and, after Uusimaa, southern Finland is the most urbanized of Finland's major regions: two-thirds of southern Finns live in urban areas.

Population by age — 1993

	M + F 1 000	M + F %	M %	F %
< 15	321.2	17.9	18.9	17.0
15-24	217.1	12.1	12.8	11.5
25-39	385.2	21.5	22.8	20.3
40-54	400.9	22.4	23.6	21.3
55-64	189.7	10.6	10.4	10.8
⩾ 65	275.8	15.4	11.4	19.1
Total	1 790.0	100.0	100.0	100.0

Population (1 000)



Resident population of foreign nationality — 1993

	1 000	% of total population
Total	14.14	0.79
of which EU countries	1.40	0.08
of which non-EU countries	12.74	0.71
Russia	4.19	0.23
Estonia	1.52	0.08
Sweden	1.37	0.08
Former Yugoslavia	0.65	0.04
Somalia	0.49	0.03

Demographic account — 1983-93 (1 000)

Population 31.12.1983	1 756.3
Births	229.7
Deaths	204.5
Net migration	+ 8.3
Population 31.12.1993	1 790.0

Wide fluctuations in education level

The education level is the third highest in Finland, but is still slightly below the national average. Just over half (51%) of the southern Finnish population has some secondary qualification, but the proportions vary considerably from one part of southern Finland to another. In Pirkanmaa the proportion is the third highest in Finland, but in South Karelia it is the third lowest. As elsewhere in the country, rural people are less well educated than urban dwellers.

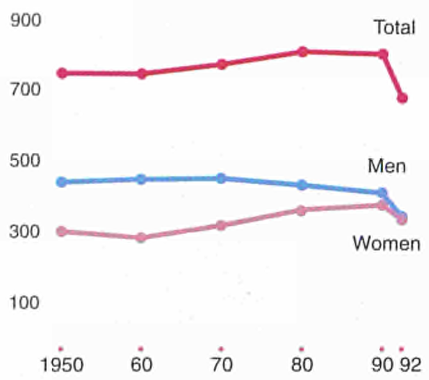
The number of people with a secondary qualification may increase, as the school and college network is the most extensive and diverse in the whole country. There are six institutions of higher education — three in Turku, two in Tampere and one in Lappeenranta — the most prestigious and largest of which are the universities of Turku and Tampere.

The wide range of tertiary education has raised the overall education level of southern Finland. The proportion of people with a vocational qualification has declined while that of university graduates has risen. These academically trained people have found jobs mainly with southern Finland's many research institutes, for example, TEKES (the Technology Development Centre), Lammi biological station, Lappeenranta technology park and Satakunta technology village.

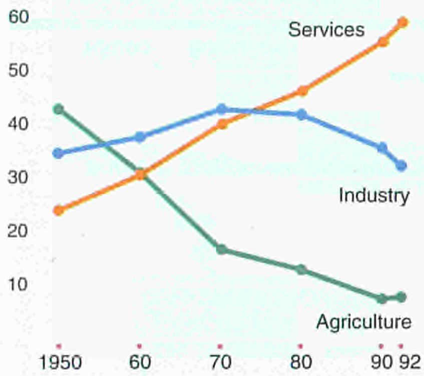
Number of pupils — 1992

	M + F 1 000	F %
Pre-primary	0.6	46.3
Primary	130.5	49.0
Lower secondary	66.4	49.3
Upper secondary	87.1	56.1
Lower tertiary	15.5	64.7
Higher education	49.0	47.1
Total	349.2	51.2

Employment (1 000)



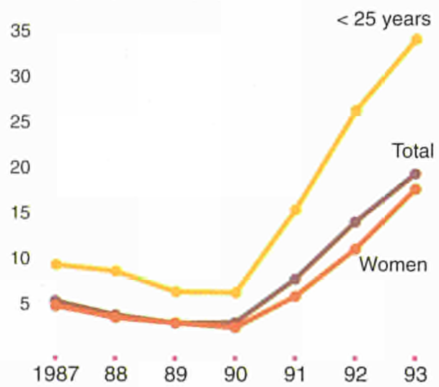
Employment structure (%)



Employment — 1992 (1 000)

Resident employment	700.2
+ Non-residents having a job in the region	13.9
– Residents having a job outside the region	25.6
= Internal employment	688.5

Unemployment (%)



Typical labour structure, exceptional business structure

In terms of its labour structure southern Finland is average for a main region. Just over one in two inhabitants is in employment, and, of these, 15% are self-employed. The recession of the 1990s has totally transformed the workforce. Firstly, employment in dominantly male sectors has declined drastically, thus leading to a rise in the proportion of women with jobs; currently, almost every other woman is employed. Secondly, the proportion of men with part-time jobs among male workers has almost doubled. Thirdly, owing to the shortage of jobs for young people, the working population has aged.

The business structure, however, is exceptional by Finnish standards. Southern Finland was industrialized both much more rapidly and long before the rest of the country. Industry has, thus, long provided jobs for a greater proportion of the working population than elsewhere in Finland. The service sector, in contrast, expanded more slowly. Even at the end of the 1970s, southern Finland was the only major region where industry was a more important employer than services. It provided more than twice as many jobs as primary production; elsewhere primary production provided more jobs than industry.

The transformation of the occupational structure was a rapid process. The proportion of people in the service sector rose steadily, and today three in five earn their living in this sector. The role of industry as an employer has gradually declined. Still, one in three working persons earns his or her living in industry, which is more than anywhere else in the country. Sectors with particularly large labour forces are the metal, engineering, shipbuilding and wood-processing industries. Finland's biggest centres of the chemical industry are also located in southern Finland. The employment impact of primary production has halved since the early 1970s, and today agriculture and forestry provide jobs for fewer than one in 10 people, a proportion that is similar to the national average.

Characteristics of resident employment (%)

	< 25 years	25-54 years	⩾ 55 years	Employees	Employees: part-time		Employees: full-time temporary contract	
	1993	1993	1993	1993	1984	1993	1983	1993
Men	9	82	10	80	2	4	5	6
Women	9	81	9	89	10	9	8	11
Total	9	81	10	85	6	6	6	8

Long stretches without work, large number of long-term unemployed

Throughout the 1980s, southern Finland was classified among the regions with a below-average employment record. Even so, the unemployment rate remained around 5%.

In the 1990s this situation has deteriorated rapidly. The number of people in work has fallen by 12 percentage points, and the unemployment rate has risen to 19%. The gravity of the problem is illustrated by the fact that the rate for southern Finland is only slightly above the average countrywide rate. Structural change in heavy industry and the problems experienced by industries focusing on domestic markets have had a particularly damaging effect. Jobs have also been lost in agriculture and forestry, which the service sector has not been able to fill the gap.

The structure of unemployment in southern Finland is somewhat exceptional by Finnish standards. Periods of unemployment are longer than average, and there are more people who have been without a job for a year or more. In recent years, job losses have been felt most keenly in male-dominated branches. Kymenlaakso and South Karelia are the only regions where the unemployment rate is equally high for men and women. There are few jobs for young people in southern Finland, and one in three under-25-year-olds is unemployed.

High technology, wood processing and metal sectors — the mainstay of industry

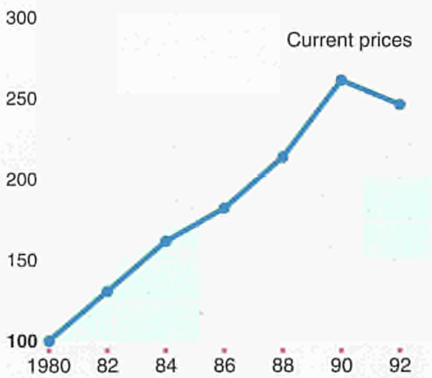
In early years, the good railways and waterways of southern Finland provided industry with an ideal location for its plants. Export firms, shipyards and companies needing foreign raw materials and fuel set themselves up at sites with easy access to ports or the main inland waterways and highways. The metal, shipbuilding and wood-processing sectors, later reinforced by high technology, became the pillars of industry. Traditional manufacturing has been practised in large companies, and there are more of these companies in southern Finland than elsewhere in the country.

Southern Finland has long been a core area of the Finnish wood-processing industry. There has been a certain move towards regional diversification, with Kymenlaakso being the centre of the pulp and paper industry, and Päijät-Häme specializing in furniture making. The metal industry expanded into a major sector after the Second World War, when Finland paid its indemnity to the Soviet Union in metal products. Southern Finland became the site of the country's largest concentration of engineering and related firms. The third pillar of industry — shipbuilding — heads the vehicle-manufacturing league. A seaboard location has also contributed to the growth of the oil-refining industry.

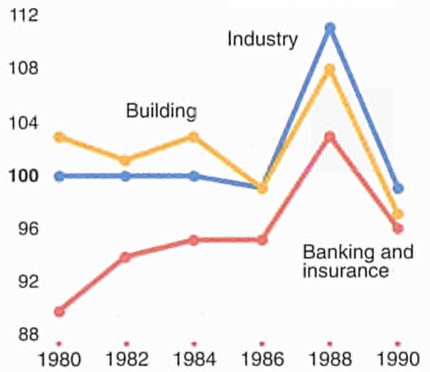
Southern Finland's industry is globally competitive. The sector with the longest history of exporting is forestry, but other branches of heavy industry, too, have a high stake in exports. There are also a large number of small export firms in southern Finland. The growing international stature of entrepreneurship and the businesses have been promoted by investments directed mainly at export industries. Branches geared towards the domestic market are the furniture, electrical, food and textile industries.

High-tech products have also found their way onto the international market-place, with innovative breakthroughs in information, energy and environmental technology. Other fields spawning important products are process automation, biotechnology and digital technology. At the same time, the value-added of traditional manufacturing is rising, and some areas, wood processing, for example, have achieved an unprecedentedly high level of expertise. The volume of investment in R&D is illustrated by the fact that southern Finnish firms account for a third of all research spending by companies in Finland.

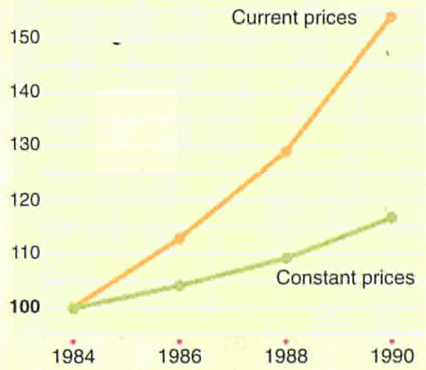
GDP (1980 = 100)



Wages
(national level = 100)



Disposable household income
(1984 = 100)



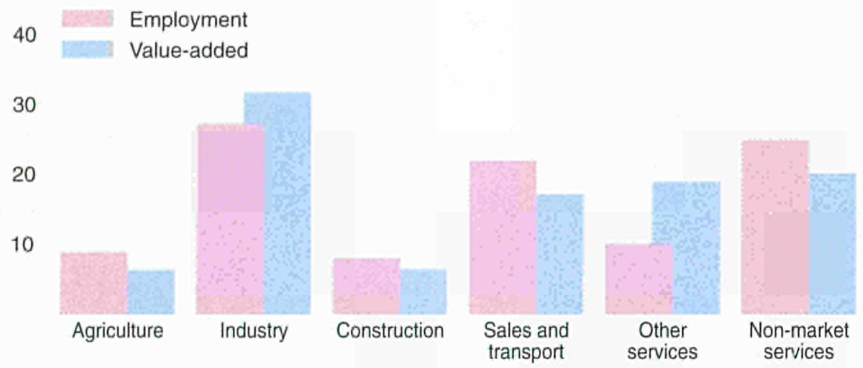
Income in southern Finland below average

In 1992. average disposable income per household was ECU 21 300. Only in eastern Finland did households have less income. A low income is primarily a problem with urban households, as the level in the countryside is no different from that in other rural areas in Finland.

The average annual wage in southern Finland was ECU 21 500 in 1992. This is slightly below the national average. Women's pay packets held 76% of the amount earned by their male colleagues, which is the average discrepancy between men's and women's wages in Finland.

A fifth of household income in southern Finland goes on food, housing and transport, with the latter taking the biggest slice. The consumption structure corresponds very closely to that of the average Finnish household, with one major exception, culture and leisure; household spending on these is slightly less than the average in Finland.

Employment and value-added: distribution by branch — 1992 (%)



Industry — indispensable source of value-added

Thanks to the mild climate, relatively long growing season and fertile soil, southern Finland is not short of arable land, and, except in the east, the fields are the most productive in Finland. Crops have less chance of success in the more nutrient-poor, rocky and boggy ground of the east.

Some 37% of Finland's active farms are in southern Finland, which has a long history of arable farming. A newcomer is livestock farming, with beef, pork, poultry meat and eggs as the main products. Beekeeping is an important ancillary occupation.

The role of industry as a producer of value-added is greater in southern Finland than in any other major region. Five of Finland's eight major companies operate in southern Finland. The greatest responsibility for creating value-added lies with the timber and shipbuilding industries. Of these, the latter is southern Finland's most recent success story. The books of this sector, in danger of closing not so long ago, are now filled with orders for cruise liners, gas carriers and production rigs. An important segment of the shipyards' work comprises maintenance and repair work.

Nevertheless, industry is not a source of as many jobs as its value-added would imply. There are hopes that investment in industry will bring the trend in jobless growth besetting industry to an end. Partial restructuring of output seems to be inevitable. Technology centres combining research and entrepreneurship will create new jobs while promoting both high-tech skills and exports.

Expansion pressure in the service sector focuses on transport and communications. The increased networking of both industry and freight traffic should produce new jobs in both manufacturing and the service sector. Above all, the increasingly heavy transit traffic should provide firms with a fund of know-how enabling them to expand their markets. Other branches that have grown in recent years are the hotel and restaurant industry and telecommunications.

Agriculture

Number of holdings	42 500
Labour force	68 186 AWU
Agricultural area	889 736 ha
Livestock	284 536 LU
Gross value-added	12 878 ECU/AWU
Main products	
Cereals	22%
Milk	19%
Pigs	16%

Main enterprises

Name	Employees	Activity
Yhtyneet paperitehtaat Oy	6 190	Pulp, paper and paperboard
Enso-Gutzeit Oy	4 655	Pulp, paper and paperboard
Kaukas Oy	3 316	Pulp, paper and paperboard
Kvaerner Masa-Yards Oy	2 633	Ship building and repair
Kemira Oy	2 254	Pesticide manufacture
LSO Food Oy	2 187	Meat processing
Finnyards Oy	1 957	Ship building and repair
Kymin paperiteollisuus Oy	1 947	Pulp, paper and paperboard
A. Ahlström Oy	1 926	Machinery manufacture

Pollution — industry the chief culprit

In terms of landscape, southern Finland's prime attraction lies in its coastal area. The Archipelago Sea and traditional island settlement blend into a uniquely harmonious entity. The labyrinthine archipelago is made up of barren outer skerries, wooded islands and lush coastal islands. Some of the islands are inhabited all year round, while others are deserted except for summer visitors. The Archipelago National Park has been established to preserve the natural environment for future generations.

The best-known river landscapes are those of the Imatrankoski and Tammerkoski rapids and the Aurajoki river, each very different from the other. The Imatrankoski rapids are renowned for their magnificent falls, although these have now been harnessed and are a mere shadow of their former glory. The factories lining the banks of the Tammerkoski rapids signify an indelible chapter in the history of southern Finland, and constitute one of the most important protected industrial milieus in Finland. The banks of the Aurajoki, in contrast, are rimmed by rich farmland, deciduous woodlands and neatly tended gardens. Intruding on the harmony of today's landscape, however, are houses and commercial buildings of incongruous design.

The rapid pace of industrialization in southern Finland has taken a heavy toll on the environment. This is most clearly seen in the increase in the nutrient load, which causes eutrophication of waters and reduces the diversity of the water ecosystem. The situation is most alarming in Kymenlaakso, where the chemical wood-processing industry has the dubious reputation of 'Baltic Sea polluter-in-chief'. In recent years, it has, however, done a lot to improve the cleaning of effluent. Southern Finland's main lake, Saimaa, is still fairly clean despite elevated nitrogen concentrations.

Sulphur and nitrogen depositions from industry have impaired the quality of the air in southern Finland, as have emissions caused by the combustion of fossil fuels for energy. Yet another cause of the decline in air quality is cross-boundary deposition. The critical load of forestlands has risen so high in some places that it exceeds the tolerance of the forest ecosystem.

FINLAND

ITÄ-SUOMI

Itä-Suomi (eastern Finland) covers 85 168 km², or a quarter of Finland's total area. It has more lakes and forests than any other major region, with water accounting for 17% of the total area and forests for 80% of the land area.

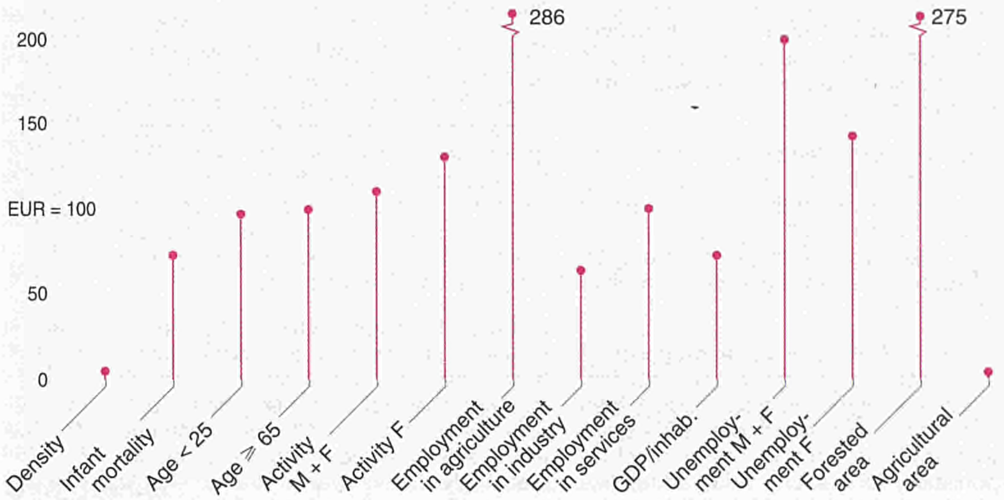
The wealth of the eastern Finnish landscape lies first and foremost in its waters — in its countless shallow, labyrinthine lakes and its maze of waterways. The area richest in waters is Savo, where water and land are often in equal proportions. Finland's largest water area — the Vuoksi watercourse — is also in Savo. The hundreds of lakes of eastern Finland were formed by movements of the continental ice sheet during the last ice age. These movements carved out basins that were later filled with water.

Watercourses and hills influenced the location of settlement in eastern Finland, and many of the towns and villages grew up alongside waterways or at their confluence. Later, population centres sprang up by railways and roads, attracted by the good communications these offered. From ancient times, people have also built their homes on the summits of hills in the eastern Finnish uplands, in spots where the soil is fertile and the frost risk low.

Forests constitute the third major element in the landscape. The bulk of the forestlands are poor in nutrients and predominantly coniferous. The large stands of deciduous trees are a legacy of slash-and-burn cultivation. Eastern Finland accounts for one of the highest proportions of deciduous woodland in the country. Mires are found to a major extent only in Kainuu, where they can cover more than half of the land area. The soil of eastern Finland is mainly of the till variety.

A maze of water and forest, a typical scene in eastern Finland

Itä-Suomi in the European Union

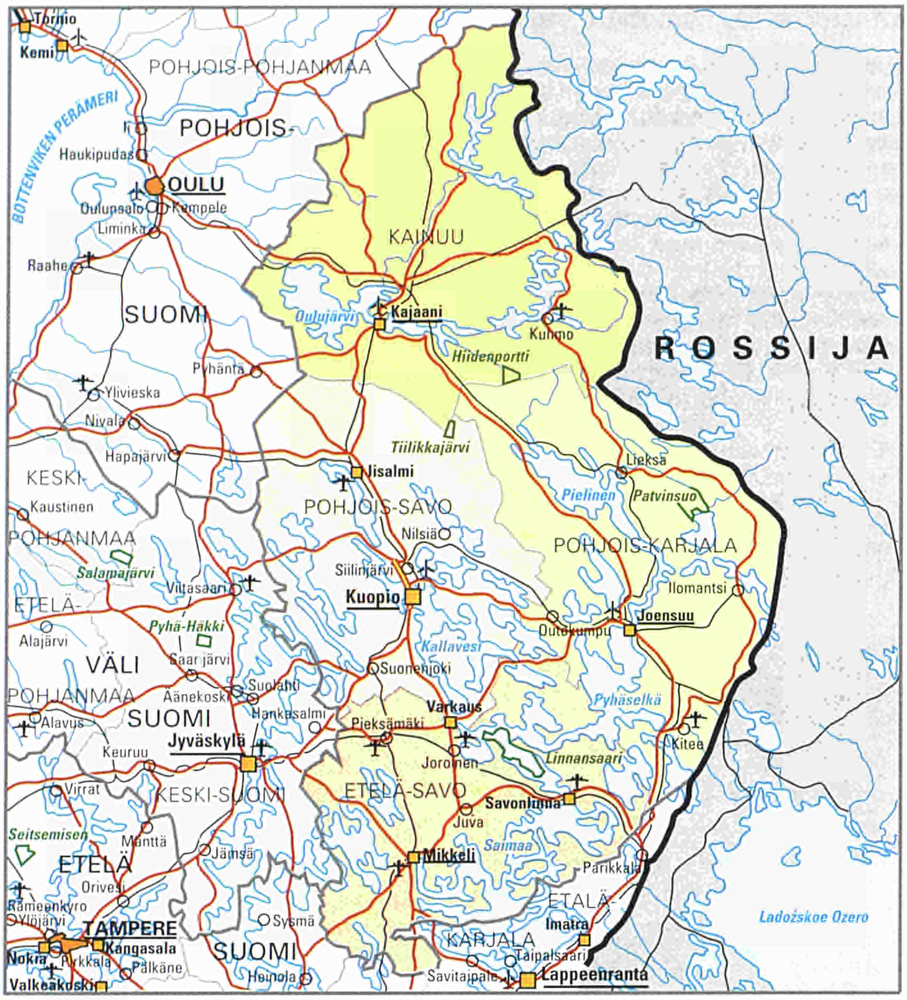


Forest industry and eco-economy take priority

The traditional source of affluence in Itä-Suomi (eastern Finland) is forestry, which accounts for a considerable share of both GDP and exports. With the exception of the forest industry, eastern Finland's economy has suffered from its heavy dependence on the domestic market and the slow switch to export-based production. Industry now considers the expansion and internationalization of markets to be a chief strategic target. Its competitive edge is Finland's border with Russia; increasingly open, it offers great potential for growth.

Eastern Finland has not weighed very heavily in national decision-making. The main problem in the area has been the lack of strong regional centres and poor coordination between neighbouring regions. Eastern Finland consists of disparate towns and urban districts that neither business nor rural settlement have managed to integrate functionally. These urban centres have not succeeded in bringing wealth to eastern Finland as a whole, which as well as being the poorest part of Finland suffers from high unemployment.

The key to the future of eastern Finland lies in the capacity of business and industry to exploit local skills. One of the region's greatest strengths lies in its ecological know-how and commitment to the concept of sustainable development. Industry has come a long way in using wood as an alternative source of energy; bioenergy in general features high in industrial thinking. Organic farming and a sustainable food economy take pride of place in rural ideology: even the research done at universities and research institutes underpins the precepts of ecological soundness. Eastern Finland has indeed realistic prospects of becoming a laboratory for sustainable development in Europe.



Scale 1 : 4 000 000

Which EU regions are similar to Itä-Suomi?

Area:
± 85 500 km²
Andalucia (E)

Population:
± 710 000 inhabitants
Dytiki Ellada (GR)

Activity rate:
± 61%
Utrecht (NL)
Scotland (UK)

Wealth disparity due to regional occupational structure

Settlement in eastern Finland is concentrated in population centres near lakes and rivers in the south and west of the region. The population density of the largest towns ranges from 100 to 600 people per km². The most sparsely populated areas are in Kainuu and North Karelia. With a density of only 4.5 people per km², and huge areas supporting very few or no people at all, Kainuu is Finland's most thinly populated region apart from Lapland.

Taken as a whole, eastern Finland is an economically depressed area. South Savo has the country's lowest per capita GDP, Kainuu the third lowest and North Karelia the fourth lowest. Today the GDP of South Savo is a good quarter smaller than the average for the whole country; in the last few years, the GDP of South Savo and Kainuu has fallen even lower. Likewise the two regions hardest hit by unemployment — Kainuu and North Karelia — have some of the highest jobless figures in the country.

There are several reasons for this gloomy economic picture. Firstly, not one of the major population centres has been able to develop into a hub of employment and services radiating affluence throughout its catchment area. Secondly, the regions with the poorest economic record are those dominated by agriculture. In many places, the contribution of agriculture and forestry tototal output is twice the national average. The unprofitability of agriculture has long been reflected in population loss.

The centre of prosperity is Kuopio, a regional sub-unit where the GDP risesabove the national average.

	Area	Population			Activity	Unempl.	Employment			GDP/inhab.
	1 000 km²	1 000	Inhab./km²	Change (%)	%	%	% Agricult.	% Industry	% Services	EUR (PPS) = 100
		1993	1993	1983-93	1993	1993	1992	1992	1992	1992
Etelä-Savo	19.2	175.6	9.2	– 0.9	61.8	19.8	19.1	21.3	59.6	72
Pohjois-Savo	20.0	258.8	13.0	1.6	61.3	20.5	15.5	21.7	62.8	78
Pohjois-Karjala	21.6	178.1	8.2	0.3	60.0	22.7	16.4	21.5	62.2	74
Kainuu	24.5	96.3	3.9	– 3.7	59.3	22.3	15.0	20.7	64.3	72
Itä-Suomi	85.2	708.7	8.3	– 0.1	60.8	21.1	16.6	21.4	62.0	74
Suomi	338.1	5 077.9	15.0	4.3	65.3	17.9	8.9	26.0	65.2	93
EUR 12	2 358.2	347 937.8	147.5	3.2 (1980-90)	55.4 (1992)	10.4	5.8	32.6	61.2	100

ITÄ-SUOMI

Fastest urbanization in Finland

Before the Second World War, the population of eastern Finland grew at a relatively steady pace. In the postwar years it suddenly shot up as the bulk of Karelians from areas ceded to the Soviet Union were settled there. This growth in population was naturally followed by an exceptionally high birth rate.

The trend was reversed in the 1960s and, with a few exceptional years, the population has continued to decline since then. Initially, the main cause of the population loss was drift from the land, but as years went by the change in age structure became the chief culprit. With 14% of Finland's inhabitants, eastern Finland is today the most sparsely populated major region after northern Finland. The population is expected to decline even further in the future.

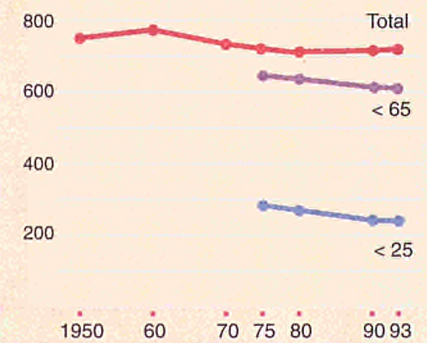
Internal migration has been marked by urbanization. Nowhere else has the move from countryside to towns, which got under way in the 1950s, taken place so rapidly as in eastern Finland. By the end of the 1970s, the number of urban dwellers had more than doubled. Localities that profited most from this pattern were the industrial centres of North Savo. Urban migration slowed in the course of the 1980s, and now somewhat fewer than one in two eastern Finns lives in a town. The urbanization rate is still below the national average.

The drift of working-age people to towns or to the south has distorted the region's rural population structure. The increasing age of the population is reflected in the mortality figures, which are higher than those for the country as a whole.

Population by age — 1993

	M + F 1 000	M + F %	M %	F %
< 15	135.3	19.1	19.7	18.5
15-24	87.3	12.3	12.9	11.8
25-39	152.6	21.5	22.8	20.3
40-54	149.9	21.2	22.5	19.8
55-64	77.0	10.9	10.7	11.0
≥ 65	106.5	15.0	11.4	18.6
Total	708.7	100.0	100.0	100.0

Population (1 000)



Resident population of foreign nationality — 1993

	1 000	% of total population
Total	4.08	0.58
of which EU countries	0.28	0.04
of which non-EU countries	3.80	0.54
Russia	1.47	0.21
Estonia	0.33	0.05
Former Yugoslavia	0.32	0.04
Sweden	0.30	0.04
Somalia	0.22	0.03

Demographic account — 1983-93 (1 000)

Population 31.12.1983	709.6
Births	96.2
Deaths	83.4
Net migration	– 13.7
Population 31.12.1993	708.7

Rise in number of highly educated people

The education level in eastern Finland is only very slightly below the national average, with one in two people having a post-comprehensive qualification. However, eastern Finland is the only major region where the number of such qualifications has not increased in the 1990s.

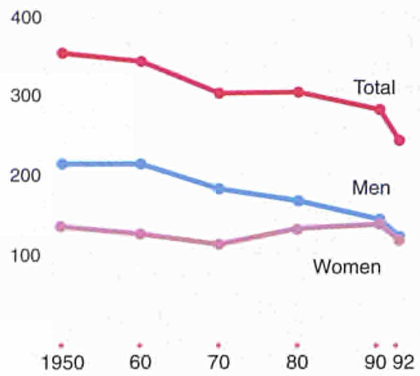
The education level varies by qualification level. Whereas the number of people with a secondary-level qualification matches the national average, there are fewer people than elsewhere with university degrees. The shortage of university graduates has also led to a rapid rise, relatively speaking, in the number of highly educated people. At the same time, migration and the closed labour markets have turned well-educated young people into an increasingly rare resource.

Regional differences in education level are striking in eastern Finland. The number of graduates is very high in the university towns of Joensuu and Kuopio. By number of students, Joensuu University is the largest in eastern Finland. Two thirds of these students are women, which is an exceptionally large proportion. Fields of expertise are medicine, biotechnological basic production, ecology and ecophysiology. The lack of any institution of higher education in South Savo or Kainuu is reflected in the shortage of highly educated people in these areas.

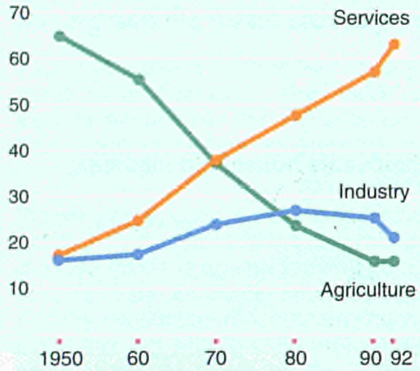
Number of pupils — 1992

	M + F 1 000	F %
Pre-primary	0.6	46.1
Primary	56.9	48.9
Lower secondary	28.5	49.0
Upper secondary	36.6	55.3
Lower tertiary	7.3	67.2
Higher education	13.9	57.2
Total	143.7	52.3

Employment (1 000)



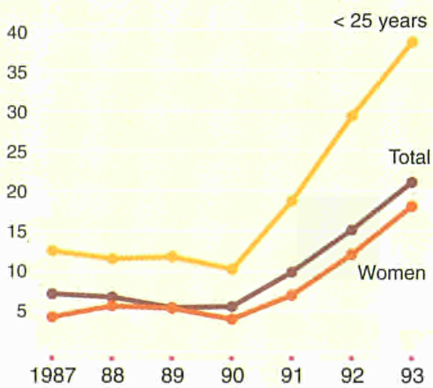
Employment structure (%)



Employment — 1992 (1 000)

Resident employment	253.9
+ Non-residents having a job in the region	3.9
– Residents having a job outside the region	7.7
= Internal employment	250.1

Unemployment (%)



Primary production still an important employer

Eastern Finland's employment situation has deteriorated drastically in the 1990s. The number of people in employment has declined by a quarter, which means that at present only 48% of people aged 15 to 74 have work. The job situation is particularly difficult for young people.

Primary production has long been a leading employer in eastern Finland. As recently as the early 1970s, forestry and agriculture were a source of as many jobs as the service sector, and of many more than industry. As the business structure was modernized, the importance of agriculture as an employer declined rapidly. Nevertheless, 17% of working people still earn their living from agriculture. This figure is twice the national average. Only in mid-Finland has primary production retained its status as an employer.

The importance of industry as a supplier of jobs has remained fairly steady, and just under a quarter of all employed people work in industry. The service sector, in contrast, has expanded heavily, currently providing jobs for two-thirds of the working population. Even so, both industry and the service sector employ a smaller proportion of working people in eastern Finland than in the country as a whole.

Certain structural features distinguish the labour market in eastern Finland. Firstly, women are accustomed to working outside the home, and the number of women with a long record of years in employment is exceptionally high. At the same time, fewer women have part-time jobs. Secondly, there are more self-employed people than on average in Finland. Private enterprise has been encouraged both by the business structure, with its emphasis on small businesses, and by the large agricultural and forestry sectors.

Characteristics of resident employment (%)

	< 25 years	25-54 years	⩾ 55 years	Employees	Employees: part-time		Employees: full-time temporary contract	
	1993	1993	1993	1993	1984	1993	1983	1993
Men	9	82	9	75	3	4	11	13
Women	9	82	9	86	9	9	11	10
Total	9	82	9	80	6	6	11	12

High female and youth unemployment

After northern Finland, eastern Finland has the worst history of unemployment in the country. In 1993 the jobless rate was 21%, and not for the first time. Unemployment has become a structural problem in Kainuu and North Karelia in particular.

Youth unemployment is the second highest after northern Finland. The proportion of unemployed women is also above the national average. The bad situation for women is largely due to the fact that the female-dominated service sector is rather small in eastern Finland. Still, there have been more jobs for women than men in recent years.

There are a number of reasons for the high unemployment figures. The first is the one-sided business structure, compounded by the cyclical difficulties experienced by the industrial sector. The labour market has in fact deteriorated rather rapidly, due in part to the closing of copper mines in the late 1980s. Moreover, the service industries have not expanded rapidly enough for them to act as the engine driving the business sector, and so providing a solution to the unemployment problem.

ITÄ-SUOMI

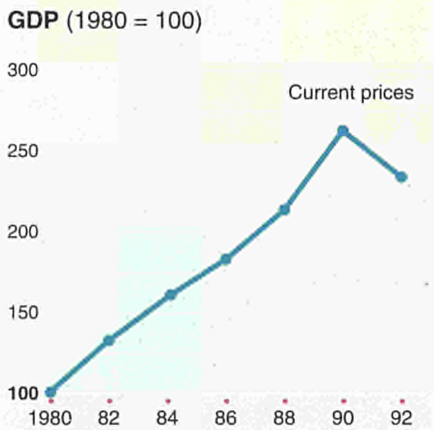
Forest industry — foundation of the economy

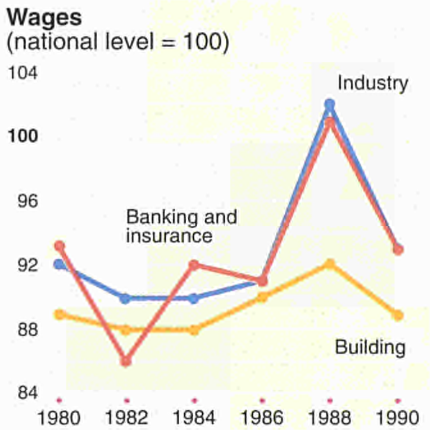
Eastern Finland is the country's poorest major region. As well as being Finland's lowest, the GDP has declined steadily in recent years. The depressed economy is largely due to the production structure. The contribution of primary production to the GDP is the highest in Finland, and in places agriculture and forestry are on a par with industry.

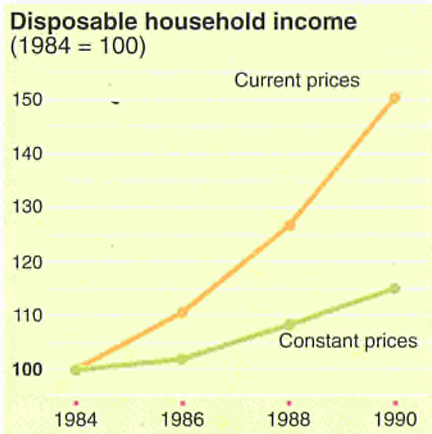
Industry is heavily geared towards forestry and mining, with the former producing the most important export articles, primarily in the mechanical wood industry. Wood-processing plants are major employers in the region, particularly in rural areas, where they have provided a secure source of income. The forest industry has, however, largely remained a low-technology sector and value-added has not risen high enough.

Eastern Finland is crossed by the Lake Ladoga-Gulf of Bothnia ore zone. Mining has a long history in this part of the country and it was here, back in the 18th century, that Finland's first iron mill was established. Several ore showings — of nickel, copper, magnetite and cobalt, for example — and also schist deposits have led to mining.

Apart from wood processing and mining, there is very little big industry in eastern Finland. A production structure oriented towards small and medium-sized enterprises has the advantage that it is less sensitive to sudden cyclical changes. R&D underpins the business and industry of the region to a considerable extent. Eastern Finland has, for example, a wood-processing R&D unit, a research and product development centre for mineral and stone technology, and a research and training centre for nature and natural resources. Rural studies seek to improve the profitability of rural enterprises.







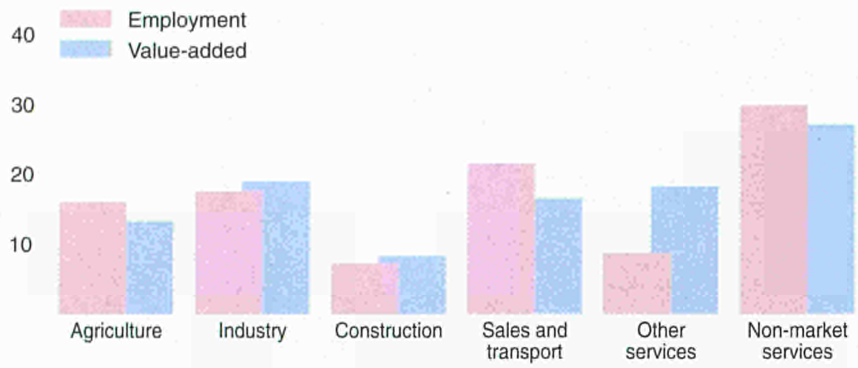
Households' disposable income the lowest in Finland

Together with mid-Finland, eastern Finland has the lowest wage level in the country. In 1992 the average salary per person was ECU 20 500. The average level for men is closer to the average for men in the country as a whole than the average level for women is to the female average. Even so, the wage discrepancy between the sexes — women's earned income is only 78% of that of men — is a couple of percentage points below the national average.

After income transfers, households have less disposable income than anywhere else in Finland, irrespective of whether they live in urban or rural areas. Average disposable income in 1992 was ECU 20 100. Incomes from wages and private enterprise in particular are lower than elsewhere in the country. Even so, regional wage discrepancies in Finland are small by European standards, as comprehensive wage agreements are concluded on a nationwide basis.

The household consumption structure differs little from that of Finland as a whole, with food, housing and transport accounting for a fifth of total expenditure. The proportion spent on food and housing is slightly above the national average, whereas that spent on transport, recreation and culture is slightly below it. There are regional differences, however: expenditure on food in North Savo and on transport in North Karelia is higher than elsewhere in eastern Finland.

Employment and value-added: distribution by branch — 1992 (%)



Mining and the forest industry — R&D the backbone of competitiveness

Farms in eastern Finland are small and most have livestock. The fields are located either near the shore or on hill tops. Many of the farmers are also forest owners.

Primary production suffers from difficult production and farm structure problems, but also from the ageing farming population. To retain its vitality and profitability, primary production must increasingly replace farming with forestry and ancillary occupations. In this way, the entrepreneurial base can be expanded to include organic and berry farming, cottage industries and crafts, and farmhouse holidays. Strawberry farming is particularly important nowadays.

Eastern Finland's main naturally renewable resource is timber, and forest industry companies are the leading employers and value-added producers in the region. In the coming years the competitiveness of forestry on the world market is going to depend increasingly on its capacity to invest in R&D in the mechanical wood industry and raise its value-added.

Deposits of nickel, gold and silver have been discovered in eastern Finland. It is to be hoped that their exploitation will eventually produce more jobs in the region. Promising deposits of industrial minerals and building stone (e.g. granite and schist) have not yet been fully exploited.

The importance of the service sector for the eastern Finnish business structure has grown in recent decades. The lakes have attracted housing, holiday resorts and tourism. The cultural agenda offers an abundance of events for culturally attuned visitors. But there is still a lot to be done in marketing tourism and sharpening the profile of individual areas. Before long, social and health services are also going to have to cope with an increasingly large elderly population.

Agriculture

Number of holdings	22 693
Labour force	68 186 AWU
Agricultural area	42 377 ha
Livestock	336 923 LU
Gross value-added	10 660 ECU/AWU
Main products	
Milk	58%
Cattle	22%
Pigs	4%

Main enterprises

Name	Employees	Activity
Enso-Gutzeit Oy	2 996	Pulp, paper and paperboard
A. Ahlström Oy	1 447	Machinery manufacture
Schauman Wood Oy	1 442	Plywood and veneer manufacture
Yhtyneet paperitehtaat Oy	1 328	Pulp, paper and paperboard
Osuuskunta Eka-yhtymä	715	Retail trade
Oy Transtech Ltd	681	Railway rolling-stock manufacture
Enocell Oy	662	Separate pulp manufacture
Abloy Oy	585	Construction equipment

Eastern Finland — where nature and culture meet

The vast lake and forest landscapes are the building blocks of the eastern Finnish milieu. Unsullied nature makes this an area that is good both to live in and to visit. One of the loveliest landscape entities is the Heinävesi waterway. The variety of its natural features — rapids, sounds, narrows and islands — interspersed with the villages, canals and old harbour milieus of the cultural landscape provides lasting appeal. The entire Heinävesi area offers numerous attractions for holiday settlement, sailing and sport fishing.

The Koli hills, immortalized by Finnish artists, are revered as Finland's national landscape. This striking area combines lush cultural landscapes, magnificent heights and great open stretches of water. The clearcutting once practised at Koli altered the proportions of trees at the same time as winter sports resorts sprang up on the flanks of the hills. Koli has now been made into a national park.

Eastern Finland has plenty to offer to the visitor in search of intellectual stimuli. Internationally speaking, the most prestigious events are the Savonlinna opera festival, the Kuopio dance and music festival and the Kuhmo chamber music festival.

If eastern Finland is to retain its value for tourism and its attraction as a human milieu, it is essential that the balance between nature and the developed environment be preserved.

Acidification of groundwaters and eutrophication of surface waters must be prevented at all costs. As it is, the inland waters are loaded by industry, communities and agriculture.

However, the greatest threat to the forest and mire landscapes is posed not so much by pollution as by exploitation. Many current development strategies have been formulated with increased utilization of natural resources in mind. Thus it is to be hoped that increased use of energy wood and fuel peat, for example, will take place in an ecologically sustainable manner.

FINLAND

VÄLI-SUOMI

Väli-Suomi (mid-Finland) covers 46 708 km², i.e. 14% of the country's total area. A little less than 9% of the area is water, and 71% of the land is forested. Scenically, mid-Finland is divided into the low-lying riverscapes of the Ostrobothnian coast and the more hilly inland lake district. The shallow and fragmented west coast with its rocky shoals is unique in Finland.

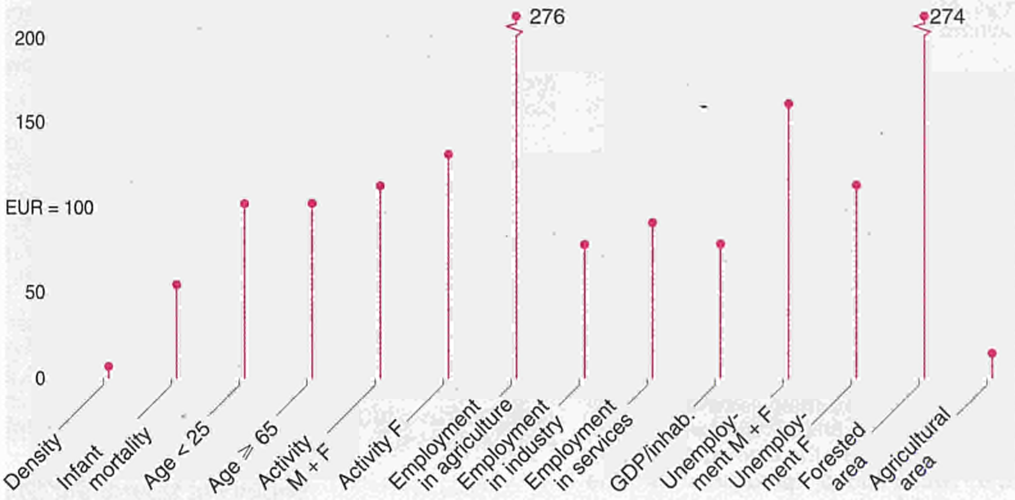
The rhythmic alternation of rivers and flat valleys is typical of the Ostrobothnian coast. The valleys are farmed or forested. The fertile river plains in South Ostrobothnia are especially flat. The barns bordering the cultivated fields and the strings of riverside villages with their imposing two-storey wooden buildings are the most striking features of the cultural landscape. Farther north in Central Ostrobothnia and inland, the ground becomes more swampy and poor in nutrients. The most thinly-forested areas and most extensive mires lie in Suomenselkä between fertile Ostrobothnia and the Keski-Suomi (central Finland) lake district.

The central Finland landscape is dominated by clearwater lake basins, waterways and hills. Finland's second biggest lake, Päijänne, with its long and narrow steep-walled bays is a dominant feature of the scenery. Central Finland is the most thickly forested area in the mid-Finland region, and one of the most densely forested areas in the whole country; only in South Savo do forests cover a larger area. The forests consist mainly of spruce or dry pine.

Due to the sea, the climate on the coast is relatively mild. Inland, it is more continental with a greater seasonal variation producing warmer summers and colder, more snowy winters.

The endless lowlands of Ostrobothnia

Väli-Suomi in the European Union



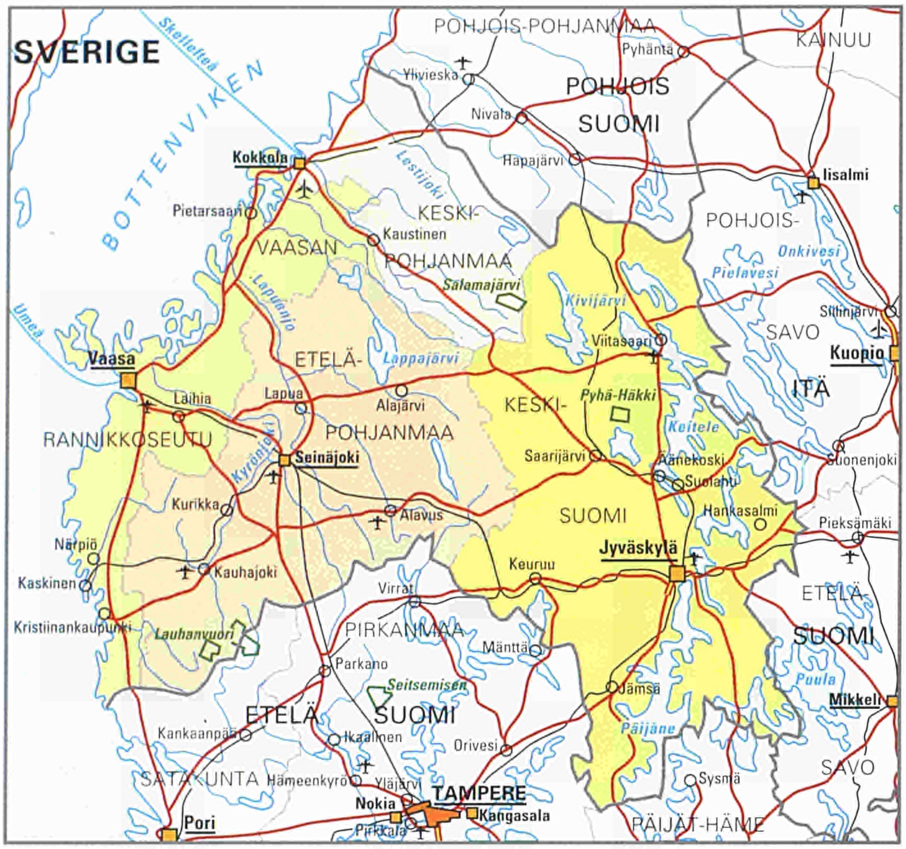
Biggest concentration of small businesses

Väli-Suomi (mid-Finland) has the largest number of business concentrations in the whole country. These small business clusters have arisen as similar types of professional expertise and production accumulated in a single area; the affluence of mid-Finland is indeed based on a long tradition of entrepreneurship. This one-sided regional production structure has also had adverse effects. The decline in the economy has pruned the business sector, and entrepreneurs have had to take into account the need for specialization and diversity in production. Moreover, corporate networking has proved more useful than private entrepreneurship, for example, in reducing export costs.

The greatest problem facing mid-Finland is the increasing poverty of the depopulated countryside. The unprofitability of farming has forced the young and working-age people to leave the countryside in large numbers, thus distorting the age structure. The situation is aggravated by high unemployment, the poor level of services and bad communications. The declining development trend has thus impoverished the rural human environment.

One of mid-Finland's strengths is its accessibility. For example, the shortest sea route between Finland and Sweden leaves from the Vaskiluoto ferry terminal in Vaasa. The bilingualism of coastal Ostrobothnia has made it an important gateway to the west. Central Finland acts as a hub for traffic passing from west to east and south to north. However, the potential of mid-Finland for the construction of an east-west transportation network has not yet been sufficiently exploited.

VÄLI-SUOMI



Scale 1 : 3 000 000

Which EU regions are similar to Väli-Suomi?

Area:
± 47 000 km²
Niedersachsen (D)
Aragon (E)

Population density:
under 20 inhabitants per km²
Norra Mellansverige (S)
Alentejo (P)

Employment:
± 26% in industry
± 57% in services
Ireland

Coastal mid-Finland more prosperous than the interior

Mid-Finland's most densely populated areas are on the coast and along the waterways. The most densely populated inland urban area is Jyväskylä (just over 500 people per km²) on Lake Päijänne. The population density is at its lowest in the Suomenselkä area between the coast and eastern mid-Finland, where the population is only a few people per km² and there are even a few totally uninhabited areas.

Economically, the most successful of the mid-Finland regions is the coastal area around Vaasa. Although the per capita GDP is just under the national average, its rising trend forecasts a brighter future. The Vaasa regional sub-unit, Finland's third most prosperous economic area, is located in the region. Finland's export-driven industry and good communications routes have contributed to the burgeoning prosperity of this major region. The unemployment rate is the second lowest in the country after Åland and the household income level is the highest in mid-Finland.

With the exception of the Vaasa area, mid-Finland is economically in decline. South Ostrobothnia has the second lowest and Central Ostrobothnia the fifth lowest per capita GDP in the country. Central Finland's GDP is also clearly below the national average. The downward trend has affected all three regions, although it has been fastest and most consistent in central Finland, which is also the region with the highest unemployment in mid-Finland.

The decline of South and Central Ostrobothnia is due to these regions' agricultural sector, which is the largest and least profitable in Finland. Moreover, industrial output is primarily geared towards the home market and so has suffered from the collapse of domestic demand. Meanwhile, central Finland has the largest service sector and, together with the Vassa area, the largest industrial sector in mid-Finland. Central Finland's decline can be attributed to production problems on the domestic market rather than to the narrow business structure. The decline has been further deepened by the growing poverty of the Jyväskylä regional sub-unit, hitherto the most prosperous economic area in the region.

	Area	Population			Activity	Unempl.	Employment			GDP/inhab.
	1 000 km²	1 000	Inhab./km²	Change (%)	%	%	% Agricult.	% Industry	% Services	EUR (PPS) = 100
		1993	1993	1983-93	1993	1993	1992	1992	1992	1992
Keski-Suomi	19.4	256.7	13.2	4.3	62.9	19.1	11.4	27.4	61.3	82
Etelä-Pohjanmaa	14.0	202.5	14.5	1.2	63.7	17.7	23.0	24.1	52.9	72
Vaasan rannikkoseutu	7.8	174.1	22.2	1.2	64.3	12.9	14.0	28.8	57.2	90
Keski-Pohjanmaa	5.5	72.7	13.3	3.9	63.4	16.1	18.9	23.9	57.2	78
Väli-Suomi	46.7	706.0	15.1	2.6	63.5	16.9	16.0	26.5	57.5	81
Suomi	338.1	5 077.9	15.0	4.3	65.3	17.9	8.9	26.0	65.2	93
EUR 12	2 358.2	347 937.8	147.5	3.2 (1980-90)	55.4 (1992)	10.4	5.8	32.6	61.2	100

Migration, the most significant population change

Natural conditions have affected settlement patterns in mid-Finland as in the country as a whole. In Ostrobothnia, settlements sprang up along rivers and on the roads running beside them. The original settlers were Swedish speakers. The archipelago and the Gulf of Bothnia coast are traditionally Swedish-speaking areas. Today, 14% of mid-Finland inhabitants speak Swedish as their mother tongue, which is more than anywhere else in mainland Finland. In central Finland population centres grew up along the waterways, many of which later developed into major industrial centres.

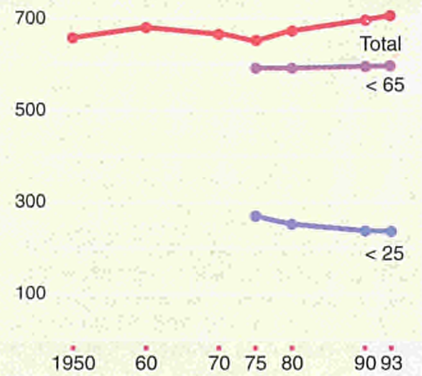
The population grew rapidly until the 1950s when people fled the countryside in great numbers, almost halving the population of mid-Finland. The population loss in the region was among the worst in the country. People from the Swedish-speaking coast went to Sweden in search of work, while from the interior, people moved to the urban areas in the south. The heavy migration lasted for a whole decade, after which the trend turned positive once more. Also, some of those who had moved to Sweden came back. Today, 14% of Finland's population lives in mid-Finland.

After migration, urbanization has been the most significant single factor affecting the population structure of mid-Finland. Urbanization got under way here later than elsewhere, but it also continued longer and was still going on in the 1980s. Since the 1960s the urban population of mid-Finland has grown by 250%. Even so, mid-Finland is still one of the country's least urbanized areas, with only one in two people living in an urban area.

Population by age — 1993

	M + F 1 000	M + F %	M %	F %
< 15	141.9	20.1	20.9	19.3
15-24	92.1	13.0	13.8	12.3
25-39	147.2	20.8	21.9	19.8
40-54	146.5	20.8	21.8	19.8
55-64	71.0	10.1	9.9	10.2
⩾ 65	107.3	15.2	11.7	18.6
Total	706.0	100.0	100.0	100.0

Population (1 000)



Resident population of foreign nationality — 1993

	1 000	% of total population
Total	5.27	0.75
of which EU countries	0.32	0.05
of which non-EU countries	4.95	0.70
Sweden	1.31	0.19
Russia	1.02	0.14
Former Yugoslavia	0.39	0.05
Estonia	0.36	0.05
USA	0.23	0.03

Demographic account — 1983-93 (1 000)

Population 31.12.1983	688.3
Births	100.2
Deaths	75.3
Net migration	– 7.1
Population 31.12.1993	706.0

Education level improving

Just under half (49%) of the inhabitants of mid-Finland have a post-comprehensive school qualification. The proportion of such qualifications is the lowest in the country after Åland. The education level is improving, and in the 1980s the proportion of university-level graduates in particular increased.

Despite the improvement, educational differences in mid-Finland are still great. Ostrobothnia has the lowest number of graduates in the whole country. Central Finland has the best educated inhabitants, although there, too, the number of graduates is below the national average.

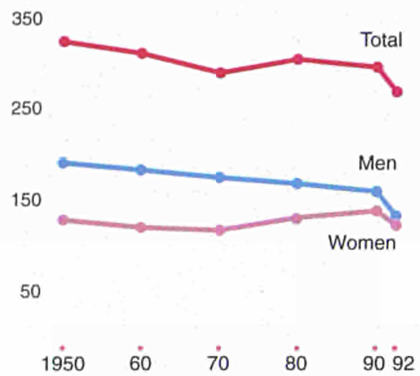
In mid-Finland's university towns, Jyväskylä and Vaasa, the education level is among the highest in country. Jyväskylä is indeed considered the cradle of the Finnish-language school system. Today, Jyväskylä has mid-Finland's biggest university, complete with research departments, the country's only Faculty of Sport Sciences, a distinguished teacher-training department and an accelerator laboratory. The University of Vaasa specializes in commercial, administrative and technical teaching. In cooperation with the other universities of the northern Gulf of Bothnia, it operates under the name of the University of Bothnia.

Mid-Finland has been a population loss area in terms of educated people. In recent years, however, the research institutes have succeeded in attracting people, researchers in particular, to the area.

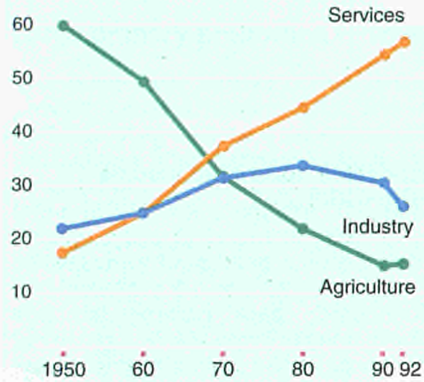
Number of pupils — 1992

	M + F 1 000	F %
Pre-primary	0.3	48.7
Primary	58.6	48.6
Lower secondary	30.1	49.0
Upper secondary	36.6	56.0
Lower tertiary	6.3	62.3
Higher education	17.9	54.3
Total	149.6	51.8

Employment (1 000)



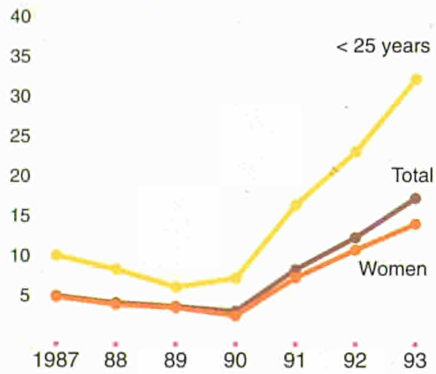
Employment structure (%)



Employment — 1992 (1 000)

Resident employment	264.1
+ Non-residents having a job in the region	5.2
– Residents having a job outside the region	8.1
= Internal employment	261.2

Unemployment (%)



The highest proportion of entrepreneurs in Finland

The business and industrial structure of mid-Finland has always relied on primary production, although industrialization was also a relatively fast process. The service sector lags behind the rest of the country.

The most noticeable changes in the business and industrial structure are the decline in primary production and the expansion of services. In the early 1970s, agriculture and forestry employed one third of the working population; only in eastern Finland did primary production have a greater impact on employment. Initially, the number of jobs in primary production diminished rapidly but this trend came to a halt in the mid-1980s. Currently, 16% of the working population is engaged in agriculture and forestry-based occupations, and mid-Finland, together with eastern Finland, continues to be the country's most agriculture-dependent major region.

To start with, growth was rapid in the service sector but slowed down after the mid-1980s. Today, the service industry employs 58% of the working population, making it Finland's smallest service sector. The public sector is the most labour-intensive of the service sectors. It provides jobs mainly for women, whose share of the employees has thus risen. Currently, slightly less than one in every two women is working.

Industry has been the least affected by structural changes, although the proportion of those employed by industry has also declined along with jobs in primary production, with 27% of the working population now employed by industry, which is the same as the national average.

The role played by private enterprise is particularly striking in mid-Finland, and the proportion of entrepreneurs — a good one fifth — is currently higher than anywhere else in the country. Private enterprise attracts men more than women. Another characteristic of the mid-Finland labour market is the proportion of young and old workers, which is higher than in Finland in general. The reason is the low education level, which enables young people to start work early. Private enterprise and the predominance of agriculture encourage a long working life.

Characteristics of resident employment (%)

	< 25 years	25-54 years	≥ 55 years	Employees	Employees: part-time		Employees: full-time temporary contract	
	1993	1993	1993	1993	1984	1993	1983	1993
Men	10	79	11	71	3	5	6	10
Women	10	80	10	85	10	11	9	12
Total	10	80	11	78	6	8	8	11

High unemployment

The unemployment rate in mid-Finland is the third lowest after Åland and Uusimaa. Despite this, during the recent recession, unemployment has become one of the most serious regional problems and currently stands at 17%. The fact that part-time employment is more common here than in Finland as a whole suggests a certain degree of disguised unemployment. The recession has increased the number of men in part-time jobs in particular.

Initially, the employment situation worsened because of problems in industry, then in construction and finally in the service sector, with men affected more than women. Public sector retrenchments have created unemployment in predominantly female sectors too, and now 38% of the unemployed are women.

The situation has improved on the coast, where the export industry has managed to create new jobs. Meanwhile, the interior is one of Finland's blackest unemployment areas. In mid-Finland periods of unemployment last longer, and long-term unemployment (lasting continuously for more than a year) is more common. Youth unemployment is also a more serious problem inland than in other parts of the region.

VÄLI-SUOMI

Export industry has deep roots in mid-Finland

Mid-Finland's per capita GDP is the third lowest in the country. Moreover, the recent decline in the GDP has further impoverished the region. The fall-off in production is largely the result of home-market manufacturing losses and the unprofitability of agriculture.

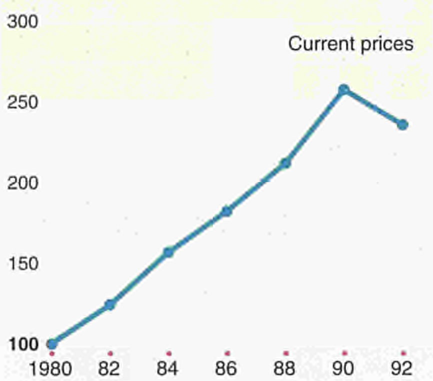
Nevertheless, mid-Finland enjoys a diverse business structure, and both small and large-scale industries have a long history. Big industry relies primarily on wood processing and secondly on the metal industry. The chemical wood-processing industry and the manufacture of forest industry machines and equipment, including paper machines and tractors, represent traditional know-how in the area. The most important new sectors include electronics and chemicals.

Small private enterprise is better developed and has longer traditions in mid-Finland than anywhere else in the country. Firmly established sectors include the furniture, metal and agricultural machine industries. There are also new branches relying on traditional craftsmanship, for example, carpentry and boat building.

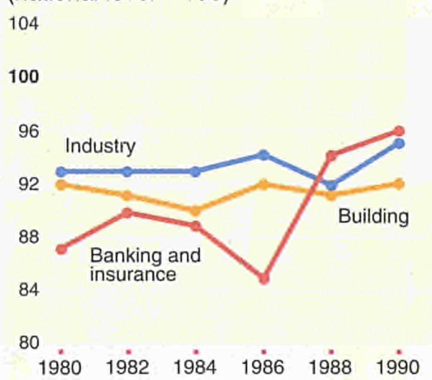
Both large- and small-scale industries have been active on the export market, with wood-processing, chemical and furniture industries and forest industry machines and equipment manufacturing showing the highest export figures. Paper machines are the most successful articles of forest machinery. The textile and food industries are the two largest home-market sectors.

Networks are currently being constructed between local businesses and regional R&D operations. Small businesses are developing state-of-the-art logistics and environmental technology. A centre of expertise in support of small private enterprise has also been established in the area. The R&D of major companies focuses on electrical engineering, an engine laboratory and an environmental centre. R&D underpinning of the wood-processing industry is, however, inadequate.

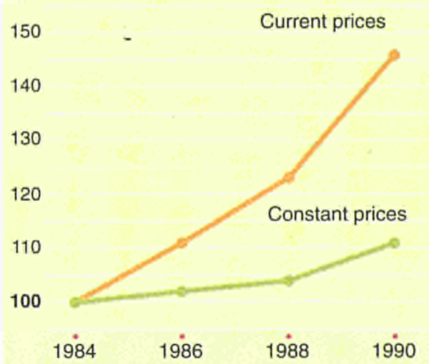
GDP (1980 = 100)



Wages
(national level = 100)



Disposable household income
(1984 = 100)



Lowest wages in Finland

Full-time wage-earners in mid-Finland earned an average of ECU 20 400 per person in 1992. which meant that it came last in the national ranking. Together with eastern Finland, mid-Finland has the lowest wage level in the country. Women's earnings were 79% of men's earnings. The wage differential is thus a few percentage points lower than in Finland in general.

Relatively speaking, the income level of households is not as low as that of wage-earners. Average household disposable income totalled ECU 21 500 in 1992. but the disposable income of households in southern and eastern Finland was even lower. In mid-Finland, urban households have a higher income level than rural households; they are also better off than their counterparts in northern, southern and eastern Finland. Meanwhile, rural households in mid-Finland have the second lowest income level after eastern Finland.

The consumption structure of households deviates somewhat from the average structure of Finnish households. Transport accounts for less of households' income than in other parts of the country. Together with the inhabitants of Uusimaa, people in mid-Finland spend the most on culture and leisure. Also, with the exception of Åland, housing takes a larger slice of households' disposable income in mid-Finland than elsewhere in Finland.

Employment and value-added: distribution by branch — 1992 (%)

Large primary production — small service sector

The fertile river valleys of mid-Finland provide valuable farming land. The importance of agriculture is accentuated by the fact that, after southern Finland, mid-Finland has the highest number of active farms in the whole country. The farms engage primarily in arable farming, i.e. cultivation of bread and fodder cereals. Mid-Finland is the country's most important oats-growing area. Greenhouse farming is a recent development. In addition to arable farming, mid-Finland farms engage in livestock husbandry, mainly dairy farming.

The most important ancillary occupation is fur farming, with the bulk of the pelts being exported. In fact, mid-Finland has become one of the world's biggest fur exporters, particularly of fox and mink.

Large wood-processing companies are the main private employers, and three out of the five biggest companies are pulp and paper industry enterprises. The second biggest industrial branch is the metal industry. Valmet has maintained Finland's reputation as a paper-machine manufacturer. Overall, the wood-processing industry and related machine and equipment manufacturing are of prime importance in value-added terms.

Many of mid-Finland's biggest industrial enterprises, including Kemira, Wärtsilä Diesel and ABB Strömberg, have invested heavily in R&D in recent years. The contribution of high technology to overall industrial production and exports is, therefore, expected to grow. New jobs are also emerging in small and medium-sized enterprises trying to strengthen their position as subcontractors for domestic and international major companies and corporate groups.

The service sector is still growing. As mid-Finland hosts many international festivals and conferences, business and culture travel constitutes an important tourist service. On the other hand, nature travel and the weekend cottage business probably offer little growth potential if mid-Finland wants to protect its islands, coast and nature from pollution.

Agriculture

Number of holdings	28 901
Labour force	46 134 AWU
Agricultural area	496 032 ha
Livestock	207 591 LU
Gross value-added	12 592 ECU/AWU

Main products	
Milk	30%
Fur	15%
Cattle	13%

Main enterprises

Name	Employees	Activity
Yhtyneet paperitehtaat Oy	2 457	Pulp, paper and paperboard
Valmet paperikoneet Oy	2 025	Pulp and paper making machinery
Wisaforest Oy Ab	1 297	Pulp, paper and paperboard
Metsä-serla paperi ja kartonki Oy	1 224	Pulp, paper and paperboard
Kemira Oy	1 016	Pesticide manufacture
Wärtsilä diesel Oy	983	Stationary engines and turbines manufacture
Outokumpu Kokkola zinc Oy	973	Non-ferrous metals manufacture
Itikka-Lihapolar Oy	937	Meat processing

Agriculture and forestry damage the environment

The most striking features of the mid-Finland landscape are the arable plains of South Ostrobothnia. Major components of the scenery are the coastal fields broken up by forested strips. The landscape is further enhanced by the 'sea of barns' and imposing Ostrobothnian houses with their birch driveways.

Another feature of the mid-Finland landscape is the Quark archipelago in the Gulf of Bothnia. The landscape has a banded appearance due to the long lines of skerries and the alternation of forests, mires and fields in the interior of the islands. In addition to the traditional settlement, the islands have large numbers of weekend cottages, as do the many inland lakesides.

The extensive primary production sector of mid-Finland has damaged the environment. The use of nitrogenous and phosphatic fertilizers has caused growth disturbances and eutrophication in both inland waterways and the Gulf of Bothnia. The overloading results mainly from animal manure and overuse of artificial fertilizers. The main culprits are pig and fur farming. Industrial effluents, particularly from the wood-processing industry, have also contributed to the eutrophication of inland waterways.

POHJOIS-SUOMI

Pohjois-Suomi (northern Finland) covers 136 067 km^2 or 40% of Finland's total area.

Northern Finland is characterized by vast, almost uninhabited tracts and by its scarce population concentrations, with the majority of its inhabitants living on the coast or along the rivers. Northwards, the region becomes gradually more rugged and sparsely populated.

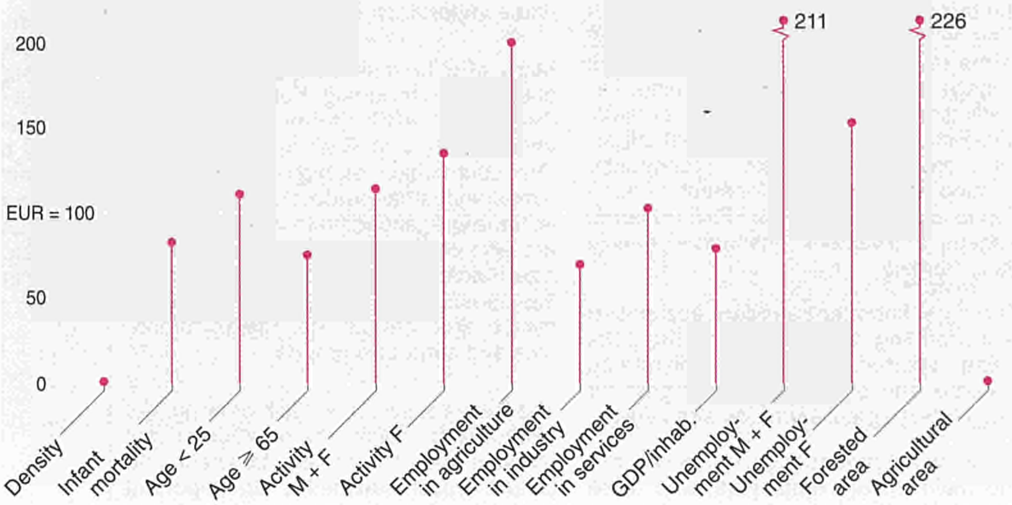
Rivers, mires and fells articulate the landscape of northern Finland,. Over half of the eastern part of North Pohjanmaa consists of mires, and the rest almost entirely of forests. Peatlands of equal extent are to be found in central Lapland.

The Oulujoki, Tornionjoki and Kemijoki rivers constitute the largest watercourses in northern Finland. In addition to rivers, the coastal landscape of North Ostrobothnia is characterized by farming areas in the river valleys. The landscape of Lapland is more variable: it is indeed the only part of Finland to have notable highlands. The tree-covered hills known as *vaaras* and treeless fells rise either in groups or ranges or as single elevations. In the north-west, near the Norwegian border, stands the highest mountain in Finland: Halti, rising to 1 328 metres. The fell area of Saariselkä in eastern Lapland is known for its vast tracts of bare-topped fells.

North of the Arctic Circle darkness turns into polar night in mid-winter. The succession of seasons is highlighted by the glowing autumn colours and the midnight sun at mid-summer. The Sami, the first people to inhabit Finland, also live in Lapland.

Chains of snow-covered fells in Lapland

Pohjois-Suomi in the European Union



A region fast on the road to a modern society

Pohjois-Suomi (northern Finland) has long suffered from its location on the periphery, but in fact the business and industrial structure has seen rapid modernization in the last few decades. There are notable centres of expertise in the area, the most important being the Arctic Centre in Rovaniemi and the City of Oulu.

Oulu, the biggest urban area in northern Finland, boasts a technology village and a number of major high-tech companies. Technical expertise is reflected in innovations in bio- and information technology. The city's strategy is to become the centre of the Arctic area known as the North Calotte. The Arctic Centre in Rovaniemi is involved in fields in which Lapland has special expertise, for example, subarctic conditions, environmental technology and building in cold areas.

The living conditions of northern Finland are among the harshest in Europe. The long, dark, cold winter shortens the growing season, raises living expenses and demands exceptional hardiness of the people. At the same time its northern, and partly even Arctic, location provides northern Finland with an incomparable competitive edge. The lure of Lapland and Kuusamo is embodied in the concept of 'the last wilderness of Western Europe'. The Sami culture further enhances the area's uniqueness.

The sparse population and long distances emphasize the importance of communications. The number of passengers going through the airport at Oulu in particular, but also at Rovaniemi, is steadily rising. More international connections are needed, however. Telecommunications are up to international standards.

POHJOIS-SUOMI

Scale 1 : 5 000 000

Which EU regions are similar to Pohjois-Suomi?

Area:
more than 136 000 km²
Övre Norrland (S)

Population:
± 550 000 inhabitants
Kärnten (AT)
Groningen (NL)
Kriti (GR)

Activity rate:
63-64%
Brandenburg (D)
East Anglia (UK)

Internal variations great

Variations in the size of municipalities and in population density are enormous in northern Finland. The population density is highest on the coast of the Gulf of Bothnia. Lapland has the most sparsely inhabited areas and also the most extensive municipalities in the area. The biggest of these, Inari, extends for over 15 000 km² and the second biggest, Sodankylä, for nearly 12 000 km². Both Inari and Sodankylä are bigger than the major regions of Uusimaa and Åland, but their population density is less than one person per km².

The regional variations in population density are due to the extensive concentration of settlement in population centres in the 1960s and 1970s. People living in agricultural and forestry areas left in vast numbers to seek a better life in towns and in the south of Finland, leaving many rural centres almost deserted. Although the drift from the land has abated during the last decade, northern Finland is still losing inhabitants.

The centres of affluence of northern Finland are the coast of the Gulf of Bothnia, where there is industry, and the holiday and tourist areas of Lapland. The wealth of Lapland depends largely on tourists, which are attracted by tourist resorts, nature reserves, fells and tracts of wilderness. On the other hand, even the prosperous areas of northern Finland have suffered from unemployment, mainly of a seasonal variety.

Economic decline is a very real problem in areas where people live on primary production, and where there is no industry or substantial extra revenue from tourism. Such areas include rural North Pohjanmaa, which is one of Finland's biggest livestock husbandry areas, and the agricultural centres of south-eastern and southern Lapland. These areas also record the worst unemployment figures in Finland. Unemployment is long-term and thus structural.

	Area	Population			Activity	Unempl.	Employment			GDP/inhab.
	1 000 km²	1 000	Inhab./km²	Change (%)	%	%	% Agricult.	% Industry	% Services	EUR (PPS) = 100
		1993	1993	1983-93	1993	1993	1992	1992	1992	1992
Pohjois-Pohjanmaa	37.1	351.5	9.5	6.7	63.6	20.6	12.3	24.7	63.0	80
Lappi	98.9	202.9	2.1	1.5	64.0	24.2	10.7	21.2	68.1	82
Pohjois-Suomi	136.1	554.4	4.1	4.7	63.7	21.9	11.7	23.4	64.8	81
Suomi	338.1	5 077.9	15.0	4.3	65.3	17.9	8.9	26.0	65.2	93
EUR 12	2 358.2	347 937.8	147.5	3.2 (1980-90)	55.4 (1992)	10.4	5.8	32.6	61.2	100

POHJOIS-SUOMI

High birth rate does not raise population

The earliest inhabitants of northern Finland are the Sami, most of whom now live in the north of Lapland. This indigenous people spread all over Finland at the beginning of the Christian era. As the Finnish population made increasing inroads, the Sami moved farther north, finally making their home in northern Lapland.

The Finnish settlement of southern and central Lapland is very much younger. Reconstruction after the Second World War, 'cold' farms created on State land and extensive exploitation of natural resources attracted people from the south.

With the exception of the coastal areas and the south-west of the region, northern Finland is sparsely but evenly inhabited. The lowest population density is in north-eastern and north-western Lapland, where it is only 0.3 people per km^2.

Currently, slightly more than one in 10 Finns lives in northern Finland.

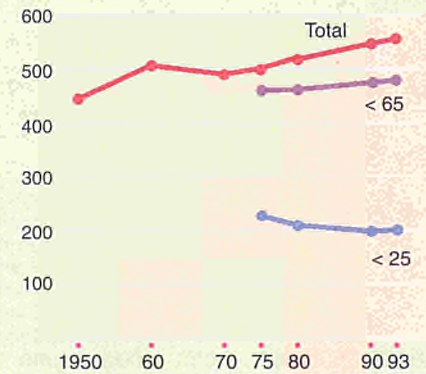
The age pyramid of the population is considerably wider at the bottom than in Finland or Western Europe in general. The birth rate is the highest in Finland. This is due mainly to religious convictions, as in rural areas, particularly in North Ostrobothnia, many people are members of the Laestadian sect, a very strict form of Lutheranism that condemns birth control.

With the exception of Uusimaa, population growth was the fastest in Finland in the early part of this century. This growth came to a halt in the 1960s, when most working-age people from the rural communities moved in search of work.

Population by age — 1993

	M + F 1 000	M + F %	M %	F %
< 15	124.2	22.4	22.8	22.0
15-24	75.7	13.7	14.2	13.1
25-39	125.1	22.6	23.4	21.7
40-54	111.7	20.1	21.0	19.3
55-64	52.8	9.5	9.4	9.6
⩾ 65	64.9	11.7	9.1	14.3
Total	554.4	100.0	100.0	100.0

Population (1 000)



Resident population of foreign nationality — 1993

	1 000	% of total population
Total	3.36	0.61
of which EU countries	0.32	0.06
of which non-EU countries	3.03	0.55
Sweden	0.84	0.15
Russia	0.55	0.10
Former Yugoslavia	0.23	0.04
Vietnam	0.21	0.04
Estonia	0.16	0.03

Demographic account — 1983-93 (1 000)

Population 31.12.1983	529.3
Births	89.4
Deaths	49.4
Net migration	– 14.9
Population 31.12.1993	554.4

Number of highly educated people on the rise

The education level of people living in northern Finland has risen appreciably since the network of educational institutions began to diversify in the late 1950s. Everyone is now guaranteed an opportunity to study at a university-level or vocational institution. The region has its own polytechnic and also commercial, agricultural, forestry and tourism colleges.

In the last few years, the importance of preserving the Sami culture has come to be realized. In the Sami municipalities it is now possible to take basic studies in Sami. Inari also has a training centre for the Sami region.

More than half (53%) of the people in northern Finland over the age of 15 have some post-comprehensive school qualification. This is the second highest proportion after Uusimaa. The education level of city-dwellers is higher than that of people in rural areas; it is highest in the university towns of the north, Oulu and Rovaniemi, which also have one of the highest education levels in Finland.

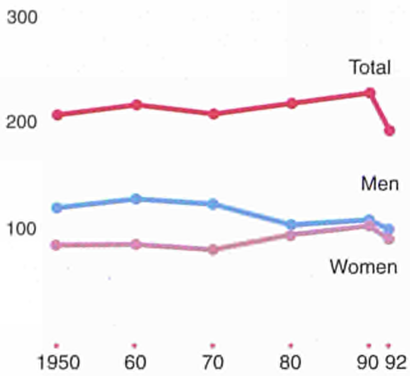
The northern universities have particularly swollen the ranks of the highly educated, so much that the number of university-level degrees has almost doubled in the last 10 years. The University of Oulu has some 10 000 students, over half of whom are in the faculties of technology or natural sciences. The University of Lapland in Rovaniemi is Finland's northernmost university.

As well as by universities, research staff are employed by the technology village and Technical Research Centre at Oulu. However, there have not always been enough jobs to go round, and from time to time the brain drain has been a problem in northern Finland.

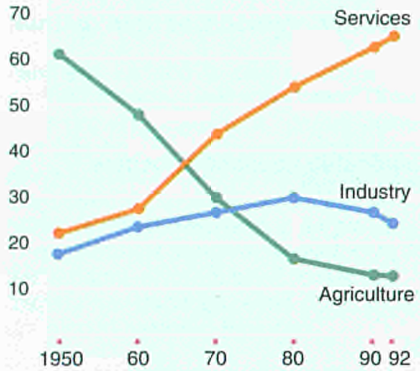
Number of pupils — 1992

	M + F 1 000	F %
Pre-primary	0.4	52.8
Primary	51.1	48.7
Lower secondary	25.7	49.4
Upper secondary	30.5	55.2
Lower tertiary	5.6	60.9
Higher education	16.2	47.2
Total	129.5	50.7

Employment (1 000)



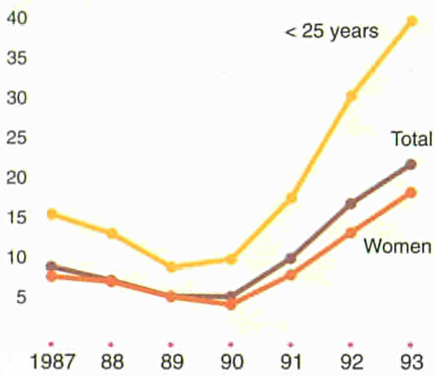
Employment structure (%)



Employment — 1992 (1 000)

Resident employment	198.6
+ Non-residents having a job in the region	3.4
– Residents having a job outside the region	5.0
= Internal employment	197.0

Unemployment (%)



Service jobs increasing the most

The river valleys of northern Finland have long been the economic centres of the region. Fields were cleared in the valleys, and their rivers were fished. The rivers also served as passageways, sending tar to world markets via trading sites located in the estuaries.

The biggest coastal towns have evolved into important industrial centres, with the timber and mineral resources of all northern Finland as their source of raw materials. Besides the mining and forest industries, the region has peat-fuelled power and hydropower industry. Industry currently employs 23% of the working population, a figure that has changed little during the last decade. In national terms, industry employs slightly more (26%) but its importance as a source of jobs has declined consistently.

The service sector has advanced more rapidly in northern Finland than in the country generally. The tourist centres of Lapland have been a particularly fruitful source of new jobs. In many places, two-thirds of the employed have service jobs. Public services have also employed a great number of people, while also balancing regional inequality.

Relatively speaking, forestry and agriculture play a more important role in northern Finland than on average in the country. In sparsely populated rural areas, agriculture has been almost the only way of earning a living. Farmers usually grow cereals, raise cattle and engage in forestry. In the far north, reindeer husbandry is the most common form of agriculture, thus ensuring the livelihood of the Sami, in particular. In areas of dispersed settlement, secondary income has been generated by fishing and hunting, and by picking mushrooms and wild berries. On the other hand, the importance of primary production as an employer has declined faster in northern Finland than in the country in general. Following the drastic change in occupational structure of the 1970s and early 1980s, the number of agricultural and forestry workers has stabilized at around 12% of those in employment.

Characteristics of resident employment (%)

	< 25 years	25-54 years	⩾ 55 years	Employees	Employees: part-time		Employees: full-time temporary contract	
	1993	1993	1993	1993	1984	1993	1983	1993
Men	10	82	8	78	3	5	8	13
Women	10	80	10	88	11	11	13	9
Total	10	81	9	83	7	8	10	11

Unemployment a structural feature

The wealthy economic and tourist centres of northern Finland have not been able to eliminate high unemployment in the region. Nor has the Oulu area been able to exploit the full job potential of its centre of excellence. The effect of tourism on employment has also been smaller than expected. Winter tourism rarely offers year-round employment.

Northern Finland is one of the country's blackest unemployment areas. The jobless rate has been above 10% for a long time, and in 1993 it rose to nearly 22%. Unemployment is thus largely structural. The reasons cited for unemployment include a one-sided business and industrial structure susceptible to economic trends, difficult operating conditions in primary production and over-concentration of industry on the home market.

Nowhere else in the country is it more difficult for the under-25-year olds to find jobs than in northern Finland. The difficult employment situation continues to drive young people from rural areas to the towns in the south of Finland, thus ageing the rural population. Women's unemployment has remained slightly below that of men in recent years. More women than men work in the public sector, which has managed to retain jobs better than the private sector.

One good thing about northern Finland's unemployment situation is that long-term joblessness, that is, unemployment for over a year, is more rare than on average in Finland. Strangely, some sectors suffering from unemployment have lacked professional labour from time to time.

POHJOIS-SUOMI

Abundance of natural resources

The GDP of northern Finland is below the national average. Nevertheless, the northern areas seem to have survived the recession of the early 1990s better than many others and the economy is picking up, boosted by a number of successful industrial, service and tourist centres. The large number of small enterprises makes for a more flexible business structure.

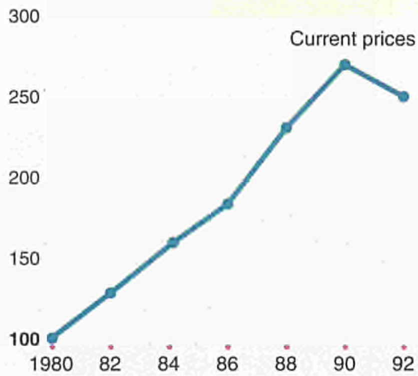
Northern Finland is richly endowed with natural resources in relation to the population figure. Hydropower and peat resources are considerably more abundant than for the country as a whole. There are also mineral deposits, for example, chromium, vanadium, zinc, copper and gold.

The main industrial raw material, however, is 'green gold', or forests. The pulp and paper industry is the most important sector in the north, but there is too little local processing of timber production. The food industry of the region has concentrated on producing foods such as cheese and butter, which can be transported over long distances.

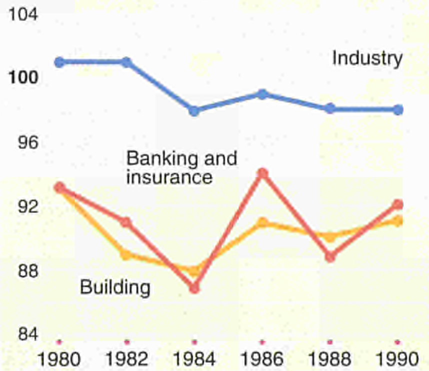
The forest industry has claimed the largest export markets; other production has conventionally been targeted at the home market. During the last few years, active efforts have been made to increase exports. Research has been expanded and clear strategies have been laid for the future. R&D in particular has provided innovations promoting exports, notably in telecommunications.

International connections have also been forged at the official level. Tangible examples of projects are the twin-city agreement between Oulu and Archangel and cooperation within the Barents Euro-Arctic Region.

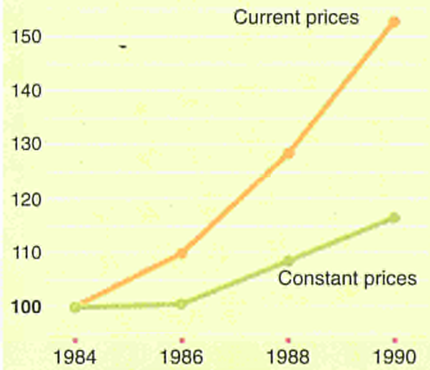
GDP (1980 = 100)



Wages
(national level = 100)



Disposable household income
(1984 = 100)



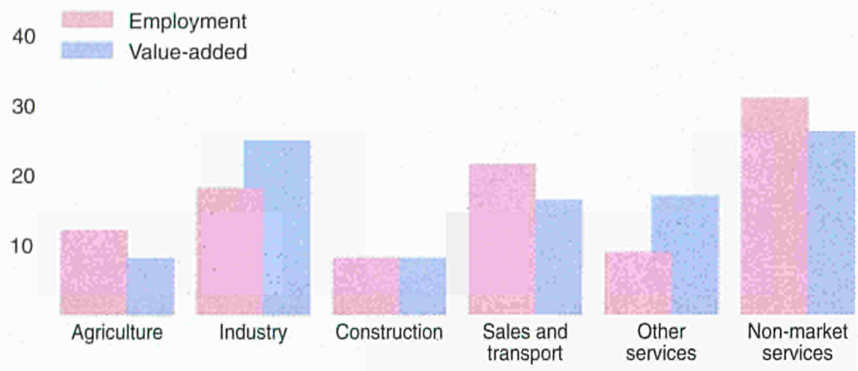
Salaries below the national average

The earned income of wage-earners in full-time employment in the north is below the national average, about ECU 21 000. The salaries of women are not, however, as far below the national average for women as the salaries for men in comparison with the national average for male wage-earners. The pay differential between women and men is also slightly smaller than in Finland in general. Women's earnings in northern Finland are four fifths of those of men.

The level of disposable income of urban households equals the national average for towns. In rural areas households have more money at their disposal than households in the country as a whole or those in other rural areas. Actually, the income level of northern agricultural households is, after Uusimaa and Åland, the highest in Finland. Disposable income is increased by income transfers and the high income level.

The biggest expense item for northern households is transport, which is the highest in Finland due to the sparse population. In Lapland, transport accounts for 27% of total expenses. Food and housing take about one-fifth of consumption, yet households in northern Finland spend slightly less on food and housing than Finnish households on average.

Employment and value-added: distribution by branch — 1992 (%)



Mining, high technology and tourism create jobs

Northern Finland is one of the world's northernmost agricultural areas. Due to poor growing conditions, cereal cultivation has had to be underpinned by livestock husbandry and forestry. Beef cattle are raised in southern parts but farther north reindeer husbandry is prevalent. The volume of set-asides has increased the amount of productive forest land in the last few decades. Most State forests are also in northern Finland.

The great problem of this region is the extent of the agricultural sector compared with the northerly location. Profitable agriculture is extremely difficult due to the short growing season and cold climate. Farms are also small. It has been suggested that more input in non-food production and small-scale entrepreneurship such as berry- and mushroom-picking would help agriculture to survive.

Manufacturing in northern Finland is built on basic industry on the one hand and on technological know-how on the other. There are high hopes for new production and new jobs in the mining industry but above all in high technology. Industrial investments are likely to focus on state-of-the-art technical expertise, creating thousands of new jobs by the end of the millennium. Telecommunications have already led the way. Special expertise is also to be found in electronics, automation, medical and health-care technology, bio- and process technology, and chemistry. An interesting project in the pipeline is Bio Suomi, which concentrates on advanced exploitation of plant production capacity. The peat resources of northern Finland are the country's largest and are suitable for horticultural and fuel peat.

The future for tourism in Lapland looks bright. Tourism, which increased in the last few decades, has not yet realized its full potential.

Agriculture

Number of holdings	13 430
Labour force	21 780 AWU
Agricultural area	233 549 ha
Livestock	138 465 LU
Gross value-added	14 550 ECU/AWU

Main products	
Milk	52%
Cattle	25%
Cereals	6%

Main enterprises

Name	Employees	Activity
Rautaruukki Oy	4 524	Iron and steel manufacture
Veitsiluoto Oy	4 318	Pulp, paper and paperboard
Outokumpu polarit Oy	1 373	Iron and steel manufacture
Oy Metsä-Botnia Ab	911	Pulp manufacture
Nokia telecommunications Oy	880	Telecommunication equipment
Nokia cellular systems Oy	593	Telecommunication equipment
Osuuskunta Eka-yhtymä	558	Retail trade
Itikka-Lihapolar Oy	543	Meat processing

Emissions from Kola destroying the landscape

Aavasaksa and Kuusamo are the most famous landscape areas in northern Finland. The landscape of Kuusamo consists of rapids, waterfalls, spectacular steep-walled gorges and *vaaras*. The area is part of the Oulanka National Park. Aavasaksa's *vaara* and river area has attracted tourists since the 17th century. The summit of the hill itself is one of the most famous lookout spots in northern Europe, where people come to admire the seemingly endless trains of *vaaras* and fells and chains of rivers. The Pallastunturi and Saana fells are also popular among hikers and ramblers.

Other sights of perennial interest to foreign tourists, besides the midnight sun and salmon rivers, are Santa Claus Land, the northern lights and the great wildernesses. Finns, on the other hand, tend to head for winter sports resorts. Northern Finland also provides a unique environment for cultural events, notably the Kaamos jazz and the Sodankylä film festivals.

Industry has traditionally posed the greatest threat to the northern landscape. The marks of intensive forestry and clearcutting are glaringly visible in places. Likewise, the energy industry has harnessed rapids and increased the exploitation of hydropower.

The greatest damage today comes from industrial emissions from the Kola region in Russia. In places, sulphur and heavy metal contents and deposition have reached alarming levels. Emissions have led to the disappearance of some sensitive lichen species, shedding of needles and impaired resistance to frost. In places, zones of tree damage can even be discerned with the naked eye.

FINLAND

AHVENAN-MAA/ÅLAND

The islands of Ahvenanmaa (Finnish) or Åland (Swedish) form an autonomous region in the south-western archipelago. The region comprises the main island of Åland, i.e. mainland Åland, and vast numbers of islands, skerries and reefs. In all, there are 6 500 islands, of which 62 are inhabited. The total area of the region is 7 784 km², of which 1 527 km² is land.

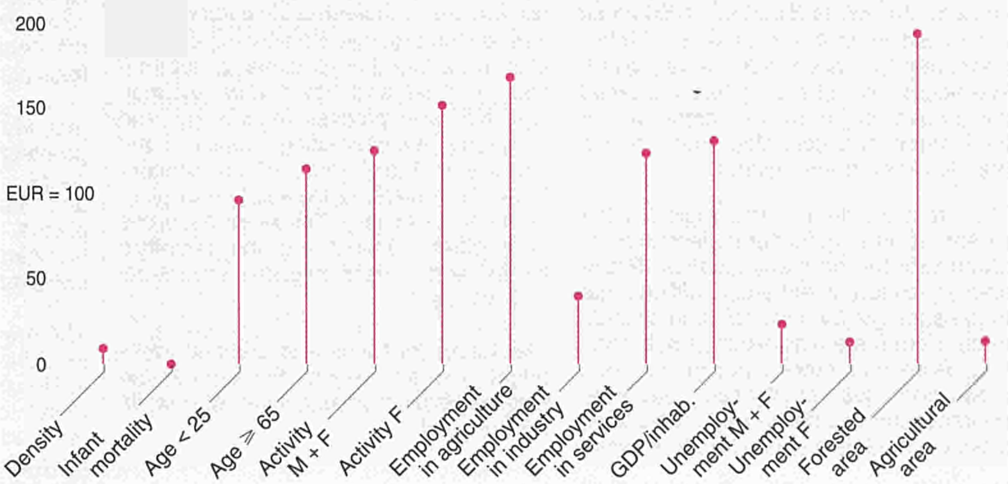
Åland is primarily low-lying with gently rolling hills. Many woodlands have been cleared for farming. The land is almost mountainous in the north of the main island.

In the early years of Swedish rule, Åland was a relatively independent region, but it was later linked administratively to Finland. Along with mainland Finland, the area became part of the Russian Empire in 1809. When Finland claimed its independence in 1917, there was a strong movement to join Åland to Sweden. The dispute over Åland's position between Finland and Sweden was eventually referred to the League of Nations, which decided in 1921 that Åland was part of Finland. At the same time, extensive autonomous rights were granted to the area and it was declared a demilitarized zone.

The official language of Åland is Swedish, which is spoken by 95% of the islanders. The region has its own flag and stamps. Ålanders also have a kind of a 'citizenship' of their own, the right of domicile. Real estate can be owned only by persons with this right of domicile. The islanders are also exempted from military service.

Red buildings and carpets of wild flowers characterize the summer idyll on the Åland Islands

Ahvenanmaa/Åland in the European Union



Archipelago on the road to prosperity

The geographical position of Ahvenanmaa/Åland between Sweden and Finland has guaranteed that the area has had commercial and cultural ties with both West and East. As early as the 11th century, Åland was an important stopover on the East European trade route. Traffic between Finland and Sweden has also traditionally gone through Åland. The islanders have indeed felt more strongly than Finns on the mainland that they are part of Swedish-speaking Scandinavia and thus of Western Europe.

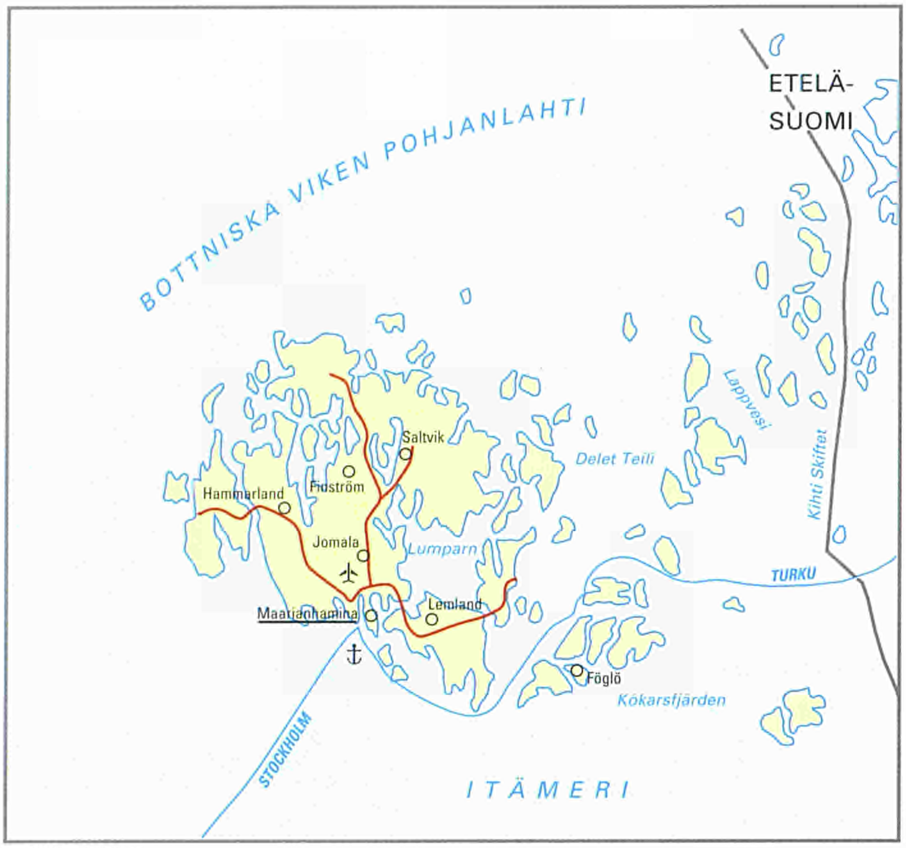
During the last decade, the archipelago became one of the most affluent regions in Finland. It also emerged relatively unscathed from the deep recession of the early 1990s. GDP has risen steadily and employment is good.

Living conditions in the island municipalities are often difficult. Health, education and other welfare services are far away. The climate and communications also cause problems. For instance, contact with the rest of the world can come to a standstill when the ice is impassable. None the less, island traffic has improved greatly during the last few decades.

The austerity of life has been the prime reason why people have moved away from the outer islands. Another factor rapidly depleting the already sparse population of the island municipalities is ageing.

In ecological terms, the decline in the island population is a good thing as it helps preserve the unique natural environment. In Åland as elsewhere, economic and ecological values are often at loggerheads. Tourism, for instance, is vital to the local economy but the environment is suffering from the heavy increase in ferry traffic and weekend cottages.

AHVENANMAA/ÅLAND



Scale 1 : 1 000 000

Which EU regions are similar to Ahvenanmaa/Åland?

Area:
less than 1 700 km²
Martinique (F)
Berlin, Hamburg, Bremen (D)
Madeira (P)

Employment:
more than 76% in services
Île de France, Provence-Alpes-Côte d'Azur, Corse (F)
Stockholm (S)

GDP per capita:
30 to 35% above EU average
Baden-Württemberg (D)
Lombardia (I)
Stockholm (S)

Population and wealth concentrated in mainland Åland

The Åland way of life looks different depending on whether it is viewed from Mariehamn and the mainland or the island municipalities.

Mariehamn is not only the sole town in Åland; it is also the administrative and economic centre. It has also profited the most from internal migration, as the urbanization of Finland in the 1950s and 1960s concentrated Åland's population in Mariehamn. At the moment, the town is home to nearly half of all Ålanders, and its population density is one of the highest in Finland. Other population concentrations are located in the mainland municipalities north of Mariehamn: here, too, the number of inhabitants is showing a slight rise. The areas suffering most from population loss are the outer islands and the coastal municipalities on the mainland. The island municipalities have lost people of working age. As a result, their inhabitants are ageing and are now the oldest people in Åland.

The service professions are the main providers of work in Åland today, so much that 85% of the people in Mariehamn earn their living from the service industry, mainly tourism. Services are, however, the most cyclically sensitive industry in Åland, and economic trends have thus somewhat weakened employment in the last few years. Shipping and seafaring are other important sectors. Agriculture and manufacturing are concentrated elsewhere in mainland Åland.

The income level is highest in Mariehamn and next highest in the neighbouring municipalities which belongs to the Mariehamn economic area. It is lowest in the northern and eastern coastal municipalities of the mainland and in the outer archipelago. Most of the people living in the poorest areas make a living from fishing. Many people in the outer islands are also employed in inter-island sea traffic. Jobs are also created by weekend cottage settlement. The inhabitants of the outer islands have a tradition of self-sufficiency and are not affected by unemployment.

	Area	Population			Activity	Unempl.	Employment			GDP/inhab.
	1 000 km²	1 000	Inhab./km²	Change (%)	%	%	% Agricult.	% Industry	% Services	EUR (PPS) = 100
		1993	1993	1983-93	1993	1993	1992	1992	1992	1992
Ahvenanmaa/Åland	1.6	25.1	16.2	7.1	67.3	2.7	9.9	13.4	76.7	132
Suomi	338.1	5 077.9	15.0	4.3	65.3	17.9	8.9	26.0	65.2	93
EUR 12	2 358.2	347 937.8	147.5	3.2 (1980-90)	55.4(1992)	10.4	5.8	32.6	61.2	100

AHVENANMAA/ÅLAND

Population trend steady in Åland

Åland is Finland's smallest major region in both area and population, accounting for only 0.5% of the country's total area and for 0.4% of the population.

There have been no dramatic shifts in Åland's population during this century, and the figure has remained over 20 000. There was a slight decrease in the 1950s and 1960s, mainly due to migration to Sweden, but since the 1970s the figure has slowly risen. The population has grown at a slightly faster rate than in mainland Finland. This has been due both to immigration and to the fact that the birth rate has consistently exceeded the mortality rate.

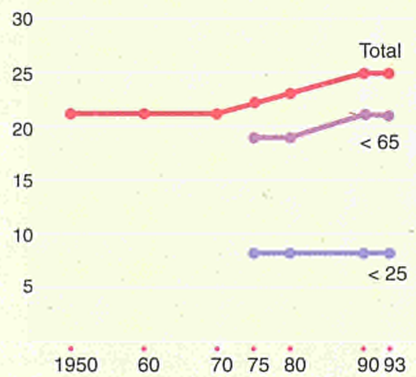
Immigration to Åland has been somewhat more common than emigration. Most of the people who have moved into the region, particularly to Mariehamn, have been Swedish-speakers from Finland. Emigration from the islands has primarily been to Sweden. Internal migration has been more substantial than external. The population figure of the archipelago also varies greatly depending on the time of year: in summer there are more tourists than actual inhabitants.

Narrowing age pyramids form a greater problem in Åland than in Finland in general. The distorted age structure is primarily due to the ageing population. The number of births is also on the decline, albeit at the slowest pace in Finland apart from the Uusimaa major region.

Population by age — 1993

	M + F 1 000	M + F %	M %	F %
< 15	4.7	18.6	19.7	17.5
15-24	3.1	12.3	13.0	11.7
25-39	5.5	21.9	21.9	21.9
40-54	5.5	21.9	23.0	20.9
55-64	2.2	9.0	9.2	8.7
⩾ 65	4.1	16.3	13.2	19.4
Total	25.1	100.0	100.0	100.0

Population (1 000)



Resident population of foreign nationality — 1993

	1 000	% of total population
Total	0.89	3.56
of which EU countries	0.05	0.19
of which non-EU countries	0.85	3.37
Sweden	0.66	2.61
USA	0.05	0.18
United Kingdom	0.02	0.07
Russia	0.02	0.06
Estonia	0.01	0.03

Demographic account — 1983-93 (1 000)

Population 31.12.1983	23.4
Births	3.4
Deaths	2.7
Net migration	+ 0.9
Population 31.12.1993	25.1

Educational gap between Ålanders and mainland Finns narrowing

The labour force accounts for a higher proportion of the population in Åland than in mainland Finland, thanks to the good job situation. There are, however, fewer students and school pupils.

The education level of Ålanders is below the Finnish average. This is reflected in the smallest proportion of people holding degrees in Finland and the lower education level of the labour force. Fewer than half (49%) of the islanders have some post-comprehensive qualification. The educational difference between mainland Finland and Åland is narrowing, however, since during the past decade the education level of Ålanders has shown the sharpest rise in the whole country. The rise has been most marked in the number of people holding a degree from a university-level institution.

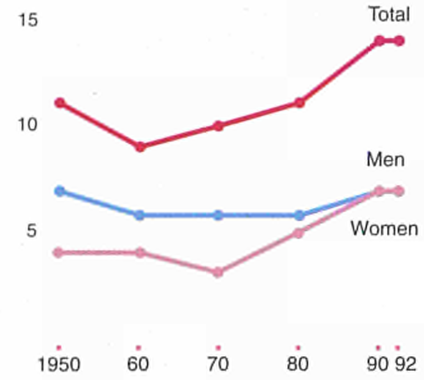
The requirements of local businesses and industry and the structure of educational institutions have combined to affect the education level. Jobs have been particularly plentiful for skilled workers. There are a number of schools and colleges which support the occupational structure of the islands (e.g. a maritime college and a catering college). There is no university, but Mariehamn has a folk academy and a summer university. Students wishing to attend university usually go to Sweden or attend Swedish-speaking universities in Finland.

Åland has suffered to some extent from the brain drain, with more well-educated people moving away, mostly to Sweden, than have moved in.

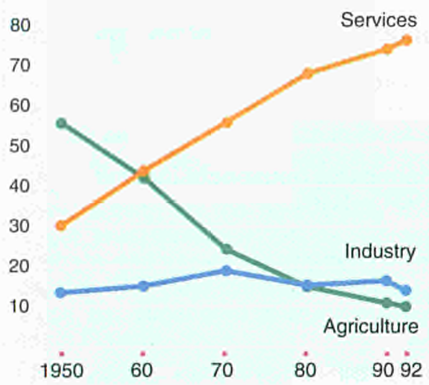
Number of pupils — 1992

	M + F 1 000	F %
Pre-primary	0.0	0.0
Primary	1.8	47.8
Lower secondary	0.9	47.1
Upper secondary	1.1	48.6
Lower tertiary	0.1	51.6
Higher education	0.1	56.0
Total	3.8	47.1

Employment (1 000)



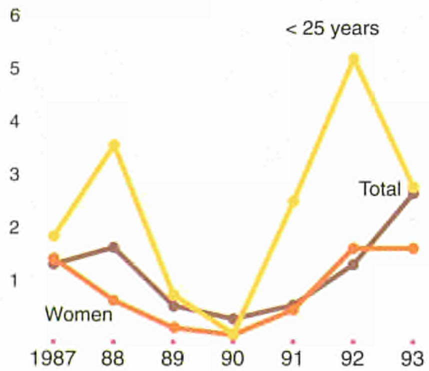
Employment structure (%)



Employment — 1992 (1 000)

Resident employment	11.8
+ Non-residents having a job in the region	2.4
– Residents having a job outside the region	0.2
= Internal employment	14.0

Unemployment (%)



Occupational structure changing

The occupational structure of the archipelago was long dominated by farming, fishing and seafaring. This traditional structure started to change markedly in the 1950s. As society became more modern, workers increasingly transferred to service jobs. The massive expansion of the service sector hastened the entry of women into the labour market. Currently, 77% of Ålanders work in service professions, 12% more than the Finnish average.

The most important segments of the service sector are public services, trade, tourism and transportation. Trade, financial services and public services constitute the prime employers of women. Men, on the other hand, work mainly in seafaring and transportation. The latter is a significantly bigger employer in Åland than it is in Finland generally.

One in 10 Ålanders earns a living from the traditional island occupations: fishing and agriculture. Manufacturing, too, employs one in 10 islanders, whereas the figure for all Finland is 26%. The only important industries in Åland are food- and fish-processing.

In recent decades, the proportion of wage-earners has declined and the number of self-employed risen more in Åland than elsewhere in Finland. Today, two-thirds of Ålanders are wage-earners. The number of people with part-time jobs has also fallen. Even so, there are more women in part-time work than on the Finnish mainland: 14% of female wage-earners in Åland have part-time jobs as against 10% in mainland Finland. The age structure of the labour market has also changed, and only the proportions of first-job holders and of those long in employment have fallen.

Characteristics of resident employment (%)

	< 25 years	25-54 years	⩾ 55 years	Employees	Employees: part-time		Employees: full-time temporary contract	
	1993	1993	1993	1993	1984	1993	1983	1993
Men	10	79	12	77	3	3	6	0
Women	9	81	10	86	19	12	0	0
Total	10	80	11	82	11	7	5	0

Nearly full employment in Åland

The employment situation has long been better in Åland than in mainland Finland. The number of employed has remained steady and unemployment has been around 2%. The labour market has also expanded heavily. In the 1960s and 1970s, services, in particular, attracted people, especially women, who had previously not had jobs. Nowadays, almost one in two employees in Åland is a woman.

In the 1990s this excellent situation has faltered somewhat in the largest municipalities of mainland Åland, and the number of registered job-seekers has started to rise. Most of the unemployed have been women in secretarial and office jobs, or people working in other service occupations.

Despite the slight rise in jobless figures, Åland still enjoys near full employment compared with mainland Finland, which is struggling with mass unemployment.

The business and industrial structure of the archipelago is on a sound basis and is not so dependent on general economic trends as is the mainland. Åland has had a kind of internal market, in which companies have largely been owned by Ålanders themselves. Ålanders have a long history of entrepreneurship and of work in the subsistence occupations typical of islands.

AHVENANMAA/ÅLAND

Åland's GDP highest of all Finnish regions

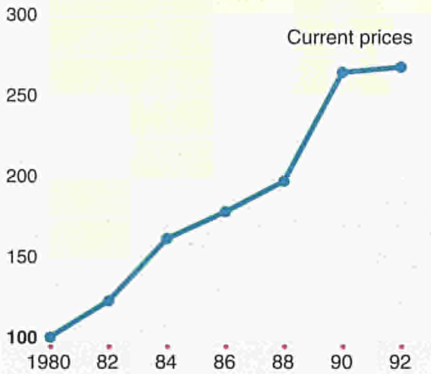
Åland set out on its road to prosperity in the 1980s, when its GDP was consistently higher than that of Finland as a whole. Today, Åland is the wealthiest region in Finland, with a GDP twice that of South Savo, Finland's poorest region.

Åland's wealth is largely explained by the location of Mariehamn, the region's economic hub, as Finland's richest regional sub-unit. The success of the region's strong business sectors, tourism and capital-intensive transport, has helped Åland to cope with the recession with hardly any damage. The service sector generates 78% of Åland's GDP. More than half of the service sector revenue comes from trade, the hotel and catering business, and communications.

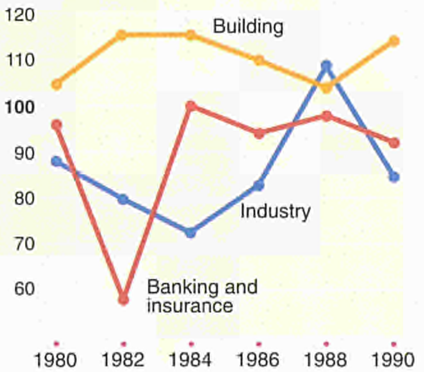
At one time the sea was the source of Åland's wealth. Income generated by great sailing ships laid the foundation for today's financial stability. Vessels were bought cheap in the 1920s, and before the Second World War, Åland's fleet was the largest in the world. It was a short step from sailing ships to shipping, and today Mariehamn is Finland's third biggest shipping town after Helsinki and Turku. A quarter of Finland's merchant fleet is registered in Åland. Most of the ships ply international waters. Following an old tradition, many Ålanders still own shares in ships.

Åland's imports and exports have grown steadily. The Ålanders have tried to run their own economy as far as possible, and only people with the right of domicile can own land. This means that the economy of the archipelago has been rather closed and there has been very little foreign investment. On the other hand, Åland has benefited financially from its geographical location, for instance from the tax-free ferry traffic between Finland and Sweden which goes via Åland.

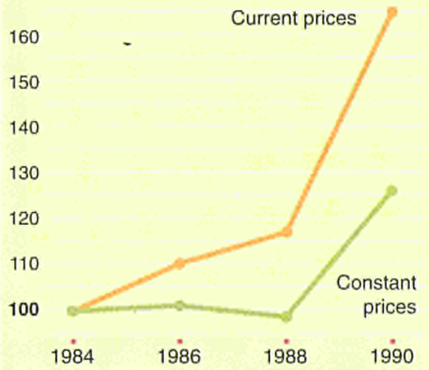
GDP (1980 = 100)



Wages
(national level = 100)



Disposable household income
(1984 = 100)



High household income level

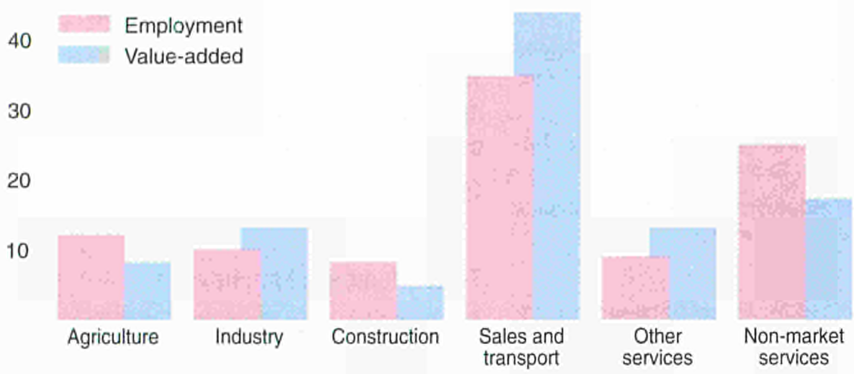
Åland's salary level is slightly above the Finnish average. A wage-earner in full-time employment earned an average of ECU 22 200 in 1992.

The income level of households is more clearly above the national average for Finland than that of wage-earners. Households' earned income, in particular, is above that of Finns as a whole. In 1992, earned income averaged ECU 24 600 per household, and disposable income ECU 24 500 per household. Nowhere else in Finland is the importance of earned income so great or that of income transfers so small in the formation of disposable income.

Food and clothing account for a smaller proportion of the expenditure of Åland households than they do for Finland as a whole. Recreational and culture expenses are also below average. The consumption structure of Åland is exceptional in that housing and transport represent a considerably higher share of consumption than food. A fifth of consumer spending goes on food and a quarter each on transport and housing.

AHVENANMAA/ÅLAND

Employment and value-added: distribution by branch — 1992 (%)



Shipping and tourism — the foundation of value-added

Natural conditions and the fragmented patches of arable land have forced Åland's farmers to specialize in livestock and crop husbandry. For reasons of profitability, horticultural crops have replaced dairy farming on the best arable land. Sugar beet, potatoes, onions, Chinese cabbage and apples are particularly successful. The yield per hectare of some crops, e.g. sugar beet, is one of the highest in Finland.

Fishing is still a key form of primary production. Where fishing is concerned, the search for profitability has turned the traditional island fishing largely into open-sea trawling. The catch mainly comprises Baltic herring, sprat and salmon.

Åland has very little industry, and what there is concentrates on the processing of agricultural and fishery products. Ab Chips Oy Ltd, by far the largest industrial enterprise, is primarily known for its potato products. Of the small industries, boatyards and crafts are the most important, with craft trades being very dependent on tourism.

Shipping and tourism account for an indispensable part of Åland's value-added and jobs. Five-sixths of the companies offering the most jobs are shipping companies operating chiefly in sea traffic. Three of these companies have their roots in Åland and islanders still keep ownership tightly in their own hands. As well as passenger traffic in the Baltic Sea, Åland companies commonly engage in merchant shipping. Their operating environment has, however, become more difficult with the increasingly keen competition between Finnish, Swedish and Åland shipping companies.

The service sector is the second main support of Åland's economy, and the archipelago accounts for a significant proportion of total tourism revenues in Finland. Most of the tourists come from other Scandinavian countries. The importance of tourism is further enhanced by the fact that it generates indirectly a major proportion of value-added and of jobs in communications and trade.

Agriculture

Number of holdings	958
Labour force	1 336 AWU
Agricultural area	13 355 ha
Livestock	14 894 LU
Gross value-added	10 957 ECU/AWU
Main products	
Garden	25%
Milk	22%
Cereals	10%

Main enterprises

Name	Employees	Activity
SF Line Ab	2 072	Sea transport of passengers
Birka Line Ab	384	Sea transport of passengers
Sally Ab	370	Sea transport of passengers
Ålandsbanken Ab	238	Banking and finance
Rederiaktiebolaget Eckerö	174	Sea transport of passengers
Viking Line Ab Oy	160	Sea transport of passengers
Ab Chips Oy Ltd	148	Fruit and vegetable processing
United Shipping Ltd Ab	114	Sea transport of goods

Unique island landscape

Åland is part of the Finnish outer archipelago, one of the country's most distinctive landscapes. The main element of the landscape is the sea, which unites the extensive and fragmented archipelago consisting of skerries, uninhabited small islands and larger inhabited island groups. Particularly attractive are Åland's flowering deciduous woodlands and natural meadowlands. True forests are rare. The lack of forests is due not so much to natural phenomena as to fellings, slash-and-burn cultivation and grazing. Farming has also destroyed some of the wooded meadowlands with their wealth of plant and animal species.

Åland is much favoured by nature travellers and attracts boaters, deep-sea fishermen and hikers alike. With its iron age settlements and burial grounds, medieval church and castle, museum grounds, rich pasturelands and oak woods, the area around Sund is regarded as the most valuable of the cultural landscapes. Travellers interested in cultural history are also attracted by the time-honoured traditional architecture of the islands.

As there is little industry and communities are small, agriculture and fish-farming have become the worst polluters of the Åland Sea. Fish-farming is the main culprit, as its nutrition load increases the eutrophication of the marine ecosystem and decreases the variety of species. In fact, nowhere else in Finland do fish-farms load waterways as much as in Åland. The problem may be aggravated in the future as the focus of fish-farming increasingly shifts to sea areas.

On the whole, the Åland Sea has remained considerably cleaner than other parts of the Baltic Sea and the Gulf of Finland. The oxygen content, for instance, is now higher than it was. In exceptional cases, groundwater measurements have sometimes yielded the highest pH values in Finland. No radical changes have taken place in the quality of surface waters during the last few years. The greatest threats to Åland's natural environment are posed by ferries, which disturb the ecosystem, by holiday homes, which usurp new areas, and by tourism in general.

Explanatory notes — Finland

The statistical data presented here have been compiled by either the national statistical institutes themselves or in collaboration with Eurostat. Despite the efforts which have been made, the comparability of the data between regions in different countries cannot always be guaranteed.

Graph: The region in the European Union

Sources: Eurostat — regional databank, REGIO.

Density (1993), infant mortality (1992), age (1990): Statistics Finland: Population statistics.

Definition: Infant mortality: Ratio of deaths, before the age of one, to live births.

Activity and unemployment rates: Statistics Finland: Labour force survey.

Definitions:

– Activity rate (1992): Ratio between the labour force (15-74 years old) and population (15-74 years old).

– Unemployment rate (1993): Ratio between unemployment and the labour force (15-74 years old) in accordance with the International Labour Organization recommendations.

– The unemployed are all persons who, for the whole survey week, were without work but were available for it and were seeking it, or had made arrangements to start a job, or had been laid off.

– Labour force includes people who during the survey week were employed or unemployed.

Employment (1992): Statistics Finland: Data at the place of work.

Definition: Employment excludes conscripts and unknown elements.

Gross domestic product (1992): Statistics Finland: National accounts. Regional accounting.

Definition: Gross domestic product: The GDPs are converted to purchasing power standards (PPS) and related to the average population.

Forested area: The Finnish Forest Research Institute, 1993.

Agricultural area: National Board of Agriculture: Register of farms, 1993.

Definition: Agricultural area: arable land (of at least one hectare) possessed by farms and active estates, and natural meadows and pasture of all farms and active estates in areas in 1993.

Table: The subregions

Sources: Eurostat — regional databank, REGIO.

Area, population: Statistics Finland: Municipality key 1994.

Activity and unemployment rates: Statistics Finland: Labour force survey.

Employment: Statistics Finland: Data at the place of work.

GDP/inhabitant: Statistics Finland: National accounts. Regional accounting.

Graph: Population

Source: Statistics Finland: Population statistics.

Tables: Resident population of foreign nationality, Population by age and demographic account

Source: Statistics Finland: Population statistics.

Table: Number of pupils

Source: Statistics Finland: Education statistics.

Definition: Classification after Unesco International Standard Classification of Education (ISCED).

Graphs: Employment, Employment structure

Source: Statistics Finland: Data at the place of work.

Table: Employment — 1992

Source: Statistics Finland: Data at the place of work.

Graph: Unemployment

Source: Statistics Finland: Labour force survey.

Table: Characteristics of resident employment

Source: Statistics Finland: Labour force survey.

Definitions:

– Employees are defined as persons (15-74 years old) who work for a public or private employer and who receive compensation; non-conscript members of the armed forces are also included.

– Part-time work: normal hours of work in the main job: under 30 hours per week.

– A job is regarded as temporary if the termination of the job is determined by objective conditions such as reaching a certain date, completion of an assignment or the return of an employee who has been temporarily replaced.

Graphs: GDP, Wages

Source: Statistics Finland: National accounts. Regional accounting.

Graph: Disposable household income

Source: Statistics Finland: National accounts. Regional accounting.

Graph: Employment and value-added

Source: Statistics Finland: National accounts. Regional accounting.

Definitions:

– The industry of other services includes financing and insurance, real estate and cleaning, technical and business services.

– The industry of non-market services includes public administration and national defence, education and research, recreation and cultural services, organizational and religious activities and other services.

Table: Agriculture

Sources: Holdings, Agricultural area: Ministry of Agriculture and Forestry: Agricultural accounting 1993.

Labour force: Ministry of Agriculture and Forestry: Agricultural accounting, 1990.

Gross value-added: Statistics Finland: National accounts. Regional accounting.

Main products: Statistics Finland: Farm economy.

Table: Main enterprises

Source: Statistics Finland: Register of enterprises.

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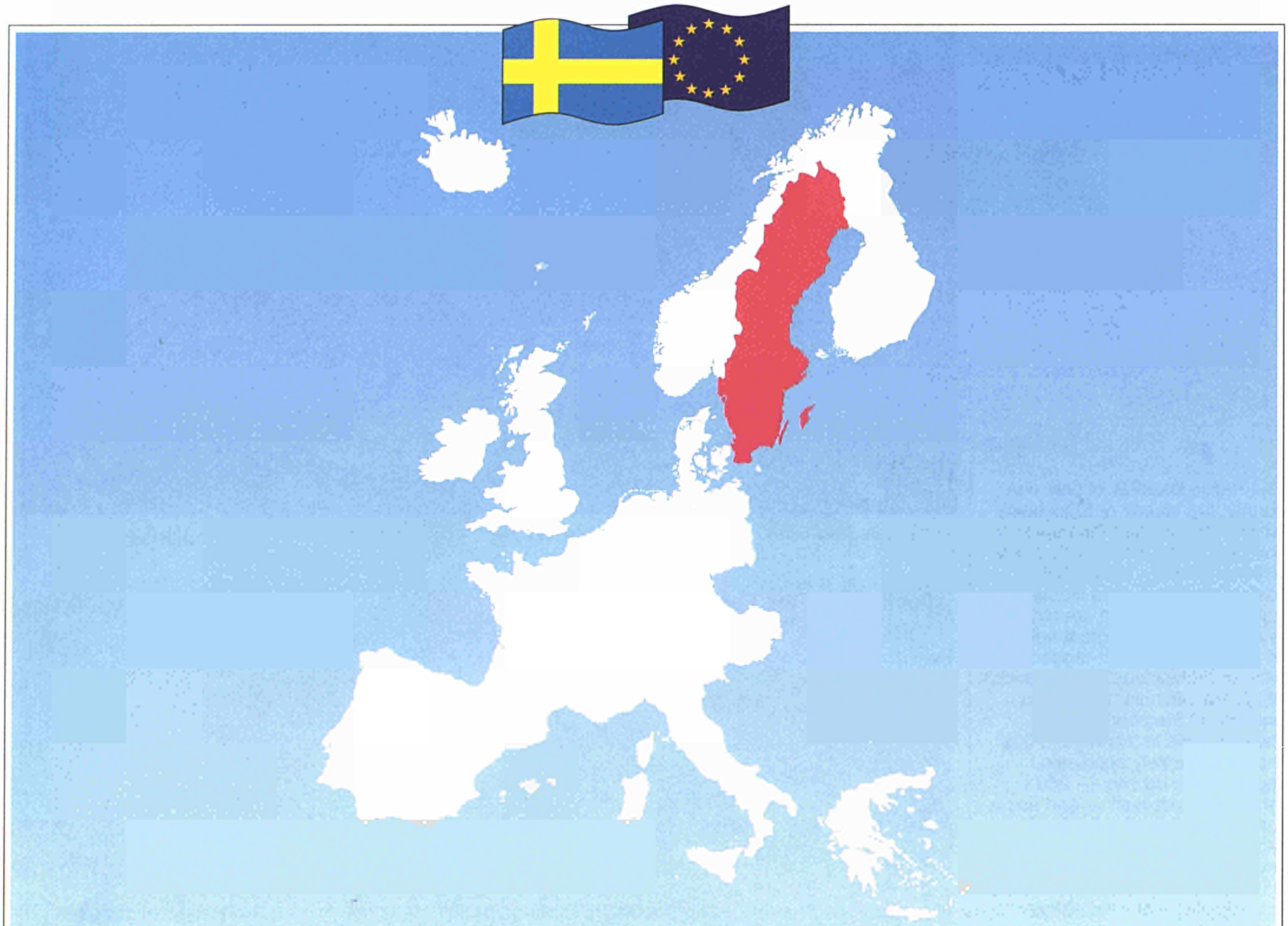
SWEDEN



Sweden is situated on the Scandinavian peninsula to the east of the mountain ridge which separates it from Norway. In area, Sweden is the third largest country in the European Union, with a total area of 449 964 km², of which the land area is 410 943 km². Lakes and rivers thus cover about 40 000 km² (or 9%) of the national territory and there are about 90 000 lakes larger than one hectare in area. The climate varies considerably: the southern parts of the country have a climate similar to that of Denmark, whereas an area of 64 430 km² (or one seventh of the total area) is situated north of the Arctic Circle with very harsh winter conditions. More than half of the area is forested while approximately 8% is farmland.

In relation to its total area, Sweden has few inhabitants in comparison with many of the central European countries. Sweden has only 21 inhabitants per km² but there are substantial differences between the regions as regards population density. In the five southern regions, approximately four fifths of the population live on less than one third of the total area. The sparsely populated rural areas in northern Sweden have on the other hand very few inhabitants per km².

Sweden has enjoyed a period of uninterrupted peace for nearly 200 years, since the beginning of the 19th century.

In the last 100 years Sweden has developed from an agrarian society to an industrial welfare society. This development is due to supplies of raw materials, traditions and competence as well as the way of organizing society and enterprises.

A domestic market of a size sufficiently large to consume the total industrial production has not been available and, as a consequence, many industrial enterprises have had to look for markets abroad. Today, Sweden has many big enterprises with a global outlook.

Regional government consists of 24 counties, which have been changed only marginally since 1810. The county administrations are responsible for such areas as regional planning, culture and environmental matters. There are now 288 municipalities. Formerly, there were about 2 500 but their number was reduced by a series of administrative re forms in the 1950s and 1960s. Conducive to this process was the fact that the scope of municipal activities was gradually expanded, which called for the creation of larger and economically stronger administrative units.

By tradition, the municipalities are juridical entities and have taxation rights. Their activities include social services, primary and secondary education, residential and urban planning, environmental protection and recreational and cultural activities.

There are 23 county councils endowed with taxation rights. Three municipalities make up special county councils. The county councils are primarily responsible for health care.

Several administrative tasks which were formerly the responsibility of central government have been transferred to the municipalities as part of decentralization. The municipalities also administer health care for elderly people.

SWEDEN

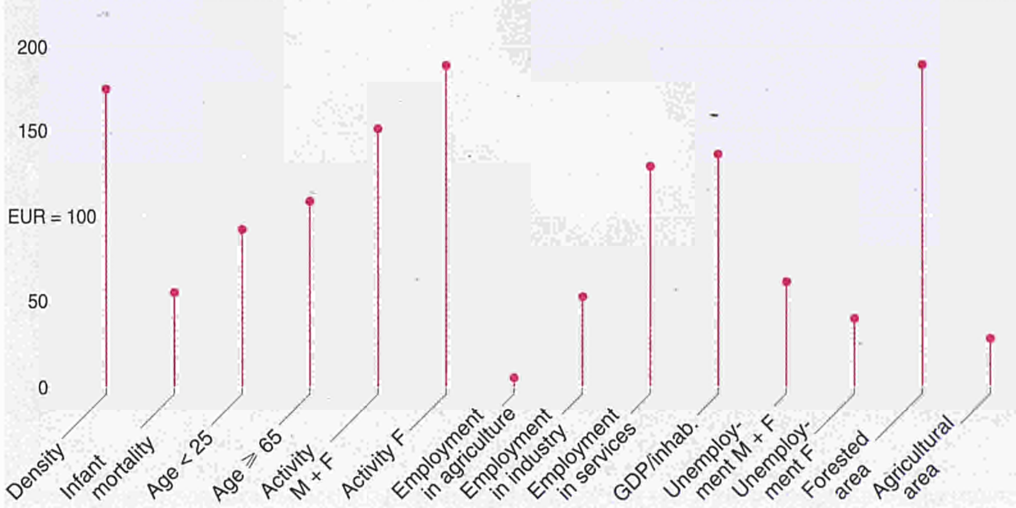
STOCKHOLM

The region consists of only one county: the county of Stockholm, which also includes the capital of Sweden. The area is 1.5% of the national territory. Nearly half is forested and only one fifth is agricultural land. The countryside is mostly flat with a great number of lakes. The coast is jagged, with an archipelago of thousands of islands offshore. More than one fifth of the population of Sweden lives in this region. It is the most densely populated region in the country — 260 inhabitants per km^2 — and has a total population of 1.7 million. Most of the people live in urban areas in the southern and central parts of the region. There are 25 municipalities, of which 22 are highly urbanized.

The region offers a pleasant natural environment for recreation, for example in the archipelago, and it has excellent infrastructure with well-developed communication systems.

Regatta in Stockholm. In the background the City Hall.

Stockholm in the European Union



A region steadily moving from a mono-ethnic industrial towards a multi-ethnic service society

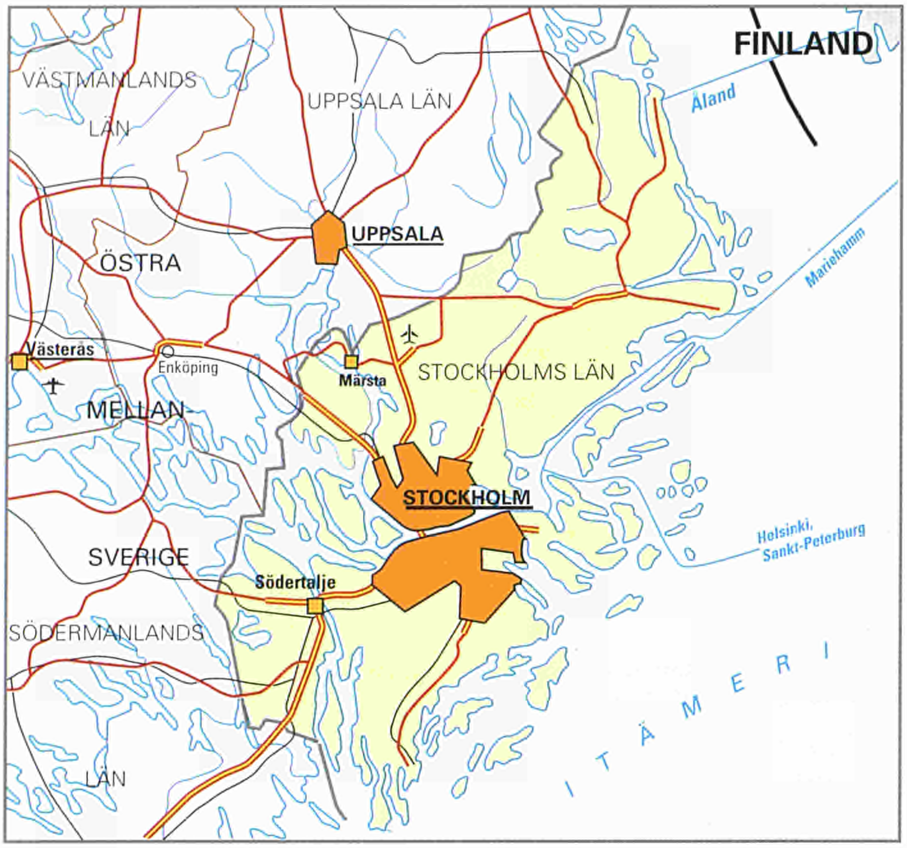
The capital of Stockholm is the centre of Swedish government administration.

Stockholm has, however, also been a centre of widespread trade in raw materials and processed goods such as iron and iron products, and for a long time Stockholm was also the most important industrial town in Sweden. Today, Stockholm has lost most of its industries and become more of a service centre. Service production of all kinds is a feature of the central part of the region. In the northern and southern parts, industrial production is still important, though. While several of the most successful exporting companies have their headquarters in Stockholm, most of their production is carried out in other regions or countries. However, some of the companies still have production sites in the region, e.g. Ericsson (electronic products), Scania (trucks) and Alfa-Laval (dairy equipment).

The population of the region has increased continuously, and also as a percentage of the country's total immigration which began to increase after the Second World War and reached its maximum in the 1970s and 1980s. The various immigrant groups are now clearly noticeable. The region has the largest number of immigrants of all eight regions. Another consequence has been the housing shortage which characterizes the southern and central parts of the region. One-person dwellings are common in Stockholm.

Schools and universities employ many people, together with government departments (both public and municipal services) at local, regional and central levels. Trained people often find employment in the region, which is the most multifunctional of Sweden's regions.

STOCKHOLM



Scale: 1 : 1 500 000

Which EU regions are similar to Stockholm?

Population:
± 1.7 million inhabitants
Hamburg (D)
Liguria, Sardegna (I)

Employment:
more than 80% in services
Bruxelles-Brussels (B)
Ceuta y Melilla (E)

GDP per capita:
± 35% above EU average
Lombardia (I)
Wien (AT)
Groningen (NL)

An attractive area — High quality of life

The region is characterized by densely built-up areas in the south and central parts. Nevertheless, there are excellent opportunities for outdoor life within easy reach. The city of Stockholm is also the most visited tourist destination in the country.

Although the processing industries have moved to more peripheral locations and more office buildings for the expanding service sector have been constructed in the central parts, the environment for housing has remained attractive in the whole area.

Proximity to nature is typical of all parts of the region. The municipalities in the archipelago have to provide services for the many holiday homes. Many people living in urban areas take advantage of the leisure opportunities in the archipelago.

The tendency to change holiday homes into permanent housing has been strengthened by the increase in car ownership.

The opportunities for housing in an attractive environment have expanded for many residents of the region, who have the largest income per capita in the country.

Many of the new places of work in the region are located in areas with extremely good communications, e.g. alongside the motorway to Stockholm's Arlanda airport.

The attractive environment and good water quality make it possible to enjoy outdoor bathing in the centre of the urban settlement of Stockholm.

The use of district heating systems has also resulted in a much better environment.

The rise in the number of vehicles in the region has increased air pollution, in spite of strict regulations requiring exhaust purification devices.

	Area	Population			Activity	Unempl.	Employment			GDP/inhab.
	1 000 km²	1 000	Inhab./km²	Change (%)	%	%	% Agricult.	% Industry	% Services	EUR (PPS)=100
		1993	1993	1983-93	1993	1993	1993	1993	1993	1991
Stockholm	6.5	1 686	259.8	8.7	82.2	6.7	0.6	17.7	81.3	140
Sverige	410.9	8 745	21.3	5.0	79.1	8.2	3.4	25.4	71.0	112
EUR 12	2 358.2	347 938	147.5	3.2 (1980-90)	55.4 (1992)	10.4	5.8 (1992)	32.6 (1992)	61.2 (1992)	100

STOCKHOLM

Increasing population

Between 1950 and 1993 the population increased by 600 000 to reach 1.7 million.

In 1990 about 15% of the population were of foreign citizenship, although only a small percentage came from EU Member States. Finns made up the largest share, with Turkish and Chilean national groups each accounting for nearly 1% of the population in the region. The number of foreign citizens is bound to change rapidly, primarily as a result of events in other parts of the world. Finns account for most of the foreign nationals in the labour force in the region. Stockholm has long ranked first in its number of foreign citizens.

The population is relatively young. The migration of young people to the region is remarkable, and so is the relatively large movement of elderly people to other parts of the country. The birth rates have been high in recent years, as in other regions, and as a result there has been a significant growth in population.

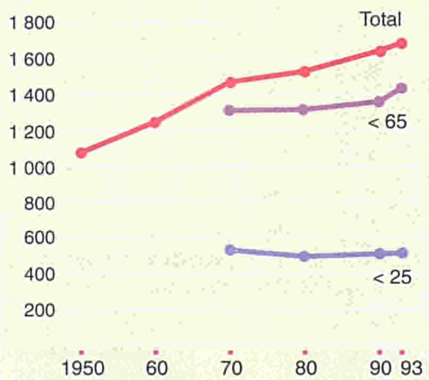
Migration into the region is common and is a consequence of the prevalence of many job opportunities in the region of Stockholm. Likewise, there is a great deal of commuting between municipalities in the region and to and from municipalities outside.

The main commuter target is the municipality of Stockholm. About 225 000 people commute to the capital every day.

Population by age — 1993

	M + F 1 000	M + F %	M %	F %
< 15	310	18.4	19.4	17.4
15-24	205	12.1	12.5	11.8
25-39	402	23.8	24.7	23.0
40-54	363	21.5	22.3	20.8
55-64	149	8.8	8.8	8.8
⩾ 65	258	15.3	12.4	18.0
Total	1 686	100.0	100.0	100.0

Population (1 000)



Resident population of foreign nationality — 1990

	1 000	% of total population
Total	251	15.3
of which EU countries	35	2.2
of which non-EU countries	216	13.2
Finland	77	4.7
Turkey	14	0.8
Chile	13	0.8
Germany	11	0.7
Poland	11	0.7
Norway	10	0.6

Demographic account — 1983-93 (1 000)

Population 1983	1 551
Births	228
Deaths	157
Net migration	+ 64
Population 1993	1 686

Employment down

Of the total population, 66% are of employable age, i.e. between 15 and 64 years old. There are more women than men in the over-65 age group.

The employment rate increased steadily until 1990, when it peaked at 88%. The unemployment rate was at that time lower than 1%. During the subsequent recession, the employment rate decreased to 82% in 1993 and the unemployment rate increased to 7%, which meant that unemployment increased more in the Stockholm region than in the country as a whole.

A higher ratio is employed in the service sector and fewer people in industry and agriculture.

Commuting across municipal boundaries has increased considerably. The municipality of Stockholm has the largest net positive commuting in the region. A large number of commuters come from municipalities in the neighbouring region of East-Central Sweden.

Of the 870 000 people with jobs, more than 835 000 also lived in the region.

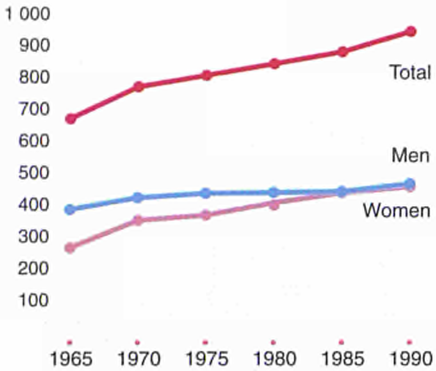
There were 55 000 people commuting into the region and 22 000 out of the region.

There are ample opportunities to study at universities and various university colleges. There is a relatively larger proportion of women than men studying at undergraduate level, but more men at postgraduate level.

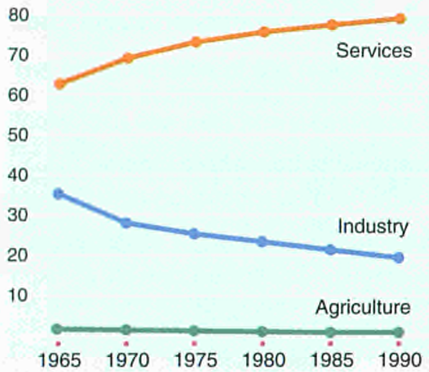
Number of pupils — 1993

	M + F 1 000	F %
Primary	108	48.7
Lower secondary	52	48.7
Higher secondary (technical)	33	:
Higher secondary (general)	22	:
Higher education (undergraduates)	45	55.8
Higher education (postgraduates)	5	38.7

Employment (1 000)



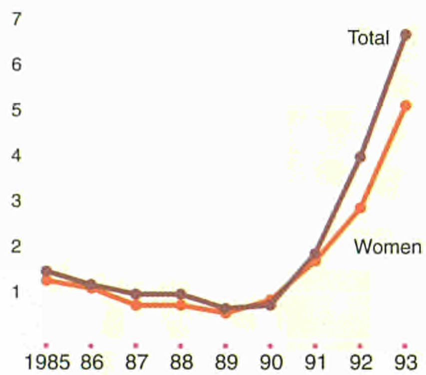
Employment structure (%)



Employment — 1992 (1 000)

Resident employment	834.2
+ Non-residents having a job in the region	55.7
– Residents having a job outside the region	21.2
= Internal employment	868.8

Unemployment (%)



The service sector — destined to be the most important in the region

For a long time the service sector has been increasing its share of total employment. At the same time, an increasing number of women have been employed and their share of total employment is close to 50%. Many work in the health and social service sectors.

The proportion of the working population which is employed in industry fell below 30% in 1970, and is now below 20%. The vast majority of the economically active are employed in the service sector (both private and public). As the central government administration is located in Stockholm, the many civil servants contribute a great deal to this sector.

An important facet to the employment sector is the prevalence of high-technology industries and research institutions in which many university-trained people are occupied.

Characteristics of resident employment (%)

	< 25 years	25-54 years	⩾ 55 years	Employees	Employees: part-time	Employees: full-time temporary contract
	1993	1993	1993	1993	1993	1993
Men	10.1	77.7	12.2	85.4	8.4	6.3
Women	11.7	76.6	11.7	94.6	32.9	5.2
Total	:	:	:	90.1	21.5	5.7

Labour force demand on the increase

Before 1990-91 there was a general shortage of labour in the region but there has since been a continuously rising over-supply of labour.

During the years to come, the labour force demand is expected to rise, but this increased demand will apply mainly to well-educated workers. For the Stockholm region, this means that the employment/unemployment problem is concentrated in areas where there are many poorly educated people. The unemployment rate among young people has, however, been high everywhere in the region.

In the late 1980s the housing and construction sector worked at full capacity during a boom period. But after 1990 there was a sharp decline in both residential and other building, which caused enterprises to close and to dismiss workers. The recovery has been sluggish. In the service sector, too, many people lost their jobs because of bankruptcies in the private sector, for instance, but also as a consequence of stronger demands for efficiency which also applied to the public sector.

The number of long-term unemployed has, as a result of the recession, increased in comparison with earlier years.

Refugees from several parts of the world affected by wars and other crises have come to Sweden as immigrants. Many of them eventually become residents of the Stockholm region. It is often hard for these people to find permanent jobs.

STOCKHOLM

Large enterprises — but the small and medium-sized are also important

As the service sector is dominant and government and municipal administrations are concentrated in the capital region, it is not surprising that the relatively few industrial enterprises hardly stand out. This is due to the fact that the region almost totally lacks exploitable raw materials, which would create areas where industry would dominate.

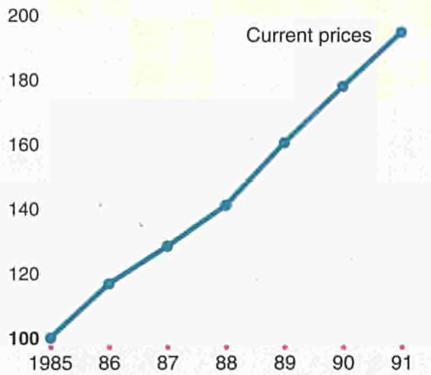
There are many enterprises involved in the import and export of goods. The number of import firms is twice that of those involved in exporting. Employment in industry has diminished during the last few years. The five largest branches in the region are the electrical, graphical, machinery, chemical and transportation vehicles industries. These five groups employ 70% of the total labour force in industry.

Beside the large enterprises, there are several small and medium-sized industrial enterprises. A typical feature of the region is that the heavy industries have moved from the most centrally situated areas.

The GDP per capita at market prices is the highest in the country, with the region increasing its share in recent years. An explanation of this is that the industrial enterprises remaining in the area have been successful in their specialized fields.

As a result of its size, the Stockholm region can absorb continuous changes which it has the ability to balance in a successful fashion.

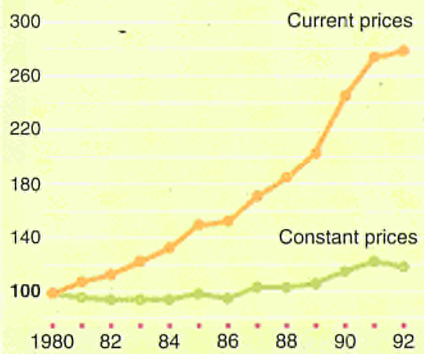
GDP (1985 = 100)



Wages

No data available

Disposable household income (1980 = 100)



High regional incomes

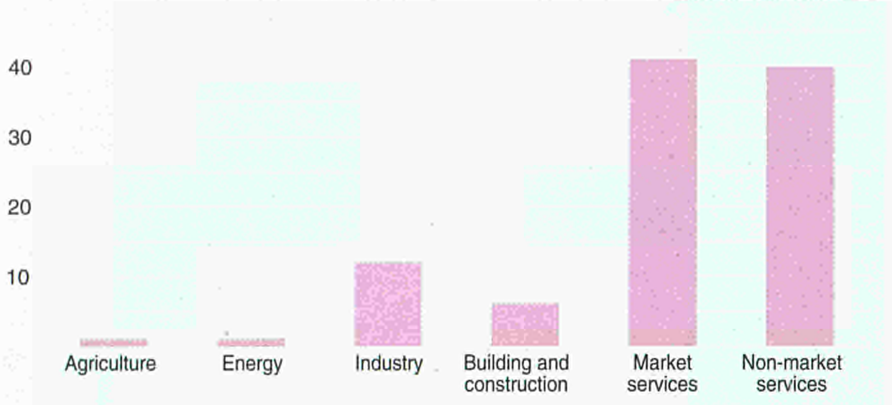
The average hourly wages for workers in the dominating branches of industry do not differ from those in other regions. The wages in the building and construction sector have been very high as a consequence of the big boom in the sector in the late 1980s.

Distributive and retail trade firms employ a lot of people. In this sector, however, wages and salaries are generally lower than in other branches. Women's wages are generally slightly lower than those of men.

Disposable income at both current and constant prices has always been higher in Stockholm than in the other regions of Sweden. This is still the case today.

The Stockholm region has a much higher GDP per capita than the country's other regions.

Employment: distribution by branch — 1992 (%)



Early industrialization and transformation

The transformation of the region began earlier than in other parts of the country. Today, only few people are employed in agriculture and forestry but the sector is highly efficient and production is directed towards crop husbandry, as it is in East-Central Sweden. The average size of holdings is 47 hectares of arable land, which is the second highest in the country. The GVA of agriculture is high, and only the regions of Southern and East-Central Sweden have higher average figures.

Industry employs only 12% of the workforce in the region.

A noticeable feature is the establishment of factories producing high-technology goods like electronic cards, semiconductors and advanced pharmaceuticals. But the number of employees in these new factories is small.

Generally, industry in the region is fairly rationalized and effective.

The share of employment in the energy sector is just above that in agriculture.

The private service sector includes banks, insurance companies, media companies and transport service companies. This sector employs 42% of the total workforce. Apart from these establishments, there is a large number of branch enterprises with many employees. Usually, the main offices of these enterprises are situated in other areas and countries. On the whole, the region has a large and varied supply of all kinds of goods and services intended for all sorts of users.

Agriculture

Number of holdings	1 904
Labour force	1 656 AWU
Agricultural area	116 000 ha
Livestock	37 600 LU
Gross value-added	22 390 ECU/AWU
Main products	
Milk	25%
Fodder grains	19%
Cattle	9%

Main enterprises

Name	Activity
Scania CV, AB	Motor vehicles and parts
Ericsson Radio Systems AB	Radio, television and communications equipment
Skanska Stockholm, AB	Construction and civil engineering
Siemens-Elma, AB	Medical and surgical equipment and appliances
SE-banken	Banking and finance
JM Byggnads- och fastighetsaktiebolag	Building and construction
Scandinavian Airlines System (SAS)	Air transport
Sveriges television AB	Radio and television activities
Trygg-Hansa försäkringsaktiebolag	Insurance

Main concern: water quality

In the last 30 years the municipalities in the region have invested large amounts of money to achieve more efficient purification of waste water. As a result, the quality of the water in the recipient lakes has generally improved and, in many cases, formerly polluted lakes can now be used for outdoor bathing. Especially good results from these investment measures can be noticed in the vicinity of Stockholm and especially in Lake Mälaren.

In the archipelago, investment has brought improvements to the water quality in many places.

These and other measures have made it possible to lower previously accepted discharge levels. The problem of industrial waste discharge in the region is, in fact, rather small. A more important problem is the discharge from vehicle exhausts and from some energy production plants. The difficulties in eliminating vehicle exhaust emissions are still not overcome, although all new passenger cars are equipped with catalytic converters.

The discharge from diesel engines is another great unsolved problem.

The necessary fresh water supply consists mainly of purified water from the lakes, with the largest reservoir at Lake Mälaren. The need to preserve fresh water supplies is very important. This leads to efforts to minimize the use of fertilizers, insecticides and weedkillers in agriculture.

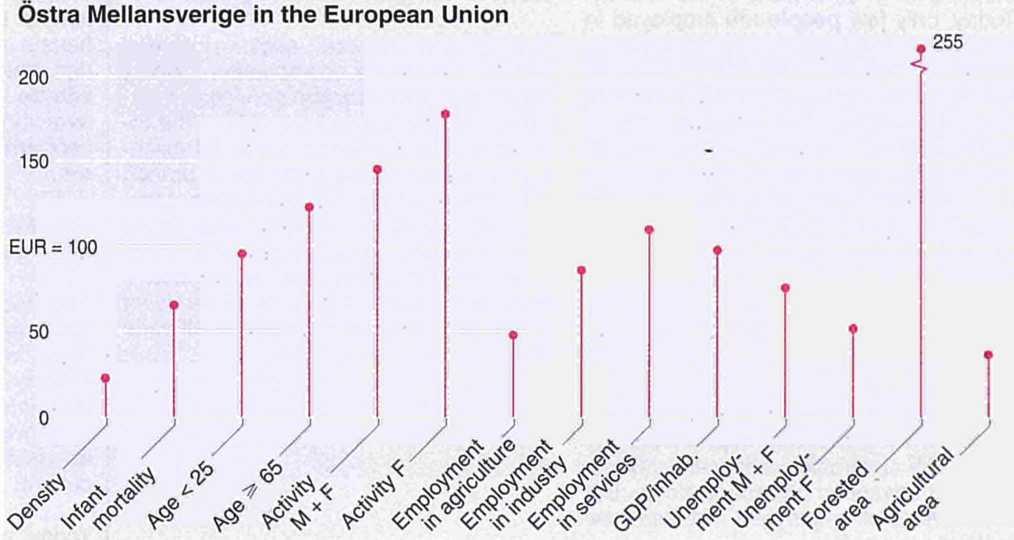
Today, new projects have been initiated with the aim of diminishing the sewage volume by composting. Material recycling projects have also been started all over the region. The aim is to create a recycling system whereby the producer of a product is obliged to deal with it after its use either by recycling or by destroying it in the most non-polluting manner.

SWEDEN

ÖSTRA MELLAN-SVERIGE

Farms in Södermanland.

Östra Mellansverige in the European Union



Östra Mellansverige (East-Central Sweden) consists of five counties: Uppsala, Södermanland, Östergötland, Örebro and Västmanland. There are no great differences between the counties as regards population density. Almost one fifth of Sweden's municipalities are situated in this region. The shares of densely populated areas vary in most municipalities between 60 and 95%. However, in two municipalities, Ödeshög and Ydre, the shares of densely populated areas are only about 50%. In all, there are 22 urban areas with more than 10 000 inhabitants in the region. The biggest city is Uppsala with a population of 109 000. Östergötland is by far the most populous county.

East-Central Sweden is situated in the middle part of Sweden and is easily accessible by road, rail or air. The north-eastern and south-eastern parts of the region are bounded by the Baltic Sea. Within the region there are two large water systems, Lakes Hjälmaren and Mälaren.

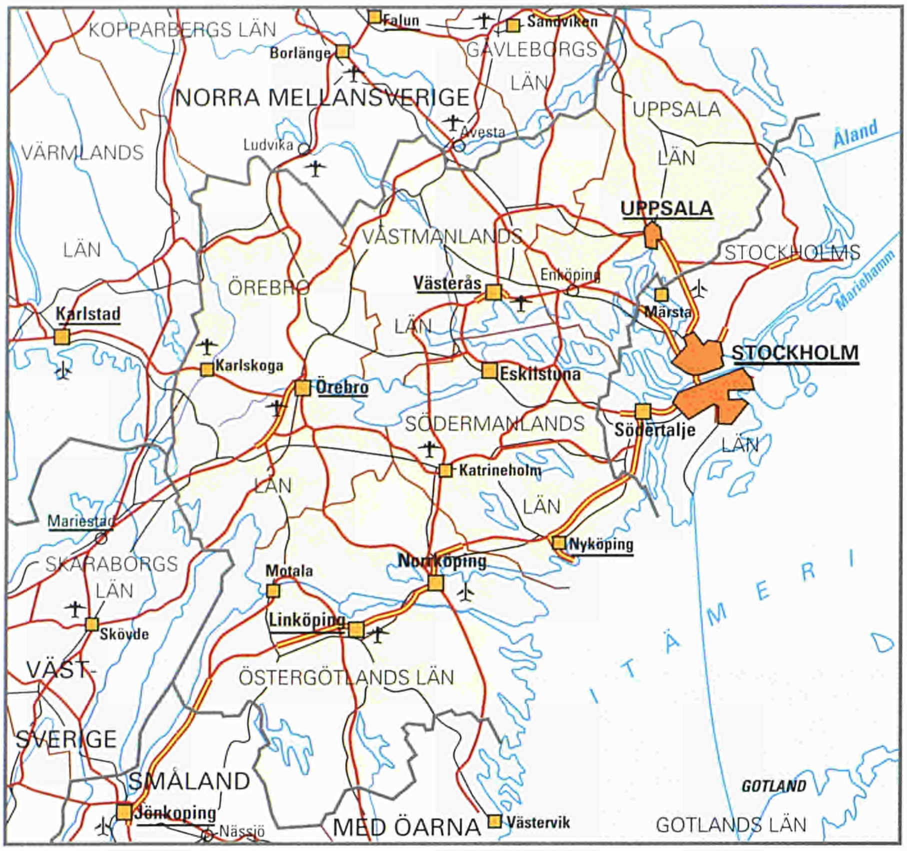
About three fifths of the surface of the region is forested and one fifth is agricultural land. There are considerable differences of culture and history in the region. Agriculture has historically been important in the flat land found in Östergötland and Södermanland and around Uppsala. Today, there is also a developed industrial structure in these areas. In the north-eastern part of the region there is a long tradition of steel and iron manufacturing which goes back several centuries.

Enterprises and universities involved in research

Several universities are located in the region. The availability of higher education is good, with two universities in Uppsala, for example. Cooperation with industry has increased in the last few decades, which means that research results are quickly spread to industry for implementation and, vice versa, the research needs of industry can be taken into account at the universities.

Research is also carried out by the larger enterprises. This is most evident in the southern part of the region and in Uppsala. In the south in particular, there are many engineers with a Master's degree employed in industry.

ÖSTRA MELLANSVERIGE



Scale: 1 : 3 000 000

Which EU regions are similar to Östra Mellansverige?

Population:
± 1.5 million inhabitants
Niederösterreich (AT)
Canarias (E)

Population density:
± 40 inhabitants per km^2
Ipeiros; Anatoliki Makedonia. Thraki (GR)
Limousin (F)

Unemployment:
± 8%
Noord-Holland, Overijssel (NL)
Alsace (F)

Varying culture of enterprises

Socioeconomic conditions vary tremendously in the region: there are both densely populated areas with many high-tech enterprises and areas with stagnant industries. The University of Uppsala, the oldest in the country, was founded in 1477. The University of Linköping has in recent decades contributed to the development of many industries with advanced technical research around Linköping. Other parts of the region, mainly in the north-east, are dependent on the old steel and mining industry. In this area there are several localities with serious structural problems and high unemployment.

Even the incomes vary in the region. The lowest GDP per capita is found in the county of Södermanland, south-west of Stockholm. In other parts of the region the GDP levels are relatively equal and also higher than the national average.

	Area	Population			Activity	Unempl.	Employment			GDP/inhab.
	1 000 km^2	1 000	Inhab./km^2	Change (%)	%	%	% Agricult.	% Industry	% Services	EUR (PPS)=100
		1993	1993	1983-93	1993	1993	1993	1993	1993	1991
Uppsala län	7.0	283	40.5	14.1	78.7	6.3	3.9	19.0	77.0	101
Södermanlands län	6.1	259	42.8	3.3	79.2	9.1	4.4	26.4	68.9	92
Östergötlands län	10.6	411	38.9	4.8	77.6	7.9	4.4	28.9	66.4	103
Örebro län	8.5	276	32.3	1.2	78.2	9.2	2.8	29.6	67.5	102
Västmanlands län	6.3	261	41.4	1.5	78.0	9.0	3.7	31.4	64.9	101
Östra Mellansverige	38.4	1 490	38.8	4.9	78.3	8.2	3.9	27.0	69.0	100
Sverige	410.9	8 745	21.3	5.0	79.1	8.2	3.4	25.4	71.0	112
EUR 12	2 358.2	347 938	147.5	3.2 (1980-90)	55.4 (1992)	10.4	5.8 (1992)	32.6 (1992)	61.2 (1992)	100

ÖSTRA MELLANSVERIGE

Population concentrated in university areas

Today nearly 1.5 million people live in East-Central Sweden. The population has increased by about 300 000 during the last 40 years, a rate of growth which is roughly the same as the national average.

The ratio of the population aged under 25 has decreased from 37 to 32% in the last 25 years, a change which is partly explained by the fact that people now live longer. The population has increased most in the 45-64 age group.

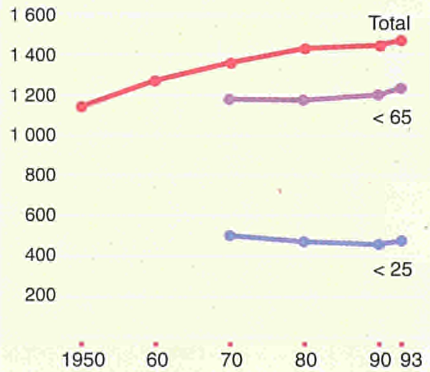
The southern part of the region is the most populous. The county of Uppsala has had the fastest growing population in Sweden, more than 14% during the last 10 years, mostly because of high net migration. Linköping, another university town, has also experienced high net migration. The lowest population growth has occurred in the county of Örebro.

Net migration into the region was negative during the early 1980s but the trend has since reversed and become positive. In 1990-93 net migration was higher than the national average. East-Central Sweden also had the highest foreign net migration of all regions during this period. In 1990 there were about 131 000 residents with foreign citizenship.

Population by age — 1993

	M + F 1 000	M + F %	M %	F %
< 15	283	19.0	19.6	18.3
15-24	194	13.0	13.5	12.6
25-39	304	20.4	21.3	19.6
40-54	311	20.8	21.3	20.4
55-64	140	9.4	9.3	9.4
⩾ 65	256	17.4	15.0	19.7
Total	1 490	100.0	100.0	100.0

Population (1 000)



Resident population of foreign nationality — 1990

	1 000	% of total population
Total	131	9.0
of which EU countries	15	1.0
of which non-EU countries	116	8.0
Finland	50	3.4
Iran	9	0.6
Norway	7	0.5
Germany	5	0.4
Turkey	5	0.3
Former Yugoslavia	4	0.3

Demographic account — 1983-93 (1 000)

Population 1983	1 421
Births	189
Deaths	158
Net migration	+ 39
Population 1993	1 490

Many people commute to Stockholm

Of the total population, nearly two thirds are of employable age, i.e. between 15 and 64 years old. The activity rate is somewhat lower than the national average.

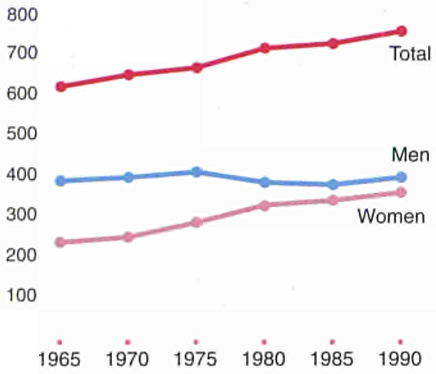
The region has the highest ratio of commuters in Sweden, with most of them travelling to work in Stockholm. The public transport system is fairly well developed and there is considerable commuter traffic from both Uppsala and the regions south and west of the capital. Relatively few people commute into the region, i.e. the ratio of inward to outward commuters is only 0.3, which is the lowest ratio of all the regions in the country.

A high proportion of the population has higher education, especially in the university towns. Good commuting possibilities and a varying industrial structure give the labour force ample opportunity to develop their skills. It is fairly easy for people to move to a new job with another employer or in another sector and thereby increase their skills.

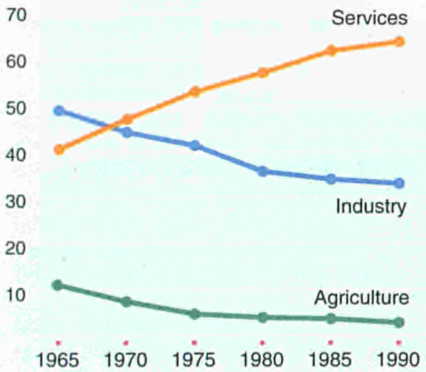
Number of pupils — 1993

	M + F 1 000	F %
Primary	104	48.6
Lower secondary	51	49.1
Higher secondary (technical)	39	:
Higher secondary (general)	17	:
Higher education (undergraduates)	38	55.2
Higher education (postgraduates)	4	35.8

Employment (1 000)



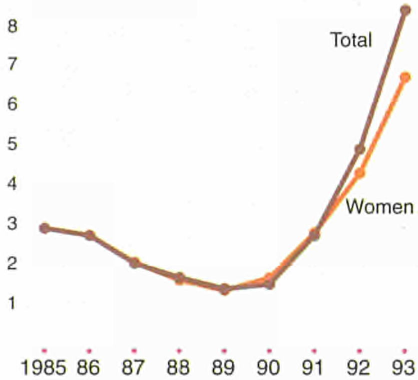
Employment structure (%)



Employment — 1992 (1 000)

Resident employment	681.0
+ Non-residents having a job in the region	13.3
– Residents having a job outside the region	49.0
= Internal employment	645.3

Unemployment (%)



More people in the service sector

There were 759 000 people — half of them women — with jobs in the region in 1990. The town of Eskilstuna has one of the country's lowest activity rates for men, because many industries have laid off workers during the last few decades.

The largest proportion of the population is now employed in the service sector, whereas 25 years ago most people worked in industry.

The public sector employs many people. One example is Uppsala, a city with two universities and, like Linköping, a large university hospital.

This region has still one of the highest ratios in the country of people employed in industry, with the highest ratio in the county of Västmanland. The area south of Stockholm, however, has recorded one of the country's sharpest decreases in the number of those employed in the engineering industry.

East-Central Sweden naturally has many students in higher education, partly because the region's three large universities and two university colleges attract students from other regions as well. Between different parts of the region, however, the proportion of the population with higher education varies considerably. The municipality of Uppsala has one of the highest ratios in the country, while the area south of Stockholm has one of the lowest.

Characteristics of resident employment (%)

	< 25 years	25-54 years	≥ 55 years	Employees	Employees: part-time	Employees: full-time temporary contract
	1993	1993	1993	1993	1993	1993
Men	10.6	76.7	12.8	85.9	9.1	7.3
Women	11.1	75.6	13.2	94.0	48.6	5.4
Total	:	:	:	89.8	29.1	6.4

Unemployment varies considerably

During the 1970s the unemployment rate was low and fairly stable in East-Central Sweden. Unemployment rose at the beginning of the 1980s but fell temporarily during the last years of the decade. The unemployment rate in the region was in line with the national figure in 1993.

Unemployment rates vary considerably in the region. The lowest unemployment rate is found in the area around Uppsala, while a somewhat higher rate is found in the southern part of the region. The unemployment rate has been highest in the area around Örebro for several years. Since the recent recession, however, interregional disparities in unemployment have decreased.

The highest unemployment rate affecting those in the 20-24 age group is found in the southern and western parts of the region. These same parts also have the highest unemployment rate for immigrants of non-Nordic citizenship.

ÖSTRA MELLANSVERIGE

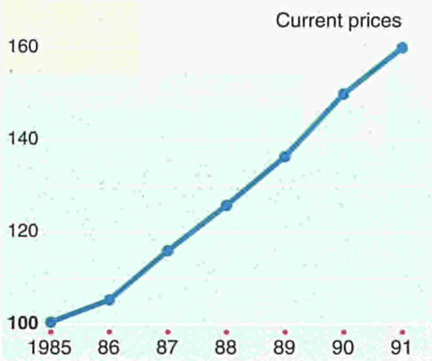
Towards more R&D intensive industry

On the whole, the branch structure in East-Central Sweden is well diversified, reflecting the national pattern, although the metalworking and engineering industries are more important than in other regions and are particularly evident in the north-eastern part of the region. The transport industry is important in Linköping.

Many of the industries in the region are also R&D intensive. Industries of this kind are generally found in the larger urban areas of Uppsala, Västerås, Örebro, Linköping and Norrköping. The region also hosts the head offices of a considerable number of enterprises, with most concentrated in the university towns of Uppsala and Linköping.

The public sector in the region is stronger than the national average. This is primarily due to the existence of the universities and university colleges. Most new companies are established in the area near Stockholm and Linköping. The highest ratio of self-employed entrepreneurs is found in Uppsala and its surroundings. The dependence of small-scale subcontractors on large companies is greatest in Norrköping, Eskilstuna and Västerås.

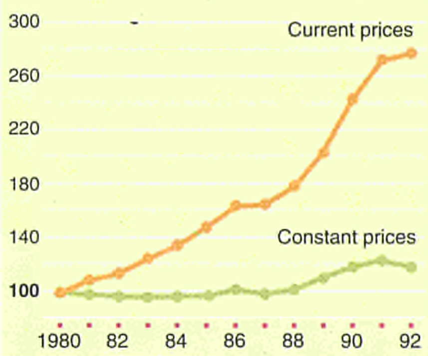
GDP (1985 = 100)



Wages

No data available

Disposable household income
(1980 = 100)

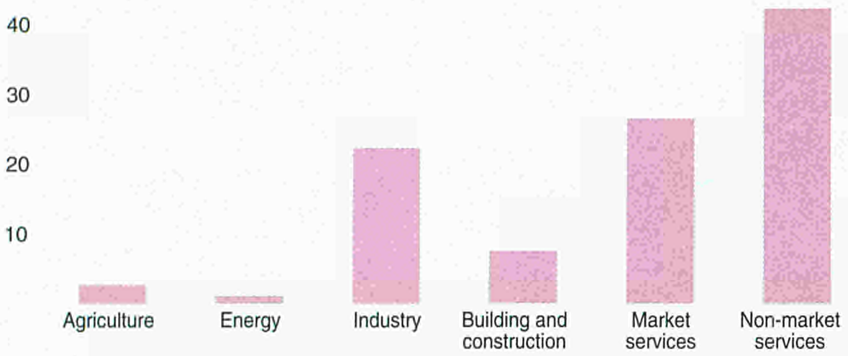


Wide income disparities within the region

The average disposable income in the region is lower than the national average, and there exist large disparities within the region. The figures for average disposable income are generally higher in urban than in rural areas. Uppsala ranks first, with the southern parts of the region coming at the bottom of the table. The high average disposable income in Uppsala may depend on the fact that it has a high proportion of people with higher education. The disparities in disposable income are caused to some extent by different employment structures in various parts of the region.

Within the region there are disparities in other factors as well which affect the consumption pattern of the population. Housing, for example, is more expensive in Uppsala than in other parts of the region because of the city's steady population growth, which increases the demand for dwellings and therefore pushes up prices.

Employment: distribution by branch — 1992 (%)



Many large companies in the region

The number of agricultural holdings is approximately the same as in Småland and Islands and Southern Sweden, while the agricultural area is larger. Gross value-added per AWU (agricultural work unit) is the second highest in the country, inferior only to Southern Sweden. This means that agricultural productivity and efficiency are very high in the region.

Manufacturing in the region covers a range of industries. Most of Sweden's international enterprises are represented. One important firm in the region is SAAB, which manufactures aircraft and motor vehicles. The region also has other important companies manufacturing navigation and measuring instruments, engines and turbines, etc. The weapons and ammunition enterprise, Bofors, has also manufacturing units in the region, and a large pharmaceutical company is located in Uppsala.

Increasing environmental concerns

As in every other region in Sweden, there has been a developing awareness of environmental problems in the last 10 years.

East-Central Sweden has many major roads which carry a lot of traffic, since overland routes from Europe to Stockholm have to pass through the region. New cars (but unfortunately not trucks and buses) are now equipped with better exhaust purification systems than older vehicles. Despite this, the effect of road and air traffic on the environment is still a great problem and a matter of frequent debate.

From an ecological point of view, the water areas in the region have shown definite improvement and the water quality has been substantially upgraded. During the last two decades, discharges of polluted water from both households and industry have decreased. For example, it is now safe to bathe everywhere in Lake Mälaren.

As in other regions, the environment is heavily affected by waste discharge and pollution from other countries, especially from the south and south-west.

Agriculture

Number of holdings	14 790
Labour force	3 581 AWU
Agricultural area	872 000 ha
Livestock	349 300 LU
Gross value-added	25 459 ECU/AWU
Main products	
Milk	27%
Fodder grains	15%
Cattle	9%

Main enterprises

Name	Activity
SAAB-Scania AB SAAB Military Airo	Air- and spacecraft manufacture
SSAB Svenskt stål AB	Basic iron and steel, ferroalloys
Bofors AB	Weapons and ammunition
ABB Industrial Systems	Instruments and appliances
Telefonaktiebolaget LM Ericsson	Telecommunications material
Pharmacia AB	Pharmaceutical products
ABB Stål AB	Engines and turbines
VME Industries Sweden AB	Machinery for mining and quarrying
Aktiebolaget Elektrolux	Domestic electrical appliances

SWEDEN

SMÅLAND MED ÖARNA

Småland med öarna (Småland and Islands) consists of the counties of Jönköping, Kronoberg, Kalmar and Gotland and encompasses areas of different character: the mainland of Småland and the two big islands of Öland and Gotland. Öland is connected to the mainland by a bridge.

The most densely populated part is in the north-west while Gotland is more sparsely populated. The average population density is 24 inhabitants per km^2.

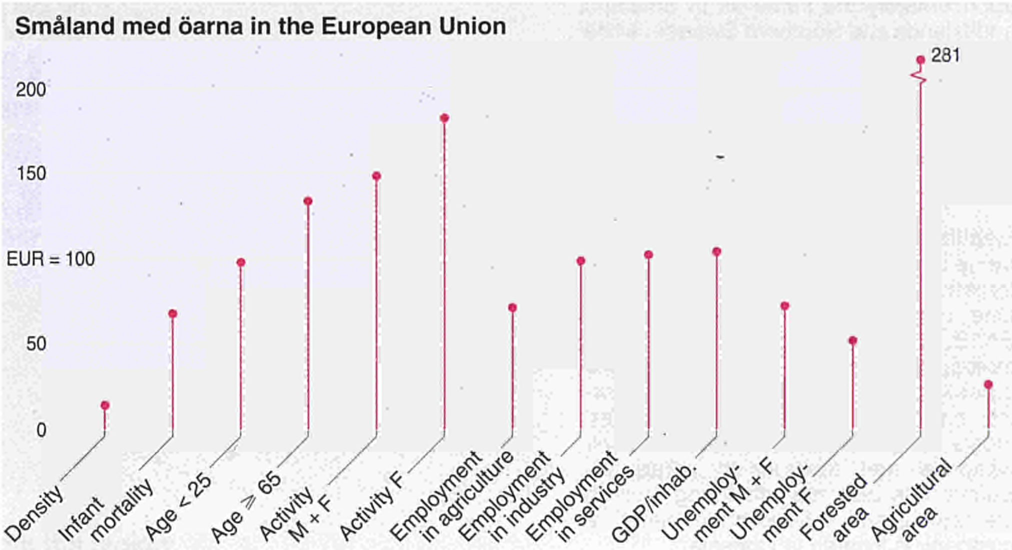
Most of the population (77%) is found in urban areas while the countryside is sparsely populated. There are 32 municipalities in the region, in 10 of which more than 80% of the population live in urban areas.

The region accounts for 8% of the national territory. About two thirds of the region is forested land and one sixth is agricultural land. There are plains of predominantly agricultural land on the south-east coast and on the islands.

The islands attract many tourists in summer. The old town of Visby on Gotland was a Hanseatic port in the Middle Ages and now holds a festival every summer.

Communications in the region are fairly good in the west and the central mainland, where there are major roads and railways. The eastern part has poorer internal communications but there are fairly good harbours along the coast and on Gotland, where air transport ranks first in importance.

Farm in Småland.



Forestry-based industry

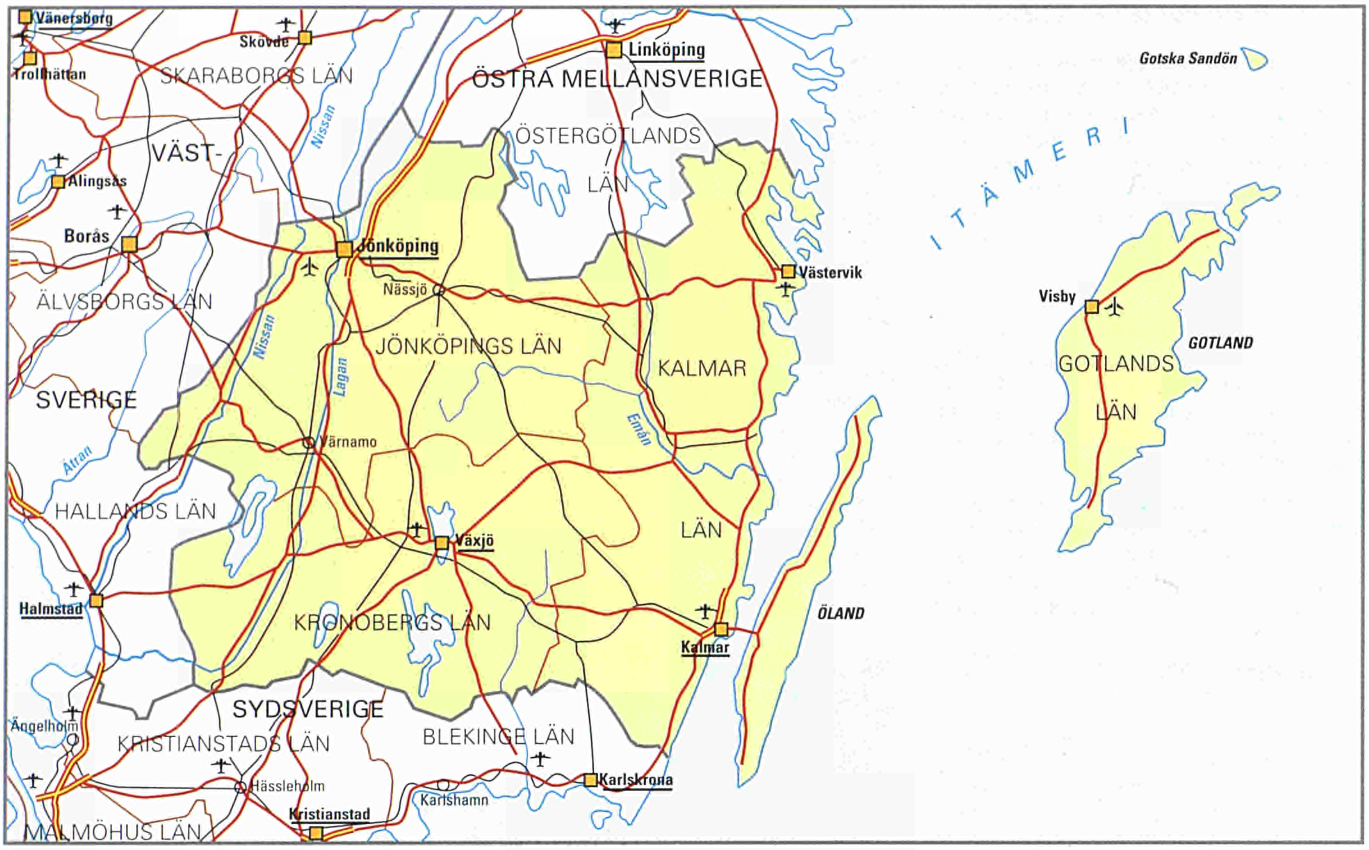
Småland and Islands has more differences than similarities between its various parts. In the western part of the region, successful small and medium-sized enterprises in the metal and furniture industries have been of prime importance for economic development. In the central part, the manufacture of prefabricated wooden houses, together with joinery, was formerly the economic mainstay of the area. Over a short period, however, many of these industries closed down as a consequence of the sharp decline in the domestic demand for small houses. Only enterprises with enough capital and viable export markets have survived.

The supply of timber is good, and this favours the existing wood processing industries. Job opportunities are decreasing in spite of increasing production on account of rationalization in the industry. New investment has created very few additional job opportunities.

Several larger towns are dependent on the public service sector for jobs. In the eastern part, many of the coastal towns formerly had shipyards and a prosperous heavy mechanical industry, but industrial restructuring has hit these enterprises and caused a general decline. These towns are centres for trade in raw materials and processed products from the hinterland.

It is a heterogeneous region, and the islands are quite different from the mainland. Tourism is the most important branch on the islands where processing enterprises are few in number. The raw material-based cement industry is an exception.

SMÅLAND MED ÖARNA



Scale: 1 : 2 500 000

Which EU regions are similar to Småland med öarna?

Area:
± 33 000 km²
Pays de la Loire (F)
Cataluña (E)

Population density:
± 25 inhabitants per km²
Aragon, Castilla-La Mancha (E)

High activity rate:
over 65%
Mecklenburg-Vorpommern (D)
Danmark
Uusimaa,
Ahvenanmaa/Åland (FIN)

Mix of sparsely and densely populated areas

The various parts of the region differ in character. Typical of the highland areas is the fact that many urban settlements are surrounded by relatively sparsely populated areas. Car ownership has reduced apparent distances between urban centres, however.

The many lakes and rivers and the forests of the mainland provide residents with opportunities for outdoor activities, such as fishing and hunting. The large islands have their own particular topography and natural attractions.

The entire region has an attractive environment for all residents. Öland and Gotland offer many outdoor activities and in summer both islands are visited by thousands of tourists, many of them staying in holiday cottages.

	Area	Population			Activity	Unempl.	Employment			GDP/inhab.
	1 000 km²	1.000	Inhab./km²	Change (%)	%	%	% Agricult.	% Industry	% Services	EUR (PPS)=100
		1993	1993	1983-93	1993	1993	1993	1993	1993	1991
Jönköpings län	9.9	311	31.3	3.3	80.7	7.3	4.8	33.7	61.4	104
Kronobergs län	8.5	180	21.2	3.1	80.1	6.2	5.3	29.4	65.4	109
Kalmar län	11.2	243	21.7	1.0	77.6	9.1	6.8	33.1	60.1	109
Gotlands län	3.1	58	18.4	3.2	79.9	7.9	11.6	19.5	68.9	88
Småland med öarna	32.7	791	24.2	2.5	79.5	7.6	6.0	31.5	62.5	106
Sverige	410.9	8 745	21.3	5.0	79.1	8.2	3.4	25.4	71.0	112
EUR 12	2 358.2	347 938	147.5	3.2 (1980-90)	55.4 (1992)	10.4	5.8 (1992)	32.6 (1992)	61.2 (1992)	100

SMÅLAND MED ÖARNA

More people but fewer jobs

Between 1950 and 1993 the population increased by 80 000. This means, however, that the region's share of the country's total population decreased by 1%. Employment decreased slightly more in the eastern than in the western parts of the region. The differences are nevertheless small compared with the national average.

Figures for 1990 show that about 6% of the population were of foreign citizenship, with the largest proportion coming from the other Nordic countries. The region has a low share of foreigners compared with regions like Stockholm and Western Sweden.

In comparison with the country as a whole, a relatively large proportion of the population is in the dependent age groups and, as a consequence, the percentage of those in the active population is lower. There was little net migration in the last decade, and the net natural growth was also low. This meant that the population growth rate was low in comparison with the national average.

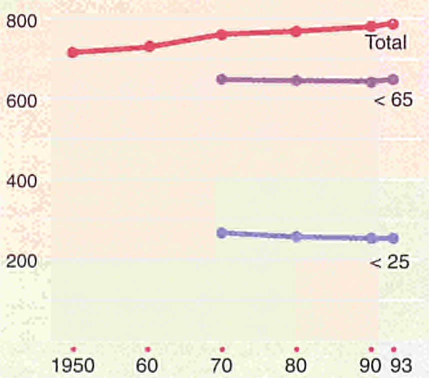
Migration across the borders of the region is rather limited. The most obvious feature is the migration of younger persons to larger urban areas and educational centres outside the region.

The number of commuters has increased in the last few years, with many people now commuting from Öland to the mainland. The resident population on the island has increased since the bridge to the mainland was completed in the 1970s.

Population by age — 1993

	M + F 1 000	M + F %	M %	F %
< 15	152	19.2	19.8	18.6
15-24	101	12.8	13.3	12.3
25-39	151	19.1	19.9	18.4
40-54	158	20.0	20.6	19.4
55-64	78	9.8	9.7	10.0
⩾ 65	150	19.0	16.7	21.3
Total	791	100.0	100.0	100.0

Population (1 000)



Resident population of foreign nationality — 1990

	1 000	% of total population
Total	48	6.2
of which EU countries	10	1.3
of which non-EU countries	38	4.9
Finland	8	1.1
Denmark	5	0.6
Former Yugoslavia	4	0.6
Germany	3	0.4
Iran	3	0.3
Norway	2	0.3

Demographic account — 1983-93 (1 000)

Population 1983	771
Births	100
Deaths	91
Net migration	+ 10
Population 1993	791

Good training possibilities

Two thirds of the total population of the region (66%) are in the employable age groups, i.e. between 15 and 64 years old.

The activity rate increased annually up until 1990 when the rate in the counties varied between 83 and 89%. The unemployment rate was 1-2%. The rates for the region were approximately the same as the national average. During the subsequent recession years, the activity rates in the counties decreased and in 1993 were about 10% lower, with unemployment rates rising fourfold.

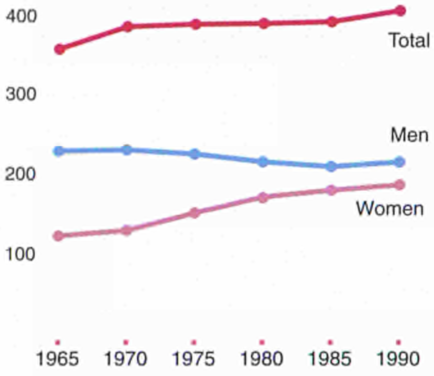
Between 60 and 69% were occupied in the service sector and between 20 and 34% in industry. On the island of Gotland, 12% were occupied in agriculture and forestry and only 20% in industry. These figures show the great variation between the counties in the region.

While there are opportunities for academic studies, there is no university and no technological university college in the region. On the other hand, there have been some new and promising efforts, such as the founding of the Jönköping International Business School.

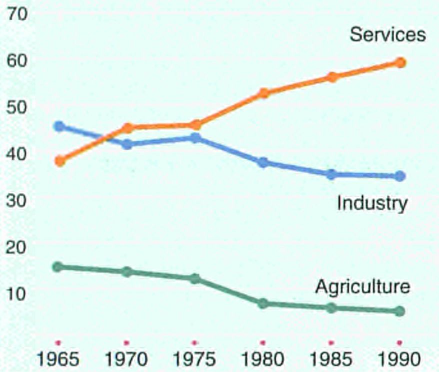
Number of pupils — 1993

	M + F 1 000	F %
Primary	57	48.7
Lower secondary	28	48.6
Higher secondary (technical)	21	:
Higher secondary (general)	10	:
Higher education (undergraduates)	15	58.0
Higher education (postgraduates)	< 1	31.3

Employment (1 000)



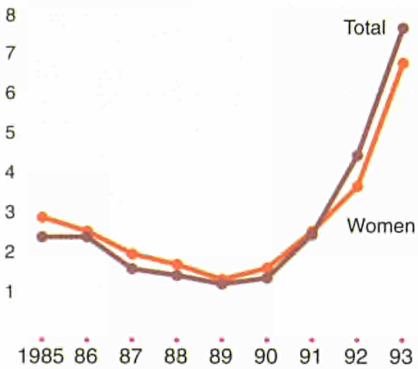
Employment structure (%)



Employment — 1992 (1 000)

Resident employment	363.9
+ Non-residents having a job in the region	14.6
– Residents having a job outside the region	13.3
= Internal employment	365.2

Unemployment (%)



Industrial sector expected to retain its strength

For many years the industrial sector on the mainland has provided more employment than the rest of the country as a whole. On the other hand, Gotland has had the largest share of jobs in the public service sector, much higher than the national average.

The proportion of those employed in industry has, however, decreased during the last 25 years by more than 10% and was about 35% in 1990. All the same, industry provides a bigger percentage of jobs than in other regions. The service sector has the lowest share of any region in Sweden.

About 364 000 people were resident and employed in the region. Commuting across the borders of Småland and Islands is small in comparison with that between the municipalities within the region.

As the raw material processing industry and small and medium-sized enterprises are very important in the region and normally do not recruit many highly-educated personnel, there will probably be no great change in the pattern of demand for these groups.

Characteristics of resident employment (%)

	< 25 years	25-54 years	⩾ 55 years	Employees	Employees: part-time	Employees: full-time temporary contract
	1993	1993	1993	1993	1993	1993
Men	11.8	74.8	13.4	81.7	9.0	5.8
Women	12.7	72.8	14.5	93.3	54.8	5.8
Total	:	:	:	87.2	32.1	5.8

Recession hits mainly building sector

Up to 1990-91 there was a general shortage of labour in the region but during the recession this shortage was transformed into a lasting surplus of labour. In 1994 the unemployment rate was slightly above 8% , compared with 2% in 1990.

In the western part of the region the demand for trained workers is increasing, especially for certain categories of skills.

Many of the industries in the region are geared towards satisfying the demands of the building and construction sector which has been severely hit by the recession. Recovery seems to be very slow, and it is more than likely that the growth rate will stay low.

The unemployment rate among young people has been high. To some degree, the solution to the youth unemployment problem is to offer young people more professional training in different forms.

Unemployment in the region completely changed character after 1990. The construction of new dwellings and small houses has almost ceased, resulting in tremendous difficulties for both building firms and their subcontractors.

The rate of long-term unemployment has increased in comparison with earlier years. Older unemployed persons, the handicapped and the disabled, as well as immigrants with an inadequate knowledge of Swedish, have great difficulties in finding permanent jobs.

SMÅLAND MED ÖARNA

Small and medium-sized industrial enterprises

Most of the localities in the region have many small and medium-sized enterprises. Larger enterprises are usually located in the larger towns.

Formerly, an increase in production often entailed the creation of new jobs. This is no longer self-evident as automation becomes more widespread.

There are a few large companies with substantial exports, e.g. in the lumber sector. In general, however, there are more enterprises involved in importing than exporting. Employment in industry has decreased. Metalworking and engineering are important in the western part of the region. The wood processing industry, however, is among the five largest branches in each of the counties in the region.

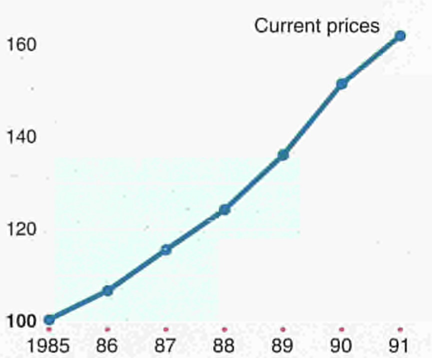
The auto industry has a strong position in the eastern part of the mainland but has diminished since the close of the car factory in Kalmar. On Gotland, the largest branch is the electrical industry.

Gotland differs from the mainland as more than 80% of employment is concentrated in the five largest branches, in comparison with 60-70% in the other counties.

GDP at market prices is relatively low and the share has decreased in relation to national GDP.

Småland and Islands is a region in transformation. The large number of small and medium-sized enterprises and the large number of enterprises limited to the domestic market are crucial to the transformation. There are fewer balancing forces in this region than in regions with more diversification. But there are excellent prospects for forging new contacts with markets in the European Union and Eastern Europe.

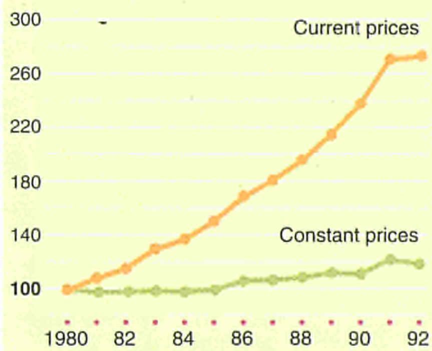
GDP (1985 = 100)



Wages

No data available

Disposable household income (1980 = 100)



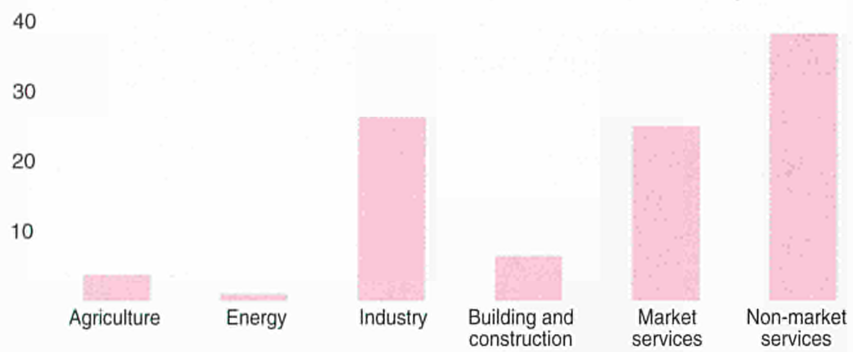
Household incomes fairly equal

Generally, the small and medium-sized enterprises pay lower wages and salaries than larger enterprises and, as there are many such companies, it is obvious that wage levels are somewhat lower than in other regions. Women's wages are generally slightly lower than men's. The same pattern prevails in the service sector.

The disposable income at current prices is the lowest of all the regions in Sweden.

The difference between the counties in GDP per capita is significant. Gotland has the second lowest GDP per capita of the country's 24 counties but the mainland counties rank only slightly below the national average.

Employment: distribution by branch — 1992 (%)



The land of emigrants is now an industrial land

It was towards the end of the 19th century that emigration began, especially to the United States. The opportunities for the growing population in the region to make a living by agriculture were poor. Emigration was one solution to the problem and another was industrialization. The forests gave timber and solid fuel and small waterfalls offered energy production. Other raw materials had to be brought in.

The growth of industry was boosted when the government invested in railway systems and other new infrastructure. Many small urban settlements grew up, often situated at railway junctions. Sawmills and wood processing industries marked the start of industrialization on the mainland. On the islands, the limestone bed is the basis for industrial processing, mainly of cement.

The number of jobs in industry is now tending to go down, with more rapid losses in agriculture and forestry.

Agriculture has the lowest GVA among Sweden's eight regions.

Småland and Islands has a lower GDP per capita than Western Sweden but somewhat higher than the regions of Southern and East-Central Sweden. This is due to the relatively large share of industry and the low share of the service sector.

One third of the labour force in the region is employed in industry. A typical feature of the larger companies is their location in urban areas and their strong concentration on production. Only a few companies in the region have R&D departments. On the east coast there is a nuclear plant.

Generally, industry is strongly rationalized and efficient. The total export of industrial products is substantial.

The share of employment in agriculture was high and remains the highest of all the regions in the country.

Agriculture

Number of holdings	14 348
Labour force	2 513 AWU
Agricultural area	524 000 ha
Livestock	378 600 LU
Gross value-added	18 137 ECU/AWU

Main products	
Milk	45%
Cattle	18%
Pigs	8%

Main enterprises

Name	Activity
Skanska Sydöst AB	Construction and civil engineering
Husqvarna AB	Tools and machinery for textile and leather products
Scania CV, AB	Parts and accessories for motor vehicles
ITT flygt AB	Manufacture of pumps and compressors
Aktiebolaget Gustaf Kähr	Manufacture of builders' carpentry
ABB Fläkt industri AB	Manufacture of general purpose machinery
OKG, AB	Production and distribution of electricity
Telefonaktiebolaget L M Ericsson	Telecommunications equipment

Maximum recycling

In the last 30 years the municipalities in the region have invested large amounts in order to improve the purification of waste water. It was common practice before to let the waste water run into small lakes without, or with very little, purification. The result was overfed and choked-up lakes and rivers.

Formerly accepted discharge levels have been reduced by various actions. In some cases, processes producing a lot of waste have been replaced by other less polluting processes. The problem of industrial waste discharge in the region is not a major one, in fact.

The fresh water supply is generally good. The island of Öland gets some of its fresh water from the mainland via the bridge. A large tunnel system from lakes in the south-west supplies Southern Sweden with fresh water. The need to preserve fresh water supplies is vital. This has resulted in efforts to minimize the use of fertilizers, insecticides and weed killers in agriculture.

Some of the pollution is carried by air from other regions and countries.

Projects have now been started with the aim of reducing the volume of sewage by composting, and material recycling projects have been set up all over the region. The aim is to create a recycling system for as many materials as possible. Producers of goods are required to deal with them when they have been scrapped, either by recycling or destroying them in a non-polluting manner.

SWEDEN

SYDSVERIGE

Sydsverige (Southern Sweden) is the southernmost region in Sweden and has common borders with Western Sweden and Småland and Islands. Denmark is discernible across the narrow Öresund strait.

Southern Sweden consists of the counties of Blekinge, Kristianstad and Malmöhus, and comprises 38 municipalities. It has the highest population density (89 inhabitants per km^2) of any region except Stockholm. Malmö is the largest town with a population of 225 000.

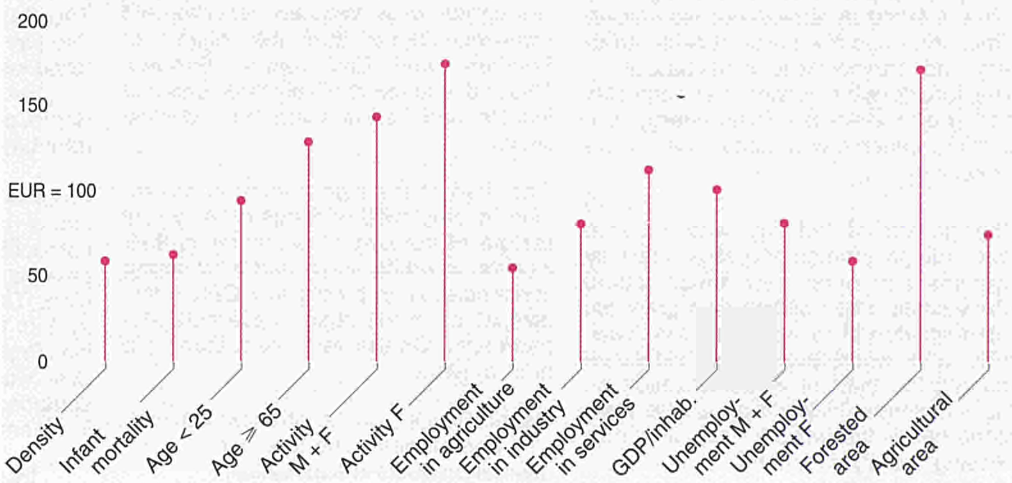
About one seventh of the country's total population live in Southern Sweden but the region comprises only 3.4% of the national territory.

Almost half of the area (43%) is farmland while 40% is forested. The south-western and western parts of the region and the area around Kristianstad, in the north-east, consist of flat land which provides the best agricultural soil in the country. As a result, Southern Sweden is the nation's most important farming area. The northern parts of the region are covered by forests. There is thus tremendous variety in the geography of the region. In spite of the relatively high population density there are ample opportunities to practise various outdoor activities.

Southern Sweden was a part of Denmark for several centuries, and the cultural and trade contacts with Denmark are still strong. This part of Sweden has long been a typical agricultural region but during the first half of the 20th century it became rapidly industrialized and now has a diversified economy.

The rich agricultural areas of Skåne. In the background the Baltic Sea.

Sydsverige in the European Union



From structural crisis to new expansion

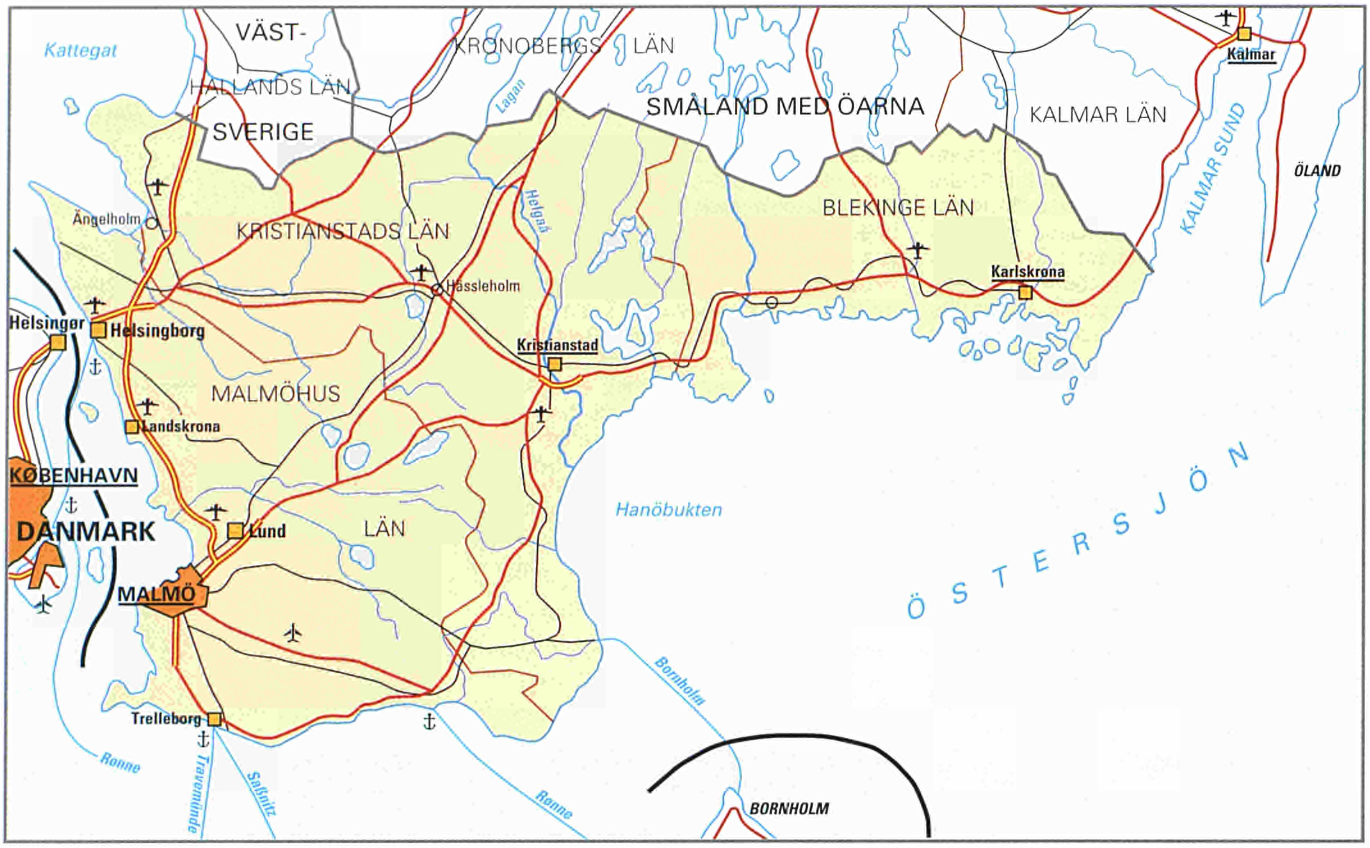
The region's location near the European mainland is a great asset and it has close contacts with Denmark and to some extent with Germany and other countries on the Baltic Sea.

Southern Sweden has frequent ferry services with Denmark and Germany. The planned bridge over the strait of Öresund between Malmö and Copenhagen will probably further enhance contacts with Denmark and the European mainland. Expectations are high that the bridge will spur economic activity in the region.

Southern Sweden has a well-developed education system, with an old and well-reputed university in Lund and university colleges in Malmö, Kristianstad and Karlskrona/Ronneby.

In the middle of the 1970s various industries in the Malmö area were hit by a structural crisis, which resulted in the closing of several factories. The area's important shipyard and textile industries have almost totally disappeared. Nowadays, the economy of Malmö is more diversified and the small and middle-sized companies are essential to the economy. Structural problems have also hit the economy of the north-eastern part of Southern Sweden. With the creation of a university college in Karlskrona/Ronneby and the establishment of new companies in the area — for instance, in the telecommunications sector — a new and more vigorous business climate has emerged in the last few years. The closeness to the emerging markets of Eastern Europe may bring positive economic effects in the future.

The geographical proximity to the European mainland, in combination with a well-developed infrastructure and education system, offer good prospects for future economic growth in Southern Sweden.



Scale: 1 : 1 500 000

Which EU regions are similar to Sydsverige?

Area:
± 14 000 km²
Trentino-Alto Adige, Campania (I)
Thessalia; Anatoliki Makedonia, Thraki (GR)

Population density:
± 90 inhabitants per km²
Brandenburg (D)
Murcia, Galicia (E)
Picardie (F)

GDP per capita:
close to EU average
Aquitaine, Bourgogne (F)
Vorarlberg, Tirol (AT)
Zeeland, Noord-Brabant (NL)
East Anglia (UK)

Different development determined by different conditions

For centuries, agriculture and forestry were the main economic activities in the region. The conditions for agriculture, however, were much more favourable in the fertile flatlands in the south-western and western parts and in the areas surrounding Kristianstad than in the rest of the region. It was therefore also natural that the population tended to concentrate in the fertile flatlands. Even today, Southern Sweden is characterized by the differences between its flatland and woodland areas. The south-western and western parts of Southern Sweden were industrialized before the rest of the region. In the north-east, significant industrialization occurred only after 1950. Today, the share of the population employed in the industrial sector is much larger in the northern and north-eastern parts of the region than in the more densely populated south-western and western parts, where the service sector has grown rapidly in the last few decades and now provides jobs for 70% of the economically active population.

Although Southern Sweden has a high population density compared with the rest of the country, there are significant variations between different parts of the region. In the south-western and western parts there are over 160 inhabitants per km², but in the northern and north-eastern parts the population density is only about 50 inhabitants per km².

GDP per capita in the region is below the national average. The southern and south-western parts have, however, a substantially higher GDP per capita than the rest of the region.

	Area	Population			Activity	Unempl.	Employment			GDP/inhab.
	1 000 km²	1 000	Inhab./km²	Change (%)	%	%	% Agricult.	% Industry	% Services	EUR (PPS)=100
		1993	1993	1983-93	1993	1993	1993	1993	1993	1991
Blekinge län	2.9	152	51.6	0.0	77.5	9.2	4.4	31.2	64.4	97
Kristianstad län	6.1	293	48.2	4.6	77.9	8.2	5.6	30.0	64.4	97
Malmöhus län	4.9	800	162.0	7.3	78.1	9.1	4.1	25.2	70.5	108
Sydsverige	14.0	1245	89.1	5.7	78.0	8.9	4.5	27.0	68.4	104
Sverige	410.9	8 745	21.3	5.0	79.1	8.2	3.4	25.4	71.0	112
EUR 12	2 358.2	347 938	147.5	3.2 (1980-90)	55.4 (1992)	10.4	5.8 (1992)	32.6 (1992)	61.2 (1992)	100

SYDSVERIGE

Steadily increasing population, with considerable regional variation

The population grew from one million inhabitants in 1950 to 1.25 million in 1993. This population growth is close to the national average. The variations between different parts of Southern Sweden are, however, substantial. In the south-western and western parts of the region the population has grown steadily, except for the period between 1970 and 1985 when structural crisis was affecting the economy in the Malmö area.

In the north-eastern parts of the region, however, there has been almost no population growth at all since the first half of the 1970s. In the 10 years between 1983 and 1993 the population in this part of the region did not increase at all.

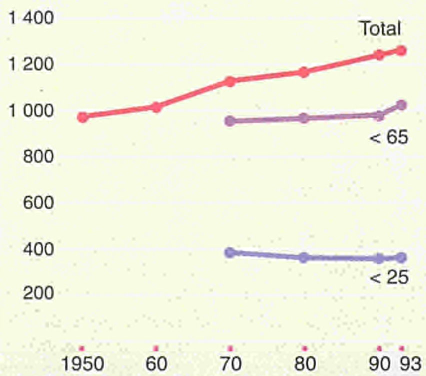
The age structure and the birth and death rates are all near the national average, although here too there are significant variations between the different parts of the region. In the north-east, fairly large-scale migration of mostly young people took place in the second half of the 1970s. This has had a negative effect on the birth rate and the age structure in this particular area.

After Stockholm, Southern Sweden has the highest share of inhabitants of foreign nationality in Sweden, with 92 foreigners per 1 000 people in the region, including 25 per 1 000 from other Member States of the European Union. A large proportion of the foreigners are Danish citizens. The ratio of foreign citizens to the total population is highest in the south-western and western parts of the region.

Population by age — 1993

	M + F 1 000	M + F %	M %	F %
< 15	227	18.2	19.0	17.5
15-24	159	12.7	13.2	12.3
25-39	252	20.2	21.1	19.4
40-54	257	20.6	21.2	20.0
55-64	124	9.9	9.9	9.9
⩾ 65	228	18.3	15.6	20.9
Total	1 245	100.0	100.0	100.0

Population (1 000)



Resident population of foreign nationality — 1990

	1 000	% of total population
Total	111	9.2
of which EU countries	30	2.5
of which non-EU countries	81	6.7
Denmark	17	1.4
Former Yugoslavia	14	1.1
Poland	11	0.9
Finland	10	0.8
Germany	7	0.6
Hungary	4	0.3

Demographic account — 1983-93 (1 000)

Population 1983	1 178
Births	150
Deaths	136
Net migration	+ 54
Population 1993	1 245

Short distances make the labour market more flexible

Of the total population, almost two thirds are of employable age, i. e. between 15 and 64 years old, and 78% of the people in this age group are economically active. The activity rate of women (75.5%) is only slightly lower than that of men. The activity rate of women in Southern Sweden as well as in the rest of the country has increased dramatically during the last few decades. As a result of the recession, the activity rate in the region was lower in 1993 than it was in 1990, when it stood at 84%.

Better communications and increasing car ownership have helped commuter catchment areas to expand. The working population has thus become less confined to its place of residence. There is large-scale commuting to the Malmö-Lund area as well as to the Helsingborg and Kristianstad areas. There also is commuting between Malmö and Copenhagen over the strait of Öresund. This commuting will probably increase dramatically if the planned bridge over the strait is built. Southern Sweden has a small commuting deficit to other regions.

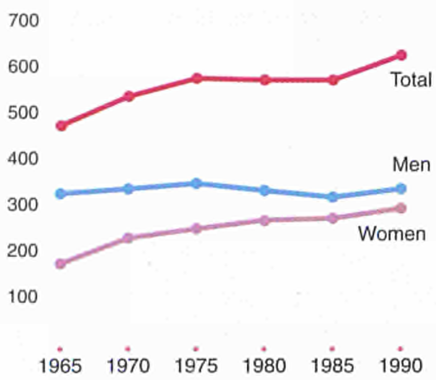
The fact that the region is relatively densely populated and that a substantial number of potential working sites are situated within commuting distance results in better conditions for a flexible labour market and good possibilities for the working population to develop their professional skills by moving from one job to another.

Like the rest of the country, Southern Sweden has a highly developed and decentralized system of adult education, providing opportunities for adult students to participate in courses (or parts of courses) at both lower and higher secondary school level. Some of these are full-time day courses.

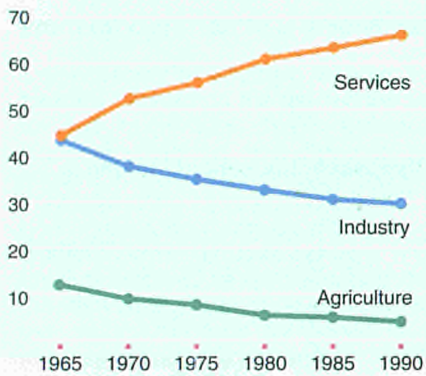
Number of pupils — 1993

	M + F 1 000	F %
Primary	84	49.0
Lower secondary	42	48.9
Higher secondary (technical)	30	:
Higher secondary (general)	15	:
Higher education (undergraduates)	33	54.8
Higher education (postgraduates)	3	36.8

Employment (1 000)



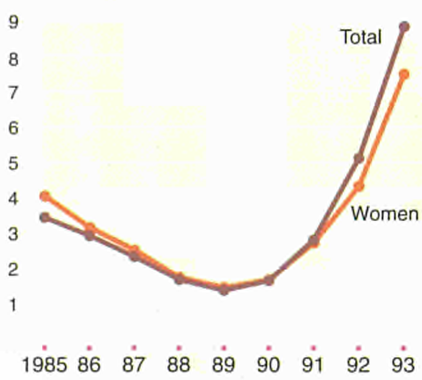
Employment structure (%)



Employment — 1992 (1 000)

Resident employment	559.8
+ Non-residents having a job in the region	11.7
– Residents having a job outside the region	18.3
= Internal employment	553.3

Unemployment (%)



Shift in employment from industry to services

There was substantial growth in employment during the late 1980s. In 1990 the total number of economically active persons in Southern Sweden was around 625 000. Since 1990 employment has fallen in the region, as it has in the rest of the country. The activity rate of women has increased considerably since 1965 and is now almost as high as the rate for men.

The proportion of the working population employed in industry has fallen continuously since 1965, while the proportion in the service sector has increased. The proportion of the working population employed in agriculture has also gone down, but it is still higher than the national average.

These figures reflect a development from an industrial society to a service society. This development exists in all regions in Sweden but it is most evident in the large towns. The densely populated areas in the south-western and western parts of Southern Sweden have both a higher percentage of the working population employed in the service sector and a lower percentage employed in the industrial sector than the more sparsely populated areas of the region.

As a result of structural changes, there is a growing emphasis on education among employees. The Malmö-Lund area has a high proportion of inhabitants of employable age with a university education. This proportion is lower in the rest of the region but has increased substantially in the north-eastern part since 1985. This is probably mainly a result of the opening of a university college in Karlskrona/Ronneby.

Characteristics of resident employment (%)

	< 25 years	25-54 years	≥ 55 years	Employees	Employees: part-time	Employees: full-time temporary contract
	1993	1993	1993	1993	1993	1993
Men	10.2	75.5	14.4	83.0	8.6	7.7
Women	10.4	75.9	13.7	93.7	49.5	5.9
Total	:	:	:	88.2	29.8	6.7

Trends towards higher employment

From the 1950s until the late 1970s the unemployment rate was very low in Southern Sweden, but it increased considerably at the beginning of the 1980s as a result of the recession and structural crises. With temporary exceptions —in the late 1980s and at the beginning of 1990s — the unemployment rate has stayed high, reaching almost 9% in 1993. Now, however, thanks to a growing demand for a well-educated labour force, the unemployment rate is tending to go down.

Until the late 1980s the unemployment rate was considerably higher for women than for men. Around 1990 there was a break in the trend, and by 1993 the unemployment rate of women was substantially lower than that for men. This development is probably a result of the fact that many women work in the public sector, which has laid off fewer employees than the private sector where male workers are in the majority.

The number of the long-term unemployed has increased substantially since 1990 in spite of strong governmental labour market measures. With these measures — for example, by offering general and professional training courses — the government has tried to prevent long-term unemployment from becoming a widespread and permanent feature. It is hoped that this training of the unemployed will result in an increased supply of well-educated labour during the next economic boom in the region.

Development towards diversification and technically more advanced products

The importance of the industrial sector for employment in Southern Sweden has decreased, while the importance of the service sector in this regard has grown during the last few years. In Malmö, the largest town in the region, the mainstay of the economy was for many years a few relatively labour-intensive manufacturing enterprises. Nowadays, small and medium-sized companies are of great importance for the economy of Malmö.

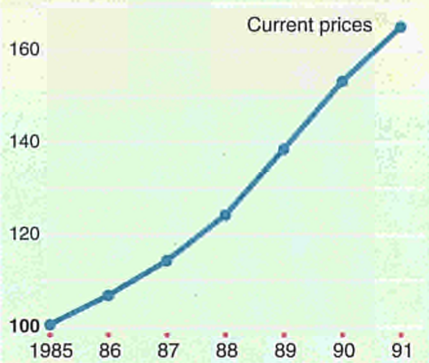
In the south-western and western parts of the region the economy is well diversified with emphasis on the printing, chemical and machinery industries. The food industry is of great importance in the area. In the northern part of the region machinery, wood processing, and paper industries are important.

In the north-east of the region the share of the labour force employed in the industrial sector (31%) is well above the national average (25%). This sector is very much export-oriented. Here can be found companies which manufacture motor vehicles, electronic products and machinery. More recently, the relative importance of the telecommunications industry has increased in this part of Southern Sweden.

The proportion of self-employment is high, apart from in the north-eastern area of the region. There are also many newly-established companies in Southern Sweden, indicating that the business climate is favourable.

There is a good supply of well-educated technicians and scientists in the Malmö area. Industry in the region also demands this kind of well-educated workforce and the proportion of employees in industry with a technical education is consequently rather high in the Malmö area.

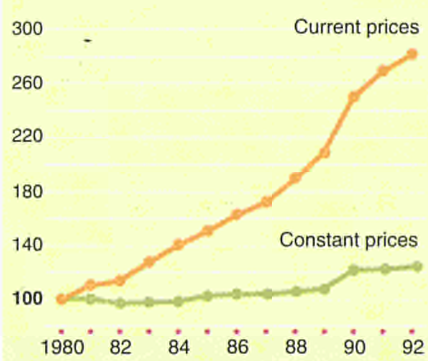
GDP (1985 = 100)



Wages

No data available

Disposable household income (1980 = 100)

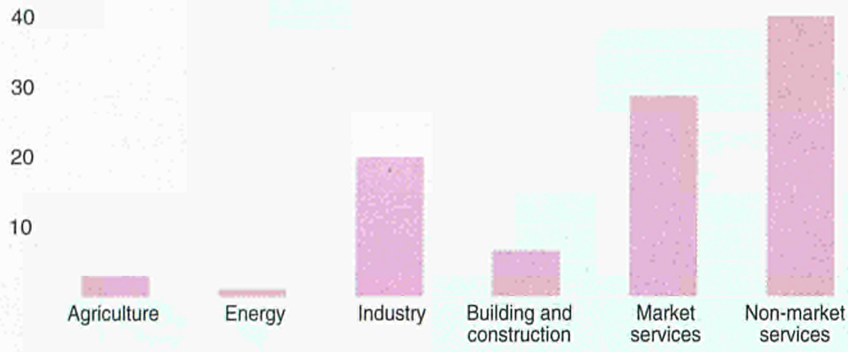


Household income steady in the early 1990s

The level of disposable household income in Southern Sweden is close to the national average. In constant terms, disposable household income decreased during the recession in the early 1980s but recovered remarkably in the second half of the decade. Since 1990 the level of disposable household income, measured at constant prises, has been almost unchanged in spite of the recession.

The south-western and western parts of the region have the highest average income levels in Southern Sweden. Particularly in the municipalities surrounding Malmö, the average income level is far above the regional average.

Employment: distribution by branch — 1992 (%)



From an agrarian to a diversified economy

The economy of Southern Sweden was formerly centred on the agricultural sector and its produce. Today, farming is highly mechanized and the yield per hectare in the flatland areas is the highest in Sweden. Less than 4% of the labour force is now employed in the agricultural sector. The food industry, which obtains much of its raw materials from the farm sector, is of great importance in the region. The food companies Svenska Nestlé and Felix are among the largest companies in Southern Sweden.

The industrial sector in the region is highly diversified. There are important engineering industries, including large enterprises manufacturing bodies for vehicles and construction machines. There is also a large shipyard. Moreover, a relatively large number of small and medium-sized engineering industries are situated in the region. The most important packaging industries linked to the food industries are located in the Malmö-Lund area, e.g. Tetra Pak and PLM. Southern Sweden also has important chemical and pharmaceutical industries. In the region, particularly in the northern parts, there are also several companies of various sizes in the wood processing, paper and construction industries.

Agriculture

Number of holdings	14 024
Labour force	4 361 AWU
Agricultural area	613 000 ha
Livestock	444 100 LU
Gross value-added	26 443 ECU/AWU
Main products	
Pigs	25%
Milk	17%
Cattle	9%

Main enterprises

Name	Activity
Volvo personvagnar, AB	Manufacture of bodies for motor vehicles
Skanska Syd, AB	Construction and civil engineering
Perstorp, AB	Organic basic chemicals, plastics
Svenska Nestle, AB	Processing and preserving of fruit and vegetables
Stora byggprodukter, AB	Manufacture of builders' construction material
Stora Papyrus Nymölla, AB	Manufacture of paper and paperboard
Karlskronavarvet, AB	Building and repairing of ships
VME Excavators, AB	Manufacture of machinery for mining and quarrying
Aktiebolaget Felix	Processing and preserving of potatoes

Environment: much done, but still much to do

During recent decades environmental awareness has increased substantially in Swedish society. The municipalities in Southern Sweden have invested large amounts of money in improving sewage treatment by dint of building new and more effective sewage treatment works. Pressure has also been put on industry and agriculture to reduce emissions to the atmosphere and water. Efforts have been made to increase the household and business recycling of paper and glass. Programmes for sorting and recycling of all garbage have been introduced in some localities. These measures have led to positive results in some areas but much more needs to be done.

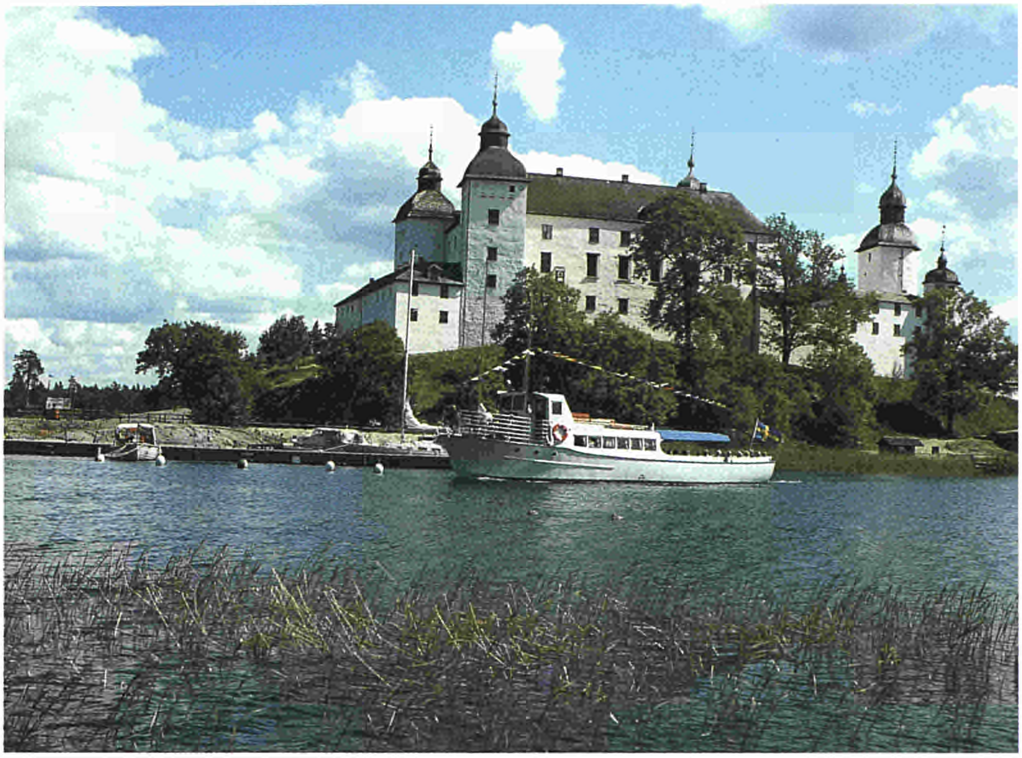
Because of its exposed geographical location, Southern Sweden is affected by extensive air pollution which has its origin on the European mainland and to a considerable extent in Eastern Europe. This problem cannot be solved without international agreements. It is also vital to decrease even further the amount of the pollutants which are still produced by the region's own agricultural and industrial sectors and traffic.

The acid-rain problem has primarily affected the forested areas in the northern part of the region, while the flatland areas are not so sensitive. Damage to both deciduous and coniferous forests has been observed. At least 40% of the lakes in the north-eastern part of the region are more or less acidified and have been treated with lime.

NO-fallout and nutritive salt emissions produced by traffic and agriculture in the region have practically eliminated oxygen in large sections of the strait of Öresund. In spite of the fact that large-scale measures have been taken in the last few decades, Öresund is badly contaminated after several years of environmentally unfriendly emissions from both sides of the strait. In certain places, the sediment at the bottom of the sea contains high levels of metals and organic chlorine compounds originating from industrial activities. The coastal water in the north-east, which is an important spawning ground for different fish species in the Baltic Sea, is sensitive to emissions of nitrogen and industrial emissions in the form of chloride organic material and heavy metals.

SWEDEN

VÄST-SVERIGE



The castle of Läckö overlooking the water.

Västsverige (Western Sweden) consists of the counties of Halland, Göteborg-och-Bohus, Älvsborg and Skaraborg. It covers the provinces of Halland, Bohuslän, Dalsland and Västergötland. The region encloses areas of different character, from the archipelago in the north-west to the spurs of the highland of south Sweden in the southern and south-eastern mainland. Vast areas are lowlands. Lake Vänern in the north is the largest lake in Sweden.

The average population density is 58 inhabitants per km², which is much higher than the Swedish average. The coastal area is especially densely populated. Of the 56 municipalities in the region, only 13 are characterized by a high degree of urbanization (more than 80%). The municipalities with the lowest degree (less than 40%) are in the north and north-west.

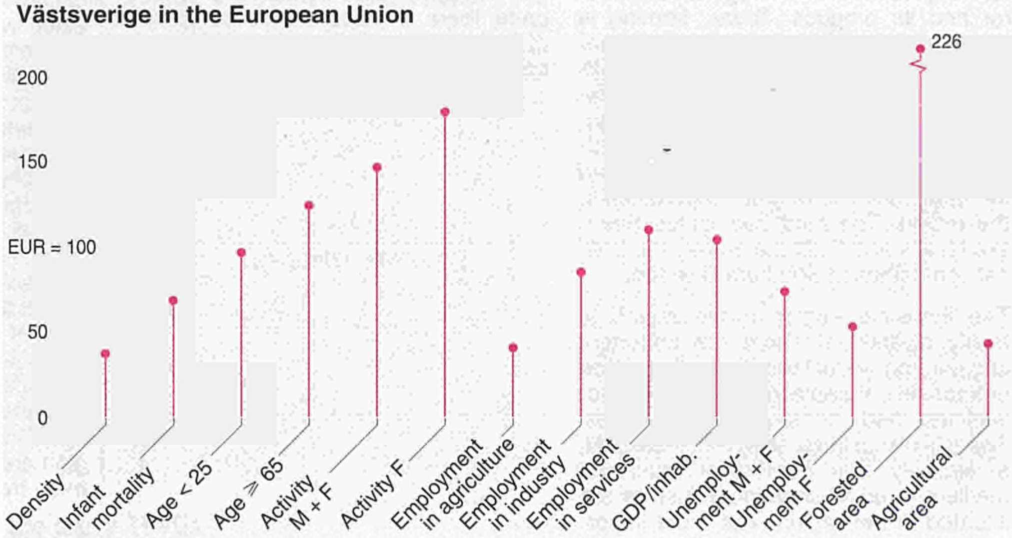
The region covers 7% of the national territory. Half of it is forested and one quarter is agricultural land.

Farming is important in the plain districts of the south-western and central parts of the region. Along the coast there is a long tradition of health recreation centres and seaside resorts.

There are good land, sea and air communications in the region. Göteborg (Gothenburg) is for example the most important harbour in Sweden.

Oil refineries with good harbours are situated on the coast of Bohuslän and electric energy is produced in nuclear plants south of Gothenburg. The region is also home to several large industries producing goods for export.

Västsverige in the European Union



Transformation

The large industries in Western Sweden have linked many subcontractors in logistic systems for just-in-time deliveries. Large companies have a greater share of total employment than in other regions.

There are also many small enterprises, e.g. in the mechanical and wood processing industries. Their connections to the big industries are weak but stronger to the domestic market. The once important textile enterprises in the southern part of the region have almost all disappeared. A few enterprises with technically advanced production still exist, however.

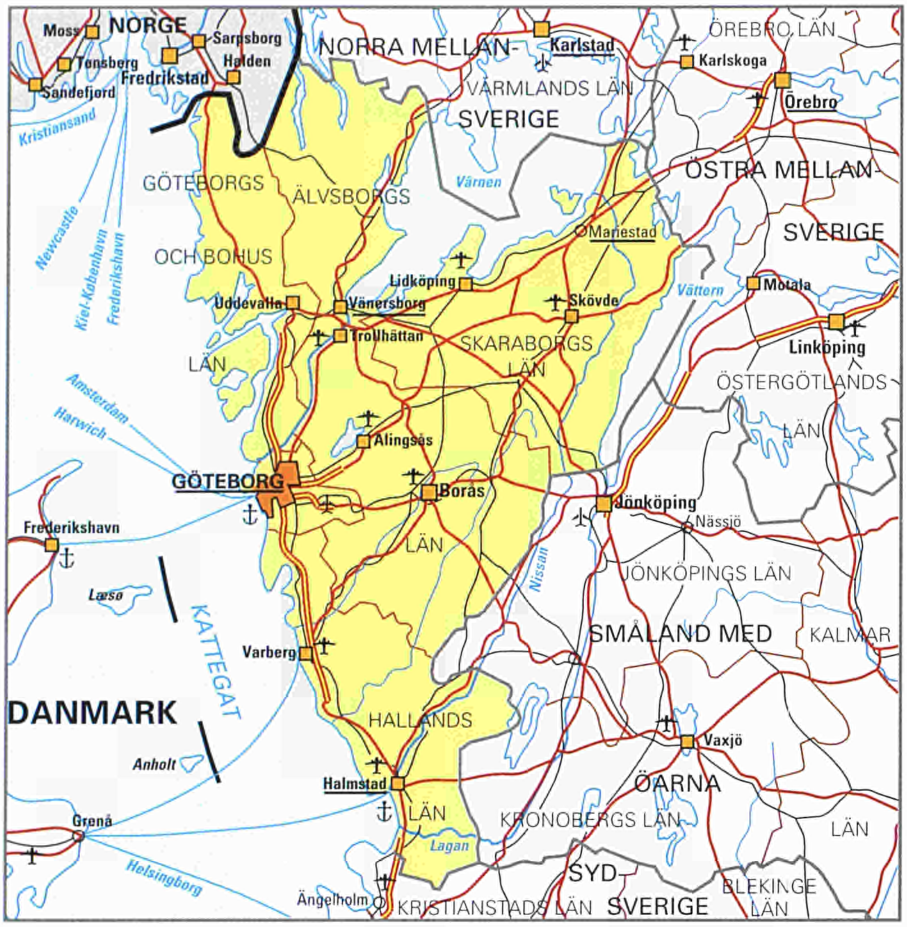
The region is self-supporting with wood raw material for the lumber industry.

Job opportunities are decreasing in number, although production is increasing. Because of the high degree of automation, which is typical of modern investment practices, investment in industry creates new job opportunities only rarely.

In all the counties in the region the public service sector has the highest share of employment, with the private service sector taking a more modest share. Generally, the service sector is geared to local markets, which confines its scope.

A few of the municipalities are extremely dependent on employment in the public sector (e.g. the armed forces).

Shipbuilding was formerly a large employer on the west coast. Almost all the shipyards have now closed because of restructuring in the industry, nationally and internationally. In spite of the closures, the population in the region has increased every year. The increase is due to positive net migration and an excess of births over deaths in the western and southern parts.



Scale: 1 : 3 000 000

Which EU regions are similar to Västsverige?

Area:
nearly 30 000 km²
- Brandenburg (D)
- Galicia (E)

Population:
1.7 million inhabitants
- Hamburg (D)
- Haute-Normandie (F)
- Etelä-Suomi (FIN)

Employment:
nearly 70% in services
- Danmark
- Baleares (E)
- Luxembourg (grand-duché)

Changes in the coastal zone

Western Sweden is generally a densely populated area. There are many larger towns but there are also many residents living in smaller localities or in rural areas. The opportunities for these residents to find employment within reasonable commuting distance are almost as good as those available to people living in urban areas. Consequently, commuting by car or other means of transport is common in the region.

The quality of life is ensured by excellent opportunities for outdoor activities.

Housing development has not caused any large impact on the environment except in one or two areas on the coast, e.g. around Gothenburg and Uddevalla where industry and car ownership obviously affect the environment.

The whole region is exposed to airborne sulphur pollutants, coming mainly from the south-west. Vast areas have been affected by acid rain, which has damaged growing forests.

The coastal area of Halland offers an attractive living environment. Large migration to this area has resulted in population growth in the last decade, although there has been no increase in the number of jobs in the area. The new residents have chosen to commute to work in neighbouring areas.

There is a good supply of industrial facilities and housing. Most houses are well equipped.

	Area	Population			Activity	Unempl.	Employment			GDP/inhab.
	1 000 km²	1 000	Inhab./km²	Change (%)	%	%	% Agricult.	% Industry	% Services	EUR (PPS)=100
		1993	1993	1983-93	1993	1993	1993	1993	1993	1991
Hallands län	5.5	265	48.5	12.0	80.7	7.6	5.0	27.3	67.5	116
Göteborgs och Bohus län	5.1	754	146.8	6.3	77.2	8.2	1.3	25.5	73.1	121
Älvsborgs län	11.4	447	39.3	5.1	79.4	8.3	3.5	31.0	65.4	87
Skaraborgs län	7.9	279	35.2	3.3	81.3	7.7	6.7	30.5	62.6	97
Västsverige	29.9	1746	58.3	6.3	78.9	8.0	3.3	28.0	68.6	108
Sverige	410.9	8 745	21.3	5.0	79.1	8.2	3.4	25.4	71.0	112
EUR 12	2 358.2	347 938	147.5	3.2 (1980-90)	55.4 (1992)	10.4	5.8 (1992)	32.6 (1992)	61.2 (1992)	100

VÄSTSVERIGE

Increasing population

Between 1950 and 1993 the population increased by 415 000 but the region's share of the total population of the country remained almost the same. Employment has fallen. In the counties of Halland and Skaraborg the largest decrease in the number of economically active persons has been in agriculture and forestry, while in Göteborg-och-Bohus and Älvsborg the decrease has occurred in industry. Of the 800 000 economically active persons in the region in 1992, more than two thirds were residents of the counties on the coast, Göteborg-och-Bohus and Halland.

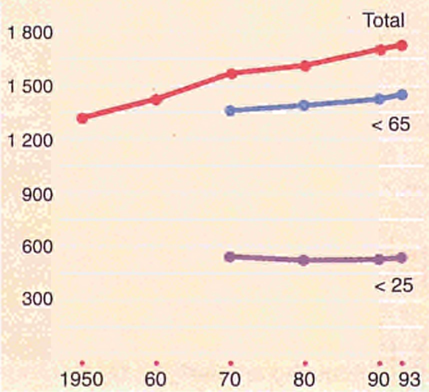
In 1990 about 9% of the resident population were foreigners. Nationals of other Nordic countries accounted for 3.5% of the region's total population. This figure is close to the national average. On the whole, the distribution of the population by age group is broadly similar to the pattern in the country as a whole, but compared with Stockholm the region has a larger proportion of people in the 65-and-over age group. Net migration during the last decade was close to the figure for the Stockholm region but the net population increase was smaller.

Commuting between municipalities is very common, especially to the large towns from surrounding municipalities. Commuting from the island municipalities in the province of Bohuslän to neighbouring urban areas has become possible since bridges were built. The islands offer an attractive living environment. In the south-eastern part of the region, commuting is common across the border to the densely populated areas in the region of Småland and Islands.

Population by age — 1993

	M + F 1 000	M + F %	M %	F %
< 15	332	19.0	19.7	18.3
15-24	221	12.6	13.0	12.2
25-39	367	21.0	21.7	20.3
40-54	354	20.3	20.9	19.7
55-64	165	9.5	9.4	9.5
⩾ 65	307	17.6	15.2	19.9
Total	1 746	100.0	100.0	100.0

Population (1 000)



Resident population of foreign nationality — 1990

	1 000	% of total population
Total	155	9.0
of which EU countries	26	1.5
of which non-EU countries	129	7.5
Finland	35	2.0
Norway	16	0.9
Former Yugoslavia	12	0.7
Denmark	10	0.6
Iran	9	0.5
Germany	8	0.4

Demographic account — 1983-93 (1 000)

Population 1983	1 642
Births	227
Deaths	182
Net migration	+ 59
Population 1993	1 746

Employment rate still high

Of the total population, 63% are of employable age, i.e. between 15 and 64 years old. There are more females than males in the 65-and-over age group.

The activity rate increased continuously until 1990 when the rate in the counties was between 84 and 87%, with an unemployment rate of 1-2%. During the following recession years, the activity rates in the counties fell to between 77 and 81% in 1993. At the same time the unemployment rates increased, reaching 7-9%.

In the counties of the region, around 63% of the economically active were employed in the service sector and between 26 and 31% in industry.

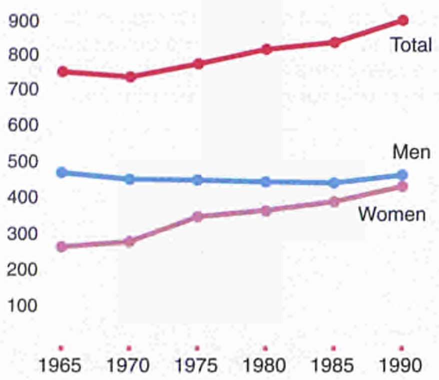
In the counties of Skaraborg and Halland, 7 and 5% respectively of the economically active were still employed in agriculture and forestry in spite of a large decrease in recent years.

The ratio employed in industry is high but the ratio in services is lower than the Swedish average, except in the county of Göteborg-och-Bohus.

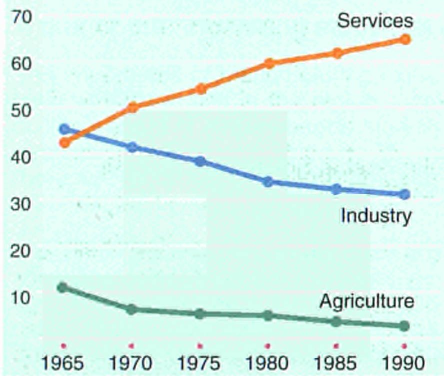
Number of pupils — 1993

	M + F 1 000	F %
Primary	123	48.7
Lower secondary	59	49.2
Higher secondary (technical)	44	:
Higher secondary (general)	17	:
Higher education (undergraduates)	43	54.9
Higher education (postgraduates)	4	35.6

Employment (1 000)



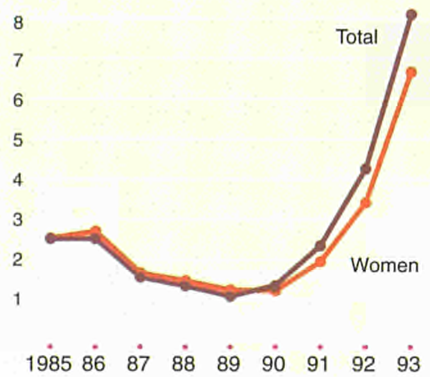
Employment structure (%)



Employment — 1992 (1 000)

Resident employment	804.7
+ Non-residents having a job in the region	14.4
– Residents having a job outside the region	25.7
= Internal employment	793.4

Unemployment (%)



Service sector: key to increased employment

For many years, the industrial sector's share of total employment in all counties in the region has been above the national average. The proportion of economically active women has gradually increased in the region, reaching 48% of the total in 1990.

The ratio employed in industry has, however, decreased by 14% during the last 25 years and was 31% in 1990. The ratio employed in the service sector has increased but it is still below the national average.

About 793 000 persons were resident and also employed in the region. Numbers commuting across the borders of the region are small in comparison with commuting between the municipalities within the region.

Because of the high level of automation in the modern industries in the region, expansion cannot be expected to have any great effect on the problem of high unemployment. Industry is recruiting more workers, especially the well-trained, but this is not sufficient to lower unemployment figures. Increased employment in the service sector is needed.

Characteristics of resident employment (%)

	< 25 years	25-54 years	≥ 55 years	Employees	Employees: part-time	Employees: full-time temporary contract
	1993	1993	1993	1993	1993	1993
Men	11.0	75.6	13.3	83.9	9.3	6.9
Women	11.5	75.3	13.2	94.1	49.0	5.8
Total	:	:	:	88.9	29.8	6.4

High unemployment rates in the building sector

Until 1990-91 there was a general shortage of workers in the region but there has since been a steady surplus.

Although the demand for trained workers is increasing, the trend is not universal. Demand is mainly focused on certain categories of educated and trained staff. This leads to a concentration of the unemployment problem in localities where many of the residents are generally less skilled, while in other areas where the professional level is higher the recession has had little impact on the employment rate.

In the eastern areas of the region, where the domestic building sector relied on industrial demand, it is difficult to forecast future development. There has been a general decline in the 1990s and the industry is recovering very slowly. The unemployment rate among building and construction workers is high and would have been still higher if many of them had not left the trade. But there are other industries with better prospects — in the high-tech sector, for example.

The unemployment rate among young people has been high. One solution to the youth unemployment problem is to offer them more training in different forms.

The public service sector employs relatively fewer people in the region than in the country as a whole. However, the decrease in this sector has had serious consequences, especially for women who made up more of the workforce. Rationalization and privatization have led to many dismissals.

VÄSTSVERIGE

Large manufacturing industries dominate

Large industries which manufacture relatively standardized products have dominated in the region for a long time. The town of Borås used to be the centre of the textile industry in Sweden. Food processing industries were established in the agricultural areas. Large, modern plants — e.g. glassworks, pulp and paper mills — are located on the coast. The shipyards have closed down but in some areas new industries have been established. In many of the densely populated areas numerous enterprises are established, many of which are subcontractors to the large companies in Gothenburg.

In Western Sweden the companies importing goods far outnumber those which export. This is particularly apparent in the Gothenburg area. The outstanding feature of the region, however, is represented by the relatively few big companies with large exports of goods like paper, cars, bearings, and so on.

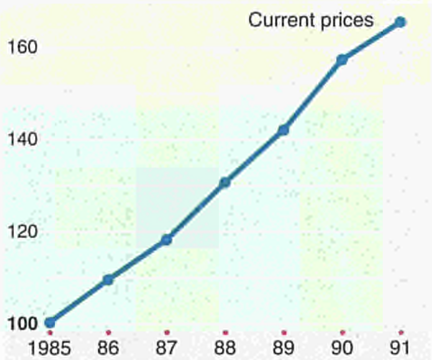
The vehicle industry is the single most important industry in two of the counties, the pulp and paper industry in one county and the wood processing industry in another. In the county of Halland, the five largest branches provide 55% of all jobs in industry while in the other three counties the figure is above 70%.

GDP at market price is the second highest of all eight regions in the country.

Western Sweden is a region of continuous development. The manufacturing industry has an important role to play for the future development of the region.

Several industrial enterprises are still geared to the domestic market. However, there are balancing forces in the region and the positive future development of employment is a distinct possibility, together with forays into new markets.

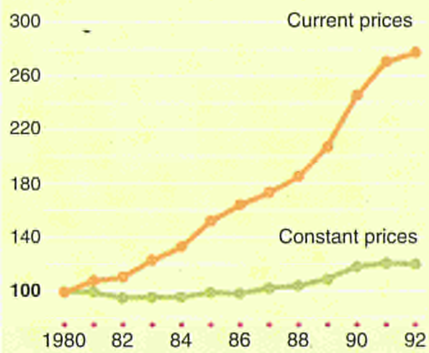
GDP (1985 = 100)



Wages

No data available

Disposable household income
(1980 = 100)



Small differences in labour costs

The average hourly wages for workers in the dominating branches of industry are not much different from those in other regions.

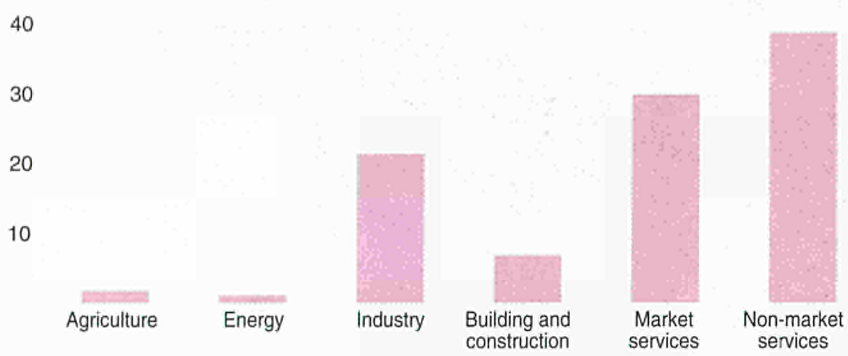
The wages of women are generally slightly lower than those of men, both in industry and in the service sector.

Disposable household income at current prices is somewhat lower than the national average.

During most of the years between 1980 and 1992 there was very little change in disposable income at constant prices. Disposable household income in the region has thus seen little improvement.

There is a considerable difference between the counties in terms of GDP per capita. The county of Älvsborg has the lowest GDP per capita of any county in Sweden. The figure for GDP per capita in the county of Skaraborg is below the national average, while in the other two counties in the region the figure is above the average.

Employment: distribution by branch — 1992 (%)



A mix of manufacturing industries and agriculture

The importance of manufacturing industries remains strong in the region. Agriculture's share of employment is steadily decreasing and is now close to 2%. In the counties of Halland and Skaraborg, however, the figure is still above 5%.

The gross value-added in agriculture is somewhat lower than the national average. The region has a higher GDP per capita than in the neighbouring regions, but the figure is considerably lower than that of the Stockholm region.

Industry employs one fifth of all economically active persons in the region. Companies with major plants in the region include Volvo with factories at several locations, SAAB and Electrolux in the area near Lake Vänern, and SKF and Ericsson in the western part of the region.

Most of the manufacturing industries are located in the region's largest urban areas, where the industrial enterprises are among the largest and employ a large proportion of the total industrial labour force. Some companies have R&D departments attached to their manufacturing plants.

The share of employment in the energy sector is low, although there is a large nuclear plant owned by Vattenfall in the area south of Gothenburg.

The private service sector's share of total employment matches the national average but the public service sector is well below the average with the second lowest share of any region.

Agriculture

Number of holdings	23 014
Labour force	3 843 AWU
Agricultural area	759 000 ha
Livestock	498 100 LU
Gross value-added	21 347 ECU/AWU

Main products	
Milk	31%
Pigs	17%
Cattle	12%

Main enterprises

Name	Activity
Volvo personvagnar, AB	Manufacture of motor vehicles
SAAB Automobile, AB	Manufacture of motor vehicles
SKF Sverige AB	Manufacture of bearings, gears and driving elements
Volvo lastvagnar komponenter AB	Manufacture of engines and motor vehicles
Skanska Väst, AB	Construction
Volvo Aero AB	Manufacture of air- and spacecraft
Ericsson Radar Electronics AB	Manufacture of instruments and appliances
Aktiebolaget Electrolux	Manufacture of domestic appliances
NCC, AB	General construction

Large quantities of industrial waste

Over the last 30 years the municipalities in the region have invested large amounts of money to achieve more efficient purification of waste water. In the past, it was common to discharge waste water into lakes without any treatment, or only with very little purification. The discharge levels which were formerly tolerated have been lowered by a wide range of actions. In some cases, processes producing a great deal of waste have been replaced by other more environmentally friendly processes. Sometimes facilities have had to close down.

In Western Sweden the problems of industrial waste discharge are significant. Special attention has been paid to waste discharges from large plants, such as oil refineries, car factories and pulp and paper mills.

Although several different purification methods and recycling actions have been introduced, the amounts of discharged waste still have a negative impact on the environment. In order to monitor discharge, a special system has been developed for the region and an emissions database has been established.

The city of Gothenburg gets fresh water from the river Göta, which is the main waterway to Lake Vänern. Several industries are located along the river. There is an urgent need to preserve fresh water supplies. This entails measures to minimize the use of fertilizers, insecticides and weed killers in agriculture. Excessive waste in the sea and rivers is a particular problem for Western Sweden.

Some of the region's pollutants are brought by air from other regions and countries. The prevailing western winds bring acid rain which causes damage to the soil and to the forests.

There are now projects to diminish the amount of waste by composting, and material recycling schemes have been started all over the region. The aim is to create a recycling system for as many raw materials as possible. All producers of goods are obliged to deal with them when they are scrapped, either by recycling or destroying them in the most non-polluting way.

The region has special problems in the towns of Gothenburg and Uddevalla, where the local topography gives rise to inversion layers. The air is being polluted by discharges from industrial processes and by vehicle exhaust emissions.

SWEDEN

NORRA MELLAN-SVERIGE

Winter view of the Grövelsjöfjällen.

Norra Mellansverige (North-Central Sweden) consists of the counties of Värmland, Kopparberg and Gävleborg. The region covers the provinces of Värmland, Dalarna, Gästrikland and Hälsingland.

The average population density is below the national average at 13 inhabitants per km^2. With most of the inhabitants living in urban areas, the rural parts are sparsely populated. Of the 41 municipalities in the region, only 14 are characterized by a high degree of urbanization (more than 80%).

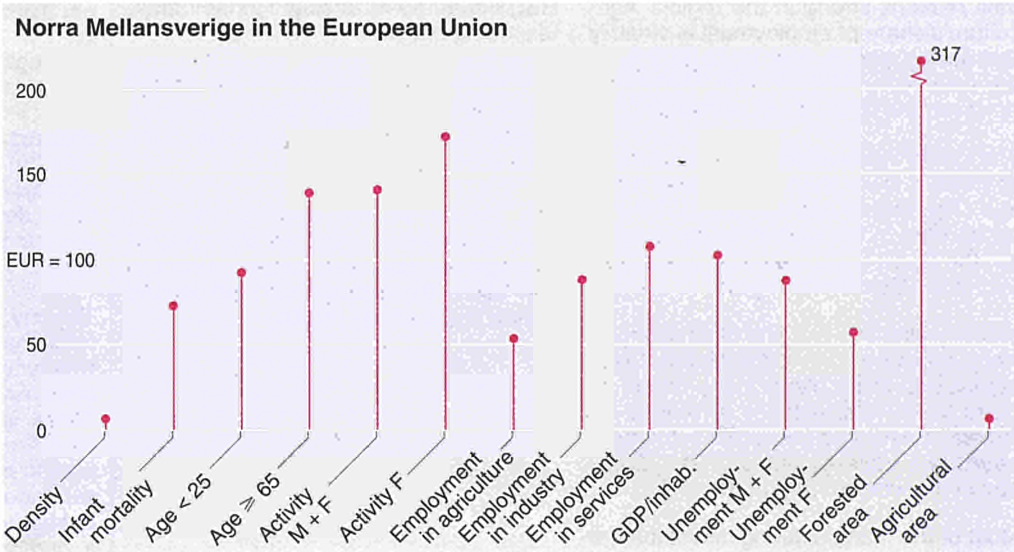
The region covers 16% of the national territory. More than three quarters of it is forested land and only one twentieth is farmland.

There are differences in the topography of the provinces. Spurs from the mountains formed in the Caledonian era are found in the northern parts of Värmland and Dalarna. The province of Gästrikland is lowland, as well as parts of Hälsingland.

The economic history of the region is characterized by mining, iron-ore handling and early industrialization. Forestry and lumber products are important in the region.

Communications are oriented towards urban areas such as Stockholm and Gothenburg. The roads follow the big rivers. Harbours are found on Lake Vänern and along the eastern coast.

There are several large industrial plants in the region, e.g. iron and steelworks and pulp and paper mills.



Raw materials and manufacturing

The strength of North-Central Sweden has been the good supply of raw materials. The existence of iron ore led to iron and steelworks, and silver and copper ore to metal processing industries. Timber was the raw material for sawmills, pulp mills, paper mills and other wood processing industries.

The region has serious problems due to the rapid structural transformation of mining operations and of iron and steelworks. Mining has practically disappeared, and all the iron-ore mines are now closed. Several iron and steelworks have closed down and many places dependent on these activities have lost their main employment base.

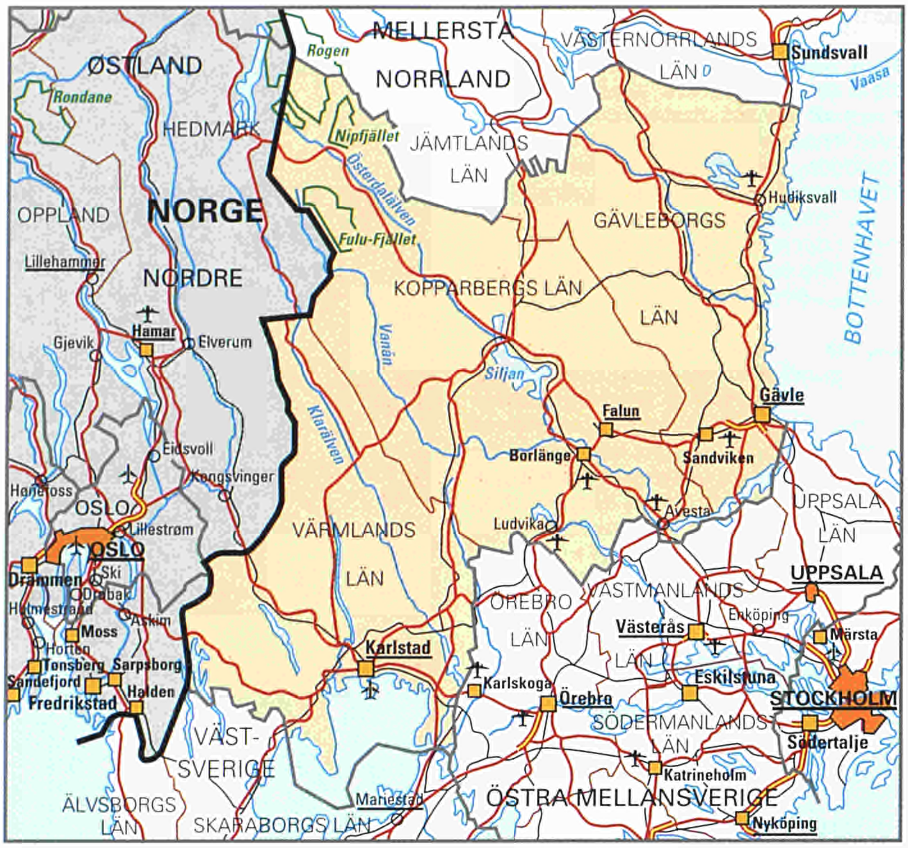
In the remaining works, the job opportunities are decreasing although production is going up. New investment in industry does not necessarily create more jobs because of the high degree of automation in new equipment and methods of work.

At the start of industrialization, log-driving on rivers gave rise to processing industries, such as sawmills, located in river estuaries. The logs are now transported by road or rail but the processing industries are still in the same places.

The coastal towns were leading trade centres for the hinterland. Raw materials and processed goods were traded. But the coastal towns have suffered as wholesale trade has become centralized at a few large locations in the country.

The region has no university but some courses are given in cooperation with the universities and university colleges in Uppsala and Stockholm. Some of the university colleges in the region have started courses and developed competence in research.

NORRA MELLANSVERIGE



Scale: 1 : 4 000 000

Which EU regions are similar to Norra Mellansverige?

Area:
more than 60 000 km²
Ireland
Andalucia,
Castilla-La Mancha (E)
Guyane (F)

Population:
0.9 million inhabitants
Trentino-Alto Adige (I)
Bruxelles-Brussel (B)

Age:
20% aged over 65
Toscana, Umbria (I)
Alentejo (P)

Quality of life dependent on sparsely populated areas

The region is characterized by relatively large urban settlements surrounded by sparsely populated areas. Long distances between the large settlements prevent daily commuting.

The sparse settlement pattern in this region of many lakes and rivers enhances the quality of life. The northern parts of Värmland and Dalarna are popular tourist districts.

Some years ago, the felling of trees was carried out in such a way that it had negative effects (e.g. clear-cut areas) on the attraction of the forests for outdoor activities. The needs of outdoor life are now better catered for.

Timber processing no longer damages the environment as much as it did before, when the pollution of rivers and lakes and waste discharge to the sea were considered inevitable. The pulp and paper mills have succeeded in reducing waste discharge, but the past effects of earlier discharge practices still linger in a few places.

Mines and connected plants have in many cases caused serious environmental damage locally, but control of various mining residues is now much stricter.

Much of the region is attractive for outdoor activities. Residents in the large towns visit holiday cottages both in the winter and summer seasons for hunting and fishing.

	Area	Population			Activity	Unempl.	Employment			GDP/inhab.
	1 000 km²	1 000	Inhab./km²	Change (%)	%	%	% Agricult.	% Industry	% Services	EUR (PPS)=100
		1993	1993	1983-93	1993	1993	1993	1993	1993	1991
Värmlands län	17.6	285	16.2	1.4	77.2	9.4	4.7	29.3	66.0	102
Kopparbergs län	28.2	291	10.3	1.7	77.3	10.0	3.8	27.9	68.2	106
Gävleborgs län	18.2	290	15.9	−0.6	78.2	9.2	4.9	28.9	66.2	99
Norra Mellansverige	64.0	865	13.5	0.8	77.5	9.5	4.5	28.7	66.7	103
Sverige	410.9	8 745	21.3	5.0	79.1	8.2	3.4	25.4	71.0	112
EUR 12	2 358.2	347 938	147.5	3.2 (1980-90)	55.4 (1992)	10.4	5.8 (1992)	32.6 (1992)	61.2 (1992)	100

NORRA MELLANSVERIGE

Decreasing population and employment

From 1950 to 1960 the total population of North-Central Sweden increased. The next decade saw a substantial decrease, and although the pattern continued in subsequent decades the rate of decrease was much slower. In 1993 there were 865 000 inhabitants in the region. Between 1950 and 1993 the region's share of the total population of Sweden went down by 2%.

Employment has decreased in all parts of the region, at a rate slightly above the national average. The decline in the central part was somewhat less than in the western and eastern parts.

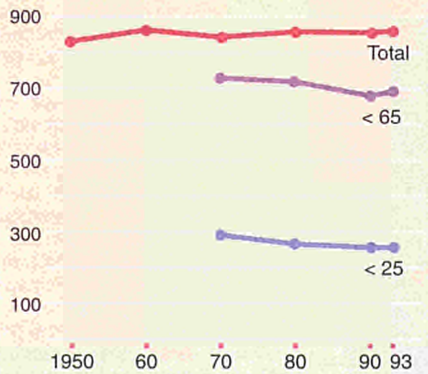
In 1990 about 6% of the population were foreigners, half of them coming from other Nordic countries. Most of the foreigners could be characterized as labour force immigrants. In general, the region has a rather low percentage of foreigners in its population. In comparison with the country as a whole, a relatively large share of the population is aged 65 or over. There was little net positive migration during the last decade and this fact, in conjunction with more deaths than births, meant that the population of the region decreased in the period 1984-93. It was the only region in the country with a decreasing population.

Migration across the borders of the region is insignificant. The most common form of movement is the migration of younger persons to larger towns and educational centres. Commuting across the borders of the region is limited but it is quite considerable to the larger urban areas in the region from the surrounding municipalities.

Population by age — 1993

	M + F 1 000	M + F %	M %	F %
< 15	160	18.4	19.1	17.8
15-24	105	12.1	12.6	11.6
25-39	165	19.1	19.9	18.4
40-54	178	20.6	21.4	19.8
55-64	88	10.2	10.1	10.3
⩾ 65	169	19.5	17.0	22.1
Total	865	100.0	100.0	100.0

Population (1 000)



Resident population of foreign nationality — 1990

	1 000	% of total population
Total	48	5.6
of which EU countries	6	0.7
of which non-EU countries	42	4.9
Finland	15	1.8
Norway	9	1.1
Iran	4	0.4
Germany	2	0.2
Denmark	2	0.2
Poland	1	0.1

Demographic account — 1983-93 (1 000)

Population 1983	858
Births	106
Deaths	112
Net migration	+ 13
Population 1993	865

Steady employment in the future

Of the total population, 62% are of employable age, i.e. between 15 and 64 years old. There are more women than men among the elderly.

The activity rate increased without a break until 1990 when it ranged from 80 to 84% in the region's counties. The unemployment rate was around 2%. The employment rate was somewhat lower and the unemployment rate higher than the national average. During the subsequent recession years, the activity rate in the counties decreased to 77-78% in 1993, and the unemployment rate increased to 9-10%. The situation was worse than in the country as a whole.

In the three counties of the region, around 66-68% were employed in the service sector, 28-29% in industry and 4-5% in agriculture and forestry. The percentage employed in industry and agriculture (including forestry) is higher than the national average while the percentage in services is lower.

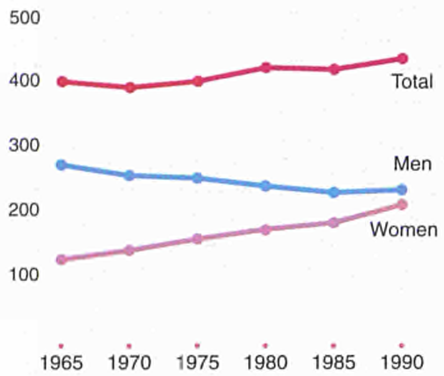
Short-distance commuting is common in the region. As the population is spread over large areas, long-distance commuting is practically impossible, although the opportunities for finding work in the towns have improved.

Number of pupils — 1993

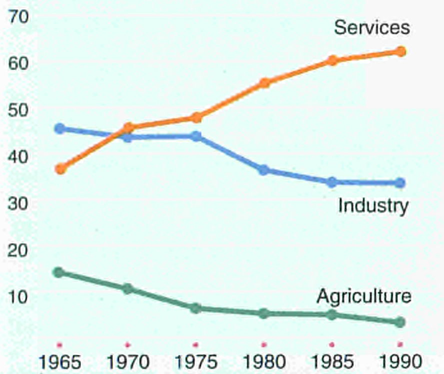
	M + F 1 000	F %
Primary	59	48.6
Lower secondary	29	48.5
Higher secondary (technical)	23	:
Higher secondary (general)	8	:
Higher education (undergraduates)	16	59.2
Higher education (postgraduates)	< 1	35.3

NORRA MELLANSVERIGE

Employment (1 000)



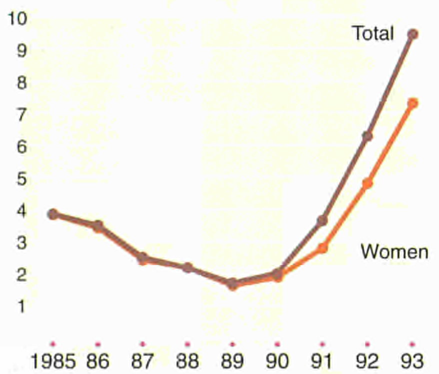
Employment structure (%)



Employment — 1992 (1 000)

Resident employment	387.1
+ Non-residents having a job in the region	10.2
– Residents having a job outside the region	14.1
= Internal employment	383.2

Unemployment (%)



Manufacturing industry gives strength to the region

Industry in the region has for many years been above the national average in its share of employment. Manufacturing is the most important sector. More and more women have become economically active and in 1990 they accounted for 47% of those in employment.

The proportion of those employed in industry has nevertheless fallen by 13% over the last 25 years and was down to 34% in 1990. The percentage of those employed in the service sector is, however, the lowest of any region in the country.

About 387 000 person were residents and also economically active in the region. Numbers commuting across the borders of the region are small in comparison with commuting between municipalities inside the region.

Characteristics of resident employment (%)

	< 25 years	25-54 years	⩾ 55 years	Employees	Employees: part-time	Employees: full-time temporary contract
	1993	1993	1993	1993	1993	1993
Men	9.0	76.7	14.3	85.3	9.3	8.2
Women	10.6	75.1	14.4	94.5	51.9	6.0
Total	:	:	:	89.7	31.1	7.1

Youth unemployment still high

During the economic boom of the late 1980s there was some shortage of labour in the region. Latterly, there has been a constant surplus of skilled labour.

The demand for trained workers is slowly increasing and focuses mainly on certain categories of well-educated and skilled workers.

The major industries in the region have not yet begun to recruit more workers.

The region's wood processing industries (such as joinery) are geared to satisfying the demand of the domestic building sector.

The unemployment rate among young people has been and remains high. One solution to youth unemployment problems is to offer more training in different forms.

The public service sector employs relatively more people in the region than in the country as a whole. Cost-cutting, rationalization and privatization have resulted in many dismissals. These have affected women in particular as they constitute the majority of those employed in this sector.

The number of the long-term unemployed has increased in the last few years. Older unemployed people, the handicapped and disabled, as well as immigrants with an inadequate knowledge of Swedish, are particularly affected and find it much more difficult to get permanent jobs.

NORRA MELLANSVERIGE

Many localities with one large enterprise

North-Central Sweden has for many years been one of the most industrialized regions in the country. Enterprises specializing in raw material extraction, mining and processing have become dominant employers in relatively small localities or towns.

This is true especially for enterprises in the iron and steel industry. The large pulp and paper industries are also dominant in several localities or towns.

Places with a single dominating branch or company are frequent. A more diversified structure of trade and industry has been established only in the larger urban areas. When structural crises have resulted in rationalization and efficiency measures, and the single company has had to close or dismiss workers, the small locality has often been seriously affected.

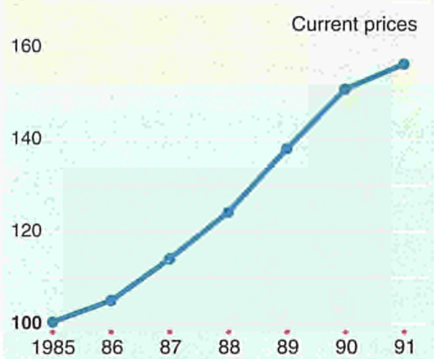
There is a greater number of importing than exporting enterprises in the region.

Employment in industry has diminished. In all three counties of the region, the iron and steel, metal and lumber industries were among the five largest branches. Iron and steel was the largest branch in the counties of Kopparberg and Gävleborg, while the pulp and paper industry was the largest in the county of Värmland. These five groups account for 68% of jobs in industry in the counties of Värmland and Kopparberg and 75% in the county of Gävleborg.

The region embraces parts of the Bergslagen district, the rest of which is situated in East-Central Sweden. This district was one of the first industrialized areas in the country. In these formerly prosperous districts, the structural effects are self-evident. The rapid increase in the population and employment during the 1950s and 1960s gave way to a drastic decrease from the start of the 1970s.

Localities with a dominant enterprise are particularly vulnerable to changes of this kind. Small and medium-sized companies have emerged, however, and to some degree they have taken the place of the former dominant enterprise.

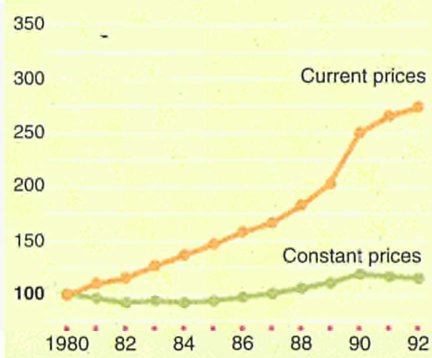
GDP (1985 = 100)



Wages

No data available

Disposable household income
(1980 = 100)

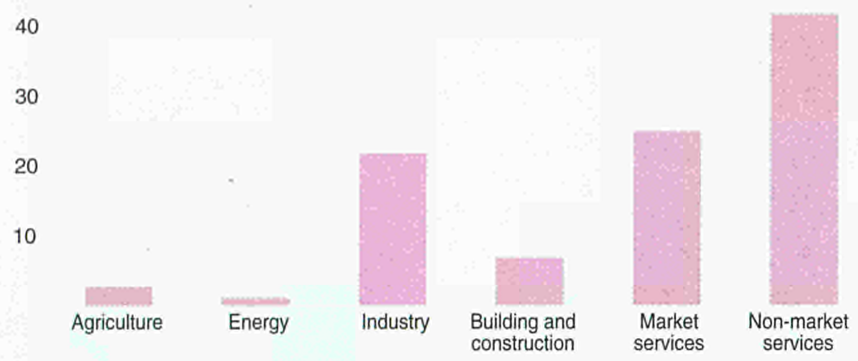


Labour costs are fairly equalized

The average hourly wages for workers in the main branches of industry do not vary much and are generally in line with wages in other regions. Women's wages are generally slightly lower than those of men. The same pattern prevails in the service sector.

Disposable household income at current prices is somewhat lower than the national average and the trend has been rather weak in recent years. This is due to the falling rate of employment in the region. There is little variation among the region's counties in GDP per capita, which is below the national average in all three counties.

Employment: distribution by branch — 1992 (%)



Difficulties in last 20 years

The proportion of jobs in manufacturing is decreasing more rapidly than in the country as a whole, and the same is true for agriculture and forestry. The public service sector has increased more than the national average while the private service sector, though increasing, still has a share which is below average.

The gross value-added in agriculture is the second lowest of Sweden's regions.

North-Central Sweden has the second lowest GDP per capita in the country. This reflects the difficulties that the region had to cope with in the last 20 years.

Industry employs one fifth of the total labour force in the region. Companies with large installations are Sandvik Steel and Ovako Steel in the south-east and Svenskt Stål and Avesta Sheffield in the central part of the region.

Among the forestry industries Stora is located at many places in the region, while Iggesund and Korsnäs can be found in the eastern part. Ericsson has factories on the coast.

With nearly all the mines and several iron and steelworks and pulp and paper mills now closed down, most of the remaining production units are located in or close to the larger urban areas or towns in the region.

A few companies have R&D departments in the region.

The proportion of jobs in the energy production sector is close to the national average.

Agriculture

Number of holdings	10 841
Labour force	1 136 AWU
Agricultural area	339 000 ha
Livestock	124 700 LU
Gross value-added	18 661 ECU/AWU
Main products	
Milk	47%
Cattle	12%
Pigs	7%

Main enterprises

Name	Activity
Aktiebolaget Sandvik Steel	Iron and steel, ferro-alloys
SSAB Svenskt Stål, AB	Iron and steel, ferro-alloys
Korsnäs, AB	Paper and paperboard
Ovako Steel AB	Iron and steel, ferro-alloys
Iggesund Paperboard AB	Paper and paperboard, sulphate pulp
Stora Billerud, AB	Paper and paperboard
Ericsson Radio Systems AB	Television and radio transmitters
Telefonaktiebolaget L M Ericsson	Television and radio transmitters
Avesta Sheffield, AB	Iron and steel, ferro-alloys

Environment: heavy damage in the past

In recent decades the municipalities in the region have invested large amounts to improve the treatment of waste water. It was common practice before to let waste water run into small lakes without any treatment or with very little purification. The result was polluted lakes and rivers. The discharge levels that were formerly accepted have been reduced by a range of actions. Processes have been replaced by other methods which cause less pollution, and sometimes enterprises have been forced to close.

Mines and related plants have often caused tremendous damage to the environment. In many cases the practices have gone on for a long time, with the result that the damage to the environment has been viewed almost as a natural process. This is the case of slow waste discharge of seeping products to rivers and to subsoil water. There is now more attention focused on the various residues of mining activities and environmental monitoring is better organized.

Some of the pollutants are brought by air from other regions and countries. The prevailing western winds bring acid rain which causes damage to forests and the soil.

There are now local and regional projects to diminish the amount of waste by composting, and material recycling schemes have been started all over the region. The aim is to create a recycling system for as many raw materials as possible. All producers of goods are obliged to deal with them when they are scrapped, either by recycling or destroying them.

Particular environmental problems in the region, apart from those in the mining industry, are the waste discharges from the large lumber industry installations. Problems with solvents, e.g. in the wood processing industry, have led to calls for increased monitoring of production processes.

Small and medium-sized enterprises have very little or no effect on the environment.

SWEDEN

MELLERSTA NORRLAND

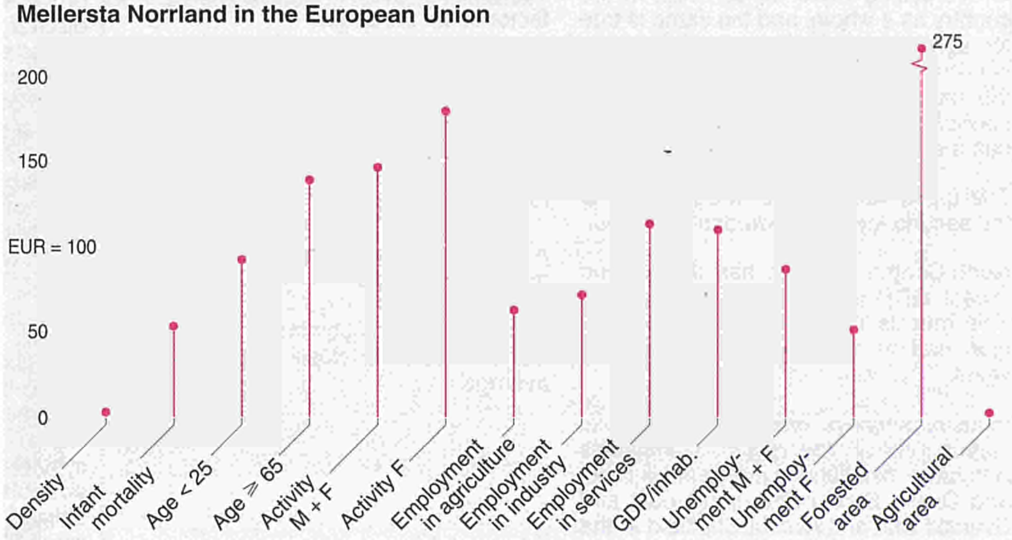
Mellersta Norrland (Central Norrland) is the second largest region in Sweden. It consists of two counties, Västernorrland and Jämtland, and contains 17 municipalities. Only 4.5% of the total population of Sweden live in the region. There are wide variations in population density throughout the region, with density much higher along the coast. There is only one urban area with more than 50 000 inhabitants, namely Sundsvall. There are four other urban areas with more than 10 000 inhabitants: Östersund on Lake Storsjön and three other towns on the coast.

As the region is situated in the northern part of Sweden, the summer is short and the winter season with snow is long. The region borders on Norway in the west and the Baltic Sea (Gulf of Bothnia) in the east. It is bordered to the north by the Rest of Norrland region and to the south by North-Central Sweden.

Two thirds of Central Norrland is forested and only 2% is farmland. There is an alpine area to the west and south-west of Lake Storsjön. In this area an important tourist industry has developed. Special emphasis has been placed on winter sport activities, such as slalom and downhill skiing, etc.

The Ortviken paper mill on the Botnian Sea.

Mellersta Norrland in the European Union



Environmental experience and industrial development

The environment is one of the great assets of Central Norrland. The high mountains provide excellent opportunities for winter sports in the western part of the region and have contributed considerably to the development of the Östersund area. Several resorts offering good skiing have attracted many tourists, from home and abroad. Tourism is now an important source of income in the Östersund area. The mountains also supply the resident population with opportunities for leisure and recreation.

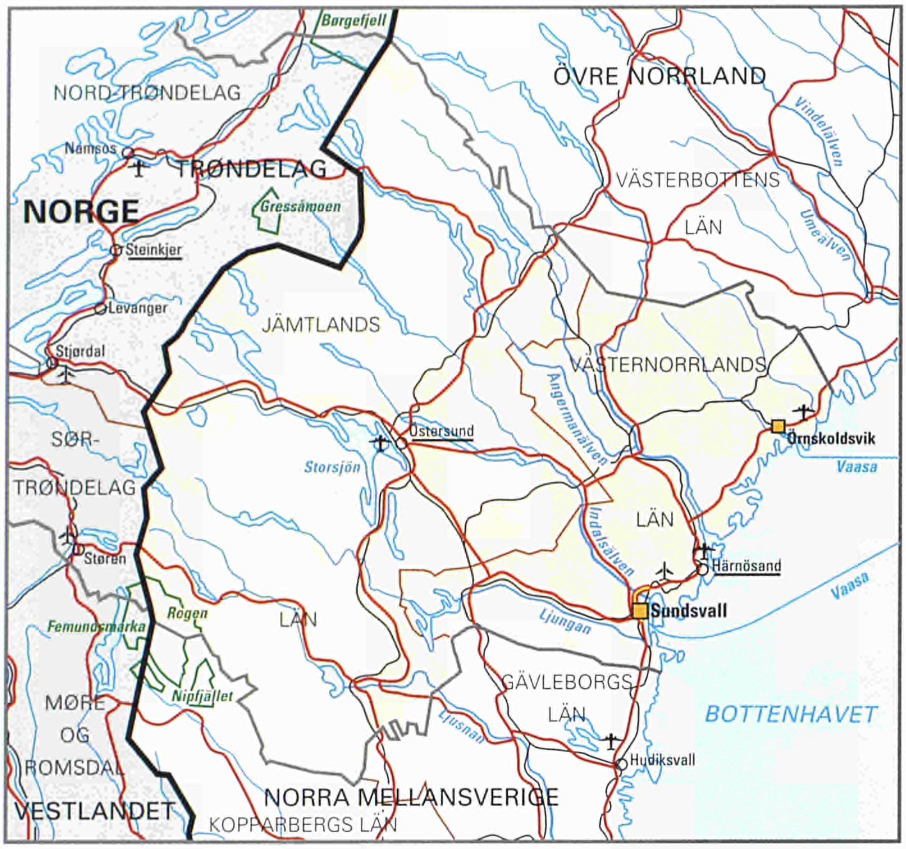
The closeness of Norway and Trondheim is also important for the interior. It gives the area the advantages of proximity to a large urban area with all its potential for development. Traditionally, there has also been significant border trade between the regions on either side of the frontier.

Today there is a competitive pulp and paper industry along the coast. It contributes to employment and also has an important export market.

Mitthögskolan, the university college in the region, offers students a chance to stay in their home area during their undergraduate studies. The increased supply of well-educated workers is an incentive for enterprises to move to the area.

The region's peripheral location is a minor problem today because of the rise of new information technologies (IT). These new technologies and an ample supply of workers provide enterprises with favourable conditions for starting or developing activities in the region.

MELLERSTA NORRLAND



Scale: 1 : 4 000 000

Which EU regions are similar to Mellersta Norrland?

Population:
0.4 million inhabitants
Luxembourg (grand-duché)
Guyane (F)

Employment:
72% in services
Berlin (D)
Madrid (E)
Languedoc-Rousillon (F)

Unemployment:
9-10%
Saarland (D)
Drenthe (NL)
Wales (UK)

People and enterprises along the coast

Population density varies across the region. The general pattern is that more people live in the coastal areas than in the interior, where the population density is less than three inhabitants per km^2. By the coast, the density is almost four times as high. Very few people live in the mountain areas close to the Norwegian border. Almost twice as many people live and work in the coastal area as in the interior. Disparities of population density also affect the way of living.

In the interior the taxable income is among the lowest in the country. In the coastal areas the level is higher, but still below the national average. Disposable income is generally higher in the coastal areas.

Forestry is an important industry in the region. In the interior the emphasis is more on felling and extraction, whereas lumber processing is more important on the coast. One hundred years ago the timber was floated down the rivers from the interior to the coast. Nowadays, a modern road network offers good transport links. In the interior, considerable dependence on agriculture and forestry has lasted longer than in the coastal areas. Industrialization came early to towns along the coast which were close to the processing industry.

	Area	Population			Activity	Unempl.	Employment			GDP/inhab.
	1 000 km^2	1 000	Inhab./km^2	Change (%)	%	%	% Agricult.	% Industry	% Services	EUR (PPS)=100
		1993	1993	1983-93	1993	1993	1993	1993	1993	1991
Västernorrlands län	21.7	261	12.0	– 1.6	78.6	9.3	4.3	24.9	70.7	114
Jämtlands län	49.4	136	2.8	0.8	77.2	9.7	7.3	18.4	74.2	110
Mellersta Norrland	71.1	397	5.6	– 0.8	78.1	9.4	5.4	28.8	71.9	112
Sverige	410.9	8 745	21.3	5.0	79.1	8.2	3.4	25.4	71.0	112
EUR 12	2 358.2	347 938	147.5	3.2 (1980-90)	55.4 (1992)	10.4	5.8 (1992)	32.6 (1992)	61.2 (1992)	100

MELLERSTA NORRLAND

Increasing population in the interior

Today 397 000 people live in Central Norrland. The population is concentrated along the coast and around Lake Storsjön. In the 1950s and 1960s many people moved from the northern parts of Sweden, including this region, to find jobs in the south. One cause was the increasing mechanization of forestry and agriculture, which resulted in job losses. In 1960 about 426 000 people lived in the region, but 10 years later the population was down to 399 000. During the first half of the 1980s net migration to the region was, however, positive. In the last 10 years, the population has decreased along the coast, while there has been a slight increase in the interior. The population is expected to continue to fall in the coastal area even in the future, partly as a result of increasing industrial automation.

The rise in population in the last few years has been caused mainly by foreign immigration. The natural growth rate and domestic migration have both been negative. The proportion of people aged 65 or over has steadily increased, although the rate of increase is now slowing down, apparently as the result of increased foreign immigration.

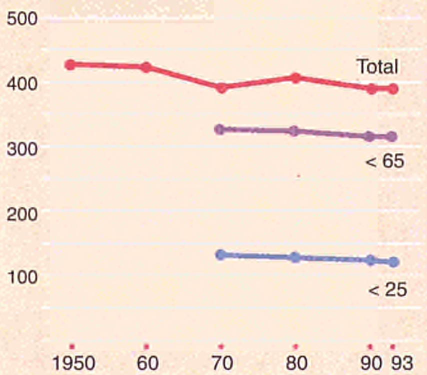
In the period from 1984 to 1993 the birth rate was lower than the death rate. Central Norrland was the only region in Sweden that had a negative birth rate between 1990 and 1993, when the rest of the country experienced positive rates.

The region has 16 000 foreign residents, most of them coming from non-EU countries.

Population by age — 1993

	M + F 1 000	M + F %	M %	F %
< 15	71	18.0	18.6	17.5
15-24	49	12.4	12.9	11.9
25-39	75	18.9	19.7	18.1
40-54	81	20.5	21.2	19.9
55-64	41	10.4	10.2	10.5
⩾ 65	78	19.8	17.4	22.1
Total	397	100.0	100.0	100.0

Population (1 000)



Resident population of foreign nationality — 1990

	1 000	% of total population
Total	16	4.1
of which EU countries	1	0.4
of which non-EU countries	15	3.7
Finland	6	1.5
Norway	3	0.6
Iran	1	0.2
Germany	1	0.1
Iraq	0	0.1
Lebanon	0	0.1

Demographic account — 1983-93 (1 000)

Population 1983	400
Births	47
Deaths	51
Net migration	+ 1
Population 1993	397

More female students

Of the total population, nearly two thirds are of employable age, i.e. between 15 and 64 years old. The activity rate is almost as high for women as for men, about 78%. The interior of the region boasts one of the highest activity rates for women in the country.

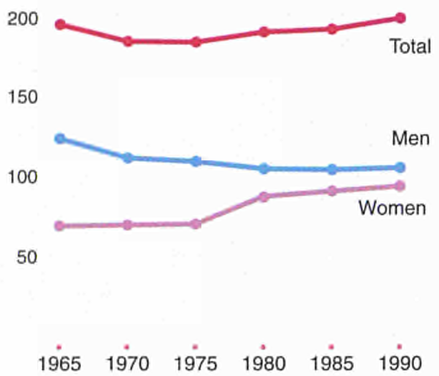
Almost as many people commute out of as into the region. Because of the long distances involved, commuting is harder here than in other regions. The lack of big industrial concentrations, especially in the interior, also contributes to the low commuting levels. Most commuting takes place to Östersund and between urban areas along the coast.

In many places, mainly in the interior, there is no higher secondary school. Young people often have to move to get education. A lower proportion of secondary school leavers in the region go on to attend university college than elsewhere in the country. There are more female students in higher education than in the country as a whole.

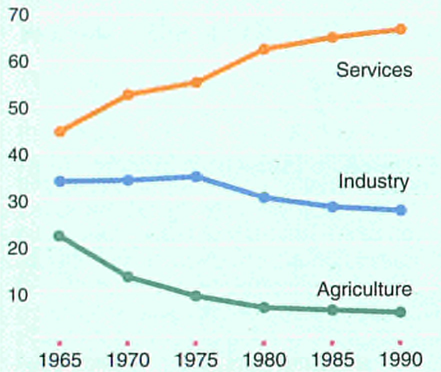
Number of pupils — 1993

	M + F 1 000	F %
Primary	27	48.1
Lower secondary	14	48.7
Higher secondary (technical)	11	:
Higher secondary (general)	4	:
Higher education (undergraduates)	9	56.3
Higher education (postgraduates)	< 1	38.3

Employment (1 000)



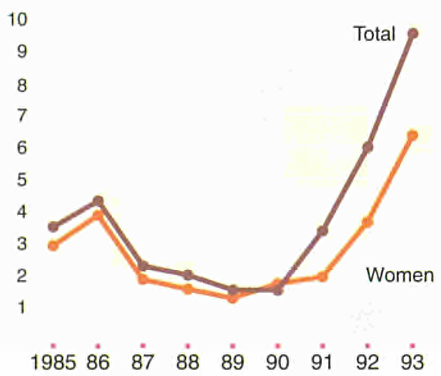
Employment structure (%)



Employment — 1992 (1 000)

Resident employment	181.1
+ Non-residents having a job in the region	4.7
– Residents having a job outside the region	5.2
= Internal employment	180.6

Unemployment (%)



Many people employed in the service sector

In 1990 there were altogether 199 000 economically active persons in the region. Most of them, nearly three in every four, were employed in the service sector. In the interior, the proportion of people employed in agriculture is among the highest in the whole country. The proportion of people employed in manufacturing is relatively low in the region. The interior is in fact one of the least industrialized areas in Sweden. The proportion employed in agriculture and in manufacturing has, however, decreased in the last few decades, with a corresponding increase in those employed in the service sector.

For decades many people have been employed in the public sector. Today, one of the reasons for this high ratio is the university college at Mitthögskolan. In the past, the armed forces contributed to the high proportion of those employed in the public sector. In the interior, above all in the Östersund area, tourism provides a relatively high proportion of jobs.

Characteristics of resident employment (%)

	< 25 years	25-54 years	≥ 55 years	Employees	Employees: part-time	Employees: full-time temporary contract
	1993	1993	1993	1993	1993	1993
Men	8.7	76.2	15.1	83.4	8.7	9.1
Women	10.8	73.9	15.3	94.8	46.6	6.0
Total	:	:	:	89.1	28.7	7.5

Unemployment now falling

Unemployment increased at the end of the 1970s and at the start of the 1980s but started falling towards the end of the decade. The recession since 1990 has caused unemployment to rise but it is now falling again.

Unemployment is little higher in the interior than in the coastal areas. One feature of note is that unemployment among women has been 3 percentage points lower than the overall rate. The lower rate for women is due to the high proportion of women employed in the public sector. This sector has not dismissed employees to the same extent as competition-dependent industry, in which many men are employed.

The employment trend in the manufacturing sector was less negative in Central Norrland than in the country as a whole during 1991-92. The coastal area has been severely hit by decreasing employment in the building and construction industry.

Nearly one fifth of the population in the 20-24 age group were unemployed at the end of 1993. About the same proportion of the non-Nordic citizens were also out of work. The rates were marginally higher in the coastal area than in the interior. Almost one in three of those out of work could be classified as long-term unemployed.

MELLERSTA NORRLAND

More large and export-oriented enterprises in the coastal area

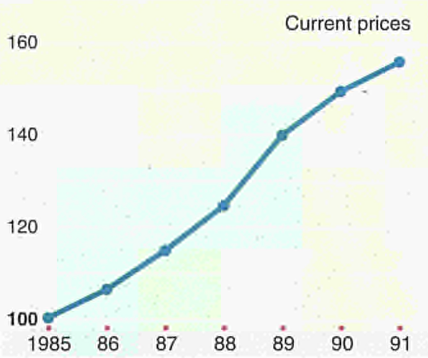
Forestry is important in the region. More than half of the interior is productive forestry land. Major lumber processing installations are located in the coastal area. Many enterprises there are connected to the pulp and paper industry. Another important industry in the coastal area is the manufacture of machinery.

The structure of industry varies within the region. Enterprise creations and closures are both more common on the coast. In the interior, the proportion of newly-established enterprises started by women is one of the highest in the country. The coast has more large enterprises than the interior, where most enterprises are small. The highest proportion of self-employed entrepreneurs is also found in the interior. There are no large industrial concentrations in the interior, but the area has an important tourist industry. The share of service companies is therefore higher in the interior than in the coastal area.

Overhead functions in industry are more common on the coast. Product development in companies tends therefore to take place in the coastal area. There are more export-oriented enterprises on the coast than in the interior.

In the last 20 years, development of production has been high in both Östersund and Sundsvall, especially in comparison with general development in the north of Sweden. The trend in the country is that locating standardized production facilities in peripheral regions has led to increasing productivity. Among other reasons — such as enormous government subsidies for regional and industrial development — this may be explained by the existence of a more motivated labour force.

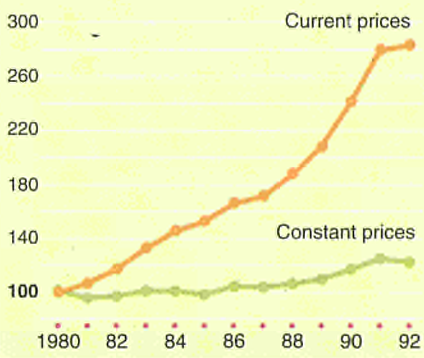
GDP (1985 = 100)



Wages

No data available

Disposable household income
(1980 = 100)



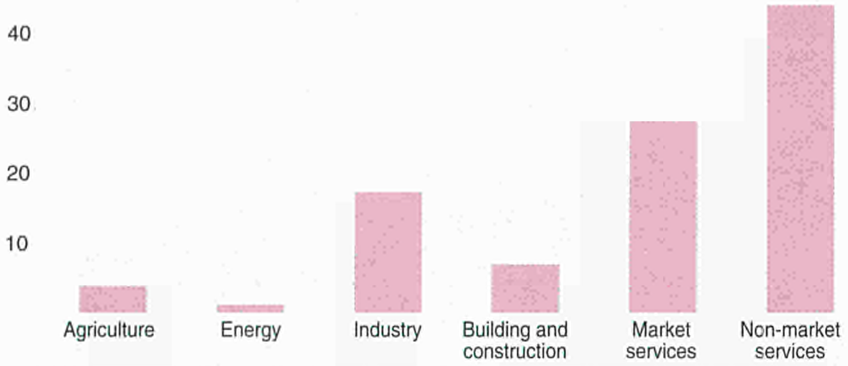
Varying income conditions within the region

Average income in Central Norrland is lower than the national average. There are, however, disparities within the region. Average income is higher in the coastal area than in the interior, except for Östersund. This goes for both women and men. Differences in average income between women and men are, however, less marked in the interior than in the coastal area.

Municipalities with a high ratio of urban inhabitants have the highest average income, with Sundsvall having the highest of all. Disparities in average income in the region depend both on regional differences and on the fact that the number of those employed in different sectors varies. For example, there are more people employed in manufacturing in the coastal area than in the interior. Wages are higher in manufacturing than in forestry. The incomes of self-employed farmers are not very high.

Disposable household income is somewhat lower in this region than in Sweden as a whole. The public income equalization system has a positive effect on disposable income, however. Consumption potential or the standard of living is also better in the region because it is cheaper to live in Central Norrland than in several of the more highly populated regions in the southern part of the country.

Employment: distribution by branch — 1992 (%)



Tourism in the interior, pulp and paper on the coast

The relation between the agriculture, industry and service sectors differs across the region. In the interior, the ratio of people employed in forestry and agriculture is higher than the national average. Large lumber companies, such as SCA, own much of the forest land. Most of the arable land is used for the cultivation of feedstuff, corn and potatoes. Farming is most extensive around Lake Storsjön. From an economic point of view, animal livestock is more important than crop production. Most activity takes place on small farm holdings. The proportion of jobs in the industrial sector in the interior is one of the lowest in the country, but the service sector in the area is very important. Much of the private service sector is linked to tourism. The burgeoning tourist industry is one reason for growth in the Östersund area.

In the coastal area the industrial sector is both more developed and more important than in the interior. Many industries are concentrated along the coast. The most important sector is the pulp and paper industry, which is located mainly in Sundsvall and Örnsköldsvik. The presence of urban areas makes the service sector important. The machinery industry also employs a large number of people here.

Agriculture

Number of holdings	6 182
Labour force	625 AWU
Agricultural area	162 000 ha
Livestock	63 000 LU
Gross value-added	18 802 ECU/AWU

Main products	
Milk	60%
Cattle	15%
Pigs	3%

Main enterprises

Name	Activity
Mo och Domsjö, MoDo Paper, AB	Sulphate pulp, paper and paperboard
SCA Graphic Sundsvall, AB	Newsprint, manufacture of paper and paperboard
Skanska Norrland AB	General construction
Mo och Domsjö, Domsjö sulfitfabrik, AB	Manufacture of sulphite pulp
Hägglunds Vehicle AB	Manufacture of motor vehicles, weapons and ammunition
Telefonaktiebolaget L M Ericsson	Manufacture of television and radio transmitters
Gränges aluminium metall AB	Aluminium production; wholesale of metals
Sunds Defibrator Industries, AB	Machinery for paper and paperboard production
SCA Graphic Sundsvall AB	Manufacture of sulphate pulp

Hydroelectric power and the environment

The environment in the region has been affected mainly by the construction and use of industrial plants along the coast and by the development of hydroelectric power. The use of water power has indeed affected the landscape. Vast areas have been inundated by the creation of dams while others have dried up, thus substantially altering the habitat for both animals and plants, some of which have been deprived of the essential conditions for survival. However, many areas are now protected by law from further exploitation. Even tourism affects the environment, for example when ski resorts are expanded. Forestry and agriculture affect the environment through excessive use of fertilizers and tree-felling.

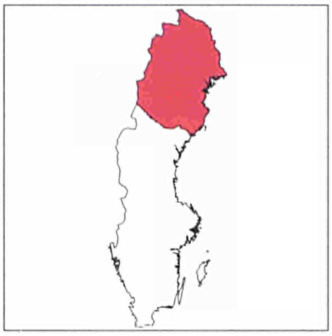
Acidification affects different parts of the region in different ways. Some lakes have been seriously affected while others have not, thanks to lime-rich rock and soil.

Discharges from the pulp and paper industry have been large. Huge investments have been made and are being made to alleviate this problem. A fair amount of pollution comes from industries outside Sweden, and it is therefore hard to control and reduce it.

Waste from the pulp and paper industry, such as chlorine and sulphur, has decreased considerably during the last 20 years. Companies have invested large sums of money in more environmentally friendly production processes. Even in forestry, environmental concerns have become important. The industry is now trying to combine efficient modern techniques with respect for biological diversity.

SWEDEN

ÖVRE NORRLAND



Övre Norrland (Rest of Norrland) consists of the counties of Västerbotten and Norbotten and includes 29 municipalities. It is the northernmost region in Sweden and has international borders with Norway and Finland.

The region accounts for just over one third of the territory of Sweden but only 6% of the country's population. This means that the average population density of the region is very low: only 3.4 inhabitants per km², which is far below the national average of 21.

More than half of the area is forested and only slightly more than 1% is agricultural land. In the western part of the region there is a mountain chain with very little vegetation. The local climate is such that trees do not grow above 700 metres. In the southern part of the region, 70% of the land is forested.

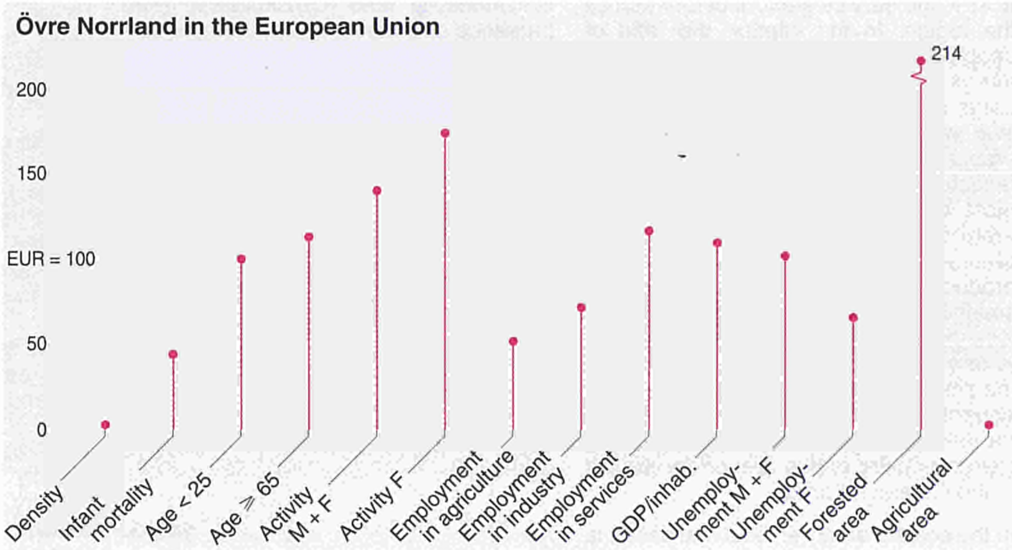
In comparison with central Europe, the region is extremely cold in winter, with January temperatures inland dropping to 10-15 degrees below zero.

The region's natural resources such as minerals and timber have generally been extracted in the sparsely populated interior and processed in the more densely populated coastal areas. The centres of administration and education are also concentrated along the coast.

The Sami people — the original inhabitants of Nordkalotten (the Arctic region of the Scandinavian countries and the Kola peninsula) — live in the interior.

There is a Finnish-speaking minority in Tornedalen near the border with Finland.

Reindeer in the lonely county of Lappland — one third of Sweden's area.



From dependence on traditional industries to diversification

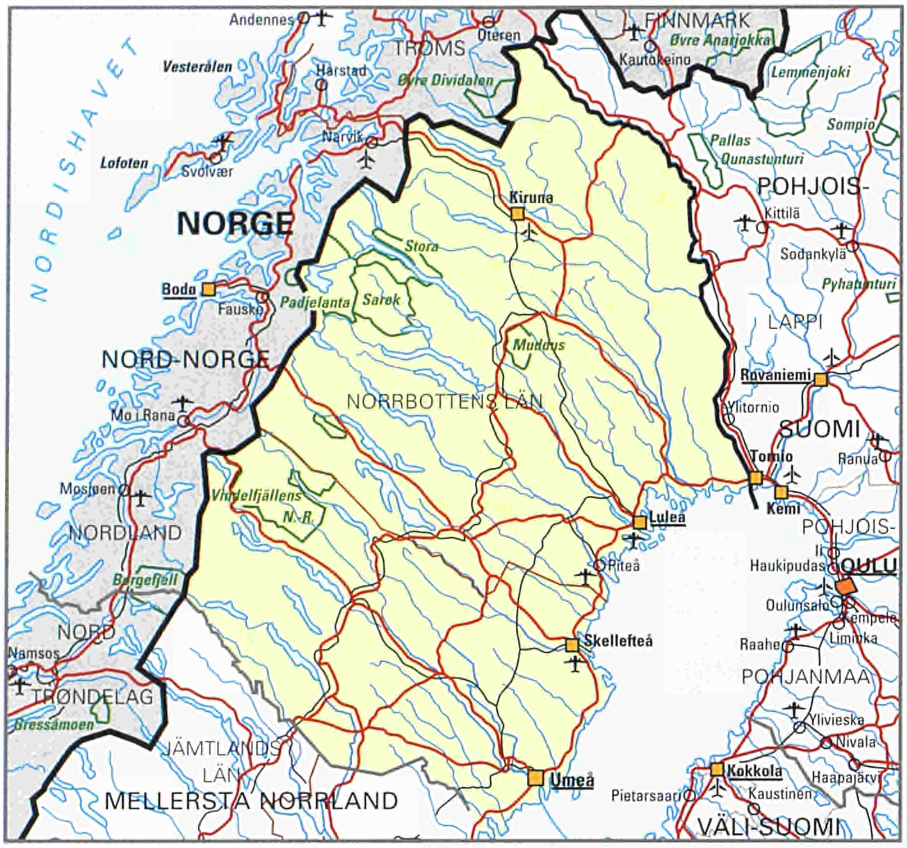
Forestry and mining have long been the traditional industries in Rest of Norrland. These industries have for decades created wealth and work opportunities but they have also made it more difficult to develop a diversified economy in the region. The traditional industries are still economically very important, but as a result of continuous rationalization since the 1960s they are not so important for jobs in the region as they were before.

The University of Umeå was founded in 1963 and has since become one of the leading universities in the country. A university college specializing in technical subjects was founded in Luleå in 1971. These measures to improve higher education in the region have laid the groundwork for a successful economy, especially in the high-tech field. There is also a high proportion of newly-established companies in the area.

The large proportion of well-educated inhabitants in some of the coastal regions, as well as attractive living and housing conditions, have created positive circumstances for favourable economic development in the future. New information technologies (IT) are helping to diminish the geographical isolation of the region.

The region offers a wealth of opportunities for recreation and outdoor activities, especially in the mountain areas. The environment of the region is still relatively intact.

The region's greatest disadvantage is the unfavourable population and labour market situation in some localities in the interior. The extremely low population density and the Arctic climate, which in one respect are general disadvantages, are paradoxically also important assets, because together with the unique natural environment these are the main reasons for the area's attractiveness to tourists.



Scale: 1 : 6 000 000

Which EU regions are similar to Övre Norrland?

Population:
0.5 million inhabitants
Cantabria. Navarra (E)
Salzburg (AT)

Employment:
± 24% in industry
± 73% in services
Hamburg (D)

Unemployment:
10-11%
Danmark
Île de France, Bretagne, Lorraine, Limousin (F)
Sterea Ellada (GR)

Great differences between the coastal areas and the interior

The region is marked by considerable differences between the coastal areas and the interior. Traditionally, raw materials have been extracted in the interior and processed in the coastal areas.

The population density varies considerably throughout the region. Extensive areas in the interior are extremely sparsely populated with a population density of even less than one inhabitant per km² in some municipalities, and in this part of the region a substantial proportion of the population is concentrated in a few localities. Most of the region's inhabitants live in the coastal areas, the lower river valleys and the mining localities of Kiruna and Gällivare-Malmberget. These areas are relatively densely populated.

The opportunities for work and study are much better in the coastal areas and in the Kiruna-Gällivare region. Communications are also better developed in the coastal areas than in the interior. A relatively large number of airports in the region, even in the interior, offer daily passenger flights to Stockholm.

The most important asset of the interior is probably the attraction of its unique natural environment. The area offers a wide range of outdoor activities in both summer and winter.

	Area	Population			Activity	Unempl.	Employment			GDP/inhab.
	1 000 km²	1 000	Inhab./km²	Change (%)	%	%	% Agricult.	% Industry	% Services	EUR (PPS)=100
		1993	1993	1983-93	1993	1993	1993	1993	1993	1991
Västerbottens län	55.4	258	4.7	5.3	78.5	9.4	4.0	23.8	72.2	109
Norrbottens län	98.9	267	2.7	1.0	75.6	11.8	2.9	24.0	73.1	114
Övre Norrland	154.3	525	3.4	3.1	77.0	10.6	3.4	23.9	72.6	111
Sverige	410.9	8 745	21.3	5.0	79.1	8.2	3.4	25.4	71.0	112
EUR 12	2 358.2	347 938	147.5	3.2 (1980-90)	55.4 (1992)	10.4	5.8 (1992)	32.6 (1992)	61.2 (1992)	100

ÖVRE NORRLAND

Positive population growth in the last few years

The population increased from 470 000 in 1950 to 525 000 in 1993. This means that the region's share of the national population has fallen by 0.7% since 1950. Until the early 1960s the region experienced population growth but between 1960 and 1970 the population fell by 2.6% as a result of extensive migration to the south of Sweden, where job opportunities were good at the time. There was also substantial migration within the region, from the interior to the coastal areas. The population began to increase again in the early 1970s when the migration wave to the south subsided.

Between 1983 and 1993 the population grew by 5.3% in the southern part of the region. This growth rate was slightly above the national average of 5.0%. In the northern part of the region the population growth for this period was only 1%, mainly as a result of a new wave of migration in the early 1980s. The population in the northern part of the region started to increase again after 1988, thanks primarily to a rising birth rate and immigration from abroad.

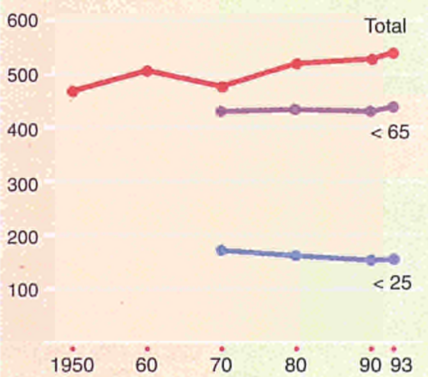
The age structure and birth and death rates are all close to the national average. In 1993 the excess of births over deaths was slightly above the national average.

The region has a relatively low ratio of foreign inhabitants (5.6%). Of the 56 foreigners in every 1 000 inhabitants of the region, only three are citizens of other Member States of the European Union. More than half of the foreigners who live in the region are Finns, a fact which is obviously explained by the geographical proximity to Finland.

Population by age — 1993

	M + F 1 000	M + F %	M %	F %
< 15	101	19.3	19.7	19.0
15-24	69	13.1	13.5	12.8
25-39	107	20.4	21.2	19.6
40-54	107	20.4	20.9	19.8
55-64	54	10.3	10.2	10.4
⩾ 65	86	16.4	14.4	18.4
Total	525	100.0	100.0	100.0

Population (1 000)



Resident population of foreign nationality — 1990

	1 000	% of total population
Total	29	5.6
of which EU countries	2	0.3
of which non-EU countries	27	5.3
Finland	16	3.2
Norway	2	0.5
Iran	2	0.4
Lebanon	1	0.1
Germany	1	0.1
Chile	0	0.1

Demographic account — 1983-93 (1 000)

Population 1983	510
Births	68
Deaths	54
Net migration	+ 2
Population 1993	525

Strong measures to improve the education system

Of the total population in the region, 64% are of employable age, i.e. between 15 and 64 years old, and 77% of those in this age group are economically active. The activity rate of women (75.3%) is only slightly lower than that of men. The activity rate of women in the region, as in the rest of the country, has increased dramatically during the last few decades. Because of the recession, the activity rate in the region was lower in 1993 than it was in 1990, when it stood at 81%.

The low population density and long distances in various areas of the region limit commuting, but in the more densely populated areas better communications and increasing car ownership have led to more commuting. The labour force in these areas is not confined to its place of residence to the same degree as before. Commuting in the coastal areas to Umeå, Skellefteå and Luleå is fairly common.

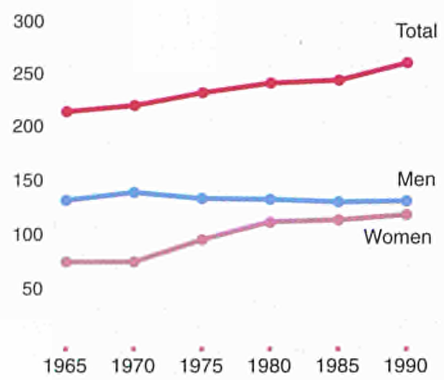
Since the 1960s strong measures have been taken to improve the education system in the region, which now offers ample opportunities for study at university level. There is a large university in Umeå, and Luleå has a university college which specializes in technology.

In 1993 almost 17 000 persons were studying for an undergraduate degree. There was a majority of female students (56.6%) at undergraduate level, but there were more male students on postgraduate courses. Like the rest of Sweden, the region has a highly developed and decentralized system of adult education, which allows adult students to participate in courses (or parts of courses) at both lower and higher secondary school level. Some of the courses on offer are full-time day courses.

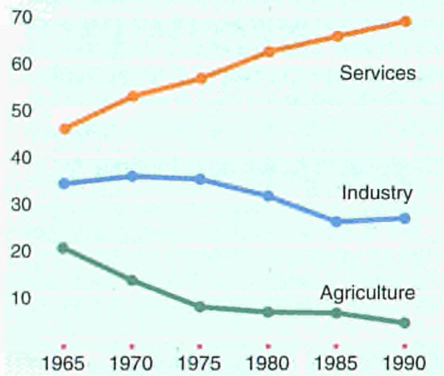
Number of pupils — 1993

	M + F 1 000	F %
Primary	38	48.9
Lower secondary	19	49.0
Higher secondary (technical)	14	:
Higher secondary (general)	5	:
Higher education (undergraduates)	17	56.6
Higher education (postgraduates)	1	34.6

Employment (1 000)



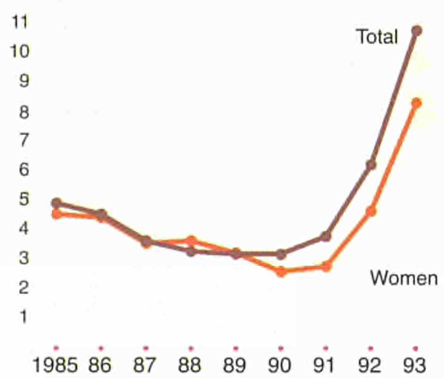
Employment structure (%)



Employment — 1992 (1 000)

Resident employment	241.1
+ Non-residents having a job in the region	4.0
– Residents having a job outside the region	4.8
= Internal employment	240.2

Unemployment (%)



Declining importance of traditional industries

Until 1990 the total number of economically active persons in the region grew steadily and the figure in 1990 was around 258 000. During the recession the employment level has fallen in the region as well as in the rest of the country.

In 1965 the proportion of the labour force employed in the industrial sector was considerably lower than the national average, while the proportion employed in agriculture was far above the average. The main activity in this sector at the time was forestry.

The proportion of the labour force employed in industry was more or less constant until the late 1970s. During this period the industrial sector's share of total employment decreased substantially in the rest of the country. As a result of rationalization and structural changes in the lumber and the mining industries, serious employment problems emerged. In 1990 the breakdown of the labour force among the agricultural, industrial and service sectors in the region was similar to the national pattern.

The region now has a slightly lower industrial employment ratio than the national average. This also applies to the employment ratio in the private service sector, while the share of the workforce employed in the public sector is higher than the average for Sweden as a whole. The total share of the labour force employed in the service sector is slightly above the national average.

The proportion of the population with a university education is relatively high in the coastal areas and around Kiruna. In the municipality of Kiruna one out of 10 persons has a technical or scientific education, which is the highest proportion in the country. The population in the Luleå area also has a large share of technicians and scientists. The demand for personnel with a technical education is relatively high in the labour market in some parts of the region.

The areas near the borders with Norway and Finland have the highest ratio of self-employed people in the whole country. The ratio of newly established companies is relatively high in the region.

Characteristics of resident employment (%)

	< 25 years	25-54 years	≥ 55 years	Employees	Employees: part-time	Employees: full-time temporary contract
	1993	1993	1993	1993	1993	1993
Men	10.2	76.3	13.5	85.7	9.0	9.8
Women	11.4	74.3	14.3	94.7	46.9	7.9
Total	:	:	:	90.0	28.1	8.8

Fewer unemployed women than men

Since the 1960s far-reaching rationalization has been carried out in the region in the traditional sectors of the economy. This has led to extensive structural problems in the labour market. New jobs have been created primarily in the service sector, but also to some extent in the engineering industry.

The unemployment rate in Övre Norrland has been higher than the national average in recent decades. Particularly in the 1960s, many people of employable age left the region and moved to the southern and central parts of the country to find new jobs. This migration decreased drastically in the early 1970s. Many people also left the countryside and moved to urban areas in the region. During the second half of the 1980s the unemployment rate declined rapidly because of the economic boom. In 1990 the unemployment rate in the region was only 3% but the subsequent recession has led to higher unemployment rates and in 1993 the rate in the region was 10.6%. The rate is generally higher in the interior than in the coastal areas.

Until the mid-1980s the unemployment rate was higher for women than for men. Since then, however, the trend has been reversed and in 1993 the unemployment rate of women was substantially lower than that of men. This is probably a result of the fact that many women work in the public sector which has laid off fewer employees than the private sector.

Not all occupational groups have been hit to the same extent by unemployment. The labour market favours well-educated persons, and especially those with technical skills. The number of long-term unemployed has increased substantially since 1990 in spite of strong government labour market measures, for example, offering general and vocational training courses.

ÖVRE NORRLAND

Weakening dependence on traditional industries

The Rest of Norrland region is rich in natural resources such as minerals, timber and water. Traditionally, the raw materials have been extracted in the interior and processed in the coastal areas. The traditional industries (including the mining, iron and steel, paper, sawmilling and wood processing industries) are still important but employ far fewer people today than some decades ago. In spite of economic diversification in the region in recent decades, dependence on the large companies in the traditional industries is still strong. Many new service jobs have been created, especially in the public sector. Furthermore, the number of newly established firms has increased considerably.

Industry is strongly geared to exports. In the northern parts of the region the mining, iron and steel, pulp and paper and wood processing industries are most important in this respect.

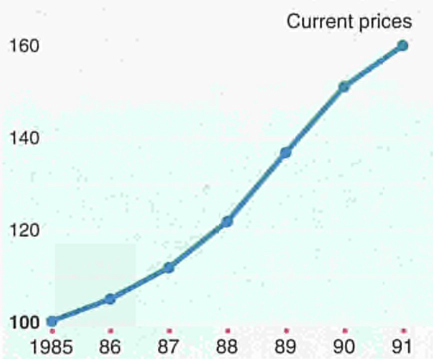
Engineering is mainly concentrated in the southern coastal areas, where machinery and vehicle industries can be found.

The most important industry in the southern area of the region is wood processing. Other industries of major importance in this area are the iron and steel and food industries.

In the last few decades there have been serious efforts to improve the higher education system in the region. The good supply of well-educated workers in the Umeå region has boosted the establishment of new companies in the area. This, in conjunction with the attractive living conditions in the area, has tempted many people with higher education to move to the Umeå area from other parts of the country. The founding of a technical university college in Luleå has given that part of the region a high-tech profile. This is probably one important reason for the establishment of several high-tech companies and institutions in the region.

Developments in the field of information technology (IT) have made it possible for service companies to relocate to the region from southern and central parts of Sweden. By means of modems connected to computers it is now possible to work far from the central office. Telephone exchange services and other types of telephone and payment services have been introduced to the region recently. For example, television and radio licence bills are elaborated and distributed from the city of Kiruna; north of the Polar Circle.

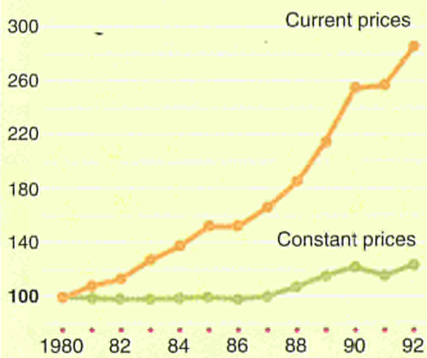
GDP (1985 = 100)



Wages

No data available

Disposable household income
(1980 = 100)

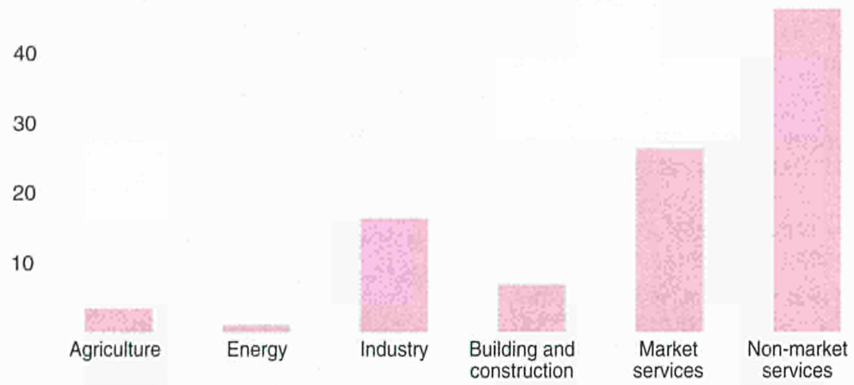


High household incomes in the region

Disposable household income in the region is above the national average. Only the Stockholm region had a higher level of household income in 1992. In constant terms, disposable household income remained unchanged or decreased only slightly between 1980 and 1987 but showed a marked increase at the end of the 1980s. Since 1990 the level of disposable household income measured at constant prices has been almost unchanged in spite of the recession. This is partly due to the government's income equalization policy which has benefited the region.

The coastal areas and mining communities have the highest average income level in the region. The lowest average income levels are found in the inland municipalities along the border with Norway and in Tornedalen close to the border with Finland.

Employment: distribution by branch — 1992 (%)



Forestry and mining but also high technology

In the past, a relatively high proportion of the labour force was employed in the agricultural sector, and especially in small-scale forestry, but this proportion has since considerably decreased and in 1992 the agricultural sector, including forestry, accounted for only 3% of the region's labour force. The energy sector is relatively large in the region, employing about 1% of the labour force.

The traditional industries (including the mining, iron and steel, paper, sawmilling and wood processing industries) are still very important for the region in spite of the economic diversification which has taken place in recent decades.

In the mining industry, LKAB — which mines iron ore on a large scale in Kiruna and Malmberget — is the most important company, but there are also others. There is a huge smelting plant located at Skellefteå on the coast, and the steelworks in Luleå process some of the iron ore which LKAB mines.

The largest lumber company in the region is Assi Domän which, among other activities, manufactures paper and paper pulp at Karlsborg and Piteå on the coast. There are also several other lumber companies in the region.

Skellefteå is a major engineering centre but the most important single engineering company in the region is Volvo Lastvagnar with a truck body plant in Umeå.

In the last few years a number of high-technology enterprises and institutions have moved to the region. The Esrange rocket base is in the municipality of Kiruna, for example.

Agriculture

Number of holdings	6 382
Labour force	756 AWU
Agricultural area	178 000 ha
Livestock	71 700 LU
Gross value-added	19 964 ECU/AWU

Main products	
Milk	55%
Cattle	14%
Pigs	7%

Main enterprises

Name	Activity
LKAB, Kiruna	Mining, wholesale of metals and ores
SSAB Svensk stål AB	Manufacture of basic iron, steel and ferro-alloys
Volvo Lastvagnar AB	Manufacture of bodies for motorvehicles
LKAB, Malmberget	Mining of iron ores
Boliden mineral, AB Rönnskärsverken	Copper production; precious metals production
Assidomän Packaging AB	Paper and paperboard, organic chemicals
Assidomän Karlsborg AB	Paper and paperboard
SKEGA AB	Rubber products

A relatively undamaged environment

Compared with the southern and central parts of the country, environmental problems are relatively limited in the Övre Norrland region. The levels of pollution and household waste are fairly low, mainly because of the low population density. Some parts of the region, however, are affected by air pollution from industries with insufficient or non-existent purification in the Murmansk area of Russia.

The large-scale forestry and extensive water-power construction works have, undoubtedly, had adverse effects on the landscape in the form of clear-cuts in the forests and lake storage capacity management. The authorities have, however, excluded certain rivers from management and protected some forest areas and forest types from large-scale cutting. The lumber enterprises have also become more committed to environmental issues in the last decade. The region includes several national parks, e.g. Sarek and Padjelanta, which are mainly situated in the mountainous western part of the region.

Like many other parts of Sweden, the region has a bedrock which is sensitive to acid rain. The extremely cold climate makes the vegetation extremely sensitive to extra burdens. The problem of acidification in the region is not yet alarming, however.

The region has several pulp and paper industries which formerly caused serious air and water pollution. Thanks to new production techniques and more efficient purification, emissions have been substantially reduced.

Environmental awareness has increased considerably in Swedish society in recent years. The municipalities in the region have invested large amounts of money to improve sewage treatment by building new and more effective treatment works.

Explanatory notes — Sweden

The statistical data presented here have been compiled by either the national statistical institutes themselves or in collaboration with Eurostat. Despite the efforts which have been made, the comparability of the data between regions in different countries cannot always be guaranteed.

Graph: The region in the European Union

Sources: Eurostat — Regional databank REGIO;

Statistics Sweden

Definitions:

– Population density (1993): The density is population by 31 December related to land area.

– Infant mortality (1992): Ratio of deaths before the age of one to live births.

– Activity rates (1992): The activity rate is the ratio between the active population (labour force) and the population aged more than 15 years.

– Employment (1992): Employment structure by sector of activity is measured at the place of residence.

– Gross domestic product (1991): The GDP/inhabitant is calculated by dividing the regional GDP by the population at the end of the year.

– Unemployment rates (1993): The unemployment rate is the ratio between the number of unemployed and the labour force.

In accordance with the International Labour Organization recommendations:

– the unemployed are those persons who have no job, are looking for a job, have made serious efforts towards finding one and are immediately available for work;

– the labour force includes those persons who have a job and the unemployed.

Age structure and forested area data refer to 1990; agricultural area to 1992.

Table: The subregions

Sources: Eurostat — Regional databank REGIO;

Statistics Sweden;

– Area: Land area.

– Population density: The density is population by 31 December related to land area.

– Gross domestic product: The GDP/inhabitant is calculated by dividing the regional GDP by the population at the end of the year.

Activity rates: The activity rate is the ratio between the active population (labour force) and the population aged more than 15 years.

Employment, unemployment, activity: The data refer to the place of residence and are derived from labour force surveys.

Table: Resident population of foreign nationality

Source: Statistics Sweden: Population census 1990.

The data refer to persons born outside Sweden. Residents from Ireland, Portugal, Luxembourg and Belgium are included in 'of which non-EU countries'.

Table: Number of pupils

Special-needs schools are not included.

Graph: Employment (1 000)

Source: Statistics Sweden: Labour force surveys.

Graph: Employment structure (%)

Source: Statistics Sweden: Labour force surveys.

Table: Employment — 1992

Source: Statistics Sweden: Statistics on regional employment.

Internal employment: Persons having a job in the region irrespective of their residence.

Graph: Unemployment (%)

Source: Statistics Sweden: Labour force surveys.

Table: Characteristics of resident employment (%)

Source: Statistics Sweden: Labour force surveys.

Graph: Disposable household income

Source: Statistics Sweden: Income distribution survey 1992.

The incomes have been weighted by the structure of households. Current incomes have been deflated by CPI to get incomes in constant prices. In 1990 a taxation reform was carried through resulting in a general rise in disposable household income.

Graph: Employment: distribution by branch — 1992 (%)

Source: Statistics Sweden: Statistics on regional employment; based on taxation verifications.

Table: Agriculture — 1993

Source: Statistics Sweden, National Board of Agriculture.

Table: Main enterprises

Source: CRE — Central Register of Enterprises and Locations.

Note: In order of the number of employees.

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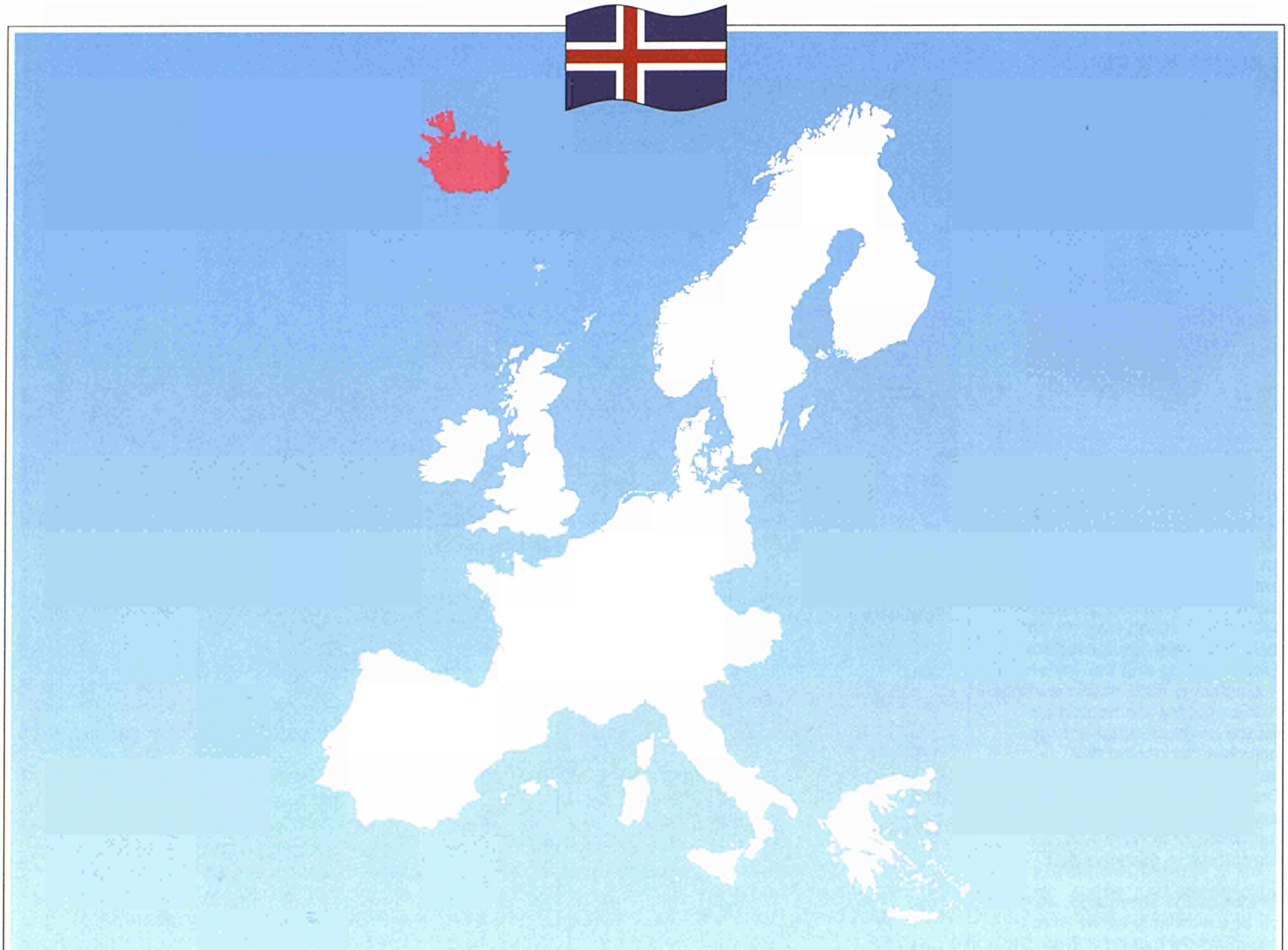
Agricultural census 1992
The household budget survey
'Statistics on regional employment', The regional register on employment
The regional accounts
Central Register of Enterprises and Locations

ICELAND



Iceland is an island in the North Atlantic Ocean, which is 103 000 km² in area. Its northern coastline lies close to the Arctic Circle, while the westernmost point of Iceland — and Europe as well — lies close to longitude 24°W. The country is a hot spot, an excessively active part of the mid-Atlantic rift joining the Eurasian and American crustal plates. The present Iceland has been created by the piling-up of basaltic lavas in volcanic eruptions for the last 16 million years. About one quarter of the country's area lies below 200 m above sea level, the part where most of the population resides, while 58% of the country lies above 600 m. Vegetation covers 23% of the country, 1 to 2% of which is cultivated land, while wilderness and glaciers cover 74% approximately and 3% is covered by lakes.

Iceland was settled for the most part from Norway in the late ninth century. It became a commonwealth when the Althing was established at Thingvellir in 930 with the adoption of an Icelandic Constitution. Iceland remained independent until its countrymen swore allegiance to the King of Norway in the years 1262-64, and when Norway became part of the Kingdom of Denmark in 1380, Iceland was included. The relationship with the Danish Crown was not fully severed until Iceland became a republic in 1944.

The Constitution of the Republic of Iceland dates back to 1874 when the Althing was granted limited legislative power, although the executive power remained in Danish hands until 1904. That year an Icelandic minister with residence in Reykjavik was appointed, and in 1918 Iceland became an autonomous State with the King of Denmark as Head of State until 1944.

On 1 December 1994, there were 171 municipalities in Iceland, down from 224 in 1980. There is no intermediate administrative level between national and local government. About 46% of the municipalities have under 200 inhabitants, the smallest one having only 30. Because of the small size of many municipalities, the authorities have been encouraging their unification and this process is still under way. It is also planned to transfer important national government functions to the local governments in the near future. As of 1 July 1992, the national executive government has been in the charge of 27 district commission offices while the judicial branch is served by eight district courts. Only then was the separation between the judicial and the executive branches of government firmly established in all parts of the country. The legislature is in the hands of the Althing, which has 63 members elected from the country's eight election districts.

ICELAND

Volcanic activity is still extensive in this country, although it usually occurs far from inhabited areas. An important exception, however, was the eruption in the Westman Islands in 1973. Hot groundwater, heated by cooling magma and rock, has been harnessed for space heating and the generation of electricity; 86% of all dwellings in this country are heated by means of geothermal energy, including the capital city, Reykjavik, and most other towns. The geothermal water is also used for the commercial cultivation of flowers and vegetables in greenhouses.

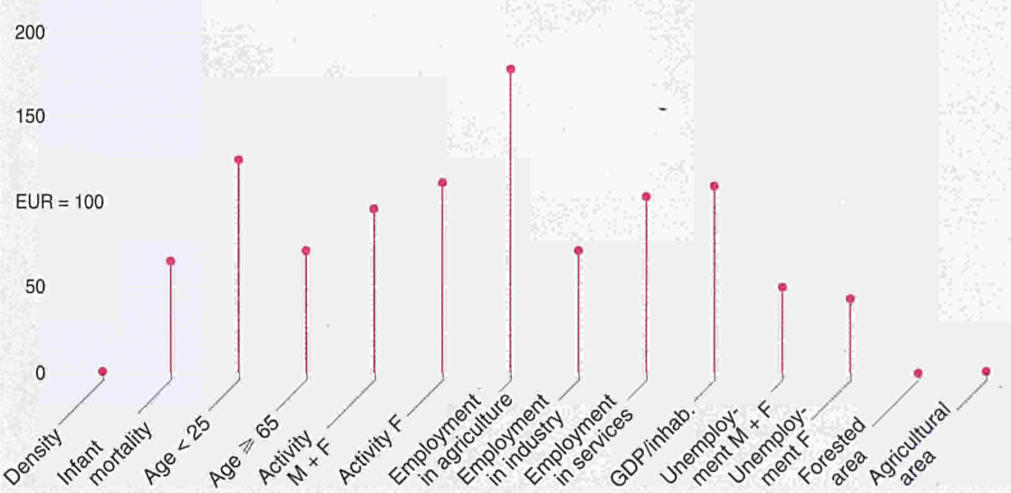
Ten thousand years ago, as the ice age suddenly came to an end, glaciers extended from the central highlands to the fjords, carving out the present landscape to a large extent. Glaciers still remain in Iceland, including the largest glacier in Europe, Vatnajökull, an ice-cap of over 8 300 km². Because of the country's elevation combined with its large water supply, the economically exploitable hydroelectric potential in Iceland is estimated at over 30 TWh a year, of which only 15% has so far been utilized.

In view of the country's location, one would expect a colder climate but by virtue of the Gulf Stream reaching the south coast the air is relatively warm. The mean temperature in July is 10 to 11°C and about 1°C in January.

The warm waters over the continental shelf, south of the country, are important spawning grounds for cod and are also vital fishing grounds. Fishing grounds off the shores of Iceland include other species, such as capelin, herring, haddock and halibut as well as shrimp and lobster.

Iceland's capital city, Reykjavik, contains almost 40% of the nation's population.

Iceland and the European Union



A small but homogeneous nation in a large remote country

General education is of a high standard, although a number of specialized subjects must be studied abroad. The public health service and social security system provide security for the citizens and consequently the average life expectancy is high.

Being an island, Iceland has clearly-defined boundaries and so, apart from questions of fishing rights, the country has never had any cause for conflict with its neighbours. Iceland is conveniently situated for air traffic across the North Atlantic Ocean and attracts tourists in increasing numbers, both visitors to international conventions and nature lovers.

Iceland is a tough country to inhabit with only one fifth of its area covered with vegetation, which is constantly endangered by forceful winds and eroding sands. Cultivation is dependent on the use of fertilizers and machines. The harsh weather makes it necessary to keep sheep and cattle inside barns in winter.

With the exception of geothermal and hydroenergy, there are no natural resources in Iceland, such as valuable minerals; nor are there any production forests, and growing grains is difficult. Consequently, all grain products, timber, metals, petrol and oil must be imported while hard currency is earned through the export of relatively undiversified goods, mainly fish products. At present, the reduced catch of fish owing to declining fish stocks is also a cause for concern and as a consequence it seems highly unlikely that the fishing industry can support any long-term increase in economic growth in future.

The country is sparsely populated so that both communications and services in rural areas are expensive. Similarly, the distance from other countries makes travelling abroad expensive.

ICELAND

Scale: 1 : 4 800 000

Which EU regions are similar to Iceland?

Population:
± 260 000 inhabitants
Rioja (E)
Burgenland (AT)
Notio Aigaio (GR)

Employment:
± 9% in agriculture
± 25% in industry
± 65% in services
Bretagne (F)
Valle d'Aosta (I)

GDP per capita:
± 10% above EU average
Rhône-Alpes (F)
Toscana (I)
Utrecht (NL)

The majority of the nation in the capital area

In the past 120 years the most significant population change has been the growth of the south-west corner of Iceland. The capital and its surrounding communities, covering only 1% of the country's area, are now inhabited by 58% of the population. In 1880 only 8% of the population lived in this area. To begin with the area expanded as a result of the burgeoning fishing industry, administration, services and manufacturing, whereas the rural regions depended mainly on animal husbandry and fishing for their livelihood. During the past two decades, however, the fishing industry in coastal villages has until recently been thriving, partly due to regional development measures instigated by the authorities.

For centuries Icelanders were accustomed to seasonal employment and this characteristic still has its influence, although not as markedly as before. For the greatest part of the 20th century there has been little unemployment, even though seasonal fluctuations cause considerable unemployment during the winter months for people in certain occupations. These fluctuations are more prevalent in rural regions than in the capital area because of their greater reliance on fishing and fish processing.

The geographical distribution of personal income is relatively even. Based on an index of 100 for the whole country, the income from employment was 109.1 in the constituency with the highest incomes and 93.5 where incomes were lowest. In rural communities, seamen are the chief earners of high incomes while farmers earn considerably less.

Because of the country's size, large sums are invested per capita in communications and transport (roads, harbours, coastal water transport, air transport, etc.) as well as other economic infrastructure, such as water and electricity supplies. During the past 25 years, for instance, the road system has been extensively rebuilt, including renewed surfacing of existing roads.

	Area	Population			Activity	Unempl.	Employment			GDP/inhab.
	1 000 km²	1 000	Inhab./km²	Change (%)	%	%	% Agricult.	% Industry	% Services	EUR (PPS)=100
		1993	1993	1983-93	1993	1993	1993	1993	1993	1993
Höfudborgarsvædi	1.0	154	159	20.1	55.4	5.4	1.8	20.7	77.5	:
Sudurnes	1.0	16	16	10.0	55.5	7.2	12.0	28.2	59.7	:
Vesturland	9.5	15	2	– 4.0	51.9	4.3	24.5	33.0	42.5	:
Vestfirdir	9.5	10	1	– 7.9	52.6	4.2	24.7	38.5	36.7	:
Nordurland vestra	12.9	10	1	– 2.5	57.1	3.2	23.0	30.3	46.7	:
Nordurland eystra	21.7	27	1	2.1	52.2	5.6	15.1	33.5	51.4	:
Austurland	22.5	13	1	– 0.4	50.1	4.3	18.7	30.4	50.9	:
Sudurland	25.0	21	1	3.6	56.1	4.6	24.5	28.3	47.2	:
Ísland	103.0	265	3	11.2	54.7	5.3	9.2	25.1	65.7	111
EUR 12	2 358.2	347 938	148	3.2 (1980 - 90)	55.4 (1992)	10.4	5.8 (1992)	32.6 (1992)	61.2 (1992)	100

ICELAND

A young and healthy nation

The population of Iceland in 1993 was twice as large as in 1946. High birth rates and low death rates contributed to a population increase exceeding 2% a year in the 1950s. More recent decades have seen a slowing-down of this increase to 1% as fertility rates have declined.

During the past decade, the population has grown by 11%. Due to the fairly stable annual number of births in the last 35 years, its age structure is quite regular. Over the last 10 years the population in the 15- to 44-year age group has grown at an average of 11%, while the number of children aged 0 to 14 years has grown by 4%, the 45- to 64-year-olds by 16% and those over 65 years by 22%. The number of very old people, aged 85 years and over, grew by 28%.

Although fertility rates have been almost halved since the 1950s, fertility remains above replacement level and, for a European nation, Iceland has an unusually high fertility rate. Mortality rates are very low, especially at older ages. Life expectancy is 81 years for females and 77 years for males.

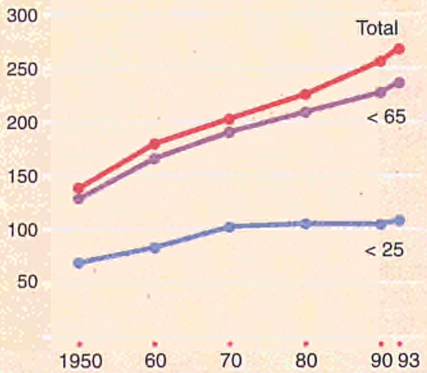
Historically, Iceland is a country of net emigration. External migration is significant with annual immigration and emigration at 1 to 2% each of the population. The direction of net migration, however, tends to change very rapidly depending on the economic situation in Iceland and abroad.

Owing to the northerly latitude of Iceland, the central highlands have never been inhabited, the population residing along bays and fjords and in inland valleys suitable for fishing and farming.

Population by age — 1993

	M + F 1 000	M + F %	M %	F %
< 15	65.8	24.8	25.4	24.3
15-24	41.5	15.6	15.8	15.4
25-39	63.2	23.8	24.1	23.6
40-54	45.0	17.0	17.3	16.6
55-64	20.5	7.8	7.6	7.9
≥ 65	29.1	11.0	9.8	12.1
Total	265.1	100.0	100.0	100.0

Population (1 000)



Resident population of foreign nationality — 1993

	1 000	% of total population
Total	4.8	1.82
of which EU countries	2.7	1.01
of which non-EU countries	2.1	0.81
Denmark (including Faeroe Islands and Greenland)	1.1	0.41
USA	0.7	0.25
United Kingdom	0.3	0.13
Norway	0.3	0.12
Germany	0.3	0.11

Demographic account — 1983-93 (1 000)

Population 31.12.1983	238.4
Births	43.8
Deaths	17.1
Net migration	– 0.1
Population 31.12.1993	265.1

Manpower and training

Labour force participation in Iceland is very high. According to labour force surveys, the labour force participation rates were 81 to 82% in the period 1991-93, male participation rates were between 86 and 88% and those of women between 74 and 77%. Labour force participation rates are on a steady increase until middle age when the rates become gradually lower. The peak among men is at 35 to 54 years of age, 97 to 99%, while for women the peak is at 45 to 54 years of age, 89 to 91%. A point of interest is the high labour force participation rate among the age group 16 to 24 years, 66%, a result of the common practice among young people of combining employment and studies. In this age group, women's labour force participation rates are almost the same as those of men.

The participation rates become higher the better the education. In the period 1991-93, these rates were 75 to 76% among those with primary education, approximately 85% among those with secondary education or vocational training, and 95 to 96% among those with university degrees. The education levels of men and women in the labour force are quite different. Approximately 34% of working men and 59% of working women have only primary education, 52% of men and 32% of women have secondary education and vocational training, and 14% of men and 9% of women have university degrees.

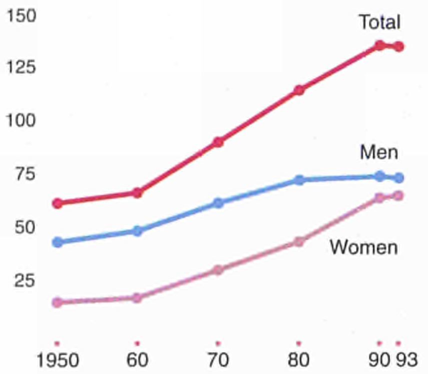
Working hours in Iceland are usually quite long. According to labour force surveys for the period 1991-93, the average working hours per week were 43 to 44, of which men worked 50 to 51 hours per week and women 33 to 34 hours. Nine out of 10 men and only about 50% of women are employed full time.

Number of pupils — 1993

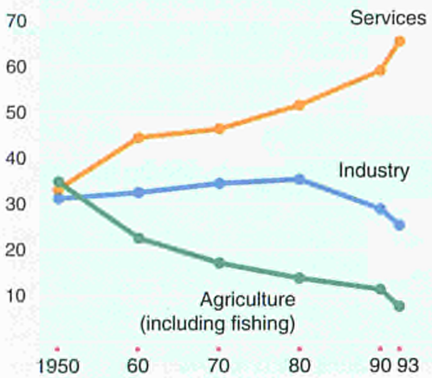
	M + F 1 000	F %
Pre-school	4.1	46.9
Primary	24.7	49.1
Lower secondary	12.9	48.9
Higher secondary	18.0	49.1
Technical	6.1	36.3
General	11.9	55.6
Higher education	6.1	56.6
Total	65.8	49.6

ICELAND

Employment (1 000)

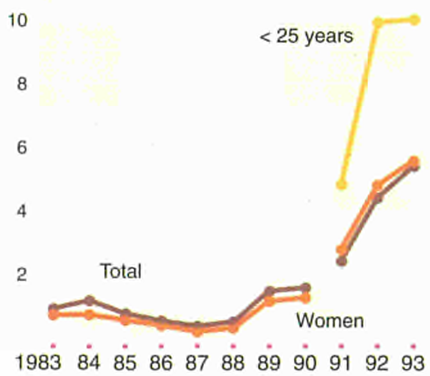


Employment structure (%)



Not applicable

Unemployment (%)



Fish is the backbone, but services are growing

The structure of the Icelandic labour market has changed a great deal in recent years. The labour force has grown considerably, due to both an increase in the economically active population and the increased participation of women in the labour force. Four decades ago, about one quarter of the workforce was employed in the primary industries, approximately 40% in the processing industries and about one third in services. Since then, the shares of the primary and processing industries have been reduced, while that of the services sector has been expanding. Remarkably, the share of the primary industries is still relatively large, employing about 9% of the labour force in 1993. The reason lies in the important role of fishing, which employed almost 5% of all economically-active Icelanders in 1993. The share of fish processing in the manufacturing industry was quite large, with 7% of the workforce employed in 1993. That year, approximately one quarter of the labour force was employed in the processing industries and about two thirds in services.

In 1993, the percentage of employees on the labour market was 82%, of which 15% were self-employed and 3% were unpaid family workers. Out of employed women in 1993, 8% were self-employed as against 22% of men, a large part of them farmers and men with secondary education or vocational training, for example, craftsmen. The large proportion of self-employed people is closely related to the size distribution of Icelandic enterprises, which are generally very small. In 1991, over 70% of all enterprises had two employees or less. Only 1 500 enterprises out of more than 30 000, or 5%, had more than 10 people in their employment, although they paid approximately three quarters of all wages in the country. Industry concentration is thus extensive in spite of the small size of most enterprises, a fact which suggests a strong market position of the largest enterprises in many economic activities. It should be noted, however, that a number of these companies are competing with foreign enterprises on the domestic market. Approximately 81 to 84% of employees are members of trade unions, the proportion of men being higher than that of women.

Characteristics of resident employment (%)

	< 25 years	25-54 years	55-74 years	Employees	Employees: part-time	Employees: full-time temporary contract
	1993	1993	1993	1993	1993	1993
Men	15.7	65.4	18.9	75.7	9.4	8.0
Women	17.8	64.7	17.5	89.3	47.4	8.1
Total	16.7	65.1	18.3	82.0	28.6	8.0

In the two decades from 1970-90, unemployment was generally negligible. One of the main priorities of economic management during that period was to maintain a high level of employment. Within each year, registered unemployment was generally at its highest at 1.5 to 2% during January and December and at a low of 0.5% or less during the summer months. The period as a whole was characterized by an excessive demand, particularly for labour, and a high inflation rate. Since 1991, however, the government has shifted its emphasis to the preservation of economic stability and a low inflation rate.

In the years 1990-93, unemployment began to increase. According to labour force surveys using international definitions, the unemployment rate was 2.5% on average in 1991, 4.3% in 1992 and 5.3% in 1993. Registered unemployment during these years measured approximately 1% lower than suggested in the surveys. According to these surveys, unemployment among women was higher than among men, the difference being 0.5 to 1% of the labour force. The increased unemployment during these years has hit the youngest age group harder than those who are older.

Unemployment has been mostly limited to the manufacturing and construction industries. University graduates are hit the least by unemployment.

The declining employment situation in the years 1991-93 was reflected not only in higher unemployment rates but also in extended unemployment periods. Job-seekers who had been looking for work for six months or more constituted 12% of all unemployed persons in the period 1986-89 but about 25% in the years 1990-93.

ICELAND

Fisheries play a key role

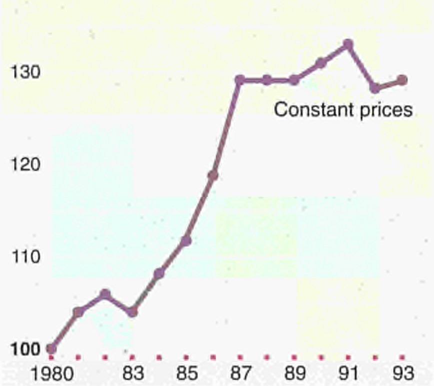
The Icelandic economy is characterized by three features in particular: firstly, by the smallness of the domestic market; secondly, by a lack of diversification in its economic activities; and, finally, by the country's location. An economic system of 250 000 people obviously puts certain restrictions on the producers of manufactured goods and services for the domestic market. In order to make maximum use of the economy of scale, producers must either have a dominant market position or be able to divert their products to foreign markets.

The main source of economic growth in Iceland has been the fisheries sector while at the same time economic fluctuations have originated in that sector. A decline in catches and/or foreign market prices for fishery products has markedly affected the national economy in recent years. This has led to overexploitation of the fishing grounds as a resource so that in future the fishing industry will not constitute the same source of growth as before.

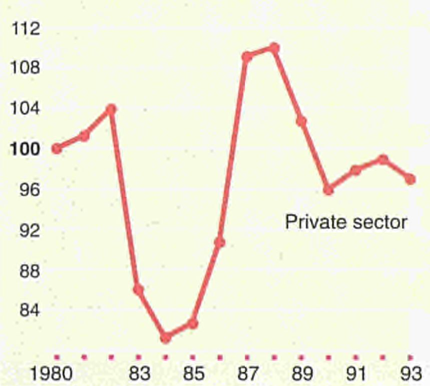
In spite of this, the fishing industry is still the country's principal export industry, accounting for about three quarters of its total exports. Manufactured goods accounted for approximately 20% of all exports in the period 1981-93, the largest portion of these being products of power-intensive industries, which amounted to 11% of the total. Although rapid technological developments in transport and radio communications have brought countries closer together, the remote location of Iceland has an adverse effect on its market position, which is revealed in high transportation costs.

The diversification of the economy is considered essential in order to reduce the importance of the fisheries sector and promote economic growth. It involves, in particular, the development of power-intensive industries, improved competitive conditions for the manufacturing industries, the travel industry, software production and the export of expertise services. The business environment and the economic rules of the game in Iceland have improved substantially of late. At present there is less inflation and lower unemployment levels in Iceland than in most OECD (Organization for Economic Cooperation and Development) countries. Iceland's membership of the European Economic Area (EEA) has contributed to increased freedom on the domestic capital and foreign currency markets.

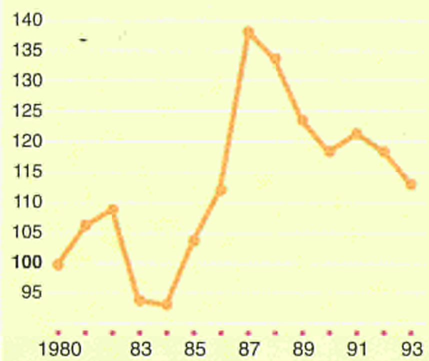
GDP (1980 = 100)



Real wages (1980 = 100)



Real disposable household income per capita (1980 = 100)



Inflation vanishes

Iceland has a long history of inflation rates way higher than those among its main trading partners. In the 1970s, inflation was 35% on average and reached 50% in the first half of the 1980s. The high cost of inflation for everyone became more evident as the 1980s wore on. Due to the concentrated efforts of unions, employers and the State, a wage contract was signed in February 1990 which stipulated no wage increases, a freezing of farm product prices, a fixed krona exchange rate, etc. This proved effective and inflation steadily declined, from around 25% a year to less than 2% in 1994. In the international setting, Iceland today is most certainly a low-inflation country, a far cry from ranking as number one among OECD countries in terms of inflation only a few years ago.

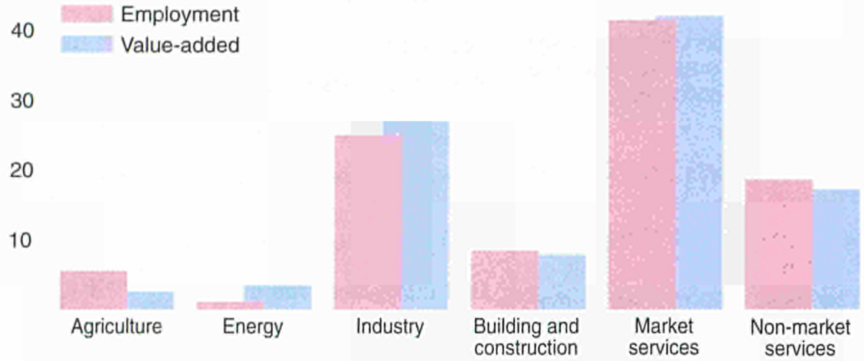
A lower inflation rate than in other countries and a steady exchange rate have contributed to a lower real exchange rate and thus improved the position of domestic products competing with foreign imports. In spite of the lower inflation rates in the country as compared with competitors, domestic prices are still relatively high. In recent years, however, prices have gone down as a result of lowered inflation and increased productivity.

A short tale of long hours, low wages and taxes

Wage rises have been moderate in recent years. From 1990 to 1993 average wages rose by 13.5%, which corresponded to a 1.5% loss of purchasing power. Wages are set to rise by 1.5 to 2% on average in 1995. Iceland is thus quite competitive as regards labour costs, with average hourly wages of workers in the private sector of ECU 6.2 in the first half of 1994. A particular feature of the Icelandic labour market is the long working hours. Workers in private sector employment worked an average of 46 hours a week and their income from overtime constituted almost a quarter of the average total income of ECU 1 352. Income taxes are generally lower in Iceland than in other Nordic countries. The structure of income taxation is simple; there is a uniform marginal tax rate of 41.84% (plus a temporary tax on high incomes) and the relatively high personal tax credit ensures a tax-free monthly income of up to ECU 690.

ICELAND

Employment and value-added: distribution by branch — 1991 (%)



From primary production to tourism

The share of agriculture in the Icelandic economy has been sharply reduced in recent years. In 1991, animal husbandry accounted for only 2.6% of the domestic product and 5.6% of the labour force. As in most other countries, agriculture is heavily subsidized. Farming subsidies have, however, been decreasing in the last few years as part of an effort to adapt agricultural production to the open market, particularly in view of obligations resulting from GATT and the EEA Agreement.

The manufacturing industries have been at a disadvantage because of the overpowering position of the fisheries sector. Official economic management has focused on the performance of fisheries through measures that have weakened the competitiveness of the manufacturing industries. As a result of a lowered real rate of exchange, the competitive position of these industries has improved, however, and at present is more advantageous than it has been for a long period. The principal field of growth is in the electronic industry and other branches supplying the fisheries sector. The fish-processing industry has witnessed enormous technological development that has given rise to improved performance and quality. Aluminium and ferro-silicon are the most important manufactured export goods. Sufficient energy production at competitive prices has made power-intensive industries an attractive choice for foreign investors. In recent years, plans for increased aluminium production in Iceland have been prepared.

Tourism has been growing rapidly in the past years. The level of education among the Icelandic people is relatively high and producers of software and exporters of engineering counselling and other expertise have recently been making some headway in foreign markets. With increased freedom in the services industries and the free flow of labour, these elements in Icelandic services have gained momentum.

Agriculture

Number of holdings	4 754
Labour force	6 709 AWU
Agricultural area	100 000 ha
Livestock	178 000 LU
Gross value-added	15 531 ECU/AWU
Main products	
Milk	35%
Sheep	29%
Garden and greenhouse products	11%

Main enterprises

Name	Employees	Activity
Póstur og sími	2 211	Post and telecommunications
Flugleidir hf	1 269	Airline
Landsbanki Íslands	1 173	Bank
Kaupfélag Eyfirdinga-KEA	1 113	Cooperative — multiple activities
Íslandsbanki hf	773	Bank
Eimskipafélag Íslands hf	746	Shipping line
Hagkaup hf	652	Retailers
Búnadarbanki Íslands	600	Commercial bank
Íslenska álfélagid hf	570	Aluminium production
Útgerdarfélag Akureyringar hf	540	Fishing and processing

Clean nature in a naked country

Pollution in Iceland is insignificant in most fields and general pollution levels are much smaller than in other West European countries. Groundwater, and sometimes even surface water, for instance, does not require purification. Soil pollution from excessive use of fertilizers and pesticides is rare and the occurrence of acid rain or soot in the air is an exception.

The main reason for small pollution levels in Iceland lies in its small and sparse population, with only 2.5 inhabitants per square kilometre. Another factor is the country's distance from the large industrial areas to the west and east as well as favourable sea and air currents.

Written records about the settlement of Iceland around 900 AD claim that the country was covered by woods and scrub from the coast to the mountains. The advent of man, it is claimed, disturbed the equilibrium of nature and, even though the population never exceeded a few tens of thousands until this century, it proved impossible to preserve the woodland. At present, less than 1% of the surface area is woodland. At the same time, soil erosion has increased, leaving extensive areas depleted of vegetation. To most Icelanders today, soil erosion is seen as the most serious problem of the environment.

Bird life in Iceland is rich, with about 70 species nesting in the country. There are only four wild species of mammals, the arctic fox being the only species indigenous to the country. The other three, the reindeer, the mink and the field mouse, were brought to Iceland by man.

In recent times, Icelanders have put great emphasis on forestry, the restoration of vegetation in depleted areas and nature conservation. Over 70 areas have been designated as protection areas, extending to almost 10% of the land area. Two of these are large protection areas designated in accordance with the Ramsar Convention on wetlands. In addition, almost 300 sites have been designated for protection on the Icelandic nature conservation register, although their designation is non-statutory. Iceland also takes an active part in international cooperation on environmental issues, especially those relating to the conservation of the marine environment.

Explanatory notes — Iceland

The statistical data presented here have been compiled by either the national statistical institutes themselves or in collaboration with Eurostat. Despite the efforts which have been made, the comparability of the data between regions in different countries cannot always be guaranteed.

Graph: Iceland and the European Union

Sources: Eurostat — regional databank, REGIO.

Statistics Iceland — population and vital statistics, labour force surveys; and National Economic Institute — National accounts.

Definitions:

— Density (1993): Inhabitants (mid-year population) per km^2.

— Infant mortality (1992): Ratio of deaths before the age of 1 to live births.

— Population by age (1990): The primary source is the National Register of Persons at 1 December each year. Mid-year data are estimates based on this source.

— Activity rates (1992): The activity rate is the ratio between the active population (labour force) and the population aged 16 to 74 years. Definitions are according to the recommendations of the International Labour Organization (ILO).

— Employment (1992): Employment by sector of activity is classified according to NACE (Rev. 1) at the place of residence. Fishing is included in agriculture.

— Unemployment rates (1993): The unemployment rate is the ratio between the number of unemployed people and the labour force.

— In accordance with the International Labour Organization (ILO) recommendations:

— the unemployed are those persons who do not have gainful employment and satisfy at least one of the following criteria: (1) have actively been seeking work during the previous four weeks and are able to start working within two weeks; (2) have already found a job which begins later; (3) are on temporary layoff; (4) have given up seeking work but can start working within two weeks of finding a job;

— the labour force includes those persons who have a job and the unemployed.

Forested area: Definitions are based on traditional estimates and do not take into account methodological revisions of these data in the early 1990s.

Agricultural area: Definitions are based on traditional estimates and do not take into account methodological revisions of these data in the early 1990s.

Table: The subregions

Source: Eurostat — regional databank REGIO.

The regions listed are the eight constituencies in Iceland except, in south-west Iceland, *Höfudborgarsvædi* and *Sudurnes* which are more informative about the socioeconomic divisions of the country than the constituencies.

Area

Source: Statistics Iceland, statistical abstract of Iceland; 1984.

Population

Source: Statistics Iceland.

Activity rates

Source: Statistics Iceland, labour force surveys.

Definition: See above.

Unemployment rates

Source: Statistics Iceland, labour force surveys.

Definition: See above.

Employment

Source: Statistics Iceland, labour force surveys.

Definition: See above.

Graph: Population

Source: Statistics Iceland.

Note:

1950: Population census, 1 December 1950.

1960-93: National Register of Persons.

Table: Resident population of foreign nationality

Source: Statistics Iceland, National Register of Persons.

Note: Population, 1 December. Danish residents include Faeroe Isles and Greenland.

Table: Population by age

Source: Statistics Iceland.

Definition: Population, 31 December.

Table: Demographic account

Source: Statistics Iceland.

Table: Number of pupils

Source: Statistics Iceland, students' register.

Note: The data in the table are from the last year of compulsory education onwards. The figures exclude part-time students at secondary school and students abroad (approximately 2 000).

Graph: Employment

Source: Statistics Iceland.

Note:

1950-60: Population censuses.

1970-90: Registered man-years. Division by sex is an estimate, supported by various investigations made in this period.

1993: Labour force survey.

Graph: Employment structure

Source: Statistics Iceland.

Note:

1950-60: Population censuses.

1970-90: Registered man-years.

1993: Labour force survey.

Graph: Unemployment

Sources: Labour Department of the Ministry of Social Affairs; Statistics Iceland.

Note:

1983-90: Registered unemployment.

1991-93: Labour force survey (ILO definition).

Table: Characteristics of resident employment

Source: Statistics Iceland, labour force survey.

Graph: GDP

Source: National Economic Institute.

Graph: Wages

Sources: National Economic Institute; Institute of Labour Market Research.

Note: Hourly wages, average within the Federation of Labour.

Graph: Disposable income of private households

Source: National Economic Institute.

Graph: Employment and value-added: distribution by branch

*Source*s Statistics Iceland, National Economic Institute.

Table: Agriculture

Source: National Economic Institute, 1991.

Table: Main enterprises

Source: National Economic Institute, 1993.

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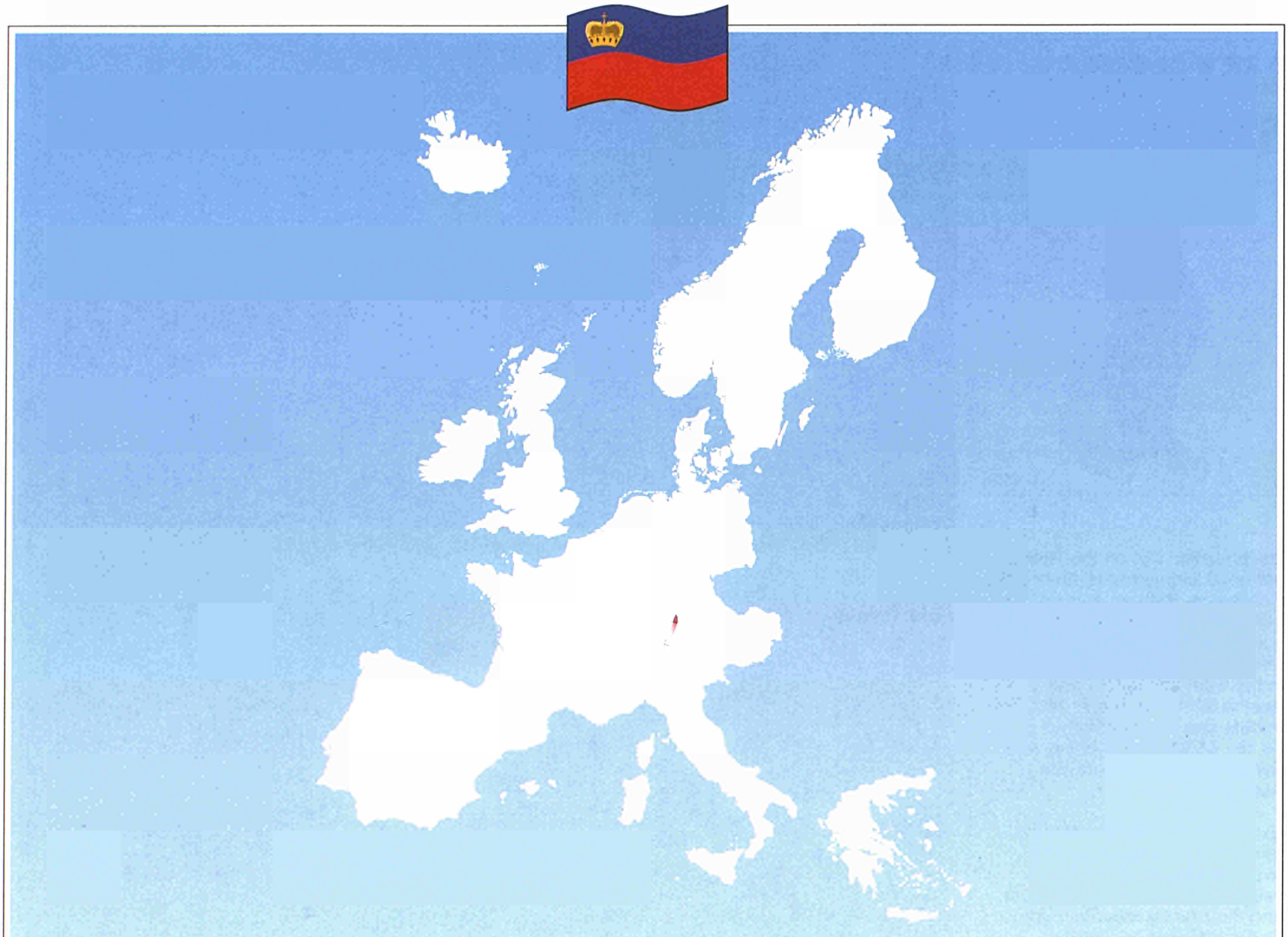
LIECHTENSTEIN



Under the Constitution of 1921, the main features of which are still valid today, the Principality of Liechtenstein is a constitutional, hereditary monarchy based on a parliamentary democracy. The Prince and the people rule jointly.

The Prince is Head of State and the highest representative of the State. No law is valid without his signature. He appoints ministers, judges and other officers of State at the proposal of Parliament. He may pardon convicted persons and issue emergency decrees.

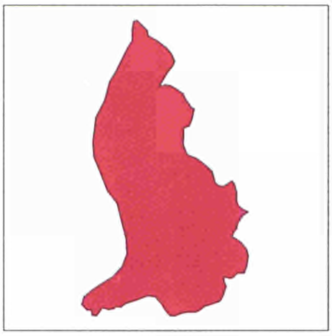
The rights and interests of the people are represented by the 25-member Diet, the Liechtenstein Parliament. The Diet is involved in legislation and the conclusion of State treaties, exercises financial sovereignty and supervises the government and the civil service. In formal terms, the President of Parliament is the highest representative of the people.

Until the early 20th century Liechtenstein's foreign policy was determined exclusively by the Prince. It was not until the adoption of the 1921 Constitution that the people of Liechtenstein were given a large measure of co-determination. Although the Prince continues to represent the country *vis-à-vis* foreign States, the involvement of the people is ensured through the Diet and the government. Major foreign policy events were the accession to the Council of Europe in 1978 and to the United Nations in 1990. In April 1995 the people voted on the amendments to the customs treaty with Switzerland, and hence indirectly on Liechtenstein's accession to the European Economic Area.

Liechtenstein's principal partner is neighbouring Switzerland. Since the entry into force of the customs treaty, Switzerland and Liechtenstein have formed a common economic area. The frontier between the two countries is open, and the frontier with Austria is guarded by Swiss customs officers. The currency in Liechtenstein is the Swiss franc, and under the postal treaty Switzerland runs the postal and telephone services.

Liechtenstein also has close and amicable relations with Austria, its eastern neighbour. These relations have a long tradition, in that the princes of Liechtenstein resided in Vienna until 1938. Nowadays numerous treaties provide a broad basis for a thriving partnership.

LIECHTENSTEIN



Liechtenstein lies on the Rhine, some 40 kilometres south of Lake Constance. With an area of 160 km², it is the sixth smallest country in the world. Liechtenstein adjoins Switzerland in the west and south, and Austria in the north and east. The frontier has a total length of 76 km, 41 km of this being with Switzerland and 35 km with Austria.

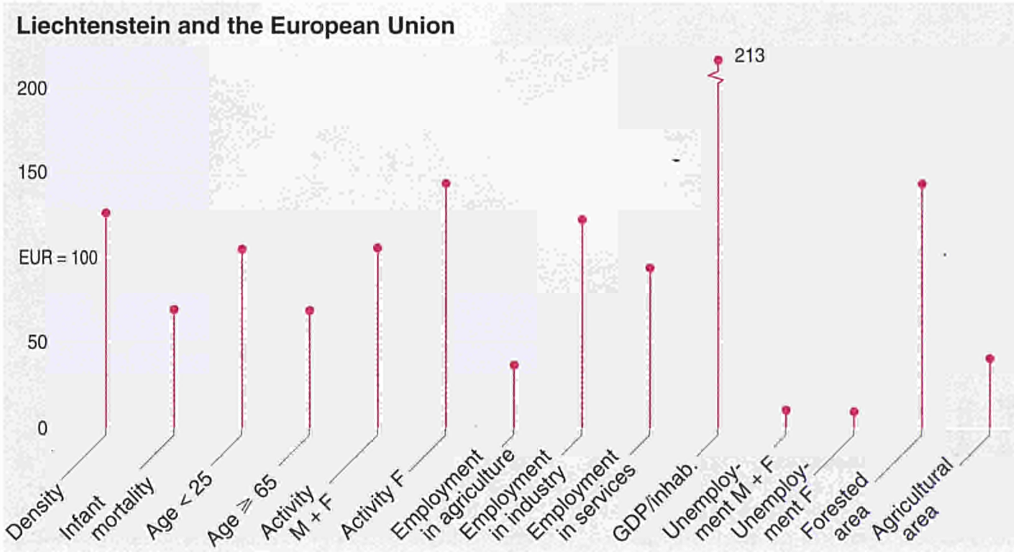
Except for the Rhine plain, the territory is mountainous. The average altitude of the Rhine valley is 450 m above sea level, and the highest mountain, the Grauspitz, rises to 2 599 m.

Most of the agricultural area is in the plain, which is also where the major industrial and craft undertakings and practically all the service businesses are situated.

The population of 30 310 is distributed over 11 localities (communes). Because of the large proportion of foreign residents (38.6%), only 61.4% of the inhabitants are Liechtenstein nationals. The national capital is Vaduz, which is where the Prince's residence, the Diet and most government authorities are located.

The Liechtensteiners speak a German dialect with certain local variations and distinctions. The population is predominantly Roman Catholic (87%).

The locality of Schaan, one of the communes, with a view of the 'Drei-Schwestern-Massiv'.



A multifaceted country

For many years economic life in Liechtenstein has been marked by a lack of industrial unrest, and there has not been a strike in the Principality for decades. One reason for this was the full employment up until the early 1990s, and the unemployment rate of 1.1% (as at February 1995) is still very low compared with other countries in Europe.

One characteristic feature of a small country is the restricted land area. The spread of building zones and the development of the communications network have reduced the amount of agricultural land, and this has increased the indigenous population's awareness of environmental issues.

However, being a small country offers a unique opportunity. One major advantage is manageability. Politicians can address citizens directly, and active citizens have many opportunities to follow political affairs and play a part in determining policies through direct democracy.

Despite its small size, Liechtenstein is a fully-fledged State. Nevertheless, there are limits to what it can do, and it could not perform a major part of its government tasks without assistance from outside. Fortunately, both its neighbours — Switzerland and Austria — appreciate the Principality's problems and provide help and support in various fields. This multifaceted dependence on its neighbours does not mean that Liechtenstein is progressively relinquishing its sovereignty, since the cooperation is based on treaties under which its sovereignty is not affected. The treaties can be renounced at any time and are in many respects advantageous to the larger partner as well.

LIECHTENSTEIN

Scale: 1 : 200 000

Which EU regions are similar to Liechtenstein?

Area:
under 200 km²
Bruxelles/Brussel (B)
Ceuta y Melilla (E)

Population density:
± 190 inhabitants per km²
Cataluña (E)
Sicilia (I)
Groningen (NL)

GDP per capita:
more than 60 % above EU average
Île-de-France (F)
Bruxelles/Brussel (B)
Hamburg (D)

Some 60% of jobs are in two communes

There are 11 communes in the Principality of Liechtenstein. The communes of Vaduz, Balzers (with the hamlet of Mäls), Triesen, Triesenberg (with the ski resorts of Steg and Malbun), Schaan and Planken are in the Upper Country *(Oberland)* in the southern part of Liechtenstein, while the Lower Country *(Unterland)* in the north comprises the communes of Eschen (with the hamlet of Nendeln), Gemprin (with the hamlet of Bendern), Mauren (with the hamlet of Schaanwald), Ruggell and Schellenberg. Triesenberg is one of the three mountain communes of Liechtenstein, the other two being Planken and Schellenberg. The eight other communes lie in the plain, which is bounded by a spur of the Rhätikon massif and the Rhine. Settlement of this valley floor became possible only after the regulation of the Rhine, which formerly occupied almost the entire valley and now forms the natural frontier with Switzerland. High levees were erected to tame what was once a wild torrent, and fertile arable land was reclaimed from the former swamps.

About half of Liechtenstein's territory is taken up by the Alps, which are partly accessible by road. Apart from the ski resorts of Steg and Malbun, this area is sparsely populated and provides a varied environment for leisure activities.

Employment is concentrated in the valley, with the Upper Country providing about four times as many jobs as the Lower Country. The communes of Vaduz and Schaan together provide some 70% of jobs in the Upper Country and 58% of jobs in the country as a whole.

	Area	Population			Activity	Unempl.	Employment			GDP/inhab.
	1 000 km²	1 000	Inhab./km²	Change %	%	%	% Agricult.	% Industry	% Services	EUR (PPS) = 100
		1993	1993	1983-1993	1993	1993	1993	1993	1993	1993
Liechtenstein	0.16	30	189	14.3	49.0	1.4	2.3	40.7	57.0	213
EUR 12	2 358.2	347 938	148	3.2 (1980-90)	55.4(1992)	10.4	5.8(1992)	32.6(1992)	61.2(1992)	100

LIECHTENSTEIN

More than one-third foreigners

The economic boom brought Liechtenstein not just prosperity but also problems. The rapid economic development was made possible only by using large numbers of foreign workers. In 1950 the proportion of foreigners in the population was 20%. In 1960 the figure was 25%, and this had risen to 33% in 1970. Today, more than one third of the population — about 38% — is foreign. Of these people, 40% are Swiss, 19% Austrian, 10% German and 8% Italian.

The foreign population is considerably younger than the indigenous population. From the 50-54 age group upwards the number of foreigners declines sharply, the main reason being that many foreigners return to their country of origin.

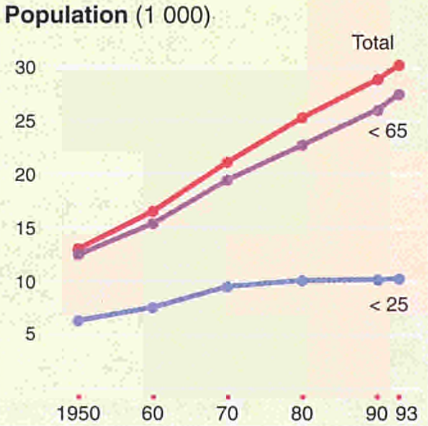
Because of their structure, the foreigners have a very low mortality rate, and since about 1975 the foreign population has had a higher excess of births than the indigenous population.

As a result of the small size of the country, many Liechtenstein men and women marry foreign nationals. The figures show that 62% of Liechtenstein men who married in 1993 chose a foreign wife, while 43% of Liechtenstein women married a foreigner.

Population by age — 1993

	M + F	M + F %	M %	F %
< 15	5 850	19.3	20.2	18.5
15-24	4 443	14.7	14.8	14.5
25-39	8 000	26.4	26.2	26.6
40-54	6 525	21.5	22.8	20.3
55-64	2 319	7.7	7.6	7.7
⩾ 65	3 173	10.5	8.3	12.5
Total	30 310	100.0	100.0	100.0

Population (1 000)



Resident population of foreign nationality — 1993

	1 000	% of total population
Total	11.7	39
of which EU-countries	2.8	9
Switzerland	4.8	16
Austria	2.2	7
Germany	1.1	4
Italy	0.9	3
Turkey	0.7	2
Former Yugoslavia	0.5	2
Portugal	0.3	1

Demographic account — 1983-93
(1 000)

Population 31.12.1983	26.51
Births	3.87
Deaths	1.82
Net migration	+ 1.76
Population 31.12.1993	30.31

Large numbers of workers from the frontier regions

The last few decades in Liechtenstein have witnessed a period of great economic expansion. The Principality has a highly-diversified economy and is one of the most highly-industrialized countries in the world. Liechtenstein's industry provides 20 756 jobs for a population of 30 310 (1993). The domestic labour market is exhausted, and industry meets its demand for labour from adjacent regions abroad. In 1993 there were 6 936 commuters to Liechtenstein, 60% of these being from Austria and 39% from Switzerland.

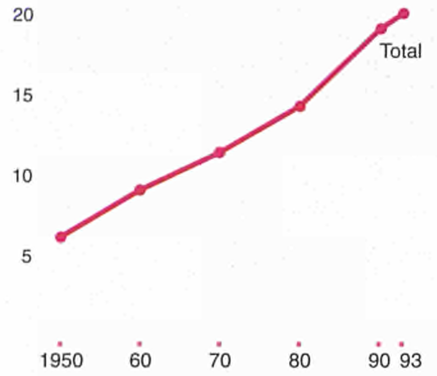
The changing society with its constantly evolving job opportunities requires a good education system. The Liechtenstein School of Engineering (LIS)/Polytechnic, the Liechtenstein Institute (LI) and the International Academy for Philosophy (IAP) are located in Liechtenstein. To ensure that there are sufficient places in higher education for Liechtenstein's school-leavers, the country has signed agreements with a number of university-level establishments abroad. Both Switzerland and Austria recognize the Liechtenstein school leaving certificate *(Matura)*, which means that school-leavers can matriculate at universities in those countries without needing to meet further conditions.

Number of pupils — 1993

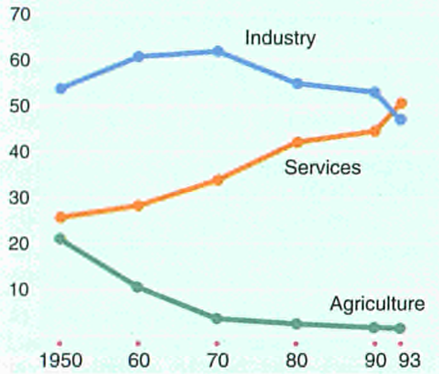
	M + F 1 000	F %
Primary	2.0	:
Lower secondary	1.5	:
Higher secondary (technical)	0.0	:
Higher secondary (general)	0.2	:
Higher education	0.3	:
Total	4.0	:

LIECHTENSTEIN

Employment (1 000)



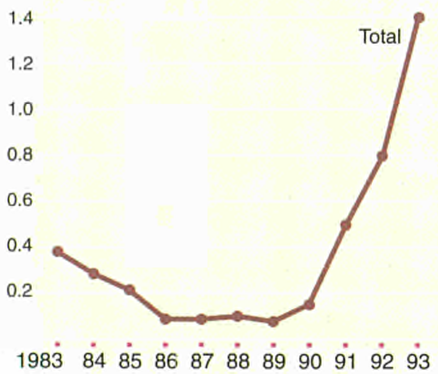
Employment structure (%)



Employment — 1993 (1 000)

Resident employment	14.85
+ Non-residents having a job in the region	6.94
– Residents having a job outside the region	1.03
= Internal employment	20.76

Unemployment (%)



More than 60% of persons in employment are foreigners

Industrialization and the associated general economic development started in the 1940s. Liechtenstein is the most industrialized country in the world in terms of the proportion of jobs in industry and exports per capita. Whereas 20% of employment in 1950 was in agriculture, this figure is now only 1.7%. More than half of all jobs (50.2%) are in the services sector. Since the 1970s the percentage share of employment in industry has fallen, while the services sector's share of employment has risen constantly from 35% in 1970 to 50.2% in 1993.

The number of persons in employment rose from 11 569 in 1970 to 20 756 in 1993, representing an average annual increase of 4.6%. Because of the lack of domestic labour, there are 6 936 commuters from abroad in Liechtenstein's economy, or one third of all persons in employment. As a result of the high proportion of foreigners amongst the resident population and the many commuters, there is a very high level of foreign labour. In all, 12 569 foreign nationals are employed, representing more than 60% of all persons in employment.

Not available

No longer an oasis of full employment

After an average of 15 unemployed persons throughout the 1980s, when the unemployment rate was measured in per thousand instead of per cent, and Liechtenstein could be regarded as an oasis of full employment, this image began to change at the start of the 1990s. The unemployment figures started to rise at an unprecedented rate before peaking in February 1994 at 334 persons (1.8%) out of work. By the end of February 1995 this figure had fallen slowly but steadily to 242 persons (1.1%). A further fall in the unemployment rate is expected in 1995 in view of the massive rise in the number of jobs available, giving grounds for cautious optimism.

The tendency is for women to be more affected by unemployment than men. It is also noticeable that 57% of the unemployed in Liechtenstein are between 20 and 39 years old, and that very many of them are unskilled workers with only a basic knowledge of German and a low level of education.

Since the proportion of Liechtenstein nationals in the total active population is about 39.4%, it is noticeable that foreigners resident in Liechtenstein account for a disproportionate share of unemployment: 66%. The services sector is worst affected, which is not surprising since it accounts for 57% of the active population.

LIECHTENSTEIN

More than half of jobs in the services sector

Industry is an important sector in Liechtenstein, with about one third of all employees earning their living in industrial undertakings. The business-friendly environment has made Liechtenstein into a competitive business location. It has attracted a high-performance, highly-specialized industry which exports its products throughout the world. The export value of the 40 members of the Chamber of Industry and Commerce rose between 1950 and 1993 from SFR 15 million to more than SFR 2 400 million. Industry produces capital- and research-intensive specialized products. The principal branch of industry is metalworking, and some Liechtenstein undertakings have foreign subsidiaries which employ more people than the parent company in Liechtenstein.

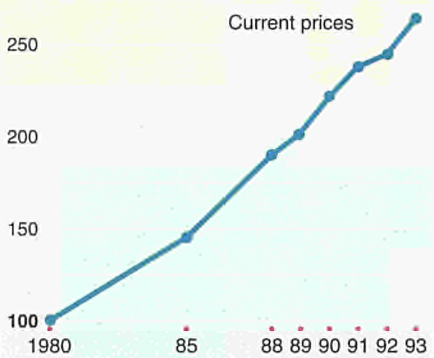
While Liechtenstein's industry is principally export-oriented, the more than 1 600 craft undertakings produce largely for the domestic market.

The five Liechtenstein banks are of major economic importance. They employ more than 1 100 persons and have a balance sheet total of more than SFR 22 000 million. They remain in constant contact with the world's major banking centres through branches abroad. Relations with banks in Switzerland are naturally particularly close and, as in Switzerland, bank secrecy is of great importance.

Alongside banks, holding companies are the most important branch of Liechtenstein's services sector. The favourable fiscal environment and the variety of company forms available have attracted foreign capital over the last few decades.

In 1993 it was the services sector which provided the largest number of jobs, with more than 50% of employed persons working in this sector.

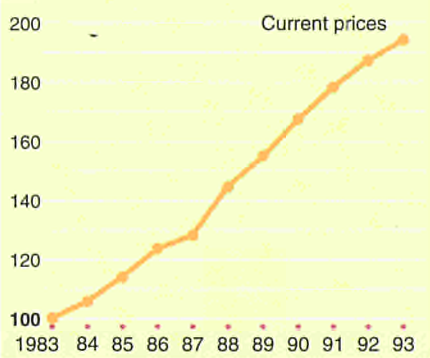
GDP (1980 = 100)



Wages

No data available

Primary income (1983 = 100)



A longer working week by European standards

In Liechtenstein minimum wage legislation applies to only two branches of industry. All other branches have collective agreements.

The minimum wages are laid down each year by the government only for domestic and agricultural employees, and these have been adjusted for inflation over the last few years. Employees over the age of 21 are entitled to annual holidays of not less than four weeks, while younger employees have at least five weeks' holiday. The maximum number of working hours per week is 50.

Collective agreements have been concluded between the Liechtenstein Chamber of Industry and Commerce and the Chamber of Crafts on the one hand, and the Liechtenstein Trade Union on the other. Amongst other things, these agreements lay down the maximum length of the working week and the holiday entitlement. In the collective agreements concluded in 1992 the maximum working week was fixed at 43 or 44 hours. Wages are determined each year in negotiations between the two sides of industry.

LIECHTENSTEIN

Employment and value-added: distribution by branch

No data available

From a rural to an industrial economy

The importance of agriculture has declined steadily from 1 366 holdings in 1955 to 417 in 1990. Smaller holdings are increasingly going out of business or being taken over by larger holdings. In 1993 agriculture and forestry accounted for only 1.7% of jobs. Agricultural production is centred on livestock rearing and dairy farming.

At first sight it may seem strange that Liechtenstein, which has practically no raw materials, should have become a leading industrialized country. The impetus for industrialization came from the business-friendly environment. Taxes are low and sufficient labour was available. Today, many undertakings are world leaders in their lines. Hilti AG, a company in the field of mounting and exploitation technology, is active in more than 100 countries and has some 12 000 employees worldwide. Balzers AG is active worldwide in the field of vacuum and thin-layer technology and is a market leader in facilities for the manufacture of CDs. Ivoclar-Vivadent is an internationally-active concern in the field of dental medicine and technology. Presta AG produces, among other things, steering joints, camshafts and steering columns, and because of its unique products and their recognized high quality it has become the sole supplier for some car manufacturers. Hilcona AG manufactures foodstuffs and supplies its products to the wholesale and retail trade in Switzerland and the European Economic Area. Hovalwerke AG manufactures boilers, incinerators, industrial ventilators and heat exchangers.

Agriculture

Number of holdings	417
Labour force	258 AWU
Agricultural area	39 000 ha
Livestock	6 328 LU
Gross value-added	:

Main products	
Milk	60%
Cattle	20%
Cereals	10%

Main enterprises

Name	Activity
Balzers AG	Vacuum technology
Bank in Liechtenstein AG	Banking and finance
Hilcona AG	Manufacture of food products
Hilti AG	Manufacture of construction tools
Hovalwerk AG	Heating and air-conditioning systems
Ivoclar AG	Dental technology
Landesbank AG	Banking and finance
Press- und Stanzwerk AG	Manufacture of metal products
Verwaltungs- und Privatbank AG	Banking and finance

Environment endangered by traffic

In 1994 Liechtenstein had 24 016 motor vehicles, including 18 256 cars. This represents one vehicle for every 1.3 inhabitants, or one car for every 1.7 inhabitants, and the environment is suffering accordingly. Because of the relatively low age of the stock of vehicles, 70% of the cars are equipped with catalytic convertors. To keep the exhaust levels as low as possible, the vehicles have to have their emission levels checked every two years.

Although Liechtenstein is highly industrialized, this does not affect the environment very much, and there are no factories emitting large amounts of pollutants. Since the mid-1980s 'medium' and 'heavy' fuel oil have no longer been allowed, and this removed a large burden from the environment. A natural gas pipeline supplies more and more industrial undertakings and households with this clean source of energy. Furnaces in Liechtenstein are checked every year for pollutant emissions and, if necessary, repairs are prescribed.

Great attention has been paid to waste water treatment over the last few decades. Liechtenstein has three large waste water treatment plants in which a total of 10 million m^3 of waste water were treated in 1993. Nowadays nearly all craft and industrial undertakings and over 95% of households are connected to the purification plants. Even the waste water from the Steg and Malbun ski resorts is channelled into the valley and treated.

Since 1994, all communes in the country have the same waste regulations which prescribe polluter-oriented waste disposal charges. A country-wide campaign is aimed at avoiding and reducing waste.

Explanatory notes — Liechtenstein

The statistical data presented here have been compiled by either the national statistical institutes themselves or in collaboration with Eurostat. Despite the efforts which have been made, the comparability of the data between regions in different countries cannot always be guaranteed.

Graph: Liechtenstein and the EU

Sources: Eurostat — regional databank REGIO.

Amt für Volkswirtschaft, Vaduz.

Definitions:

— Infant mortality (1992): Ratio of deaths in first year of life to live births.

— Activity rate (1992): Number of persons in employment (excluding commuters from abroad) as a percentage of the population of working age (14 and above). The figures relate to statistics of the residential population as at 31 December 1992.

— Employment (1992): Distribution of the working population (excluding commuters from abroad) among the three sectors.

— GDP (1993): The per capita figures are of limited significance, since some 33% of those employed in Liechtenstein commute from abroad.

— Unemployment rate (1993): Number of unemployed persons resident in Liechtenstein as a percentage of total persons in employment (including commuters from abroad).

Unemployed persons are all persons who formerly had a job and are now looking for a job.

Table: The subregions

Sources: Eurostat — regional databank REGIO.

Population, activity rates, employment

Source: Statistics on the resident population of the Principality of Liechtenstein.

Definitions: see above.

Unemployment rate

Source: Amt für Volkswirtschaft (Office of the National Economy), Job Placement Service.

GDP

Source: Estimate of the Office of the National Economy.

Definition: see above.

Graph: Population
Tables: Resident population of foreign nationality and population by age

Source: Statistics on the resident population of the Principality of Liechtenstein.

Table: Demographic account

Source: Registry Office statistics of the Principality of Liechtenstein.

Table: Number of pupils

Source: Educational statistics, Education Authority of the Principality of Liechtenstein.

Definition: Liechtenstein has no universities or institutes of higher education other than the LIS/Polytechnic.

Graphs: Employment — Structure of employment

Source: Employment in the Principality of Liechtenstein.

Definition: Persons in employment refers to those employed in Liechtenstein. The active population is considerably smaller because of the high number of commuters from abroad (1993: 6 936).

Table: Employment

Source: Employment in the Principality of Liechtenstein.

Graph: Unemployment

Source: Office of the National Economy, Job Placement Service.

Definition: see above.

Graph: GDP (1980 = 100)

Source: Estimate of the Office of the National Economy.

Definition: see above.

Graph: Earnings

Source: Annual Report of the Old Age and Dependants Insurance Scheme (AHV).

Definition: Earnings of persons employed in Liechtenstein (aged 18 to 65) and covered by the AHV scheme (employed persons resident in Liechtenstein, minus commuters to abroad, plus commuters from abroad).

Table: Agriculture

Source: Agricultural Census, 1990.

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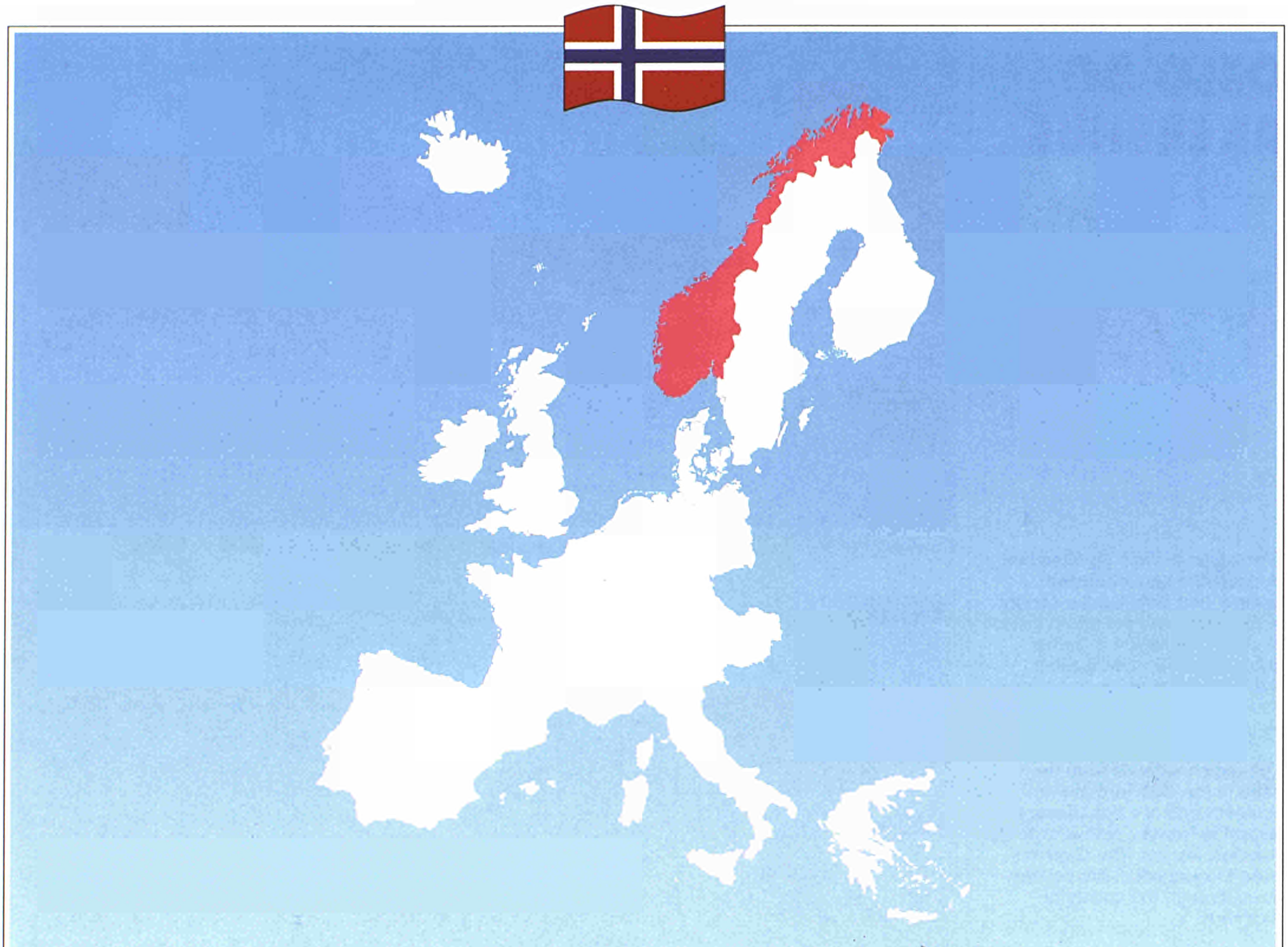
NORWAY



The Kingdom of Norway consists of the western and northern part of the Scandinavian peninsula and the islands of Svalbard and Jan Mayen in the North Atlantic Ocean. Three areas are given the status of Norwegian dependencies: the Bouvet Island in the South Atlantic Ocean, and Peter I Island and Queen Maud Land in the Antarctic. The mainland of Norway is bordered by the Barents Sea, Russia, Finland, Sweden, the North Sea and its arm, the Skagerrak and the Norwegian Sea.

Traditionally, agriculture, forestry and fishing were Norway's main industries. In addition, its merchant fleet has for a long period been one of the largest in the world. The industrial revolution came relatively late to Norway, but since the end of the last century there have been large increases in manufacturing, chiefly based on hydroelectric energy and domestic raw materials. Norway has Western Europe's largest offshore petroleum and natural gas fields, which have been of great importance for economic development during the last two decades. Market and non-market services are well developed.

In terms of area, Norway is among the biggest countries in Europe, but with a population just exceeding 4.3 million (1993), it is one of the most sparsely populated. Although the population is relatively homogeneous with regard to nationality, there exist considerable regional differences in means of subsistence, industrial structure and settlement patterns. These regional differences make the regional policy of great importance.

Norway comprises three administrative levels; consisting of the national, the *fylke* (county) and the municipality. This national level is divided into three: Parliament has the legislative and granting power, the Government (the King) has the executive power and the Court of Justice has the judiciary power.

The country is divided into 19 *fylke,* 18 of which form a county district each, while the remaining one, Oslo, comprises an urban district which is also the capital of the nation. The supreme authority in a *fylke* district is the *fylke* council. The *fylke* are further divided into 435 municipalities (1995), which are administered by municipal councils.

The seven Norwegian regions presented in this publication represent an aggregation of counties. The regional division follows a classification used by Statistics Norway.

NORWAY

OSLO OG AKERSHUS

The region of Oslo og Akershus is located in central eastern Norway and includes the county of Akershus and the urban district of Oslo. The region is further divided into 23 municipalities, with Oslo functioning as both a county and a municipality as well as being the national capital.

The region extends from the head of the Oslofjord to the southern end of Lake Mjøsa, the largest in Norway, and east to the Swedish frontier. The Glomma river, the longest in the country, flows through the county of Akershus.

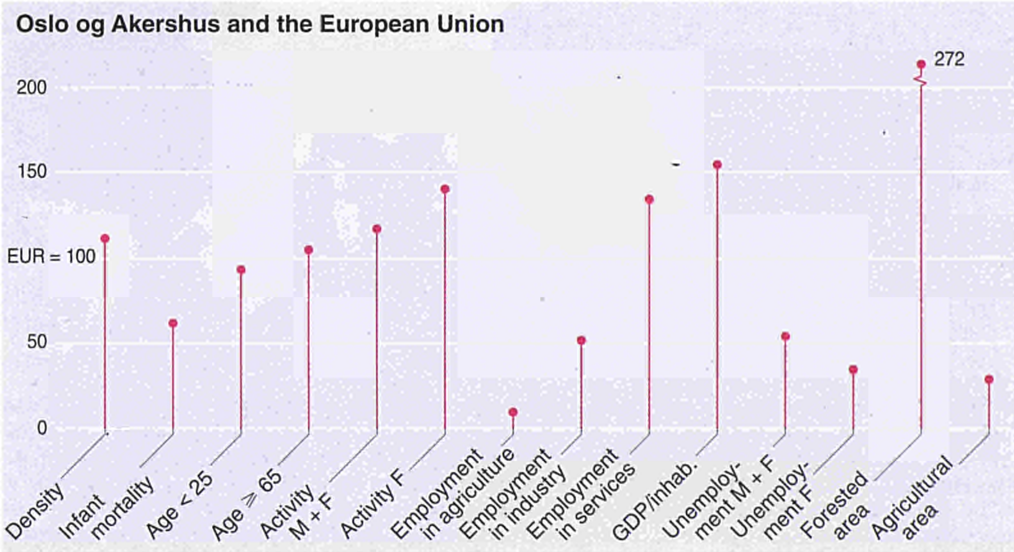
The Oslo og Akershus region contains more than 20% of Norway's total population and is the most densely populated region in the country. Almost continuous built-up areas have spread from Oslo out into the countryside of Akershus, and there is a great deal of daily commuting between the two counties.

The region functions as the junction of the nation's road, rail and air networks.

The Oslo og Akershus region is the centre of Norwegian trade, banking and administration. The economy is dominated by market and non-market services, while industry and agriculture are declining. Several scientific institutions are attached to the University of Oslo.

The country's leading cultural institutions are located in Oslo. One of the best known historical sites in Akershus is Eidsvoll, where the first National Assembly drew up Norway's Constitution in 1814.

Coastal view of Oslo, the capital of Norway. The harbour is the largest in the country.



A large and well-educated population

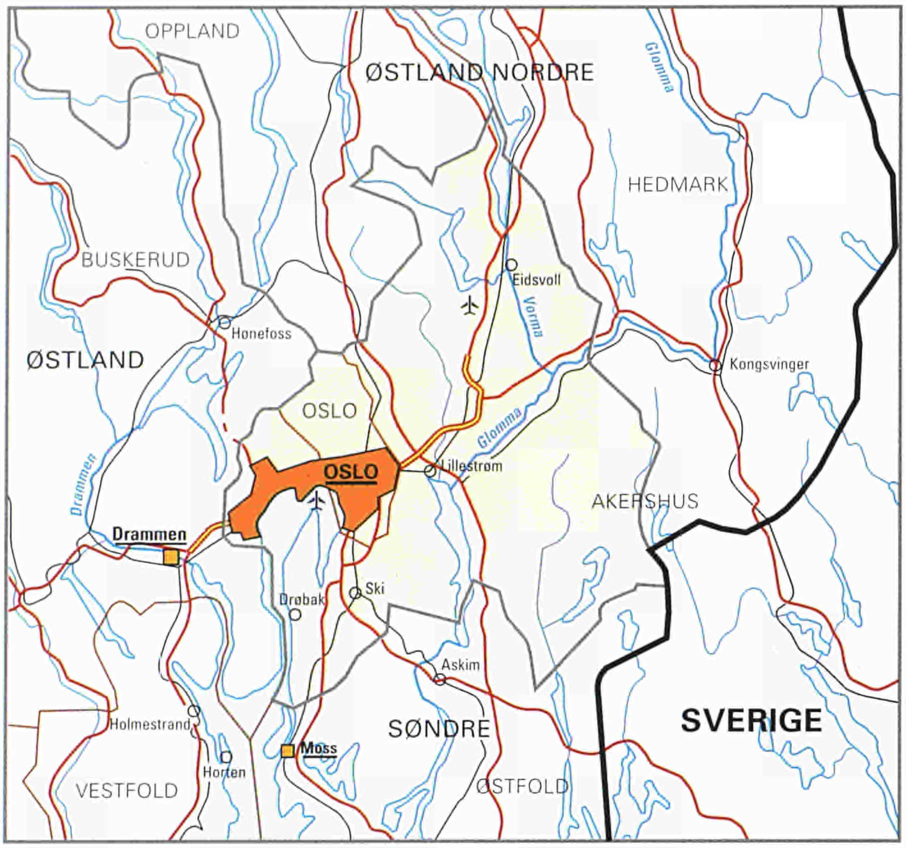
Strengths:

- good communications and infrastructure;
- large population providing a wide-ranging market for different products and services;
- well-educated labour force, attracting knowledge- and information-based industries;
- good labour market prospects for persons with higher education, who can fill the jobs in the expanding sector of market and non-market services;
- new international airport for Norway in Akershus, creating opportunities for new economic activities in the northern part of the region.

Weaknesses:

- high traffic density in the region, producing more noise and pollution than elsewhere in the country;
- pressure in the property and housing market, which pushes up the cost of residential and business premises;
- declining employment in industry, which means that traditional 'blue-collar' workers can have difficulty in finding suitable jobs;
- high unemployment in certain vulnerable groups of the population and among immigrants, which increases social tension.

OSLO OG AKERSHUS



Scale: 1 : 1 500 000

Which EU regions are similar to Oslo og Akershus?

Area:
± 5 400 km²
Liguria (I)
Cantabria (E)

Population:
0.9 million inhabitants
Trentino-Alto Adige (I)
Norra Mellansverige (S)
Bruxelles/Brussel (B)

GDP per capita:
60% above EU average
Luxembourg (grand-duché)
Île-de-France (F)

Very heavy commuting traffic

In recent decades the county of Akershus has experienced higher growth in both population and number of residents employed, compared with the capital, Oslo. New industrial areas have spread southwards from Oslo on both sides of the Oslofjord. Nevertheless, there is still a big imbalance in the number of jobs, which results in heavy daily commuting within the region. The main direction is to Oslo from every municipality in Akershus, but there is also a significant flow to the municipalities surrounding Oslo. Although agriculture is declining, Akershus still has some of the best agricultural areas in Norway, and in several places the landscape is dominated by arable land. Economic life and the population are in many ways segregated in the region, with highly-skilled work and highly-skilled employees located in certain areas in, or close to Oslo.

Unemployment is higher in Oslo and the more peripheral parts of Akershus than in the Akershus municipalities which surround the capital. One of the reasons is the high rate of unemployment among immigrants, who tend to gather in Oslo. Another feature is that almost one in every five unemployed persons in the capital has a university or college degree. This is high compared with the surrounding county of Akershus, where the figure is 12%.

There are differences in age structure between the two counties of Oslo og Akershus. The average age is higher in the *fylke* of Oslo, despite a high in-migration of young but often childless people. On the contrary, the out-migration from Oslo consists to a considerable extent of people taking their families to the surrounding suburban municipalities in Akershus.

The building of the new international airport in the northern part of Akershus may level out some of the intraregional imbalances between the north-eastern and south-western parts of the region.

	Area	Population			Activity	Unempl.	Employment			GDP/inhab.
	1 000 km²	1 000	Inhab./km²	Change (%)	%	%	% Agricult.	% Industry	% Services	EUR (PPS)=100
		1993	1993	1983-93	1993	1993	1993	1993	1993	1992
Oslo	0.5	473	1 042.9	5.5	68.5	6.1	0.4	14.8	84.8	213
Akershus	4.9	425	86.4	13.0	72.6	4.8	2.3	16.8	80.9	95
Oslo og Akershus	5.4	898	167.3	8.9	70.5	5.5	1.3	15.8	82.9	157
Norge	323.8	4 299	13.3	4.3	68.2	6.1	5.5	22.7	71.6	106
EUR 12	2 358.2	347 938	147.5	3.2 (1980-90)	55.4 (1992)	10.4	5.8 (1992)	32.6 (1992)	61.2 (1992)	100

OSLO OG AKERSHUS

Fastest growing population

Oslo og Akershus is the most populated of Norway's regions, and at the same time the smallest in area. In the region, 85% of the population live in the national capital of Oslo or its nine suburban municipalities. One in every five residents of Norway lives in the region.

Compared with Oslo, Akershus has a relatively young population with a higher proportion of children and a lower proportion of people over 60 than the national average. However, in the last decade the 25 to 34 age-group has increased considerably in Oslo, which now registers by far the highest figure for this age-group of any county. In 1993 more than 10% of the residents of Oslo were foreign citizens, which is three times the national level.

The region has steadily been increasing its share of Norway's population for two centuries. Since 1950 the growth rate has been almost 50%, pushing the region's share of the country's population to 21.3%.

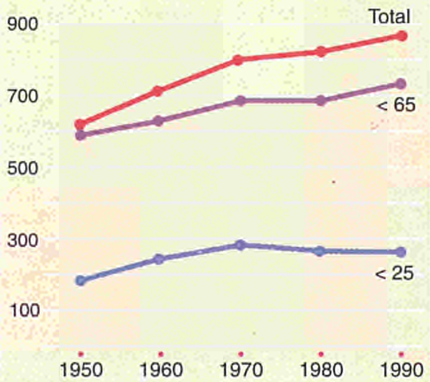
Within the region, the suburbs of Oslo have more than doubled their share of the population since 1950. The rest of Akershus has also grown faster than the national average, while Oslo has experienced a relative decline in population, in spite of growth in the most recent period.

During the last 10 years, two-thirds of population growth has been due to the migration surplus. This surplus, evenly distributed between the two counties of Oslo og Akershus, has been the main reason for the new growth in Oslo. However, unlike Akershus, Oslo's migration surplus is primarily the result of an increasing number of foreigners.

Population by age — 1993

	M + F 1 000	M + F %	M %	F %
<15	159.2	17.7	18.8	16.7
15-24	116.1	12.9	13.2	12.7
25-39	231.4	25.8	26.7	24.9
40-54	176.0	19.6	20.4	18.8
55-64	76.3	8.5	8.4	8.6
⩾65	139.4	15.5	12.5	18.4
Total	898.4	100.0	100.0	100.0

Population (1 000)



Resident population of foreign nationality — 1993

	1 000	% of total population
Total	68.1	7.6
of which EU countries	15.5	1.7
of which non-EU countries	52.6	5.9
Pakistan	9.1	1.0
Denmark	6.7	0.7
Sweden	5.7	0.6
United Kingdom	4.0	0.4
Iran	3.1	0.3
USA	2.8	0.3

Demographic account — 1983-93 (1 000)

Population 1.1.1983	825.0
Births	117.4
Deaths	93.7
Net migration	+ 48.8
Population 1.1.1993	898.4

A well-qualified labour force

During the last decade there has been an increase of 34 000 people in the resident labour force of the Oslo og Akershus region. The population of working age (16- to 74-years old) makes up 75% of the total resident population. Slightly over half (51%) of the active population is resident in Oslo. The breakdown by sex shows that 73% of men and 63% of women aged 16 to 74 were in employment in 1993.

In 1993 immigrants accounted for 6.4% of the employees in the region. About 45% of all immigrants working in Norway can be found in the Oslo og Akershus region. The largest group of employed immigrants came from West European countries and Asia. Immigrants from West European countries and North America work mainly in oil-related and business services, while immigrants from third world countries work mainly work in food processing, the wholesale trade, restaurants and hotels and sanitary and similar services.

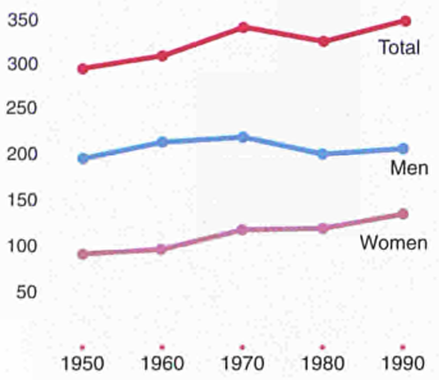
A third (33%) of the employees in the region have a university or college qualification, well above the national average of 25%. Within the region the percentage varies from 14% in the most peripheral areas to 44% in the municipalities west of Oslo. Only 21% of the employees in the region work part-time, although the figure for women is 31%. In the six other Norwegian regions the figure for women working part-time is around 50%.

The level of commuting is high from all other counties in eastern Norway. According to the 1990 population and housing census, there were 94 000 persons who worked in Oslo but who lived in Akershus or outside the region.

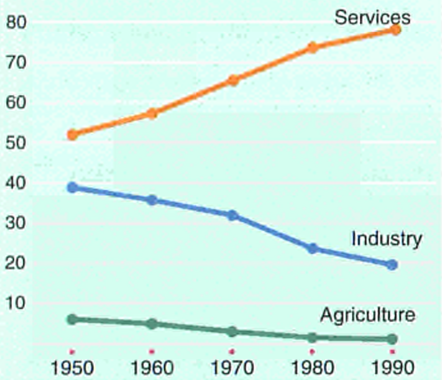
Number of pupils — 1993

	M + F 1 000	F %
Pre-school	5.0	:
Primary	55.7	48.6
Lower secondary	26.8	48.7
Higher secondary (technical)	22.5	45.3
Higher secondary (general)	21.6	51.3
Higher education	43.5	54.1

Employment (1 000)



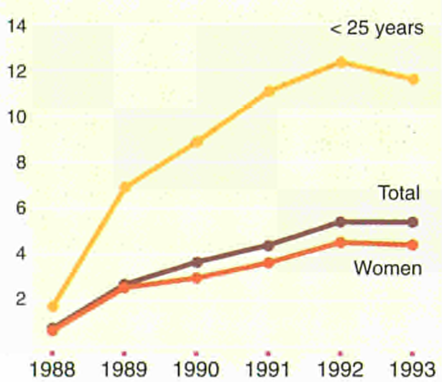
Employment structure (%)



Employment — 1993 (1 000)

Resident employment	413
+ Non-residents having a job in the region	64
– Residents having a job outside the region	11
= Internal employment	466

Unemployment (%)



Employment in service industries well above the national average

In 1950 more than 39% of the employees in the Oslo og Akershus region worked in manufacturing, energy and construction, but by 1990 this figure had fallen to just 20%. There has been a major redistribution of employment from commodity producing industries to service industries in the last 40 years. Services provided 53% of jobs in 1950, but the figure had risen to almost 80% by 1990. The strongest employment increase in the service sector took place in community, social and personal services, with the biggest increase in this branch in recent decades occurring in Akershus.

Akershus is one of the Norwegian counties that experienced the greatest growth in employment in the last three decades, with women accounting for about three-quarters of the increase in employment that occurred from the 1970s through to the 1990s. During the same period Oslo experienced a considerably lower growth in total employment. Since 1960 it has been only in the branches of communications and electricity supply that Akershus has failed to record any large increase in employment compared with other parts of Norway. In Oslo there has been a big drop in the number of jobs in industry in the last 30 years, whereas in Akershus this sector has experienced employment growth over the same period.

Characteristics of resident employment (%)

	< 25 years	25-54 years	⩾55 years	Employees	Employees: part-time	
	1993	1993	1993	1993	1986	1993
Men	9	76	16	91	7	11
Women	11	74	15	96	34	31
Total	10	75	15	93	20	21

Strong increase in the unemployment rate

From almost no unemployment (0.8%) in 1988, the unemployment rate increased to 5.5% in 1993, close to the national average of 6.1%. The situation for young people under 25 has changed dramatically, with the rate of 1.9% in 1988 soaring to 11.8% in 1993, even though the number of young people in the labour force has gone down. To cope with these alarming figures, government measures have recently been taken to promote employment in the region. In 1993 there were 8 700 people involved in government schemes to promote employment, an increase of 64% since 1992.

Among the unemployed 16% have a university or college degree, which is far above the national average of less than 10%. This reflects the fact that the Oslo og Akershus region has a highly educated labour force. Unemployment among people with higher education has increased in recent years.

In 1993 the unemployment rate was 4.4% for women and 6.3% for men. Within the region the highest rates of unemployment are to be found in the most peripheral areas of Akershus and in Oslo. In 1993 the unemployment rate in Oslo was 7.0% for men. At 7.3%, Nes was the only municipality in Akershus where the rate was higher than in the capital. After Aurskog-Høland (6.5%), Nes also had the highest unemployment rate for women in Akershus (6.2%).

For immigrants in Norway as a whole, the unemployment rate in 1993 was 10.7%, compared with 6.1% for all inhabitants. The rates for immigrants from West European countries and North America are in line with the national figures. The highest rate of unemployment is found among immigrants from Africa (20.5%).

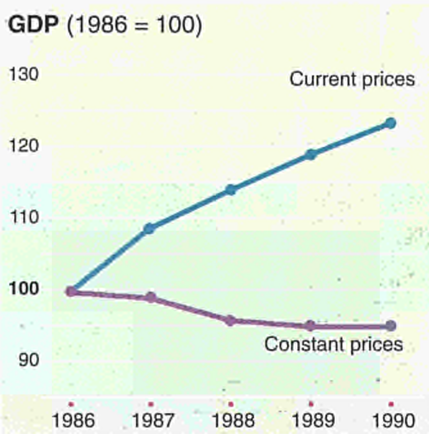
OSLO OG AKERSHUS

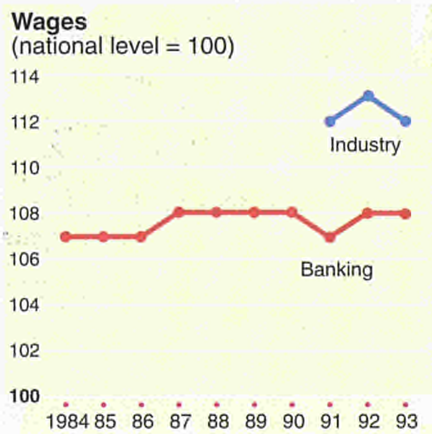
Economy dominated by market and non-market services

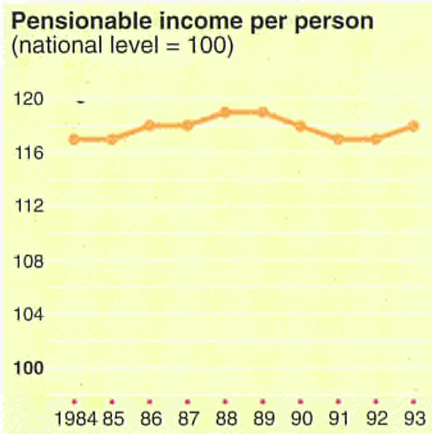
The economy is dominated by service industries. Non-market services provide a large number of jobs, and five of the 10 largest private enterprises are to be found in the service sector.

In 1993 there were about 456 000 resident employed persons in the region, an increase of 19 000 since 1983. Female employment increased by 16 000 and male employment by only 3 000. In Oslo there was no increase in the number of employed persons between 1983 and 1993. In the last decade the biggest increases were recorded in community, social and personal services, together with financial, insurance, real estate and business services. These branches added 38 000 jobs, while manufacturing, energy and construction lost 10 000 workers. Four out of 10 employees in the region work in community, social and personal services. In industries like printing and publishing, business services, finance and insurance, the Oslo og Akershus region accounts for 45 to 50% of all jobs in Norway.

The average size of manufacturing establishments matches the national average, which is about 25 employees. Value-added per employee is, however, more than 30% above the national average. Research and development expenditure per employee in industry is more than twice the national average. Most of the establishments involved in research and development are located in Oslo.







Highest earnings in Oslo

In the 10 years from 1984 to 1993 this was the region with the highest monthly average earnings in the banking sector. This was due to high average earnings in Oslo. In 1993 Oslo had a monthly average for men and women of ECU 2 442, about 10% above the national average. The average monthly earnings for bank employees in Akershus was ECU 2 183.

The difference in earnings between men and women in the banking sector was the same in the region as for the country as a whole. Women's average monthly earnings were 84% of the average figure for men.

Earnings in industry were generally higher in Oslo og Akershus than in the rest of the country, but there were differences within the region. Oslo had a higher level of earnings than Akershus. In 1993 average hourly earnings for men and women in Oslo were ECU 14.28, while in Akershus they were ECU 13.03. Average earnings for both sexes in Oslo were about 16% above the national average.

The printing, publishing and allied branches had the highest earnings in industry, with average hourly earnings of ECU 17.30 in 1993. This was about 25% above the regional average and about 40% higher than the national figure. The lowest earnings were recorded in the production of textiles, wearing apparel, leather and leather products, where average hourly earnings in 1993 were ECU 11.43 for men and ECU 9.11 for women. On average, women's earnings were 84% of men's.

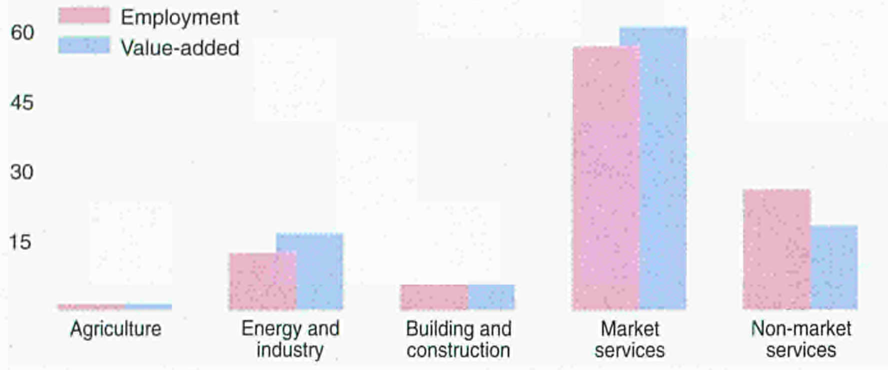
Pensionable income 17% above the national average

Average pensionable income in the Oslo og Akershus region was ECU 21 870 in 1993. This was 17% above the average for the whole country, and 37% above the average in Østland Søndre Norway. Some 60% of the region's inhabitants had pensionable income.

For women, the average pensionable income was ECU 17 280, while for men the average was ECU 26 110.

The average pensionable income for men is about the same in both counties of the region, with Akershus slightly higher. In the case of women, Oslo is ahead by ECU 1 849. In a ranking of every county in the country by average pensionable income, Oslo comes first with Akershus second. Hedmark in Østland Søndre Norway is at the bottom of the list, trailing Oslo by ECU 6 428.

Employment and value-added: distribution by branch — 1990 (%)



Public administration and business services have a strong position

Agriculture provides only about 1% of all jobs in the region. However, some parts of the county of Akershus have fertile areas, producing high grain yields.

Compared with the national average, industry accounts for a small proportion of employment and value-added. The decline since 1980 has been more profound than in other regions. The most important manufacturing industry, from an employment point of view, is printing and publishing. Food processing is also significant for the regional economy.

About 55% of the region's jobs are found in the market service sector, compared with a national figure of about 40%. The fast-growing business service industry – comprising legal services, data-processing services, engineering services, etc. – has a major part of its activity located in this region. Oslo, the capital, serves as a main centre for trade and financial services and is home to major institutions within central government (ministries, hospitals, etc.). The largest manufacturing, construction and transport enterprises also have their head offices in Oslo. The city has many service establishments such as restaurants, shopping and cultural facilities, etc., due to the size of the population of the city and surrounding areas. The University of Oslo has about 45% of the total number of university students in Norway.

The siting of Norway's new main international airport at Gardermoen in the north of Akershus has created major investment activity in this area, both public and private. Public investment projects include a new and efficient railway line from Oslo to Gardermoen. The airport is scheduled to open in 1998.

Agriculture

Number of holdings	4 390
Labour force	3 426 AWU
Agricultural area	84 017 ha
Livestock	48 866 LU
Gross value-added	31 394 ECU/AWU
Main products	
Grain	40%
Livestock for slaughter	16%
Flowers	12%

Main enterprises

Name	Activity
Aftenposten AS	Press and publishing
Aker Engineering AS	Technical services
Braathens Safe AS	Air transport
Freia AS	Chocolate and confectionery
Iss Servisystem AS	Cleaning services
Oslo Energi AS	Electricity supply
Oslo Sporveier AS	Tram and underground transport
Ringnes AS	Beverages
SAS Region Norge V/Business controll	Air transport
Veidekke AS	Construction

Lowest emission levels per capita in Norway

The Oslo og Akershus region is the most densely populated of Norway's seven regions. With the capital of Oslo and its suburban surroundings of Akershus, it is the only region without mountainous areas. Environmental problems of significance are emissions and noise from traffic, and eutrophication.

Some 15% of the region's area is agricultural land. Of this, 84% is grain-producing and 12% is meadowland. The crop land in Akershus has the largest percentage of land in the country subject to serious erosion, but only 35% of the grain area was left untilled over the winter of 1993-94, while the national average was 42%.

The region has the lowest energy consumption per capita in the country (116 GJ in 1992). Hydroelectric power accounts for 52% of all energy consumption.

Owing to the low use of energy and lack of heavy industries, the Oslo og Akershus region has the lowest per capita emission levels in the country. An estimated 2.1 kg of sulphur dioxide, 21 kg of nitrogen oxide, and 2 830 kg of carbon dioxide were emitted per capita in 1992. These figures represent 27, 53 and 78% respectively of the corresponding national averages.

In 1992 each inhabitant generated an average of 527 kg of municipal waste. This was evenly divided between household and industrial. All these figures were very close to the national average. About 39 kg per capita of the waste was recycled, almost all of it household waste.

The entire population of the region is connected to facilities for waste water cleaning. In 1993 total treatment capacity was 1.4 million population units (population units (p.u.) means the number of residents plus the number of population equivalents in a specific area. Population equivalents means waste water from industry, institutions etc. converted into the equivalent quantity of waste water from persons), giving about 1.56 p.u. per capita, and 'high-grade' cleaning (including a biological and/or chemical phase) represented 100% of the capacity.

NORWAY

ØSTLAND SØNDRE

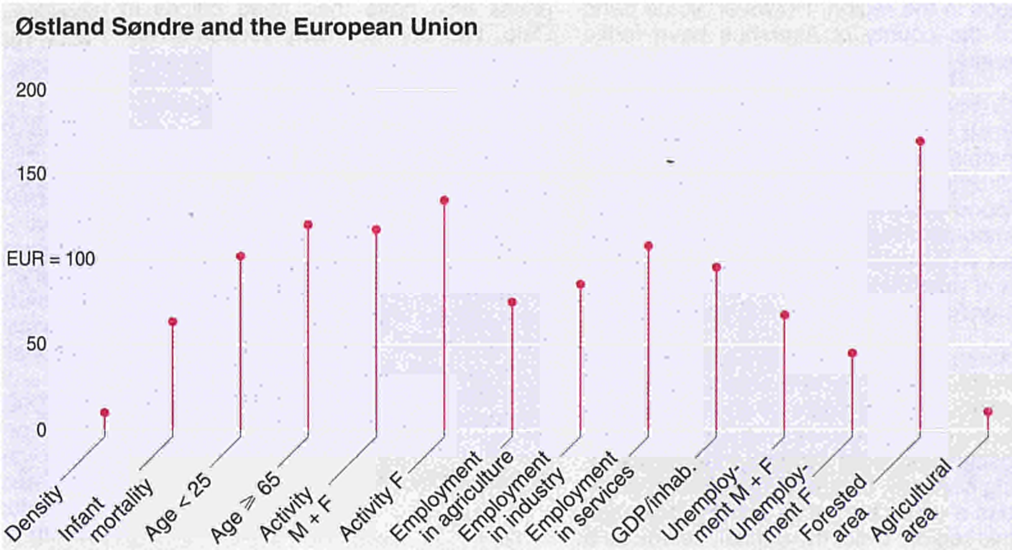
Østland Søndre (Southeastern Norway) comprises the four counties of Østfold, Buskerud, Vestfold and Telemark, which are further divided into 72 municipalities. There are several important centres, including the four county seats of Moss, Drammen, Tønsberg (the oldest town in Norway) and Skien. The region surrounds the Oslofjord, with Østfold situated at the eastern side, and the other three counties to the west.

The lowlands around the Oslofjord contain some of the best agricultural areas in Norway. The western parts of Telemark and Buskerud consist of a mountainous plateau with forested valleys, which turn into hills in the more central areas. Many rivers and glacial lakes are to be found in this area, and hydroelectric resources have been developed throughout the region. Norway's longest river, the Glomma, runs into the Oslofjord at Fredrikstad in the county of Østfold.

Most of the region's inhabitants live in the areas near the Oslofjord and along the rivers. Many of them are daily commuters to Oslo, especially from Østfold and Buskerud. Well-developed transportation routes criss-cross the lowlands and penetrate the interior via the valleys.

The economic activities are based on manufacturing, with the largest concentrations of industry to be found in Skien-Porsgrunn, Drammen, the coastal towns of Vestfold and the more traditionally industrial areas of Østfold.

A traditional industry town, Fredrikstad. The old town is in the foreground.



Several links to the capital region

Strengths:

- good communications and infrastructure at relatively short distances from the capital region;
- well-situated living areas near the Oslofjord, which also provide excellent conditions for the location of modern high-technology industries and other information- and knowledge-based services;
- population connected to the diversified labour market in the capital region.

Weaknesses:

- a major obstacle to communications: the Oslofjord, which divides the region into two parts, with the result that a lot of traffic passes through the capital region;
- the loss of jobs in industry;
- the siting of Norway's new international airport in Akershus north of Oslo, with a possible negative impact on the further development of the region's economy.

ØSTLAND SØNDRE

Scale: 1 : 3 000 000

Which EU regions are similar to Østland Søndre?

Area:
36 000 km²
Baden-Württemberg, Nordrhein-Westfalen (D)

Population:
0.8 million inhabitants
Umbria (I)
Småland med öarna (S)

Unemployment:
± 7%
Hamburg (D)
Gelderland, Zeeland (NL)
Thessalia, Voreio Aigaio (GR)

Highest population density along the Oslofjord

There are differences in both industrial structure and settlement patterns between the densely populated areas closer to the Oslofjord and the more sparsely populated areas in the interior of the region. There are also differences between the counties with regard to industrial structure and unemployment.

Buskerud is the county which has experienced the highest increase in employment in recent decades, while Telemark shows the smallest rise. In Telemark and Østfold almost 30% of those in employment work in manufacturing, energy and construction. The manufacturing industry is dominated by paper and paper products in Østfold and industrial chemicals in Telemark. In Buskerud and Vestfold the manufacturing industry is dominated by fabricated metal products, machinery and equipment. Non-market services are expanding in certain areas in Buskerud and Vestfold. Levels of commuting towards Oslo og Akershus are considerable from Buskerud and Østfold, while the commuter traffic from Telemark and Vestfold is to other areas in the region.

Unemployment is higher in the counties of Østfold and Telemark than in Vestfold and Buskerud. The unemployment rate is higher in the densely populated parts of the region and is especially high for men in the traditional manufacturing districts, such as the central urban areas of Telemark and Østfold. In contrast, the north-eastern areas of Buskerud show almost no unemployment. The county of Vestfold has the highest percentage of unemployed people with a university or college degree, while the lowest percentage with higher education can be found in Telemark.

	Area	Population			Activity	Unempl.	Employment			GDP/inhab.
	1 000 km²	1 000	Inhab./km²	Change (%)	%	%	% Agricult.	% Industry	% Services	EUR (PPS)=100
		1993	1993	1983-93	1993	1993	1993	1993	1993	1992
Østfold	4.2	239	57.1	1.7	65.0	7.3	3.9	28.9	67.2	91
Vestfold	2.2	201	90.7	6.5	65.7	6.4	3.3	26.9	69.8	92
Buskerud	14.9	226	15.2	4.2	68.8	6.0	4.5	24.8	70.2	101
Telemark	15.3	163	10.7	0.9	64.9	7.6	4.6	29.7	65.2	95
Østland Søndre	36.6	829	22.6	3.3	66.2	6.8	4.1	27.4	68.3	95
Norge	323.8	4 299	13.3	4.3	68.2	6.1	5.5	22.7	71.6	106
EUR 12	2 358.2	347 938	147.5	3.2 (1980-90)	55.4 (1992)	10.4	5.8 (1992)	32.6 (1992)	61.2 (1992)	100

ØSTLAND SØNDRE

Population increase due to migration surplus

Østland Søndre Norway is dominated by a number of coastal urban municipalities with populations ranging from 20 000 to 65 000 inhabitants. The interior parts of the region are mostly sparsely populated. Nearly a fifth (19%) of Norway's population live in the region.

The age structure matches the national pattern fairly closely, but the proportion of children is somewhat lower and that of elderly people somewhat higher than the figures for the country as a whole.

The population growth of 30% since 1950 is close to the national average for this period, and close to the growth rate of the region's urban municipalities as well. The sparsely populated peripheral municipalities have experienced population losses.

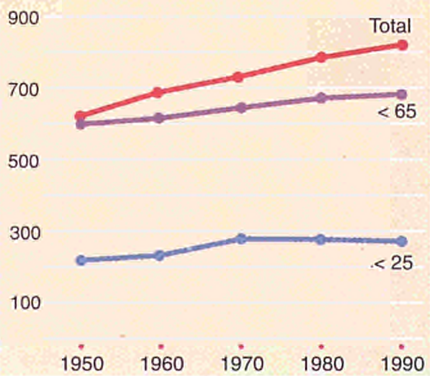
Most of the population growth in the last decade has taken place in the two counties of Buskerud and Vestfold, while the population in the other two counties of Telemark and Østfold has stayed more or less the same.

Since the end of the 1970s population growth has mainly been the result of a migration surplus. A substantial reduction of the number of births during the 1970s resulted in a fairly small natural increase.

Population by age — 1993

	M + F 1 000	M + F %	M %	F %
<15	151.2	18.2	19.0	17.5
15-24	119.6	14.4	15.0	13.9
25-39	176.3	21.3	22.1	20.5
40-54	162.9	19.6	20.2	19.1
55-64	75.0	9.0	9.0	9.1
⩾65	144.3	17.4	14.8	19.9
Total	829.4	100.0	100.0	100.0

Population (1 000)



Resident population of foreign nationality — 1993

	1 000	% of total population
Total	24.6	3.0
of which EU countries	7.7	0.9
of which non-EU countries	16.8	2.0
Denmark	4.3	0.5
Sweden	2.6	0.3
United Kingdom	1.5	0.2
Turkey	1.5	0.2
Yugoslavia	1.5	0.2
Vietnam	1.4	0.2

Demographic account — 1983-93 (1 000)

Population 1.1.1983	802.7
Births	96.0
Deaths	91.8
Net migration	+ 23.2
Population 1.1.1993	829.4

Heavy commuter traffic to the capital region

During the last decade there has been an increase of 18 000 people in the resident labour force in Østland Søndre. The population of working age (16- to 74-years old) makes up 73% of the total resident population. Two-thirds (66%) of the men of working age were employed in 1993, with the figure for women 10% lower (56%).

Immigrants represented 3.2% of employees in the region in 1993 and accounted for nearly a fifth (18%) of all immigrants working in Norway. The largest group of employed immigrants came from West European countries and Asia.

Just over a fifth (22%) of employees in the region have a university or college qualification. This is somewhat below the national average of 25%. The highest educational levels in the region can be found in the cities of Kongsberg and Tønsberg (30% and 28% respectively).

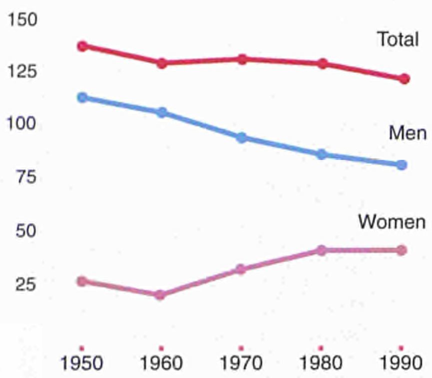
Only 11% of the men work part-time, while 51% of the women do so.

The number of employed residents exceeds the number of persons employed in the region by 30 000. Commuting is especially high from Buskerud and Østfold. The Oslo og Akershus region dominates as the destination for this commuter traffic. Most of the commuter traffic from Vestfold and Telemark is to other areas within the region. The cities of Drammen, Tønsberg, Larvik, Sarpsborg, Fredrikstad, Moss and Porsgrunn are the main destinations for commuters within the region.

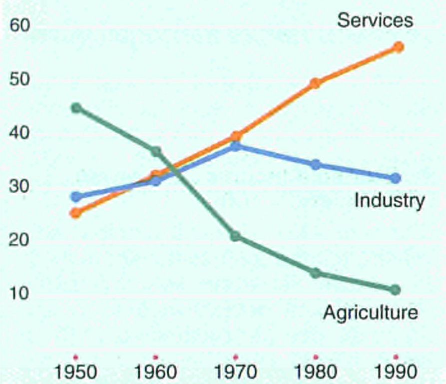
Number of pupils — 1993

	M + F 1 000	F %
Pre-school	3.9	:
Primary	58.2	49.1
Lower secondary	30.2	48.8
Higher secondary (technical)	29.7	43.7
Higher secondary (general)	18.9	56.0
Higher education	27.7	53.4

Employment (1 000)



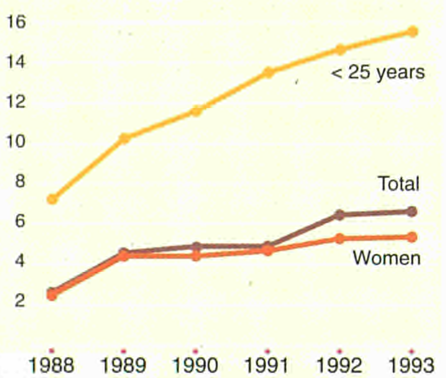
Employment structure (%)



Employment — 1993 (1 000)

Resident employment	337
+ Non-residents having a job in the region	10
– Residents having a job outside the region	37
= Internal employment	310

Unemployment (%)



Employment growth differs by county

Since 1960 the increase in employment in Østland Søndre has been smallest in the county of Telemark, and largest in Buskerud.

In 1950 more than 45% of those employed in Østland Søndre worked in manufacturing, energy and construction, but by 1990 this figure had fallen to 37%. The service sector accounted for about 30% of jobs in 1950, but by 1990 the figure had doubled to 60%. Between 1965 and 1985 jobs in industry fell by almost 20%. The largest redistribution of employment from commodity-producing industries to service industries during the last 20 years took place in the county of Østfold. In the county of Vestfold the number of jobs in industry declined less than elsewhere in the region, falling by only 4% between 1965 and 1985.

Characteristics of resident employment (%)

	< 25 years	25-54 years	⩾55 years	Employees	Employees: part-time	
	1993	1993	1993	1993	1986	1993
Men	10	75	16	88	6	10
Women	12	74	14	94	52	51
Total	11	74	15	91	27	29

High male unemployment due to decline in manufacturing industries

In 1993 the unemployment rate in Østland Søndre was 6.8%, compared with a national average of 6.1%. The rate is especially high for men in the traditional manufacturing districts of the region, such as the central urban areas of the counties of Telemark and Østfold. Government schemes have been introduced to promote employment in the region. In 1993 there where 11 600 persons or 2.9% of the active population involved in such schemes. Long-term unemployment accounted for as much as 40% of the jobless total in Østfold. In the rest of the region about 35% remained unemployed for more than 26 weeks.

Roughly one in 12 (8%) of those without work had university or college qualifications, a figure which is below the national average. As in many other regions, the number of unemployed persons with higher education has increased as a percentage of the jobless total in recent years.

In 1993 the unemployment rate was 5.5% for women and 7.8% for men. The municipalities with highest unemployment were Askim (8%) in the county of Østfold, Svelvik (7.9%) in the county of Vestfold and Porsgrunn and Kragerø (both 7.8%) in the county of Telemark. All four municipalities had an unemployment rate for men of around 9%. In the northwestern areas of the county of Buskerud, where tourism and hydroelectric resources are important to the economy, there is very little or no unemployment.

ØSTLAND SØNDRE

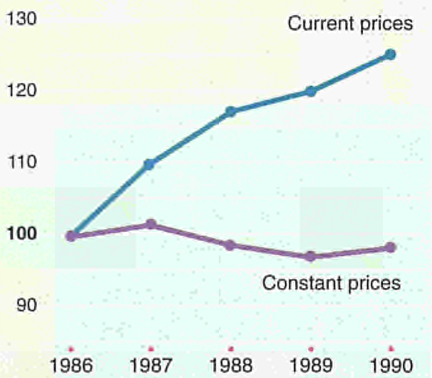
Manufacturing sectors still very important

In spite of a decline in employment, the manufacturing sectors still have a relatively strong position in the region's economy, and all of the 10 largest private enterprises are to be found in this sector.

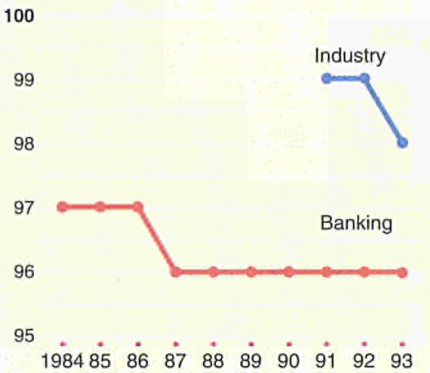
In 1993 there were about 369 000 resident employed persons in the region, an increase of only 3 000 since 1983. Community, social and personal services added 25 000 jobs in the last decade, while the number of jobs in manufacturing, energy and construction fell by 20 000. Female employment increased by 16 000 and male employment went down by 13 000 from 1983 to 1993. In the counties of Telemark and Østfold almost 30% of those employed still work in manufacturing, energy and construction. The manufacturing industry is dominated by paper and paper products in Østfold, industrial chemicals in Telemark and fabricated metal products, machinery and equipment in the counties of Buskerud and Vestfold.

The average size of industrial establishments and value-added per employee roughly match the figures for the country as a whole. Research and development expenditure per employee in industry is also near the national average. Most research and development-oriented establishments are found in the county of Vestfold and in the most industrialized parts of the county of Telemark.

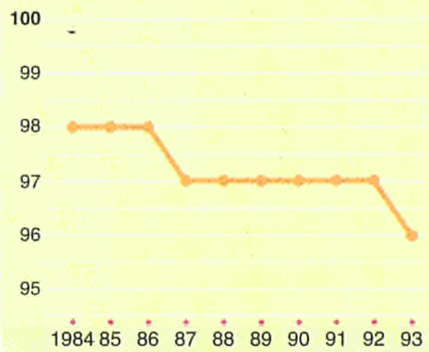
GDP (1986 = 100)



Wages
(national level = 100)



Pensionable income per person
(national level = 100)



Lowest earnings in the lumber industry

Monthly average earnings in the banking sector are higher in Østfold and Vestfold than in Buskerud and Telemark. In 1993 average monthly earnings for banking employees came to ECU 2 299 for men and ECU 1 975 for women, i.e. 86% of the male average. One reason for this difference is that more men than women have senior positions.

At the other end of the scale, industry had the lowest earnings in Østfold and Vestfold. During the 1991-93 period, hourly average earnings in industry in Østfold and Vestfold were below the national average, while in Telemark and Buskerud the average was higher than the national figure. The region as a whole had a level of earnings below the national average.

The highest average hourly earnings from 1991 to 1993 were in the branches of chemicals and chemical petroleum, coal, rubber and plastic products (ECU 13.00). The lowest average hourly earnings were in the lumber industry (ECU 10.48) and in the textile, clothing and leather industries (ECU 10.95).

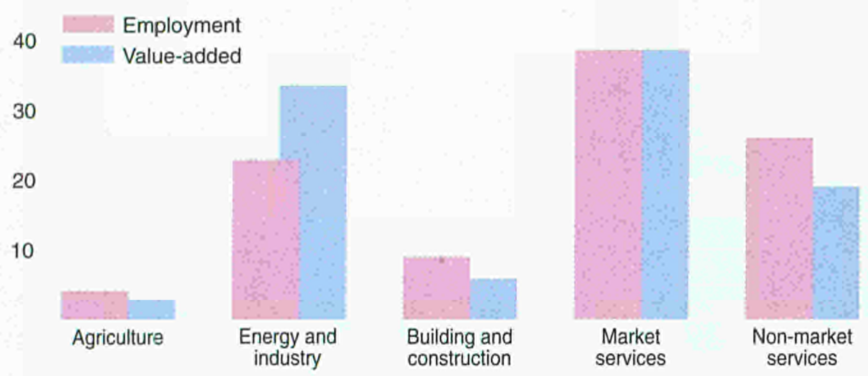
During this period average earnings for women in industry stood at about 87% of the average for men. The wage differences were highest in the chemical, chemical petroleum, coal, rubber and plastic industries and lowest in the lumber industry, where women earned about 95% of men's average hourly earnings (ECU 10.52 and ECU 10.03).

Small variation in pensionable income within the region

Average pensionable income in Østland Søndre in 1993 was ECU 17 933. This was slightly below the average for the whole country, which was ECU 18 605. Well over half (57%) of the inhabitants in this region have pensionable income. Among women with pensionable income the regional average is ECU 13 478, whereas for men it is ECU 21 751.

Within the region Telemark has the lowest, and Buskerud the highest average figures for pensionable income, with Buskerud 6% above Telemark. If the Norwegian counties are ranked by pensionable income, Buskerud is in fifth place and Telemark in ninth.

Employment and value-added: distribution by branch — 1990 (%)



Many important export-oriented branches

Agriculture and forestry account for only about 4% of jobs in Østland Søndre, which means that agriculture is not significant to the economy. Grain crops are the most important agricultural products.

The regional figure of 30% of employment in manufacturing, energy and construction is well above the national average. In export-oriented branches, such as the manufacture of paper and paper products and industrial chemicals, the region has a considerable share (about 70%) of national production. There are also important enterprises in the manufacture of metal products, machinery and electrical apparatus. The county of Vestfold has experienced growth in the manufacture of high-tech electronics. The traditional shipbuilding industry along the coast of the Oslofjord has, however, suffered a major decline in the last decade.

The employment shares of market and non-market services in the region are, respectively, slightly below and equal to the national average. As in the other regions, the wholesale and retail trade and local government services are important activities from an employment point of view.

Agriculture

Number of holdings	16 930
Labour force	12 642 AWU
Agricultural area	201 092 ha
Livestock	172 920 LU
Gross value-added	24 805 ECU/AWU

Main products	
Grain	29%
Livestock for slaughter	18%
Flowers	11%

Main enterprises

Name	Activity
ABB Distribusjon AS	Electrical equipment
ABB Energi AS	Construction
Borregaard Industries Ltd	Industrial chemicals
Jotun A/S	Paints, varnishes and lacquers
Kværner Eureka AS	Machinery
Norske Skogindustrier AS	Paper and paperboard
Norsk Forsvarsteknologi AS	Machinery
Norsk Hydro Produksjon AS	Crude oil and natural gas production
Rieber & Søn AS	Manufacture of food products
Stabburet AS	Preparation and preservation of meat

High emissions due to heavy industries

Some of the country's most important manufacturing/chemical industries are located in Østland Søndre. The wood-processing industry in Østfold and Norsk Hydro's fertilizer and plastic production in Telemark are of major importance to the economy, but they also have a heavy impact on the environment. Significant environmental problems are emissions to air and water recipients from heavy industry and eutrophication.

Of the total area of the region, 5% is agricultural land. Of this, 71% is grain-producing and 21% is meadowland. Grain production is concentrated in the southern parts of the region, while grazing and animal husbandry are more prevalent in the northern parts.

Østland Søndre has by far the highest consumption per capita of coal, coke, gas and black liquor. These are used as energy sources in industry. Total energy consumption per capita was 202 GJ in 1992, compared with a national average of 176 GJ. Electricity supplied 42% of total energy requirements.

Due to heavy industry, Østland Søndre has the highest emission of carbon dioxide per capita in the country. The total emissions of sulphur dioxide and nitrogen dioxide are also higher than the national average. Emissions from mobile sources (like motorized vehicles, ships, etc.), however, are very close to the average for the country as a whole.

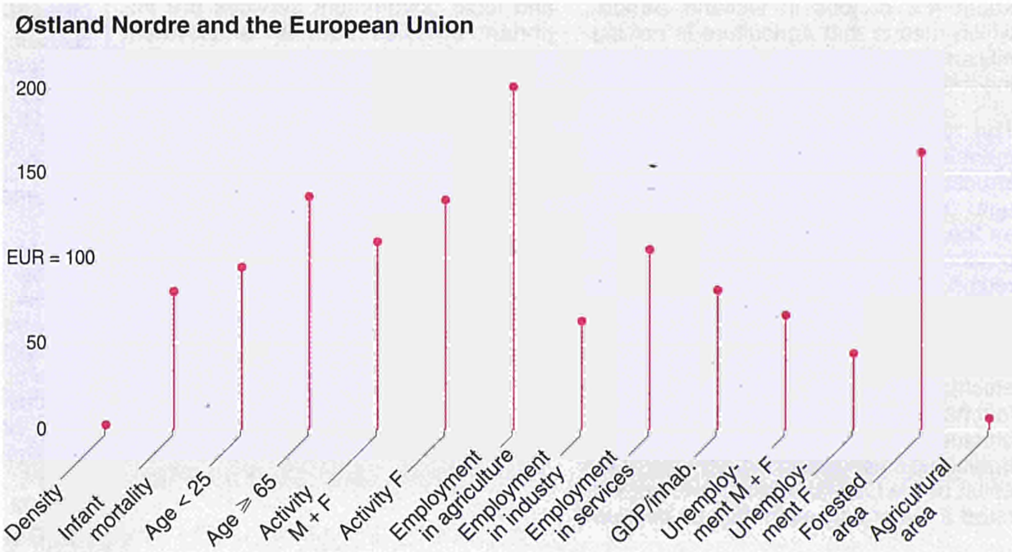
In 1992 municipal waste totalled 547 kg per capita and was evenly divided between household and industrial waste. About 60 kg of the waste per capita was recycled, of which about two-thirds was household waste.

In 1991 an estimated 83% of the region's population was connected to waste-water cleaning facilities. In 1993 the total treatment capacity was 1.08 million population units (p.u.), giving about 1.30 p.u. per capita, and 'high-grade' cleaning (including a biological and/or chemical phase) represented 93% of the capacity.

NORWAY

ØSTLAND NORDRE

Winter in Lillehammer, where the Olympic Games took place in February 1994. Mjøsa in the background is the largest lake in Norway.



Østland Nordre (Northeastern Norway) comprises the two counties of Hedmark and Oppland, which are further divided into 48 municipalities. The main centres are Hamar and Lillehammer, the county capitals.

The region is quite mountainous, especially in the western and northern parts, where the highest districts of Jotunheimen, Dovrefjell and Rondane are to be found. The richest agricultural areas are located around Lake Mjøsa, the largest in Norway. The principal valleys are Gudbrandsdalen and Østerdalen, with the latter carrying Norway's longest river, the Glomma. The most extensive forests in Norway are to be found between the Swedish border and the Glomma river, making Østland Nordre the country's most important forestry region.

Sheltered by the mountains in the west, the region has an inland climate with warm summers and cold winters.

Transport systems are well developed, with the main road and rail links between Oslo and Trondheim passing through the region.

Population is mainly concentrated in the areas surrounding Lake Mjøsa and along the principal valleys, while large areas of the mountainous north are virtually uninhabited.

Agriculture and forestry provide jobs for a considerable part of the labour force. Industry is centred on the areas round Lake Mjøsa. Tourism is important to the economy and the region is especially famous for winter sports.

Rural areas experience population losses

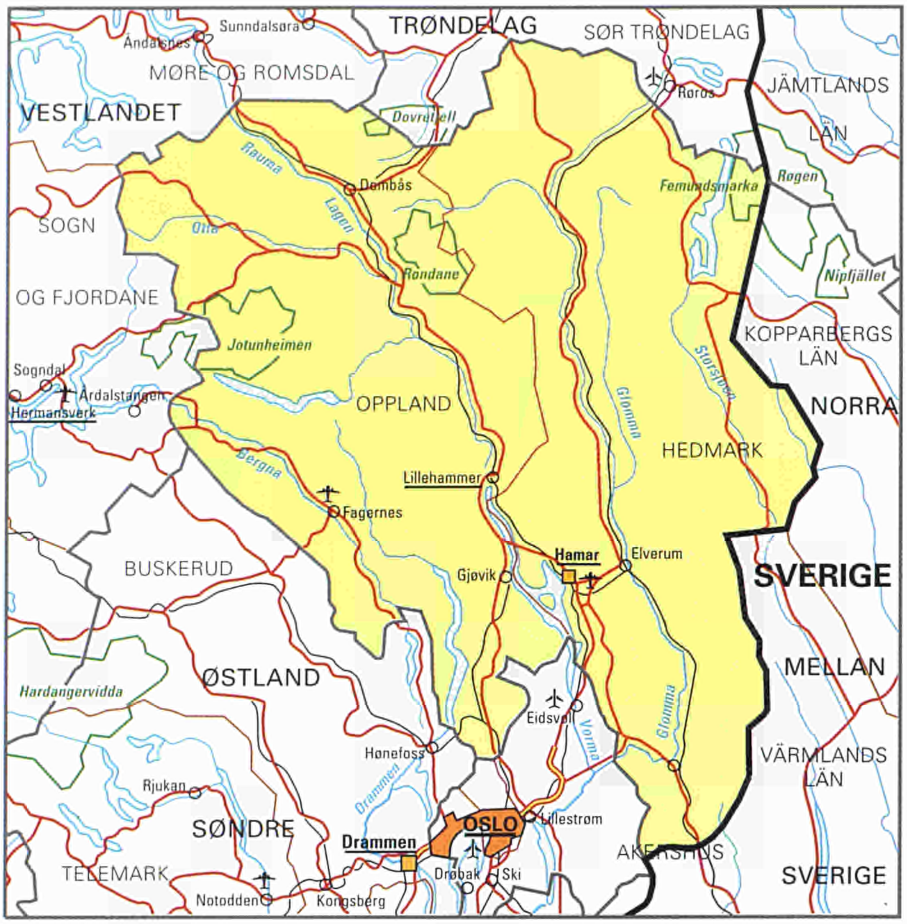
Strengths:

- several important communication routes passing through the region;
- mountainous scenery an attraction for tourists;
- potential positive impact of Norway's new international airport on economic development, especially in the southern parts of the region;
- reputation of the region enhanced by hosting the Winter Olympics in 1994.

Weaknesses:

- serious out-migration from large parts of the region, especially to the capital (in many places the loss of younger people has resulted in a much higher than average age of the population; loss of population also means problems for many market and non-market services);
- relatively low income level;
- the only region with no access to ports for international trade;
- declining employment in agriculture and in food-processing industries.

ØSTLAND NORDRE



Scale: 1 : 3 000 000

Which EU regions are similar to Østland Nordre?

Population:
± 370 000 inhabitants
Martinique (F)
Zeeland (NL)

Employment:
± 10% in agriculture
± 65% in services
Bretagne (F)
Valle d'Aosta (I)

Activity rate:
±65%
South East (UK)
Danmark

Intraregional imbalances reflect a north-south divide

There are differences in both industrial structure and settlement patterns between the more densely populated areas around Lake Mjøsa and the interior valley and mountain areas.

Most of the manufacturing industries are to be found in the areas around Lake Mjøsa. In both Hedmark and Oppland about 20% of people in employment work in manufacturing, energy and construction. In Hedmark the manufacturing industries are dominated by food processing and the manufacture of wood and wood products. In Oppland the main manufacturing industries are machinery and transport equipment, followed by wood and wood products. Tourism is more important in Oppland than in Hedmark. There is a great deal of daily commuting towards Oslo og Akershus from the southern parts of both counties, but there is also weekly commuting to Oslo og Akershus from other parts of the region, traditionally to jobs in construction.

The out-migration in many of the north-western, northern and eastern districts has resulted in population losses causing problems in maintaining many market and non-market services.

The highest rates of unemployment in the region are to be found in municipalities with primary industry or less central municipalities with mixed service and manufacturing sectors. The lowest rates are in the region's outermost areas. Unemployment is highest in the less peripheral areas, while the towns show unemployment rates close to the regional average. There are considerable differences between the rates for male and female unemployment in the region. Male unemployment rates are higher in nearly all municipalities, except in the peripheral municipalities of Oppland, where the rates are similar.

	Area	Population			Activity	Unempl.	Employment			GDP/inhab.
	1 000 km²	1 000	Inhab./km²	Change (%)	%	%	% Agricult.	% Industry	% Services	EUR (PPS)=100
		1993	1993	1983-93	1993	1993	1993	1993	1993	1992
Hedmark	27.4	187	6.8	– 0.2	64.0	6.8	8.9	24.2	67.0	85
Oppland	25.2	183	7.3	0.3	67.1	6.9	10.6	24.6	64.8	78
Østland Nordre	52.6	370	7.0	0.0	65.5	6.8	9.8	24.4	65.9	81
Norge	323.8	4 299	13.3	4.3	68.2	6.1	5.5	22.7	71.6	106
EUR 12	2 358.2	347 938	147.5	3.2 (1980-90)	55.4 (1992)	10.4	5.8 (1992)	32.6 (1992)	61.2 (1992)	100

ØSTLAND NORDRE

Deaths exceed births

Østland Nordre, the only landlocked region in the country, has 9% of Norway's population. The heartland of the region is the area around Lake Mjøsa, where more than four out of 10 of its residents live. The majority of the population is settled close to rivers and major lakes in the lower lying areas. The northern part of the region is very sparsely populated.

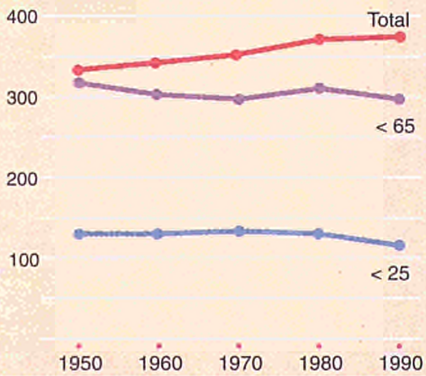
No other region in Norway has such an elderly population as in Østland Nordre. The proportion of the population for all age groups below 40 is below the national average, while for ages over 60 the proportion is far above the national average. This is due to low fertility for several decades.

Unlike all the other Norwegian regions, the number of deaths has exceeded the number of births since 1976. Thanks to positive net migration, the number of residents has been stable during the last 10 years, while the population was growing slightly in the preceding decades. Only the towns in the region have had a population growth rate close to the national average, while several peripheral municipalities have experienced population losses as a result also of considerable out-migration.

Population by age — 1993

	M + F 1 000	M + F %	M %	F %
<15	63.9	17.3	17.9	16.6
15-24	52.8	14.3	14.9	13.7
25-39	74.9	20.2	20.9	19.6
40-54	72.0	19.4	19.8	19.1
55-64	35.3	9.5	9.5	9.6
⩾65	71.1	19.2	17.1	21.3
Total	369.9	100.0	100.0	100.0

Population (1 000)



Resident population of foreign nationality — 1993

	1 000	% of total population
Total	8.2	2.2
of which EU countries	1.9	0.5
of which non-EU countries	6.3	1.7
Denmark	1.1	0.3
Sweden	1.1	0.3
Bosnia-Herzegovina	0.8	0.2
Iran	0.8	0.2
Vietnam	0.7	0.2
Yugoslavia	0.6	0.2

Demographic account — 1983-93 (1 000)

Population 1.1.1983	369.9
Births	40.4
Deaths	45.3
Net migration	+ 5.6
Population 1.1.1993	369.9

The only region experiencing a decline in the labour force

During the last decade there has been a decrease of 4 000 persons in the resident labour force in Østland Nordre. The population of working age (16- to 74-years old) makes up 73% of the total resident population. In 1993 the percentage of men and women of working age in employment was 65% and 56% respectively.

In the same year 1.6% of the employees in the region were immigrants, who represented only 4% of the total immigrant work force in Norway. The largest group of employed immigrants came from West European countries and Asia.

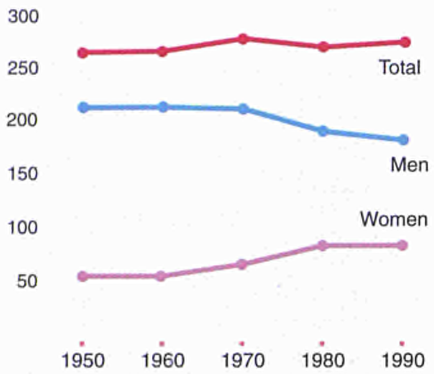
A fifth (20%) of the employees in the region have university or college qualifications. This is below the national average of 25%. The highest educational levels in the region are in the cities of Lillehammer and Hamar, with about 32% and 29% respectively. This is due to the fact that they are the two main educational and administrative centres. Only 11% of the men work part-time, while 52% of the women do so.

The number of residents employed exceeds the number of persons employed in the region by about 11 500. According to the 1990 population and housing census, more than 60% of the commuters to areas outside the region travel to Oslo og Akershus. Inside the region the main commuter traffic is to the municipalities of Hamar, Lillehammer, Gjøvik, Kongsvinger, Vestre Toten and Stange.

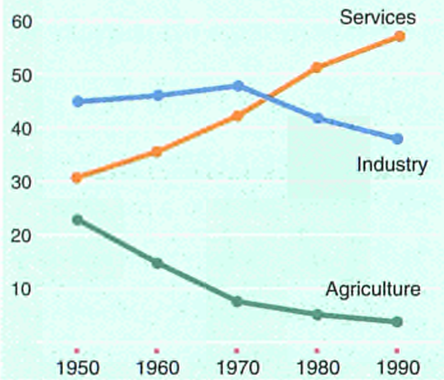
Number of pupils — 1993

	M + F 1 000	F %
Pre-school	0.8	:
Primary	24.8	48.1
Lower secondary	12.9	49.1
Higher secondary (technical)	13.6	42.6
Higher secondary (general)	8.2	57.8
Higher education	12.6	55.5

Employment (1 000)



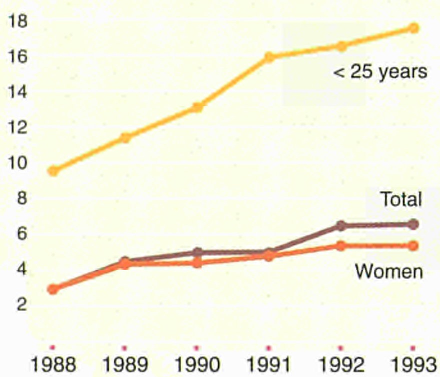
Employment structure (%)



Employment — 1993 (1 000)

Resident employment	144
+ Non-residents having a job in the region	4
– Residents having a job outside the region	14
= Internal employment	133

Unemployment (%)



Employment down in last decade

Østland Nordre has lost 9 000 jobs in the last decade. Male employment decreased by almost 19 000 but was partially offset by a rise of 10 000 in the number of women working.

In 1950 more than 45% of the employed population in Østland Nordre worked in agriculture and forestry, but by 1990 this share had fallen to just 12%. While only one in four persons worked in the service sector in 1950, the ratio had changed to one in two by 1990.

As elsewhere in rural parts of Norway, there has been a major redistribution of employment from commodity producing industries to the service sector. However, Hedmark is one county in Norway that has experienced a relatively large increase in the number of jobs in industry in the last 30 years, while the county of Oppland has experienced just a slight increase.

Characteristics of resident employment (%)

	< 25 years	25-54 years	≥ 55 years	Employees	Employees: part-time	
	1993	1993	1993	1993	1986	1993
Men	9	73	18	82	6	11
Women	11	73	16	92	52	52
Total	10	73	17	86	27	31

High unemployment in the rural districts

In Østland Nordre the unemployment rate was 6.8% in 1993, compared with a national average of 6.1%. The highest unemployment rates in the region are to be found in farming municipalities or less central municipalities with mixed manufacturing and service sectors. Along with Trøndelag this region has the highest rate of unemployment in Norway (17.5%) among young persons under 25. Government measures have been introduced to promote employment in the region. In 1993 there were 5 118 persons or 2.9% of the active population involved in government schemes to promote employment. Long-term unemployment accounted for 31% of the jobless total in the region.

Among the unemployed approximately 6% have a university or college degree. This is far below the national average and reflects the region's low proportion of people with higher education.

In 1993 the unemployment rate was 5.4% for women and 8.0% for men. The highest rates were in the municipality of Sel (8.4%) in Oppland county and in the municipalities of Nord-Odal (8.3%) and Trysil (8.1%) in the county of Hedmark. Sel also has the highest rate of unemployment among women with 8.4% and Nord-Odal and Trysil have the highest unemployment rate among men with 10%. In contrast, Tolga and Alvdal in the county of Hedmark have an unemployment rate of only 2%.

ØSTLAND NORDRE

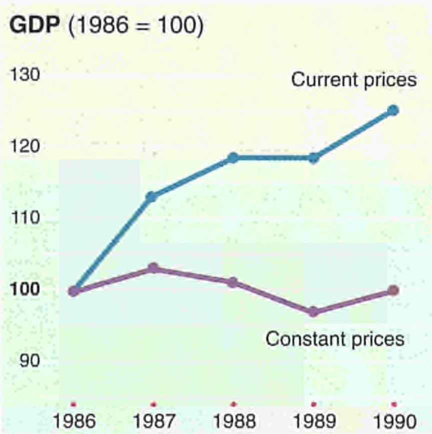
Main area of forestry and agricultural products

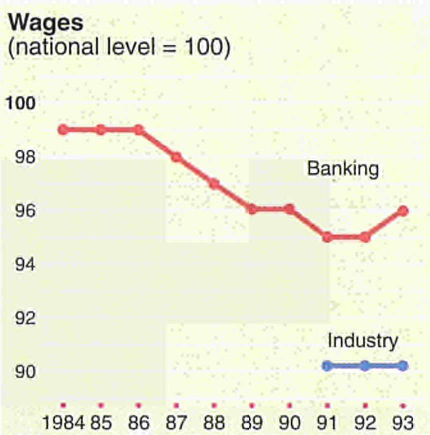
In spite of a decline in employment, industry still has an important position in the region's economy. All of the 10 largest private enterprises are to be found in the manufacturing sector.

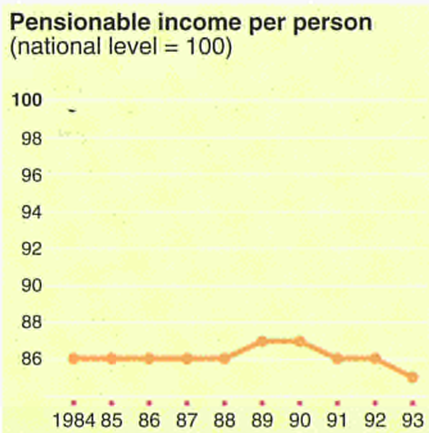
In 1993 there were about 164 000 resident employed persons in the region, a decrease of 9 000 since 1983. Community, social and personal services have gained 5 000 jobs, however, together with the wholesale and retail trade and hotels and catering (also up by 5 000). The sectors which shed jobs were agriculture and forestry (down by 8 000), industry (5 000) and construction (4 000).

Despite the decline in resident employed persons, female employment increased by 10 000 between 1983 and 1993, offsetting to some extent the loss of 19 000 male jobs. Food processing and the manufacture of wood and wood products still dominate industry in the region, in fact this is the main area for forestry and one of the main areas for agriculture in Norway.

Industry is characterized by small establishments and value-added per employee is well below the national average. Research and development expenditure per employee in industry is close to the national average.







The region with the lowest earnings in industry

Average monthly earnings in the banking sector in 1993 were ECU 2 282 for men and ECU 1 977 for women, with women's earnings representing 85% of the average levels for men. Earnings levels in this sector were almost the same in Hedmark and Oppland (ECU 2 142 and ECU 2 120 respectively).

Of the seven regions in the country, Østland Nordre has the lowest average earnings in industry, with the average level of earnings about 10% below the national average.

The highest average hourly earnings for the years 1991 to 1993 were in the paper, printing and publishing industries. Average hourly earnings for men and women in 1993 were ECU 12.70. The lowest wages were in the textile, clothing and leather industries, where average hourly earnings amounted to ECU 9.81. Average hourly earnings for men and women throughout the region were ECU 11.02 in 1993.

This region had the lowest wage differences between men and women, with women earning on average only 6% less than men.

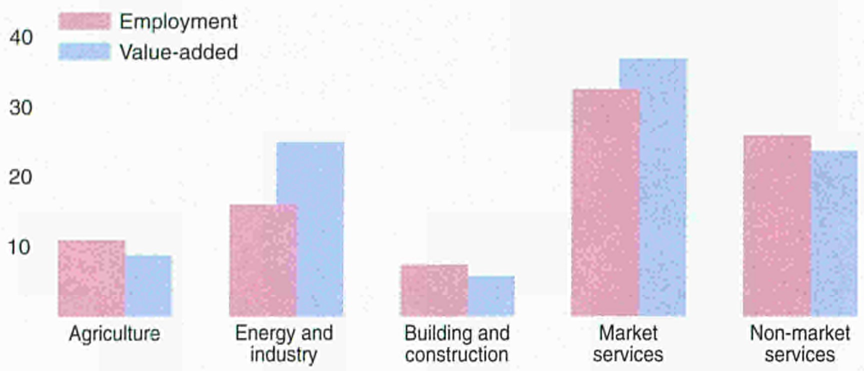
The region with the lowest average pensionable income

Average pensionable income in Østland Nordre in 1993 was ECU 15 871. This was the lowest average among the country's seven regions, and 15% below the average for the country as a whole. The percentage of inhabitants in this region with pensionable income (58%) is about the same as the average for the whole country.

Among women the average pensionable income is ECU 12 748, while the corresponding figure for men is ECU 18 599. This is lower than in any other region for both men and women.

The region consists of two counties, and on a ranking list of counties they occupy the last two places, with Hedmark at the bottom. If only women are considered, they do not rank last but take the 13th and 14th places in the county ranking.

Employment and value-added: distribution by branch — 1990 (%)



Employment in agriculture twice the national average

Agriculture and forestry provide about 12% of the region's jobs, a figure which is twice the national average. As in other regions, agriculture's share of employment has been declining. The region contains some of Norway's most important farming areas, producing grains, milk and meat products. The county of Hedmark produces about 30% of the national value-added in forestry.

The figures for employment and value-added in industry are in line with the national averages. The most important manufacturing industries are food processing and manufacture of wood and wood products. These industries are partly based on the processing of locally produced agricultural and forestry resources.

In the case of the wholesale and retail trade and other market services, their share of employment is somewhat below the national average. Tourism is of growing importance in many parts of the region. Local government provides about 25% of jobs in the region, a figure which is well above the national average.

Agriculture

Number of holdings	16 026
Labour force	15 669 AWU
Agricultural area	206 978 ha
Livestock	219 145 LU
Gross value-added	22 915 ECU/AWU

Main products	
Livestock for slaughter	27%
Milk	26%
Grain	19%

Main enterprises

Name	Activity
Dynoplast AS	Manufacture of plastic containers
Hedmark Energi AS	Electricity supply
Hedmark Oppland Slakterier	Abattoirs
Langmoen AS	Sawing and planing of wood
Mustad O & Søn AS	Manufacture of sporting goods
Norema AS	Manufacture of fixtures
Norske Skogindustrier AS	Paper and paperboard
Raufoss AS	Machinery
Stabburet AS	Preparation and conservation of meat
Østlandsmeieriet AL	Dairies

The region with the highest consumption of petrol and diesel fuel

Østland Nordre is the only region without access to the sea. Large parts are mountainous, and the region has rich forestry resources. Environmental problems of significance are eutrophication of water recipients, including Lake Mjøsa, Norway's biggest lake.

Agricultural land occupies 3.7% of the region's total area. Because of the low population density, this gives 0.53 hectares per capita, the highest figure of any region in the country. Of the area used for agriculture, 44% is grain-producing and 46% meadowland. As in Østland Søndre, the crop land is concentrated in the south, while the meadows and animal husbandry are generally located in the northern parts of the region.

Total energy consumption is a little lower than the national average, but Østland Nordre has the highest consumption of petrol and diesel fuel per capita in the country. The population is scattered and there is consequently a high demand for transport. A little over 38% of total energy consumption is provided by hydroelectric power, the lowest figure among the country's seven regions.

Emissions per capita from mobile sources are the highest in the country. The region also has the highest total emissions of nitrogen oxide. Total emissions of sulphur dioxide and carbon dioxide are well below the national average.

The region generates less municipal waste than the country as a whole, with 482 kg per capita in 1992. The figure for household waste was close to the national average, while industrial waste was only about 60% of the national average per capita. The amount of waste that was recycled matched the national average exactly, at 38 kg per capita. Industrial waste accounted for 55% of recycled waste.

The entire population was connected to waste-water cleaning facilities in 1992. Total treatment capacity in 1993 was 441 000 population units (p.u.), giving about 1.19 p.u. per capita, and 'high-grade' cleaning (including a biological and/or chemical phase) represented 100% of the capacity.

NORWAY

AGDER OG ROGALAND

The region of Agder og Rogaland includes the three counties of Aust-Agder (East Agder), Vest-Agder (West Agder) and Rogaland, which are further divided into 56 municipalities. The main towns in the region are Stavanger, the county seat of Rogaland, and Kristiansand, the county seat of West Agder and the main centre of southern Norway.

The region lies between the North Sea in the southwest and its arm, the Skagerrak, in the southeast. In the north the region has borders with Vestlandet and Østland Søndre.

Apart from the two main centres, most of the inhabitants live in small coastal towns and villages. The interior of the region consists of mountains, valleys and forested areas and is sparsely settled.

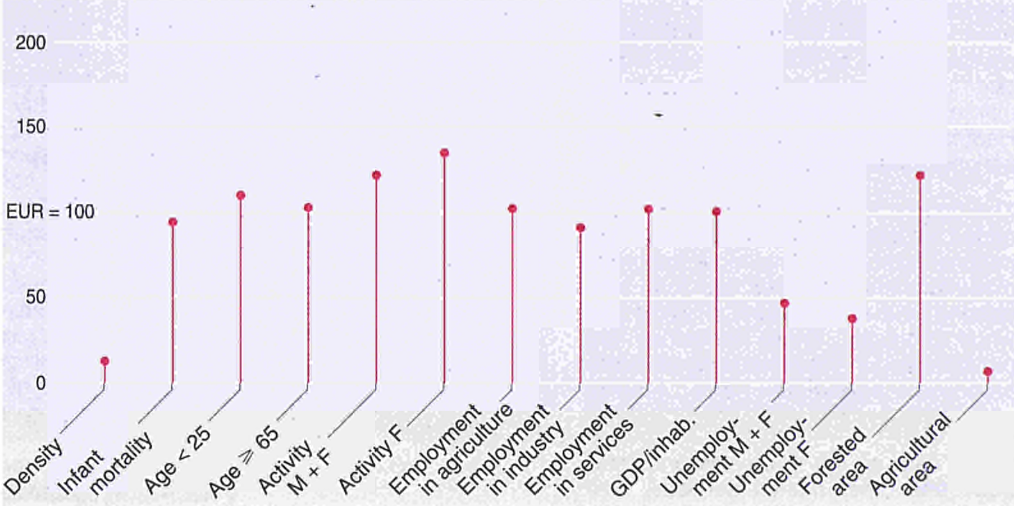
The main industrial activities are to be found in and around Stavanger and Kristiansand. Stavanger is the main base for the oil and natural gas operations in the North Sea. Small diversified commercial activities are to be found all along the coastline. The Jæren plain, south of Stavanger, boasts the highest yields of any agricultural area in Norway. The mild marine climate favours horticulture, which is well developed in the coastal area.

The road system is well developed along the coast. Several ferry routes connect the region to the European mainland and to Great Britain.

The scenic coastline has developed to become Norway's foremost summer vacation area.

Risør, a typical small coastal town in southern Norway. The idyllic coastline has developed into Norway's foremost summer vacation area.

Agder og Rogaland and the European Union



Future prospects more uncertain for oil production

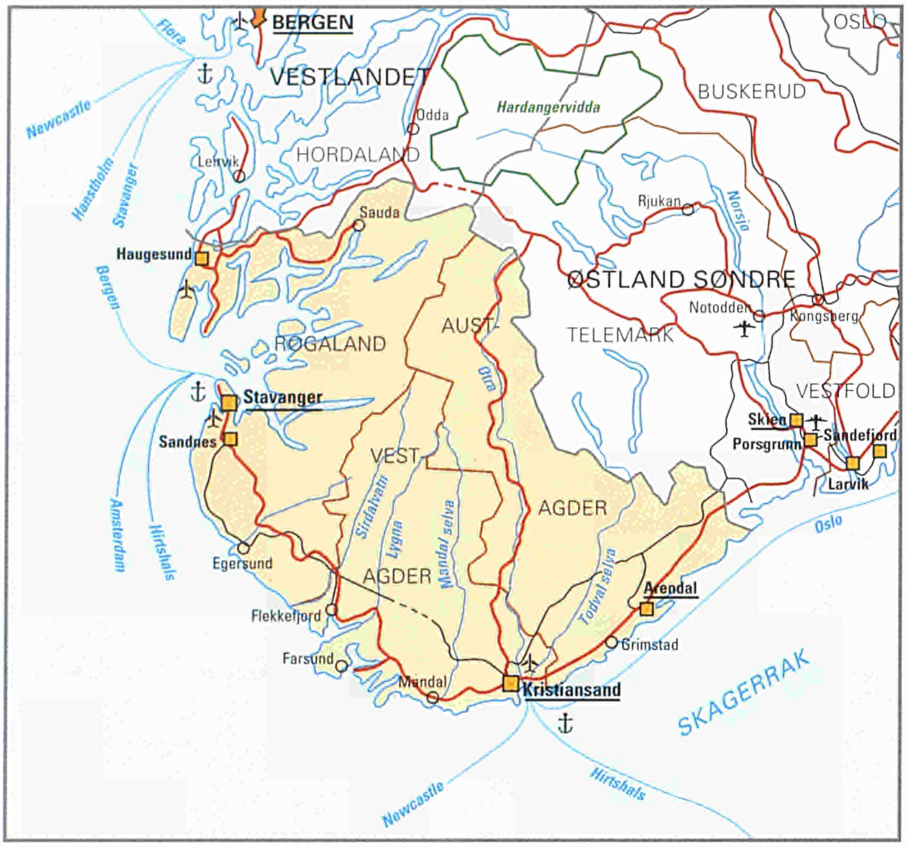
Strengths:

- young and large labour force, due to high net in-migration in recent decades and higher than average fertility;
- attractive areas for living in the southernmost part of Norway, where the climate is milder than in many other parts of the country;
- more stable population, with relatively low rates of in- and out-migration;
- strong positive impact on economic activities in the region in the last two decades thanks to the development of North Sea oil and gas production;
- good communications connecting the region to the European mainland and Great Britain.

Weaknesses:

- an economy, especially in the western part of the region, heavily based on oil and gas production and connected services; reduced investment in the oil and gas sector could have a negative impact on the region in the future;
- potential risk of high unemployment because of the relatively strong increase in the population of working age.

AGDER OG ROGALAND



Scale: 1 : 3 000 000

Which EU regions are similar to Agder og Rogaland?

Area:
± 25 500 km²
Piemonte, Sicilia (I)
Champagne-Ardenne, Poitou-Charentes (F)

Population:
± 600 000 inhabitants
Friesland, Groningen (NL)
Anatoliki Makedonia, Thraki (GR)

Unemployment rate:
± 5%
Oberösterreich, Wien (AT)
Bayern (D)

Two main centres

There are many differences between the two Agder counties and the county of Rogaland. The economic activities in the latter are geared more to agriculture and industry, especially in connection with oil and gas production in the North Sea.

The region includes the two main centres of Kristiansand and Stavanger. The former is the centre of the Agder counties, while Stavanger has the same function for the county of Rogaland. The links between the Agder counties and the county of Rogaland are less significant.

As in many other regions in Norway, there are differences between the more densely populated coastal areas and the more sparsely populated interior.

Almost a third of all jobs located in Rogaland are in manufacturing, energy and construction, compared with 25% in the two Agder counties. Fabricated metal products, machinery and equipment are the principal manufactured products in all three counties, accounting for 55% of the jobs in Rogaland and East Agder and 33% in West Agder. Production of basic metals, paper and paper products, printing and publishing are also important in West Agder, as is food processing in Rogaland. The latter county also has two out of every three people employed in agriculture in the region because of the Jæren plain, south of Stavanger, which produces the highest yields of any agricultural area in Norway. With 100% of the region's employees in crude petroleum and natural gas production, 99% of the region's employees in oil-well drilling and 80% of the region's employees in business services, Rogaland clearly shows its importance as the area for oil and gas production and related services.

Unemployment is considerably higher in Agder than in Rogaland, and the percentage of those suffering from long-term unemployment is also higher in Agder. There is also a considerably higher percentage of men out of work in the Agder counties, unlike Rogaland where the differences between the unemployment rates for men and women are small. All three counties present a similar pattern, with high unemployment in traditional manufacturing districts along the coast and the lowest rates in peripheral and sparsely populated areas. The county of West Agder shows the highest percentage of unemployed people with a university or college degree, while the county of East Agder has the lowest.

	Area	Population			Activity	Unempl.	Employment			GDP/inhab.
	1 000 km²	1 000	Inhab./km²	Change (%)	%	%	% Agricult.	% Industry	% Services	EUR (PPS)=100
		1993	1993	1983-93	1993	1993	1993	1993	1993	1992
Øst-Agder	9.2	98	10.7	6.1	64.3	6.2	3.5	27.3	68.4	82
Vest-Agder	7.3	147	20.2	6.1	65.6	6.3	3.3	27.9	68.0	99
Rogaland	9.1	347	37.9	10.9	71.3	4.4	6.1	30.4	62.8	108
Agder og Rogaland	25.6	592	23.1	8.8	68.7	5.1	5.1	29.4	64.9	101
Norge	323.8	4 299	13.3	4.3	68.2	6.1	5.5	22.7	71.6	106
EUR 12	2 358.2	347 938	147.5	3.2 (1980-90)	55.4 (1992)	10.4	5.8 (1992)	32.6 (1992)	61.2 (1992)	100

AGDER OG ROGALAND

High population growth largely due to many births

The inhabitants of Agder og Rogaland generally live along the coast, where the major towns of Stavanger and Kristiansand are located. The hinterland is very sparsely populated. The region is home to 14% of Norway's population.

The population in the county of Rogaland is the youngest in Norway. It has the highest proportion of children of any county in the country and is one of the counties with the lowest percentage of elderly people. The population structure in the other two counties of East Agder and West Agder is not significantly different from the national pattern.

Each of the three counties has a population growth rate which is above the national average, but the region's increasing share of Norway's population is due mainly to high population growth in parts of Rogaland. At a lower regional level, the major growth areas are the Stavanger-Sandnes and Kristiansand urban regions.

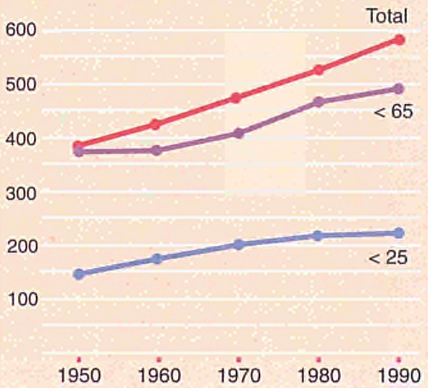
By Norwegian standards, the region has experienced large positive net migration since the 1970s, primarily as a result of Stavanger's becoming the oil capital of Norway.

The favourable age structure of the population, along with high fertility, makes natural growth a more important factor than migration. The two factors combined mean that in terms of population the region is growing almost as fast as Oslo og Akershus.

Population by age — 1993

	M + F 1 000	M + F %	M %	F %
<15	129.4	21.8	22.5	21.2
15-24	90.6	15.3	15.7	14.9
25-39	132.9	22.4	23.1	21.8
40-54	107.3	18.1	18.7	17.5
55-64	46.6	7.9	7.8	7.9
≥65	85.3	14.4	12.0	16.7
Total	592.1	100.0	100.0	100.0

Population (1 000)



Resident population of foreign nationality — 1993

	1 000	% of total population
Total	24.2	4.1
of which EU countries	7.9	1.3
of which non-EU countries	16.3	2.8
USA	3.7	0.6
United Kingdom	3.1	0.5
Denmark	2.6	0.4
Bosnia-Herzegovina	1.3	0.2
Vietnam	1.2	0.2
Sweden	1.1	0.2

Demographic account — 1983-93 (1 000)

Population 1.1.1983	544.0
Births	84.6
Deaths	51.9
Net migration	+ 15.5
Population 1.1.1993	592.1

High increases in the resident labour force

During the last decade the resident labour force in Agder og Rogaland has increased by 31 000. The population of working age (16- to 74-years old) makes up 71% of the total resident population. The percentage of those of working age in employment in 1993 was 72% for men and 60% for women.

In 1993 immigrants represented 2.6% of those employed in the region and accounted for about 11% of the total number of immigrants working in Norway. About half of the employed immigrants in Rogaland are in jobs connected with the oil and natural gas industry.

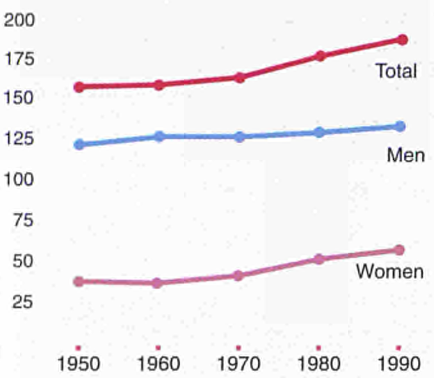
At 23%, the percentage of employees in the region with university or college qualifications is close to the national average of 25%. The highest educational levels in the region are found in Kristiansand and Stavanger, with 29 and 28% respectively. Only 10% of the men work part-time, while 52% of the women do so.

In Agder og Rogaland the number of residents employed exceeds the number of employed persons in the region by less than 2 000. Offshore platforms in the North Sea and Hordaland dominate commuting from the region to other parts of the country. Within the region the main commuter destinations are Stavanger, Arendal, Kristiansand, Haugesund and Sandnes.

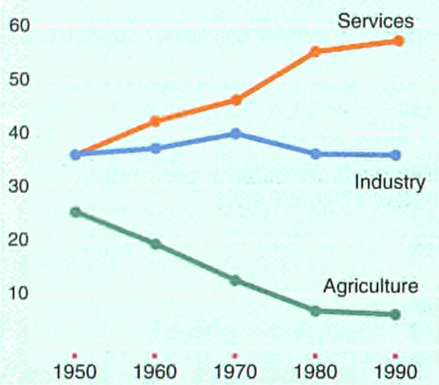
Number of pupils — 1993

	M + F 1 000	F %
Pre-school	2.1	:
Primary	49.1	49.0
Lower secondary	25.0	48.7
Higher secondary (technical)	23.3	41.3
Higher secondary (general)	13.2	55.1
Higher education	21.6	53.7

Employment (1 000)



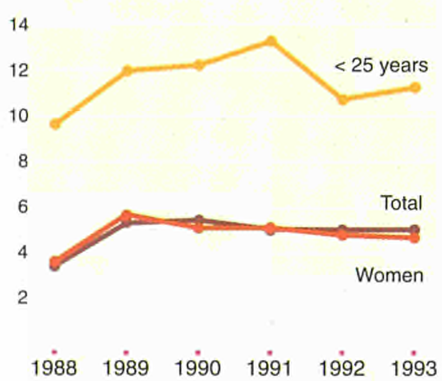
Employment structure (%)



Employment — 1993 (1 000)

Resident employment	247
+ Non-residents having a job in the region	8
– Residents having a job outside the region	9
= Internal employment	245

Unemployment (%)



Highest employment increase in Norway

The region has seen a large rise in employment in recent decades, especially in the county of Rogaland. One main reason for the increase in employment is that Rogaland has become the base for the oil and natural gas operations in the North Sea. While there has been almost no change since the 1970s in the total employment of people working more than 1 000 hours a year in the country as a whole, between 1970 and 1990 this particular region experienced a rise in employment of almost 10%.

In 1950 one in four people worked in agriculture but by 1990 the ratio had dropped to one in 20. The percentage of those employed in the service sector rose from 36 to 58% during the same period, while the percentage of those employed in manufacturing, energy and construction was the same in 1990 as it had been in 1950 (36%). Agder og Rogaland is the sole region in Norway where there has been an increase in male employment (working more than 1 000 hours a year) during the last 20 years. The largest growth came in the county of Rogaland. There has also been a considerable increase in female employment in Agder og Rogaland since the 1970s, especially for women working part-time.

Characteristics of resident employment (%)

	< 25 years	25-54 years	≥55 years	Employees	Employees: part-time	
	1993	1993	1993	1993	1986	1993
Men	11	74	14	89	8	10
Women	13	73	13	94	53	52
Total	12	74	14	91	28	29

Stable unemployment rates for women and young people

In 1993 the unemployment rate in the two Agder counties was about 6.2%, close to the national average, but in Rogaland the rate was only 4.4%. Unlike the other six regions, the rate of unemployment hardly changed between 1988 and 1993 for women and young persons under 25. In East Agder 32% of the unemployment was long-term, while in West Agder and Rogaland no more than 26% stayed unemployed for more than 26 weeks. In 1993, government schemes to promote employment involved 3.7% of the active population in the Agder counties and 1.9% in Rogaland.

More than 8% of those who are out of work have a university or college degree, a figure which is below the national average of just under 10%.

In 1993 the regional unemployment rate was 5.1%, with the rate for men (5.5%) slightly higher than the female rate (4.7%). The municipalities with highest unemployment were Gjerstad (8.4%), Risør (7.4%) and Åmli (6.8%) in East Agder, Mandal (6.7%) in West Agder and Sauda (6.8%) in Rogaland. These municipalities also had the highest unemployment rates for men in the region, ranging from 8.2 to 9.7%. Gjerstad and Farsund were the only two municipalities in the region where the unemployment rate for women reached 6%, with figures of 6.6 and 6.0% respectively. Fourteen municipalities in the region – all but one in Rogaland – had less than 3% unemployment. These were mainly peripheral, rural and sparsely populated areas.

The unemployment rate for immigrants in Norway was 10.7% in 1993, compared with 6.1% for all inhabitants. Immigrants from West European countries and North America have unemployment rates equal to the total population. Most of the immigrant workers in the Agder og Rogaland region belong to this group.

AGDER OG ROGALAND

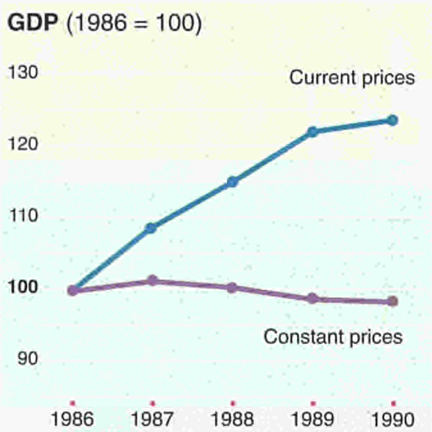
Economy heavily based on manufacturing, energy and construction

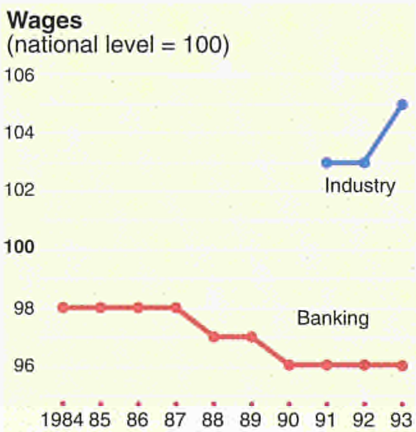
In 1993 there were about 276 000 resident employed persons in the region, an increase of 22 000 since 1983. Female employment increased by 24 000, while male employment went down by 2 000. The biggest increase in the number of jobs in the last decade occurred in community, social and personal services, together with financing, insurance, real estate and business services, which altogether added 28 000 jobs.

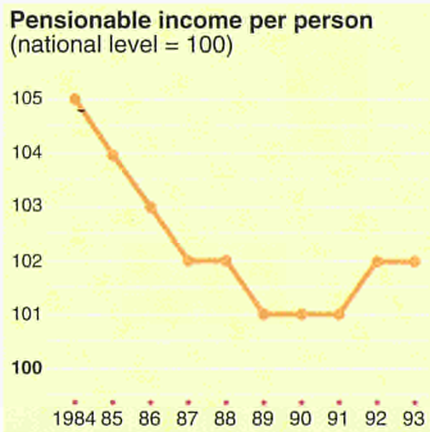
Unlike the rest of the country the manufacturing, energy and construction sector (despite a loss of about 6 000 jobs in the latter) maintained its strong position in the region, and Rogaland has Norway's highest proportion (about 30%) of employed persons working in this sector. Agriculture experienced relatively serious decline, shedding about 6 000 jobs. Fabricated metal products, machinery and equipment are the main manufactured products in the region, with these branches accounting for 55% of jobs in industry in Rogaland and East Agder and 33% in West Agder. Among the largest private enterprises in the region, eight out of 10 are to be found in manufacturing, energy and construction.

In 1993 there were about 79 000 people in Norway employed in the oil and natural gas industry and related activities, with about 23 000 (30%) working in the North Sea fields. With 41 000 employees (52%), Rogaland employs more than half of the active labour force in this sector. Nearly 15 000 (36%) of these workers were employed in the North Sea fields.

Industry in the region is heavily influenced by the production of oil and gas on the Norwegian continental shelf. The average size of manufacturing establishments in terms of employment is clearly higher than in other regions, while value-added per employee is slightly above the national average.







High earnings in manufacturing industry

Average monthly earnings for men in the banking sector were ECU 2 284 in 1993. The figure for women was ECU 1 955 (86% of the male average). Average monthly earnings in each county in 1993 were ECU 2 161 in West Agder, ECU 2 129 in Rogaland and ECU 2 126 in East Agder.

Of the seven regions in the country, the Agder and Rogaland region came second for average earnings in industry. Highest earnings were in printing, publishing and allied industries, which paid an average of ECU 15.25 per hour for men and women in 1993. This was 18% above the regional average for men and women, which in 1993 stood at ECU 12.92. Lowest earnings were in the manufacture of textiles, wearing apparel, leather and leather products, where earnings for men and women in 1993 averaged ECU 10.09 per hour.

Average earnings for women were 82% of the regional level for men. Average hourly earnings in industry for men in 1993 were ECU 13.23, while the figure for women was ECU 10.85.

Large income differences in the region

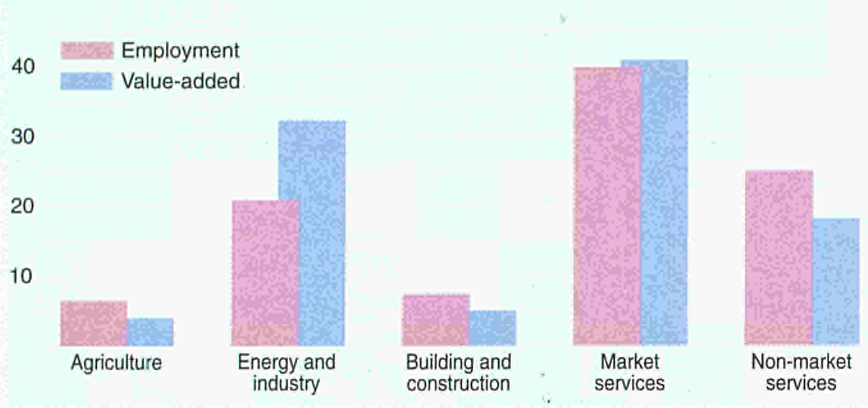
Average pensionable income in the region in 1993 was ECU 19 027. This was slightly above the average for the whole country and placed Agder og Rogaland second in the ranking of regions by pensionable income. The average is ECU 2 843 below the figure for Oslo og Akershus. Some 57% of the region's inhabitants have pensionable income.

Average pensionable income for women is ECU 13 228, which is the second lowest of any region in the country. At ECU 23 886, the figure for men is second only to the level in Oslo og Akershus. This big difference can be explained by the rate of part-time jobs for women, which is substantially higher than the national average, but also by the high salaries paid in the male-dominated offshore oil sector.

Within the region the county of Rogaland has the highest average pensionable income at ECU 20 305. This is ECU 3 382 above East Agder, which has the lowest average in the region. West Agder has an average of ECU 17 294. If the counties of Norway are ranked by pensionable income, Rogaland is in third place, West Agder 10th and East Agder 13th.

AGDER OG ROGALAND

Employment and value-added: distribution by branch — 1990 (%)



Industrial structure heavily influenced by oil and gas operations

The percentage share of jobs in agriculture is the same as the national average. The county of Rogaland has, however, Norway's largest stocks of cattle, pigs and poultry and the highest production of milk, meat and pork. Agricultural production in Rogaland is favoured by fertile soil and a mild climate.

The city of Stavanger in Rogaland was chosen as the 'oil capital' when the production of oil and gas on the Norwegian continental shelf started at the beginning of the 1970s. The industrial structure of the whole region is now influenced by the oil and gas operations in the North Sea. Many of those employed in offshore exploration and drilling activities live in the region, which also accommodates a large proportion of the offices and administrative activities of the oil companies and facilities for the construction and maintenance of oil platforms, etc. There are also many firms providing goods and services for the oil and gas industry.

In traditional manufacturing industries the manufacture of machinery, partly for the oil industry, accounts for about a third of employment in the region, and about another 10% of the workforce is employed in food processing. Employment and value-added in market and non-market services do not deviate much from the respective national figures.

Agriculture

Number of holdings	11 598
Labour force	13 578 AWU
Agricultural area	120 659 ha
Livestock	288 954 LU
Gross value-added	27 333 ECU/AWU
Main products	
Livestock for slaughter	34%
Milk	32%
Flowers	6%

Main enterprises

Name	Activity
Braathens Safe AS	Air transport
Geco AS	Technical services
Haugesund Mek Verksted A/S	Manufacture of oil and gas well machinery
Hydro Aluminium AS	Primary aluminium
Kværner Installasjon AS	Manufacture of oil and gas well machinery
Kværner-Rosenberg AS	Manufacture of oil and gas well machinery
Norwegian Contractors AS	Manufacture of oil and gas well machinery
Phillips Petroleum Company, Norway	Crude oil and natural gas production
Statoil AS	Crude oil and natural gas production
Stavanger Aftenblad AS	Newspaper publishing

Airborne pollution brings acid rain

The region comprises the three southernmost counties in Norway. Significant environmental problems include the acidification of inland waters from acid rain. In Rogaland, with Norway's highest concentrations of livestock, eutrophication of water recipients is a serious local problem.

Agricultural land accounts for 4.6% of the total area of the region. Of the land used for agriculture, 4.5% is grain-producing and 84% meadowland. Because of its intensive animal husbandry, Rogaland has the highest agricultural output of any county in Norway.

Consumption per capita of energy sources based on fossil fuels is close to the national average, while consumption of electricity is a little higher than for the country as a whole. Hydroelectric power accounts for 53% of total energy consumption.

The region's emissions of sulphur dioxide per capita are the second highest in Norway, with most coming from industrial processes. Apart from this, most emissions are close to national levels.

In 1992 Agder og Rogaland headed the ranking for municipal waste with 572 kg per capita. The breakdown between industrial and household waste was in line with the national pattern. Recycling accounted for 60 kg of waste, equally divided between industrial and household waste.

In 1991 an estimated 67% of the population was connected to facilities for wastewater cleaning. In 1993 total treatment capacity was 750 000 population units (p.u.), giving about 1.27 p.u. per capita, and 'high-grade' cleaning (including a biological and/or chemical phase) represented 74% of the capacity.

NORWAY

VESTLANDET

Vestlandet (Western Norway) includes the counties of Hordaland, Sogn og Fjordane and Møre og Romsdal, which are further divided into 98 municipalities. The main centre of the region is Bergen, Norway's second largest city and a former national capital. The region is situated between the coast of the Norwegian Sea in the west and the neighbouring regions of Trøndelag, Northeastern and Southeastern Norway and Agder and Rogaland.

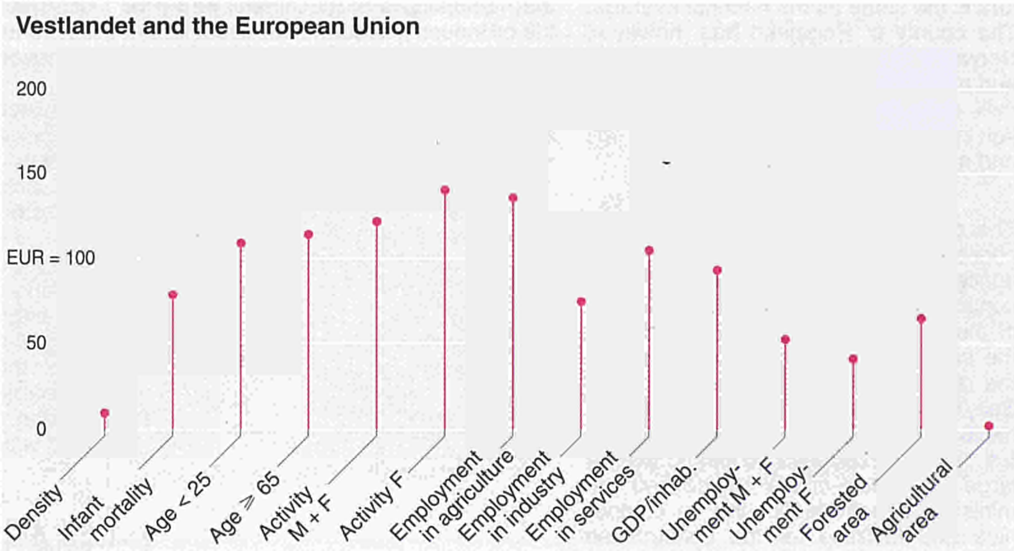
The coastal zone is narrow with numerous offshore islands, while many steep-walled, narrow fjords cut deep into the interior mountain regions. The interior includes part of the Jotunheimen mountains, and further south is the extensive mountain plateau of Hardangervidda. Western Norway has a marine climate, with comparatively cool summers, mild winters and high rainfall.

Most of the inhabitants live in the towns, on the narrow strips of lowland along the coast and the fjords and on the offshore islands. The transport system is well developed in the most populated areas, but the long fjords running east-west create some problems for road transport in the interior.

Industry is important in many places. In the inland parts of the region hydroelectric power has facilitated industrial development. Agriculture is important, particularly along the banks of the fjords, while fishing is important along the coast and especially in the northern areas.

Because of its rugged and picturesque scenery, Vestlandet has become one of the country's main tourist attractions.

The town of Ålesund, situated on the narrow strips of lowland along the fjords, the coast and the offshore islands.



One of the main tourist regions of Norway

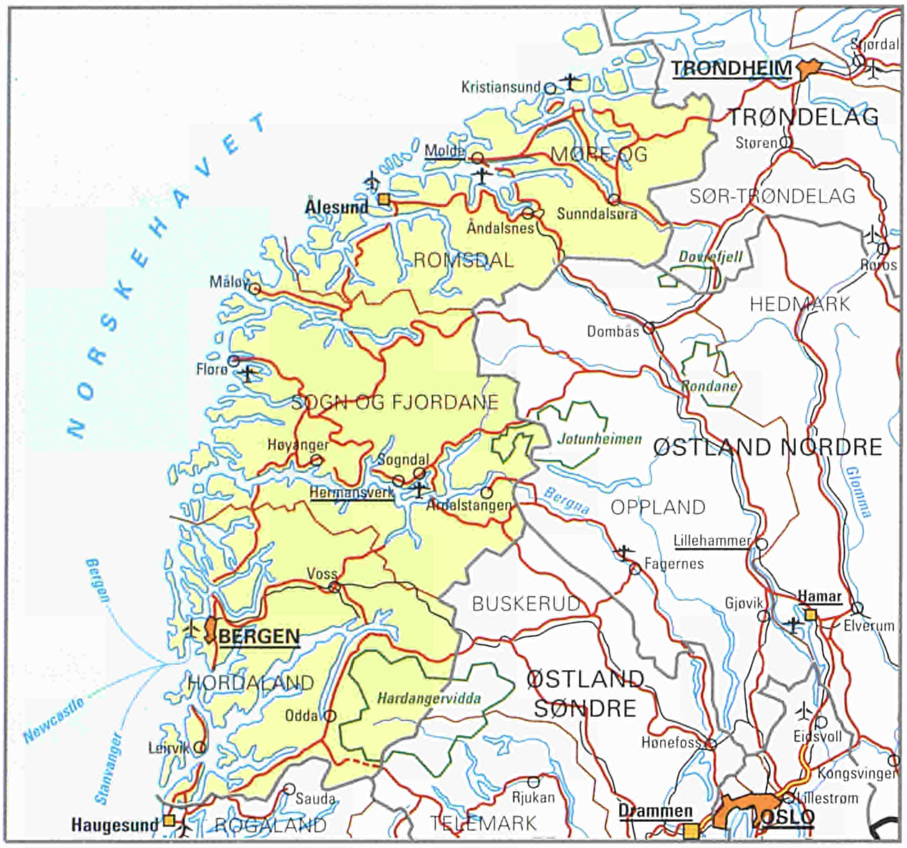
Strengths:

- Bergen, Norway's second largest city, is a centre of administration, finance, education and culture, with a strong impact on the surrounding districts;
- beautiful scenery making the region attractive for tourists, with tourist traffic representing a basic income for many districts;
- development of hydroelectric power using the many waterfalls in the mountainous interior, in response to the needs of certain industries heavily reliant on power;
- relatively low unemployment in the county of Sogn og Fjordane and in inland parts of Hordaland;
- a relatively highly educated labour force in the major towns;
- potential for future increased employment in tourism and fish farming.

Weaknesses:

- loss of jobs in agriculture and in traditional industry;
- relatively high unemployment in the Bergen area and in some of the more populated coastal municipalities in Møre og Romsdal;
- potential negative repercussions of reduced investment in the oil industry for the metal products, machinery and equipment sector, which is also sensitive to market fluctuations;
- difficulties for road and rail traffic because of rugged mountains and fjords in the interior of the region.

VESTLANDET



Scale: 1 : 4 000 000

Which EU regions are similar to Vestlandet?

Area:
nearly 50 000 km²
- Aragon (E)
- Niedersachsen (D)

Population density:
fewer than 20 inhabitants per km²
- Ahvenanmaa/Åland,
- Väli-Suomi (FIN)

Employment:
24% in industry
- Extremadura (E)
- Midi-Pyrénées (F)
- Molise (I)

Several structural differences across the region

There are several differences between the county of Hordaland with the city of Bergen and the two northern counties of Sogn og Fjordane and Møre og Romsdal. The differences concern industrial structure, unemployment and settlement patterns.

The percentage of jobs in agriculture is much higher in Sogn og Fjordane (18%) and Møre og Romsdal (9%) than in Hordaland (4%), where the service sector has a more dominant position. Many people in Sogn og Fjordane work in agriculture and in the service sector, whereas most of those living in Hordaland are employed in industry as well as the service sector. In the more central populated areas of Møre og Romsdal, the service sector employs more than twice as many people as industry. In the county of Møre og Romsdal there are also several coastal municipalities where canning, preserving and processing of fish firms and furniture manufacturing firms are major employers.

Sogn og Fjordane has a lower rate of unemployment than the other two counties in the region. Unemployment in the towns and coastal areas is generally higher than in the interior and in the more rural parts of the region. The percentage of unemployed people with a university or college degree is much higher in Hordaland than in the counties of Sogn og Fjordane and Møre og Romsdal.

The county of Hordaland also has a much higher percentage of the population living in built-up areas.

There are regional differences in income level, with Hordaland clearly ahead of the other two counties.

	Area	Population			Activity	Unempl.	Employment			GDP/inhab.
	1 000 km²	1 000	Inhab./km²	Change (%)	%	%	% Agricult.	% Industry	% Services	EUR (PPS)=100
		1993	1993	1983-93	1993	1993	1993	1993	1993	1992
Hordaland	15.6	417	26.7	5.6	69.7	6.3	4.4	22.8	72.8	100
Sogn og Fjordane	18.6	107	5.8	1.0	71.9	3.5	17.6	25.1	57.3	93
Møre og Romsdal	15.1	239	15.8	0.9	67.4	5.8	9.3	25.9	64.8	90
Vestlandet	49.4	763	15.5	3.4	69.3	5.7	7.8	24.1	68.1	96
Norge	323.8	4 299	13.3	4.3	68.2	6.1	5.5	22.7	71.6	106
EUR 12	2 358.2	347 938	147.5	3.2 (1980-90)	55.4 (1992)	10.4	5.8 (1992)	32.6 (1992)	61.2 (1992)	100

VESTLANDET

High fertility – negative net migration

Most of the population of Vestlandet resides along the coast, on the offshore islands and along the numerous fjords. Being very mountainous, parts of the interior are inhospitable to permanent settlement. The most important city is Bergen. Other important centres are Ålesund, Molde and Kristiansund in the county of Møre og Romsdal. The region has 18% of Norway's population.

Young people constitute a somewhat larger share of the population than in the country as a whole, while middle-aged people account for a slightly smaller percentage. The county of Sogn og Fjordane has many elderly people, partly as a result of high fertility for decades and partly because of longer life higher expectancy than in any other county.

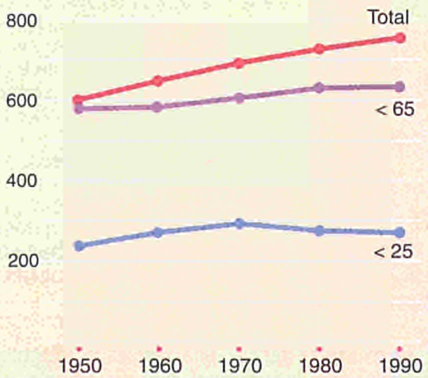
In spite of negative net migration for most of the period since 1950, the change in the number of inhabitants has generally reflected the national pattern. In absolute terms, the Bergen urban district is the main area of population growth.

The last 10 years have seen a migration surplus in the county of Hordaland. Combined with an increase in births in all three counties from the late 1980s, this has resulted in larger growth than trends around 1980 seemed to imply.

Population by age — 1993

	M + F 1 000	M + F %	M %	F %
<15	155.6	20.4	21.0	19.8
15-24	115.6	15.1	15.7	14.6
25-39	165.5	21.7	22.7	20.7
40-54	137.9	18.1	18.7	17.4
55-64	64.2	8.4	8.3	8.5
⩾65	124.4	16.3	13.6	19.0
Total	763.2	100.0	100.0	100.0

Population (1 000)



Resident population of foreign nationality — 1993

	1 000	% of total population
Total	18.7	2.5
of which EU countries	4.9	0.6
of which non-EU countries	13.8	1.8
Sri Lanka	1.9	0.2
United Kingdom	1.7	0.2
Denmark	1.6	0.2
Chile	1.4	0.2
Bosnia-Herzegovina	1.1	0.1
USA	1.0	0.1

Demographic account — 1983-93 (1 000)

Population 1.1.1983	738.0
Births	104.3
Deaths	74.1
Net migration	– 4.8
Population 1.1.1993	763.2

Almost a third of the labour force in the Bergen area

During the last decade the resident labour force in Vestlandet has increased by 27 000. The population of working age (16- to 74-years old) comprises 71% of the total resident population, with almost 30% of the labour force living in the Bergen area. The percentage of those of working age in employment in 1993 was 71% for men and 60% for women. The male rate has declined in the last 10 years, but the female rate has been increasing.

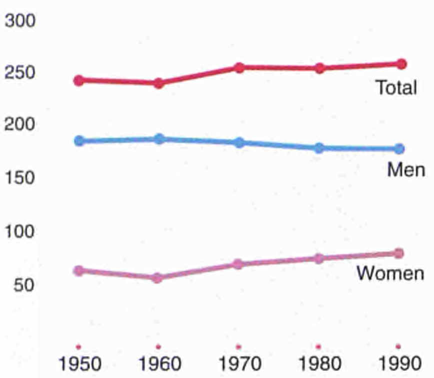
In 1993 immigrants represented 2.4% of employees in the region. The majority of immigrants were from West European countries and Asia.

At 23%, the proportion of employees in the region with university or college qualifications was just under the national average of 25%. The highest percentage in the region was in the Bergen area (31%). One in every 10 male employees worked part-time in 1993, compared with 49% of female employees. The percentage of women in part-time work is higher than the national average (45%).

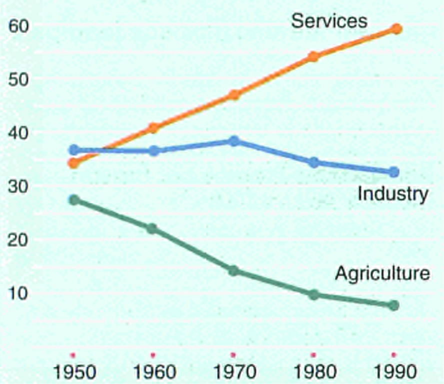
Number of pupils — 1993

	M + F 1 000	F %
Pre-school	2.7	:
Primary	59.5	48.5
Lower secondary	30.3	49.1
Higher secondary (technical)	28.1	42.1
Higher secondary (general)	18.7	56.6
Higher education	32.9	54.2

Employment (1 000)



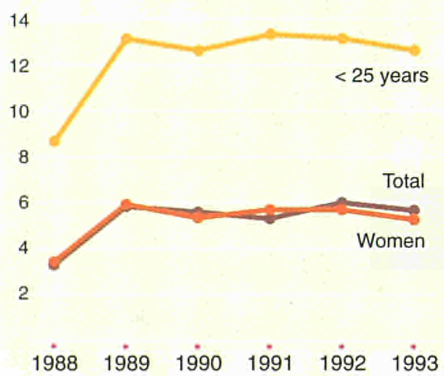
Employment structure (%)



Employment — 1993 (1 000)

Resident employment	318
+ Non-residents having a job in the region	7
– Residents having a job outside the region	13
= Internal employment	311

Unemployment (%)



Employment in industry faring well

In 1950 nearly 27% of those working in Western Norway were employed in agriculture, but by 1990 this figure had fallen to just 8%. It is the county of Sogn og Fjordane which has experienced the greatest decline in agricultural employment in the last three decades. Even so, Sogn og Fjordane still has the highest percentage of the labour force employed in agriculture of any county in the country.

Since the 1970s Vestlandet has experienced just a slight increase in employment (i.e. number of people working more than 1 000 hours a year). There has been a slight drop in the number of men working full-time in the last three decades, while the same period has seen a large increase in the number of women in full-time employment, although the increase in female employment has not been so large in this region as elsewhere in the country. Vestlandet has experienced only a slight reduction of employment in industry since the mid-1960s. Jobs in industry were lost in the county of Hordaland but this sector saw an improvement in the employment situation in the counties of Sogn og Fjordane and Møre og Romsdal.

Characteristics of resident employment (%)

	< 25 years	25-54 years	≥55 years	Employees	Employees: part-time	
	1993	1993	1993	1993	1986	1993
Men	10	73	16	86	7	10
Women	11	72	16	94	49	49
Total	11	73	16	90	26	28

Low unemployment in Sogn og Fjordane

Unemployment in the region has been increasing since 1988. In 1993 there were more unemployed men than women in the region as the economic recession hit male-dominated occupations hardest. The unemployment rate was particularly high among young people under 25.

The overall unemployment rate in Vestlandet in 1993 was 5.7%, below the national average of 6.1%. The county of Sogn og Fjordane had the lowest rate among Norway's 19 counties, with a 1993 figure of only 3.5%. The highest unemployment rates in Vestlandet are to be found in the urban areas.

Government measures have been introduced to promote employment in the region. In 1993 there were 9 600 persons, or 2.5% of the active population, involved in such government schemes. Long-term unemployment accounted for 29% of the total in Hordaland, whereas the figures for Sogn og Fjordane and Møre og Romsdal were 15 and 17% respectively. At the end of 1993 there were signs that unemployment was on the decline in Vestlandet.

Nearly 10% of those who are out of work have a university or college degree. This figure is slightly above the national average.

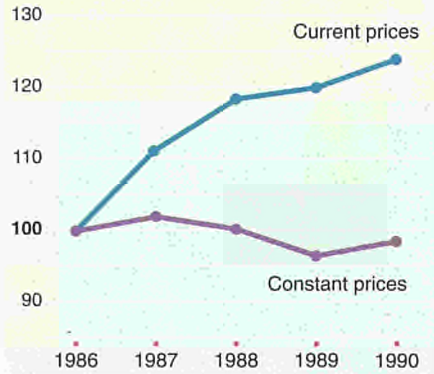
Manufacturing sectors of great importance to the region

In 1993 there were about 357 000 employed persons resident in the region, an increase of 23 000 since 1983. In the last decade it was generally female-dominated sectors that added jobs, while the traditionally male-dominated industries declined in size. Community, social and personal services experienced the greatest increase in employment with 32 000 new jobs, while manufacturing, energy and construction experienced a loss of 14 000 jobs. Nevertheless, one in every four employees in the region works in manufacturing, energy and construction. Nine out of 10 of the region's biggest private enterprises can be found in this sector.

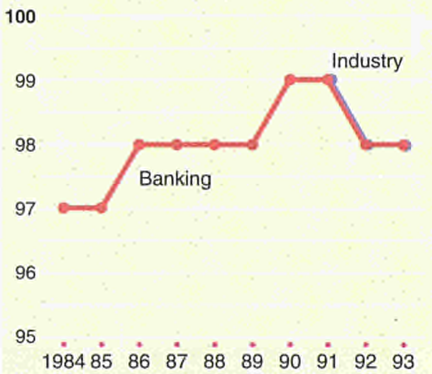
Fabricated metal products represent an important manufacturing industry, with this branch providing about 23 000 jobs in 1993. Furniture manufacture also provides a fairly large number of jobs in the county of Møre og Romsdal. Tourism is an important industry in the region, and there are about 8 500 employees in the hotel and catering trade. The county of Sogn og Fjordane has Norway's highest share (about 18%) of employed persons working in agriculture, forestry and fishing.

Manufacturing establishments are generally in line with the national figure regarding the number of employees, but value-added per employee is slightly below the national average. Research and development expenditure per employee in industry is close to the national average.

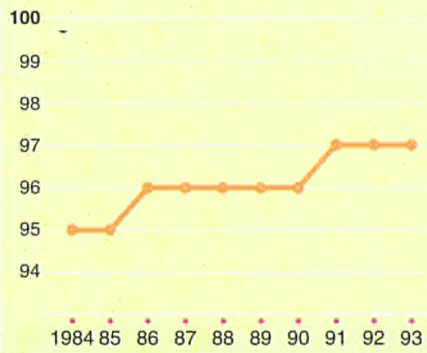
GDP (1986 = 100)



Wages
(national level = 100)



Pensionable income per person
(national level = 100)



Relative high earnings in banking sector

In the years since 1987 Vestlandet has come second only to Oslo og Akershus for the level of earnings in the banking sector. In 1993 average monthly earnings in this sector were ECU 2 376 for men and ECU 1 974 for women. Average monthly earnings for female employees were thus 83% of the average levels for men.

Over the 10-year period to 1993 earnings in the banking sector were highest in Hordaland, followed by Møre og Romsdal and Sogn og Fjordane. In Hordaland average monthly earnings totalled ECU 2 251. Sogn og Fjordane had the lowest average, at ECU 2 111.

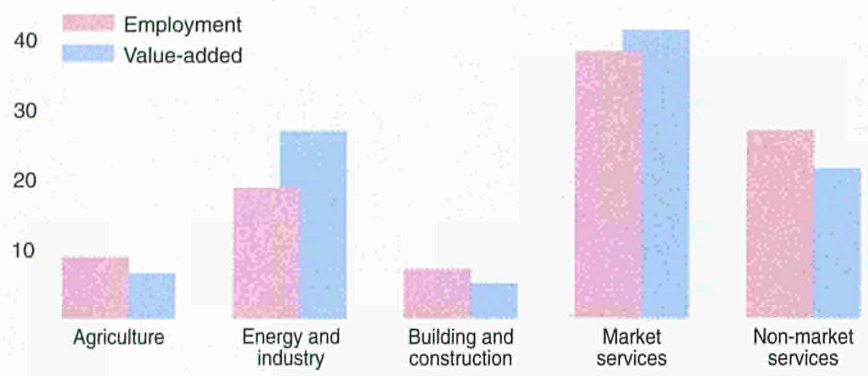
In 1993 average earnings in industry for men and women stood at ECU 12.11 per hour. Hordaland had the highest average and Møre og Romsdal the lowest. The sectors which produced the highest average earnings were chemicals and chemical petroleum, coal, rubber and plastic products, where hourly earnings averaged ECU 13.74 for both sexes in 1993. This figure was 14% above the region's overall average for earnings in industry. The sectors which recorded the lowest hourly earnings were textiles, wearing apparel, leather and leather products and wood and wood products.

On average, women's hourly earnings in industry were about 86% of the levels for men.

Average pensionable income in Vestlandet in 1993 was ECU 18 057, slightly below the average for the country as a whole. Nearly 59% of the inhabitants in this region have pensionable income.

Among women average pensionable income is ECU 13 366, while the corresponding figure for men is ECU 22 019. Within the region the county of Hordaland comes top with ECU 19 111, while Sogn og Fjordane has the lowest average pensionable income at ECU 16 404. In the ranking of the country's 19 counties by pensionable income, Hordaland is in fourth place, Møre og Romsdal 12th and Sogn og Fjordane 16th.

Employment and value-added: distribution by branch — 1990 (%)



Regional specialization in manufacturing industries

Agriculture's share of employment and value-added in Vestlandet, based primarily on livestock farming, is slightly above the national average. The region also contains Norway's most important areas for fruit crops. Fishing is an important industry in the coastal and northern parts of the region.

The structure of industry varies from one part of the region to another. The major manufacturing centres are found in Hordaland, with high employment in food processing, printing and publishing and the manufacture of machinery, and in Møre og Romsdal, where the focus is on furniture-making and shipbuilding. The region also contains important establishments for the production of basic metals and metal products, using hydroelectric power. The region contains some of Norway's largest hydroelectric-generating facilities. Manufacturing activity in the region has benefited to some extent from the growth of oil and gas production in the North Sea, but to a lesser degree than the Agder and Rogaland region. A major plant for petroleum refining has been built at Mongstad in the county of Hordaland.

The proportion of employment and value-added held by market and non-market services does not deviate much from the national average. The city of Bergen has a long tradition as a centre for trade, shipping and financial services. These characteristics have generally survived the industrial changes of recent decades. The city is home to the Norwegian School of Economics and Business Administration.

Agriculture

Number of holdings	19 898
Labour force	22 854 AWU
Agricultural area	151 796 ha
Livestock	255 255 LU
Gross value-added	17 482 ECU/AWU
Main products	
Milk	41%
Livestock for slaughter	30%
Vegetables, fruit	6%

Main enterprises

Name	Activity
Aker Elektro AS	Manufacture of oil and gas well machinery
Aker Stord AS	Manufacture of oil and gas well machinery
Bergens Tidende og J W Eide	Newspaper publishing
Hardanger Sunnhordlandske DS AS	Scheduled transport in coastal waters
Hydro Aluminium AS	Primary aluminium
Norsk Hydro Produksjon AS	Crude oil and natural gas production
Rieber & Søn AS	Food products
Statoil AS	Crude oil and natural gas production
Sterkoder AS	Shipbuilding
Ulstein Verft AS	Shipbuilding

Hydroelectricity favoured by high rainfall and many waterfalls

Vestlandet faces the North Sea in the west. The coastline is cut by deep fjords, and the land is rugged and mountainous. High rainfall combined with great differences in altitude over short distances form the basis for abundant production of low-cost hydroelectric power. Environmental problems of significance are emissions to air and water from the metal industry, although harmful emissions have been significantly reduced in recent decades.

Only 3.0% of the region's total area is agricultural land. The land is unsuitable for grain production, so that only 1.5% of the agricultural land is grain-producing and 95% meadowland.

Vestlandet has the second highest energy consumption per capita in the country, with a level 15% above the national average. The region has the highest consumption of marine fuels per capita, and it is also ahead of Northeastern Norway for the consumption of diesel fuel. Hydroelectric power accounts for 47% of total energy consumption.

Total emissions per capita are close to the national figures. Emissions from mobile sources (such as motorized vehicles, ships, etc.) are below average, while emissions from industrial processes are higher than the national average.

In 1992 a total of 527 kg of municipal waste per capita was produced, a figure which was close to the national average. The breakdown between industrial and household waste also reflected the national pattern. Recycling accounted for 54 kg of waste per capita, including 43 kg of industrial waste.

In 1991 only 50% of the population was connected to facilities for waste-water cleaning. In 1993 total treatment capacity was 509 000 population units (p.u.), giving about 0.67 p.u. per capita, and 'high-grade' cleaning (including a biological and/or chemical phase) represented 26% of the capacity.

NORWAY

TRØNDELAG

The region of Trøndelag comprises two counties, Sør-Trøndelag (South Trøndelag) and Nord-Trøndelag (North Trøndelag), which are further divided into 49 municipalities. The main centre of the region is Trondheim, the third largest city of Norway.

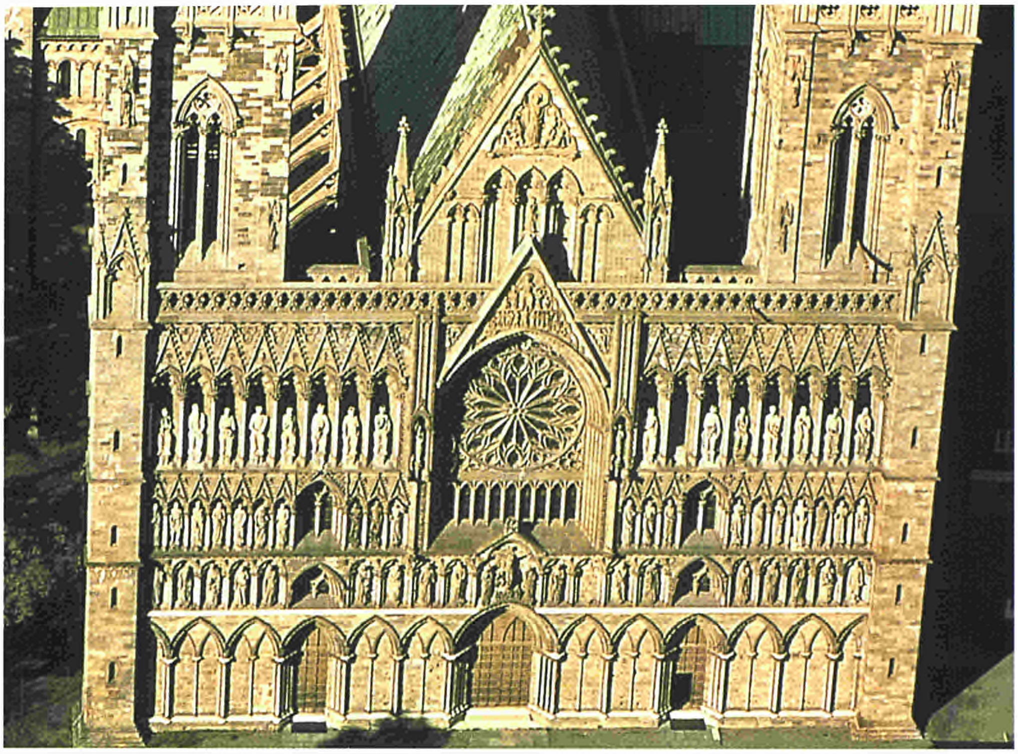
Trøndelag is situated between the Swedish border in the east and the coast of the Norwegian Sea in the west. Within the country, it shares regional borders with Nord-Norge, Vestlandet and Østland Nordre. Major road, rail, shipping and air networks connect Trøndelag to neighbouring regions and other parts of the country.

The region is dominated in the centre by the deeply indented Trondheimsfjord and its surroundings, while the eastern and southern parts mostly consist of mountains, mountain plateaux and valleys. Off the coast are the large islands of Hitra and Frøya.

Most of the population live in Trondheim and the areas surrounding the Trondheimsfjord, including Steinkjer, the county capital of North Trøndelag.

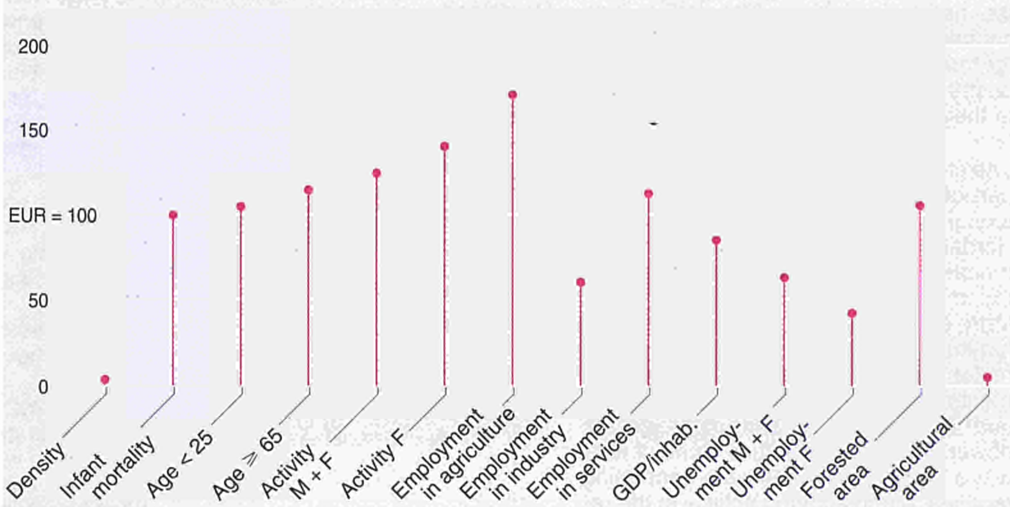
Trøndelag is one of Norway's most important agricultural regions, with flat, fertile land around the wide Trondheimsfjord and the city of Trondheim. Fishing is also important in many small coastal ports and offshore islands, while considerable forested areas makes lumber an important industry. Shipping, manufacturing and service industries are predominant in and around Trondheim.

Historically, Trondheim is known as the seat of the Norwegian kings and of the Church. The Nidaros cathedral, the largest medieval building in the nordic countries, is a reminder of the city's past.



The facade of the Nidaros Cathedral. Built in 1150 in Trondheim, it is the largest medieval building in the entire Nordic region.

Trøndelag and the European Union



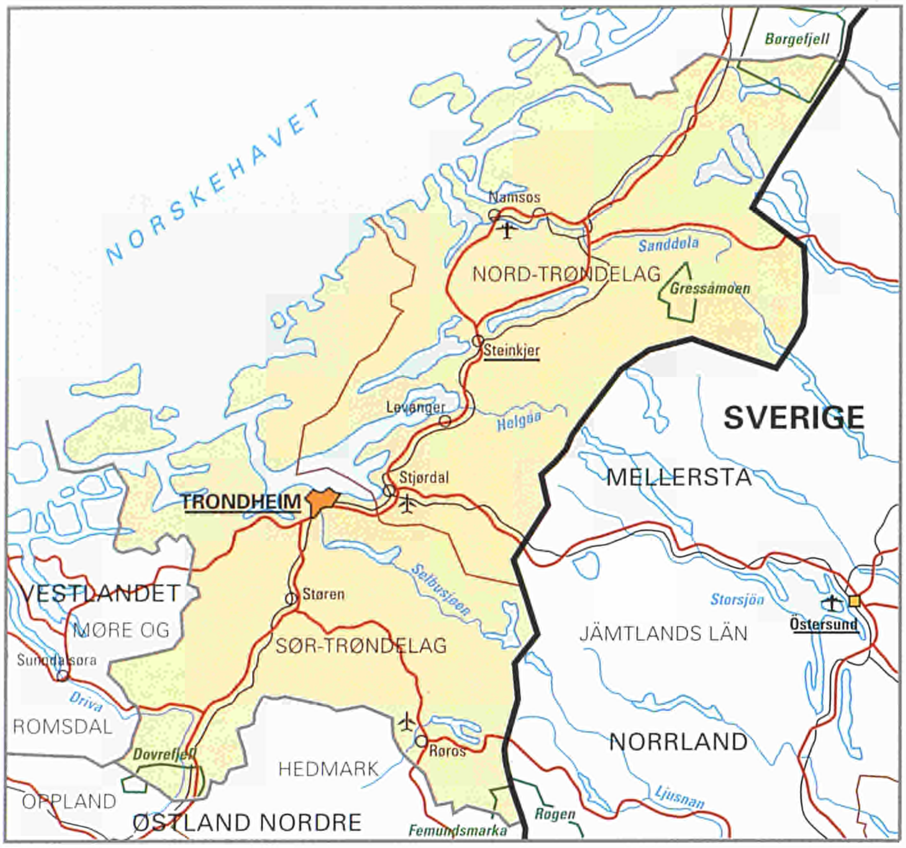
A leading centre of research and education in technology

Strengths:

- one of the main centres in Norway for technological education and research; there seems to be realistic potential for using this knowledge for further industrial development;
- location in the middle of Norway, with connections to important transport networks;
- relatively highly skilled labour force and a relatively large population in and around Trondheim, the third largest city in Norway;
- low unemployment in the inner areas of Southern Trøndelag;
- coastal region could benefit from the development of fish farming.

Weaknesses:

- northern part of the region and more peripheral parts of the south based on agricultural production, a sector expected to suffer further job losses;
- negative impact of out-migration, especially from the northern parts and other peripheral areas of the region, on both market and non-market services;
- high unemployment in the Trondheim area, especially among young people.



Scale: 1 : 3 000 000

Which EU regions are similar to Trøndelag?

Area:
± 41 000 km²
Aquitaine (F)
Extremadura (E)

Population:
± 380 000 inhabitants
Martinique (F)
Luxembourg (grand-duché)
Mellersta Norrland (S)

GDP per capita:
± 10 % below EU average
West Midlands, Yorkshire and Humberside (UK)
Overijssel, Gelderland (NL)
Auvergne (F)

High unemployment in Trondheim compared with less urbanized areas

There are differences in both industrial structure and settlement patterns between the two counties of South and North Trøndelag. The latter shows a much higher share of employment in agriculture and a much lower share of employment in service industries.

In the county of North Trøndelag there are many people resident in municipalities where agriculture is among the main activities. There are also some people employed in the manufacture of wood and wood products in this county. In the county of South Trøndelag some people have found jobs in the central service industry, but a lot of people are also employed in primary industries. In the Trondheim region there are also many jobs in the food and beverage sector and in the manufacture of electrical apparatus and supplies.

Unemployment is lower in the inner parts of South Trøndelag, while there is relatively high unemployment in the Trondheim region. The county of South Trøndelag has more people out of work with a university or college degree than the county of North Trøndelag.

South Trøndelag has a much higher percentage of the population living in built-up areas. North Trøndelag has for a long time been an area of net out-migration, while South Trøndelag with the city of Trondheim has seen slight positive net migration.

There is quite a difference in income levels between the two counties, with South Trøndelag well ahead of North Trøndelag.

	Area	Population			Activity	Unempl.	Employment			GDP/inhab.
	1 000 km²	1 000	Inhab./km²	Change (%)	%	%	% Agricult.	% Industry	% Services	EUR (PPS)=100
		1993	1993	1983-93	1993	1993	1993	1993	1993	1992
Sør-Trøndelag	18.8	254	13.5	3.0	68.5	7.2	5.9	18.7	75.4	92
Nord-Trøndelag	22.4	127	5.7	0.6	67.4	6.5	12.6	21.3	66.2	81
Trøndelag	41.2	381	9.2	2.2	68.1	6.9	8.1	19.5	72.4	88
Norge	323.8	4 299	13.3	4.3	68.2	6.1	5.5	22.7	71.6	106
EUR 12	2 358.2	347 938	147.5	3.2 (1980-90)	55.4 (1992)	10.4	5.8 (1992)	32.6 (1992)	61.2 (1992)	100

TRØNDELAG

Norway in miniature

The population of Trøndelag is concentrated along the Trondheimsfjord. Trøndelag is dominated by its regional centre, Trondheim, the third largest city in Norway. A third of the population of the region and more than half of the population of South Trøndelag county are resident in this municipality. The region accounts for 9% of Norway's total population.

The age structure in the county of South Trøndelag matches the national pattern very closely, while the county of North Trøndelag has a deficit in the 25-39 age group.

In the period since 1950 the region has had a growth in population which is close to, if somewhat below, the national average. The main reason for this is the population growth in Trondheim and its suburbs and other municipalities with regional urban centres, where growth has compensated for a marked population decline in rural areas.

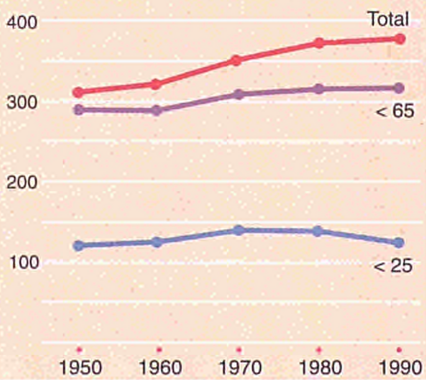
The population has steadily increased in the county of South Trøndelag. In the last decade the Trondheim urban region has experienced absolute growth exceeding the county total, while almost all the peripheral municipalities have declining populations. The population in the county of North Trøndelag has gone down in the last decade.

Both counties have experienced constant natural growth since 1950. The population loss for the county of North Trøndelag in the last 10 years was the result of negative net migration. During the same period there was slight positive net migration in the county of South Trøndelag.

Population by age — 1993

	M + F 1 000	M + F %	M %	F %
<15	74.0	19.4	19.9	18.9
15-24	57.0	15.0	15.4	14.5
25-39	84.3	22.1	23.0	21.3
40-54	71.6	18.8	19.4	18.2
55-64	32.0	8.4	8.3	8.5
⩾65	62.2	16.3	14.0	18.6
Total	381.1	100.0	100.0	100.0

Population (1 000)



Resident population of foreign nationality — 1993

	1 000	% of total population
Total	8.9	2.3
of which EU countries	1.6	0.4
of which non-EU countries	7.3	1.9
Bosnia-Herzegovina	1.0	0.3
Sweden	0.9	0.2
Yugoslavia	0.6	0.1
Denmark	0.5	0.1
Vietnam	0.5	0.1
Iran	0.5	0.1

Demographic account — 1983-93 (1 000)

Population 1.1.1983	372.9
Births	50.2
Deaths	39.9
Net migration	– 2.1
Population 1.1.1993	381.1

High percentage of the labour force working part-time

The population of working age (16- to 74-years old) represents 72% of the total resident population in Trøndelag. In the last decade there was a slight increase in the labour force in the region, mainly females. In 1993 the labour force amounted to 188 000 people. Almost 40% of the regional labour force lived in the city of Trondheim.

In 1993 two-thirds (66%) of the men of working age in Trøndelag were in employment. This figure was below the Norwegian average of 69%. Female employment in the region was more or less in line with the national figure: about 60%.

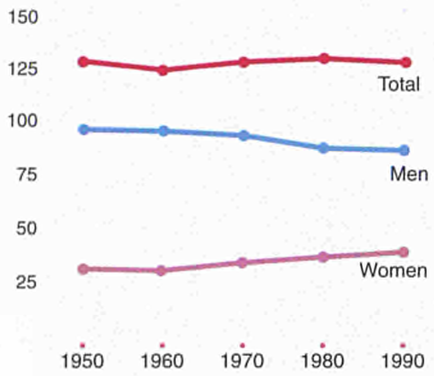
The labour force in Trøndelag is as elsewhere in Norway better educated now than 10 years ago. The highest percentage of employees with higher education is to be found in the city of Trondheim, where nearly a third (32%) of those in employment have university or college qualifications.

In 1993 part-time workers represented 12% of male employees in the region. This figure was the highest of the country's seven regions. The percentage of women working part-time was also slightly higher than the national average.

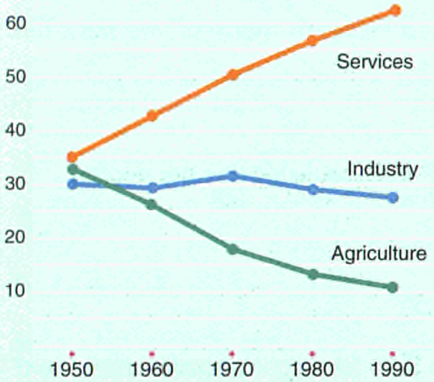
Number of pupils — 1993

	M + F 1 000	F %
Pre-school	1.1	:
Primary	27.9	49.4
Lower secondary	14.1	48.7
Higher secondary (technical)	13.6	42.2
Higher secondary (general)	10.0	56.3
Higher education	17.2	52.7

Employment (1 000)



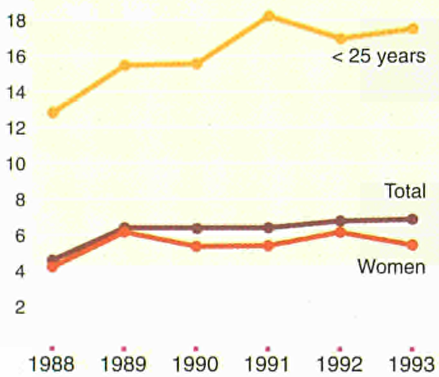
Employment structure (%)



Employment — 1993 (1 000)

Resident employment	156
+ Non-residents having a job in the region	3
– Residents having a job outside the region	7
= Internal employment	152

Unemployment (%)



Employment in non-market services growing fastest

In 1950, a third of the labour force was employed in agriculture and forestry but by 1990 the proportion had dropped to just one in 10. The decline in the number of people working in agriculture was nevertheless below the average for the country as a whole. In the same period employment in manufacturing, energy and construction declined slightly. In 1990 this sector's share of total employment was just 3% less than in 1950. The service sector increased its share of employment from almost 36% in 1950 to 63% in 1990.

While the number of persons working in industry increased in the northern parts of Trøndelag, there was a decline in employment in this sector in the more central and urban areas of the southern parts of the region. In the last three decades there has been a somewhat higher increase in total employment in Trøndelag compared with the national average, with the largest increase occurring in the public sector.

Since the 1970s there has been a slight reduction in the number of persons working more than 1 000 hours a year in Trøndelag. The number of men working full-time decreased, while the figure for women went up. The increase in female employment was still somewhat smaller than in the neighbouring regions.

Characteristics of resident employment (%)

	< 25 years	25-54 years	⩾55 years	Employees	Employees: part-time	
	1993	1993	1993	1993	1986	1993
Men	9	75	16	86	9	12
Women	11	75	14	93	54	50
Total	10	75	15	89	29	30

High rate of unemployment among young people

The unemployment rate in the region increased from 4.4% in 1988 to 6.9% in 1993 due to the economic recession at the end of the 1980s, and in some smaller municipalities in the northern part of the region it exceeded 10%. In the Trondheim area the rate was over 7.5% in 1993. It was in fact the Trondheim area that experienced the biggest rise in unemployment during the 1980s. In the Namdalen area in North Trøndelag unemployment was stable at about 6% throughout the 1980s. The lowest unemployment rate was to be found in the southern part of the region.

The unemployment rate among young people in Trøndelag is one of the highest in Norway and reached 17.5% in 1993. Long-term unemployment accounted for 26 and 18% respectively of the jobless total in South Trøndelag and North Trøndelag. Government measures have been taken to promote employment in the region, especially in North Trøndelag, where 3.6% of the labour force was involved in government schemes to promote employment in 1993.

Those with a university or college degree account for 9% of those out of work. This figure is very slightly below the national average of just under 10%. The figures for the region's two counties show 10% of the jobless total with higher education in South Trøndelag and 6% in North Trøndelag.

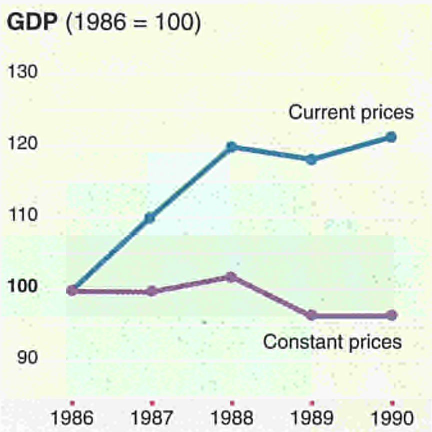
TRØNDELAG

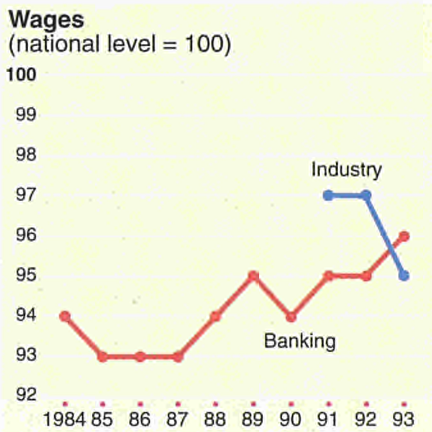
Three in four employed in services

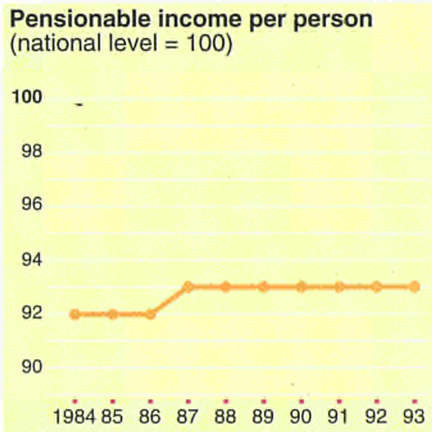
The last decade has seen a loss of 6 000 jobs in manufacturing, energy and construction. There has also been a decline in agriculture, transport, storage and communications, but community, social and personal services added 11 000 jobs. In 1993 three in four employees in the region worked in the service sector. Community, social and personal services accounted for 41% of the jobs, slightly above the national average of 39%. About 30 000 employees in this sector worked in Trondheim. In the county of North Trøndelag agriculture is a relatively important sector (13%). In spite of a decline in employment in manufacturing, energy and construction, eight out of the 10 largest private enterprises in the region are to be found in this sector.

There are about 6 100 jobs in the manufacture of fabricated metal products, machinery and equipment in the region. This is the largest manufacturing industry in Trøndelag. Processing of food and beverages also provides quite a lot of jobs. In 1993 this particular sector employed about 5 700 people in the region.

Manufacturing establishments are slightly smaller than the national average. Value-added and research and development expenditure per employee in industry are also somewhat below the national average.







Highest earnings in metal industry

Average monthly earnings in the banking sector in 1993 were ECU 2 340 for men and ECU 1 928 for women. For 10 years the regions of Trøndelag and Northern Norway had the lowest average monthly earnings in this sector. In 1993 the situation improved, with the result that Trøndelag had the third highest average wage level in the sector. Women's average monthly earnings were 82% of the levels for men.

The industry sector with the highest average hourly earnings is basic metals manufacturing. In 1993 average hourly earnings in this industry were ECU 13.58, which was 16% above the average regional level of earnings in industry. The lowest wages were in textiles, wearing apparel, leather and leather products. In 1993 the level of earnings in these branches, at ECU 9.51 per hour, was almost 20% below the region's average level of earnings in industry.

The average wage level for both sexes in industry was higher in North Trøndelag (ECU 12.01) than in South Trøndelag (ECU 11.64), which was the opposite of the case in the banking sector. In the latter sector average monthly earnings in North Trøndelag were ECU 2 085 and in South Trøndelag ECU 2 165.

Pensionable income slightly below the national average

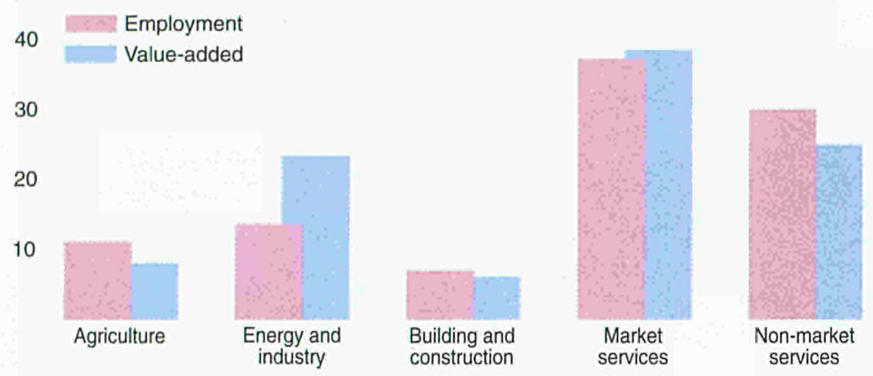
Average pensionable income in Trøndelag in 1993 was ECU 17 366. This was 6% below the average for the country as a whole. The percentage of inhabitants of the region with pensionable income was 58%.

Among women average pensionable income amounted to ECU 13 591 and among men the figure was ECU 20 632.

In the county of South Trøndelag average pensionable income was ECU 18 068 and in North Trøndelag it was ECU 15 957.

In the list of Norwegian counties by pensionable income, South Trøndelag is in sixth place while North Trøndelag is 17th. Only Hedmark and Oppland in Northeastern Norway have lower averages than North Trøndelag.

Employment and value-added: distribution by branch — 1990 (%)



Different employment structure in north and south

Agriculture accounts for about 10% of all jobs in the Trøndelag region. The main products are milk and meat. Agriculture, including forestry, is of greater economic importance to the northern than to the southern part of the region.

The manufacturing and energy sectors provide about 15% of the region's jobs and more than 20% of its value-added. The most important manufacturing industries are food processing, printing and publishing and the manufacture of machinery. Printing and publishing are mainly concentrated in South Trøndelag and machinery manufacturing in North Trøndelag. Establishments for the processing of food and beverages can be found in both counties.

The share of market services in employment and value-added is somewhat below the national average, but it is above the national average in the case of non-market services. The Norwegian Institute of Technology in Trondheim has been an important centre for technological research and education since 1910.

Agriculture

Number of holdings	11 234
Labour force	13 883 AWU
Agricultural area	158 798 ha
Livestock	227 449 LU
Gross value-added	22 350 ECU/AWU
Main products	
Milk	40%
Livestock for slaughter	32%
Grain	8%

Main enterprises

Name	Activity
Adresseavisen AS	Newspaper publishing
Aker Verdal AS	Manufacture of oil and gas well machinery
Bøndernes Salgslag	Preparation and preservation of meat
Nidar AS	Chocolate and confectionery
Norske Skogindustrier AS	Paper and paperboard
Selmer AS	Construction
Siemens AS	Electric installation work
Trondheim Trafikkselskap AS	Scheduled bus transport
Trondos Trondheim og Omegn Samvirkelag	Department stores
Trøndelag Meieri AL	Dairies

Hydroelectric power main source of energy consumption

Trøndelag is located in the middle of Norway. The majority of the population lives around the Trondheimsfjord. The region has considerable forestry and agricultural resources.

Some 3.8% of the region's total area is agricultural land. Thanks to widespread lowland areas with marine sediments, agriculture and even grain production are of importance. Grain production occupies 30% of the agricultural land, with 62% meadowland.

Total energy consumption in Trøndelag in 1992 was 152 GJ per capita, which is well below the national average of 176 GJ. Of the seven regions in the country, Trøndelag relies most on hydroelectric power.

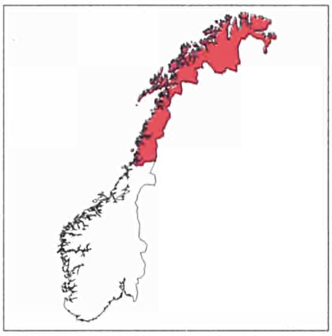
Total emissions per capita are close to the national figures for all three components.

In 1992 production of municipal waste amounted to only 447 kg, the lowest figure of any region in Norway. There was an equal division between industrial and household waste. Only 24 kg of the waste per capita was recycled, most of it being industrial waste.

In 1991 an estimated 67% of the population was connected to facilities for waste-water cleaning. In 1993 total treatment capacity was 534 000 population units (p.u.), giving about 1.40 p.u. per capita, and 'high-grade' cleaning (including a biological and/or chemical phase) represented 11% of the capacity.

NORWAY

NORD-NORGE



Nord-Norge (Northern Norway) consists of three counties, Nordland, Troms and Finnmark, which are further divided into 89 municipalities. The main centre of the region is Tromsø, the county seat of Troms. Nord-Norge extends from the border with Trøndelag northwards to North Cape, the northernmost point on the European mainland. In the east the region has international borders with Russia, Finland and Sweden.

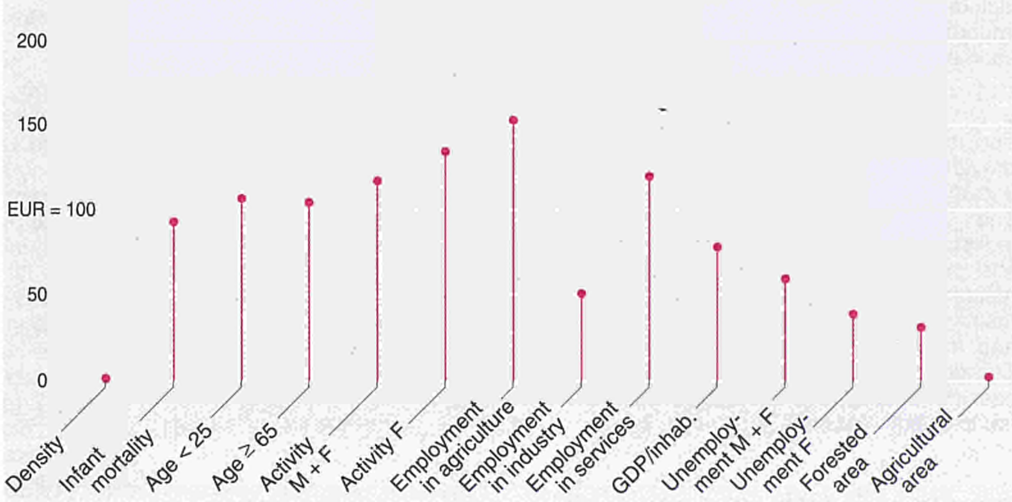
Most residents live in towns, in small fishing villages and in the valleys, while large areas are sparsely populated. The northern part of the region is the homeland for groups of Lapps.

A large part of Nord-Norge is filled with mountains with jagged peaks and ridges. It has a very rugged and indented coastline facing the Norwegian Sea in the west and the Barents Sea in the north. Adjacent to the coast are hundreds of islands. The region is located mostly above the Arctic Circle and summers are short with continuous daylight in the north, while during the winter there are periods when there is no real daylight at all. The climate is relatively mild for areas situated at this latitude, as a result of the North Atlantic current which flows past the coast.

Long distances and severe winters make sea and air transport even more vital than road and rail transport. The economy is dominated by fishing, mining and manufacturing industries, in addition to a relatively large public sector. In the summer many tourists arrive, mostly attracted by the region's impressive scenery, picturesque villages and midnight sun.

Hamnøy in Lofoten, a typically traditional fishing station.

Nord-Norge and the European Union



Vulnerable to changes in fish resources and export possibilities

Strengths:

- economic base of the region heavily dependent on fish and fish products, which are among Norway's most important export products;
- more jobs in the canning, preserving and processing of fish as a result of increased fish resources; an increase in fish farming in the region could also have a positive influence on employment in the future;
- low unemployment in the major towns in the region;
- potential benefits from trade and communications with Russia (although this potential should not be overrated for the time being);
- beautiful scenery, with rugged mountains, fjords and the midnight sun, attracts tourists.

Weaknesses:

- dependence on fish resources on the one hand and export possibilities on the other immensely important; other traditional industries and mining have been declining, making the region's dependency on fishing and fish processing even more acute;
- some areas with Norway's highest rates of unemployment;
- relatively remote from central markets; very sparsely populated areas and long distances make even regional communications difficult;
- large areas long dependent on government aid;
- high out-migration from rural areas causing problems in maintaining several market and non-market services.

NORD-NORGE

Scale: 1 : 8 000 000

Which EU regions are similar to Nord-Norge?

Population:
± 470 000 inhabitants
Salzburg (AT)
Drenthe (NL)

Population density:
fewer than 5 inhabitants per km²
Guyane (F)

Employment
± 8% in agriculture
over 70% in services
Flevoland (NL)
Corse (F)

Differences between urban and rural areas

The biggest differences are found between the central areas including the towns and the more peripheral regions including the offshore islands, the coastal districts and the interior of the region.

In the coastal areas fishing, fish farming and canning, preserving and processing of fish are very important for employment, especially in the counties of Troms and Finnmark. In the county of Nordland major sources of employment are agriculture and the manufacture of fabricated metal products. In the inner part of Finnmark there are groups of Lappish people involved in reindeer farming.

Nord-Norge has the highest rates of unemployment in the country, especially in the county of Finnmark and the northern parts of Troms county. Troms also has a much higher percentage of unemployed people with university or college qualifications than Nordland or Finnmark. In Finnmark the percentage of unemployed people with higher education is in fact the lowest in the country.

While a few central towns in the region have experienced net in-migration, several of the rural districts have for a long time had to cope with net out-migration.

The region's three counties differ in income levels, with Troms at the top and Finnmark at the bottom.

	Area	Population			Activity	Unempl.	Employment			GDP/inhab.
	1 000 km²	1 000	Inhab./km²	Change (%)	%	%	% Agricult.	% Industry	% Services	EUR (PPS)=100
		1993	1993	1983-93	1993	1993	1993	1993	1993	1992
Nordland	38.3	240	6.3	−1.9	65.6	6.9	10.6	19.2	70.2	82
Troms	26.0	149	5.7	0.7	68.5	6.2	4.9	17.1	77.2	86
Finnmark	48.6	76	1.6	−1.8	68.7	6.0	4.6	20.7	73.5	76
Nord-Norge	112.9	465	4.1	−1.1	67.1	6.5	7.7	18.8	73.1	82
Norge	323.8	4 299	13.3	4.3	68.2	6.1	5.5	22.7	71.6	106
EUR 12	2 358.2	347 938	147.5	3.2 (1980-90)	55.4 (1992)	10.4	5.8 (1992)	32.6 (1992)	61.2 (1992)	100

NORD-NORGE

Vulnerable new population growth

Nord-Norge accounts for a third of the Norwegian mainland but only 11% of the country's population. The inhabitants, whose livelihood has traditionally depended on fishing, are settled mainly on the coast and along the fjords.

The age structure of the county of Nordland is in line with the national pattern. The two northernmost counties of Troms and Finnmark still have relatively few elderly people and also a favourable proportion of people in the 20-34 age group. This augurs well for future birth rates.

Although the population was increasing in absolute terms until 1981, it has accounted for a declining share of the national population since World War II. Nord-Norge is the only region which had a smaller population in 1993 than in 1983.

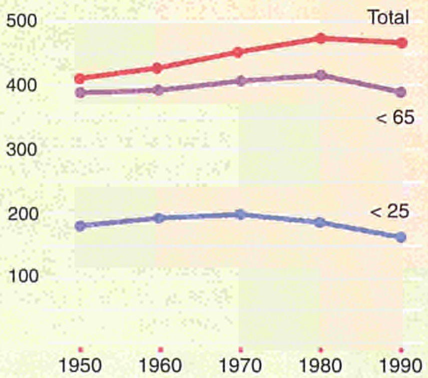
For several decades the region experienced almost constant negative net migration, but until the end of the 1960s a large natural surplus more than compensated for this. After a dramatic drop in fertility during the 1970s, the excess of births over deaths decreased. In conjunction with larger net out-migration, this led to a temporary population decline in the 1980s.

Since 1990 there has been a new trend with minimal negative net migration, resulting in new population growth. Most municipalities, however, have experienced a reduction in population. Growth is primarily concentrated in the major regional centres, with Tromsø as the most important. The growth rates in some of these centres are among the highest in Norway today.

Population by age — 1993

	M + F 1 000	M + F %	M %	F %
<15	91.4	19.7	20.1	19.2
15-24	72.1	15.5	16.1	15.0
25-39	104.4	22.5	23.2	21.7
40-54	87.2	18.8	19.5	18.0
55-64	39.9	8.6	8.5	8.6
⩾65	69.9	15.0	12.6	17.5
Total	465.0	100.0	100.0	100.0

Population (1 000)



Resident population of foreign nationality — 1993

	1 000	% of total population
Total	9.6	2.1
of which EU countries	2.1	0.5
of which non-EU countries	7.5	1.6
Sweden	1.2	0.3
Sri Lanka	1.1	0.2
Denmark	1.1	0.2
Finland	1.0	0.2
Bosnia-Herzegovina	0.9	0.2
Yugoslavia	0.5	0.1

Demographic account — 1983-93 (1 000)

Population 1.1.1983	470.0
Births	64.2
Deaths	46.7
Net migration	– 22.3
Population 1.1.1993	465.0

Relatively low labour force participation

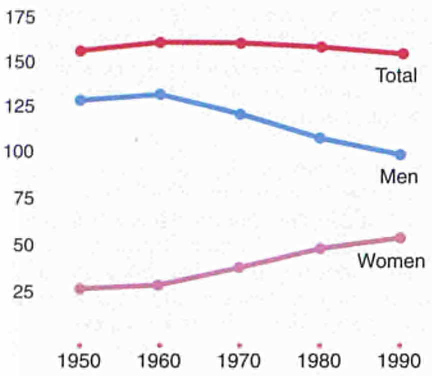
Nord-Norge has almost 11% of the country's total labour force. Over the last decade there has been a slight increase in the active population in the region. Those of working age (16- to 74-years old) make up 73% of the population. A third of the active population live in the cities of Tromsø, Bodø, Narvik and Harstad.

In 1993 the percentage of people of working age in employment was 66% for men and 57% for women. The figures for both sexes were below the national average. As elsewhere in Norway there has been a significant improvement in the educational level of the labour force. Employees in the major towns in the region are better educated than those in more rural areas, where the main activities are fishing and farming.

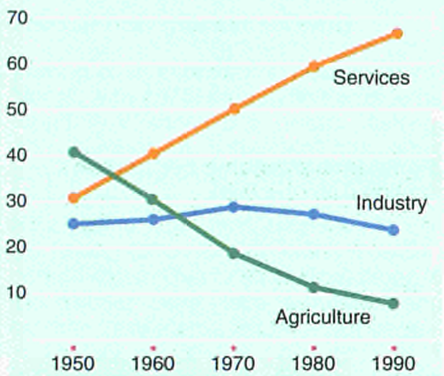
Number of pupils — 1993

	M + F 1 000	F %
Pre-school	1.1	:
Primary	34.5	48.7
Lower secondary	17.3	48.9
Higher secondary (technical)	18.2	40.9
Higher secondary (general)	11.1	55.7
Higher education	19.5	53.2

Employment (1 000)



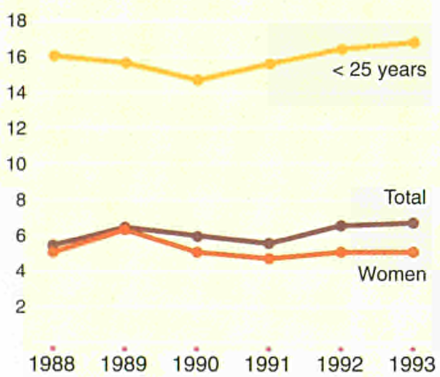
Employment structure (%)



Employment — 1993 (1 000)

Resident employment	185
+ Non-residents having a job in the region	2
– Residents having a job outside the region	6
= Internal employment	181

Unemployment (%)



Norway's largest decline in male employment

During the last three decades Nord-Norge has experienced the largest decline in male employment of any region in the country. This was partially offset by a large increase in female employment, however, so that the impact on the total employment figure was not so dramatic. After Østland Nordre, Nord-Norge is the region which has experienced the largest decline in agricultural employment. The job losses occurred mainly in farming and forestry, but there were also some losses in fishing and hunting. In 1950 more than 40% of the labour force was employed in the agricultural sector but by 1990 this figure had fallen to only 9%. In 1990 the percentage of employed persons working in manufacturing, energy and construction was almost the same as in 1950. The service sector's share of total employment increased from 32% in 1950 to 67% in 1990.

The county of Troms experienced the biggest increase in the number of jobs in industry during the 1960s and through to the 1980s. The same county also experienced the largest increase in employment in the wholesale and retail trade, restaurants and hotels, transport and communications and business services. The biggest increase in the number of public sector jobs occurred in the county of Finnmark.

Characteristics of resident employment (%)

	< 25 years	25-54 years	≥55 years	Employees	Employees: part-time	
	1993	1993	1993	1993	1986	1993
Men	10	75	15	83	6	10
Women	12	75	13	95	45	42
Total	11	75	14	88	24	26

Among the highest rates of unemployment in Norway

The unemployment rate in the region was above the national average in 1993, particularly for men. There are also many people involved in government schemes to promote employment in the region, especially in the county of Finnmark. In 1993 there were 9 000 people in the region involved in such schemes. If they are included in the figures, Nord-Norge has the country's highest percentage of the labour force unemployed or on government schemes.

Nearly 7% of those who are out of work have a university or college degree. This is below the national average and reflects the region's low percentage of persons with higher education.

The highest rate of unemployment in the region is to be found in the northern parts of Troms. In some smaller municipalities in this county, nearly one in five of the labour force was unemployed or on government schemes in 1993. Unemployment is relatively low in the urban centres of Tromsø and Bodø. The situation in the towns of Northern Norway differs from the rest of the country, were unemployment tends to be higher in urban areas. In 1993 the unemployment rate in Tromsø and Bodø was below 5%.

While unemployment was on the rise elsewhere in Norway during the late 1980s and at the start of the 1990s, in Nord-Norge it has remained stable, albeit at a high level. Long-term unemployment accounted for 17, 13 and 10% of the jobless total in Nordland, Troms and Finnmark respectively in 1993.

NORD-NORGE

Fishing and fish processing constitute the economic base

In 1993 there were about 208 000 employed persons resident in the region. The last decade has brought a loss of 5 000 jobs in the region. Female employment increased by 5 000, while male employment decreased by 10 000. Many persons in the region are employed in the public sector. Community, social and personal services account for 60% of the jobs for women, while the figure for men is 31%. Both figures are above the national average of 26% for men and 54% for women.

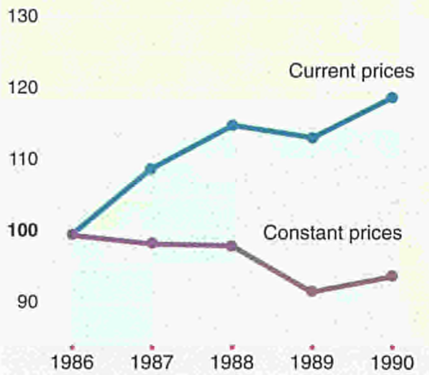
Troms and Finnmark are the only counties in Norway where there has been a growth in industry in recent years, mainly in fish processing and preserving. The main reason is an increase in fish resources and fish farming. In 1993 the region had 5 600 people employed in the canning, preserving and processing of fish, and this figure represented about half of all such jobs in Norway. Nevertheless, 55% of jobs in industry are to be found in the county of Nordland, where 2 500 people are employed in the manufacture of fabricated metal products. Of these, 2 100 are involved in the manufacture of basic metals, particularly in the Rana area. In spite of industry's relatively good performance, only five of the region's 10 largest private enterprises are to be found in this sector.

One in three of the 23 400 Norwegians undergoing compulsory military service in 1992 was stationed in Nord-Norge, particularly in Troms. In some municipalities in this county, therefore, the military presence is vital to the local economy.

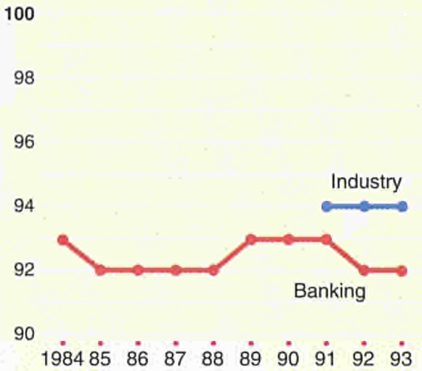
Manufacturing establishments have about only 20 employees on average, a figure which is well below the national average. Value-added per employee is about 30% below the national average. Research and development expenditure per employee in industry is also below the national average.

The government has for many years stimulated economic development in Nord-Norge by means of various policies. Industrial capital formation has been encouraged by tax benefits, and households resident in the region have been given special financial support.

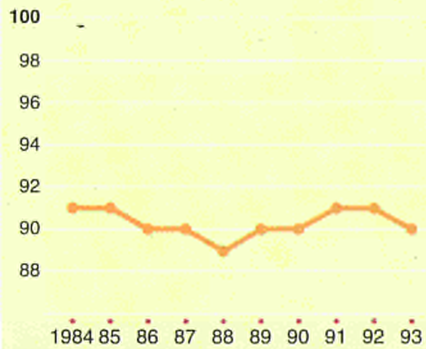
GDP (1986 = 100)



Wages
(national level = 100)



Pensionable income per person
(national level = 100)



Lowest level of earnings in the banking sector in Norway

In 1993 average monthly earnings in the banking sector were ECU 2 042 for both sexes, with men earning ECU 2 251 and women ECU 1 895. Average earnings for women were thus 82% of the equivalent figure for men. Highest average monthly earnings were in Troms (ECU 2 129), followed by Finnmark (ECU 2 033) and Nordland (ECU 1 986).

Of the three counties in the region, Nordland has the highest average level of earnings in industry, while Finnmark has the lowest – and indeed the lowest of any county in the whole of Norway. In 1993 average hourly earnings for men and women were ECU 10.77 in Finnmark, ECU 11.55 in Nord-Norge and ECU 12.31 for the country as a whole.

As in most other regions, the paper, printing and publishing sector yielded the highest earnings in industry in Nord-Norge, with an average hourly wage for men and women of ECU 14.45 in 1993. Lowest hourly earnings were in the lumber industry, where they averaged ECU 10.06 in 1993.

Average hourly earnings for women in industry were 86% of the level of men's earnings in 1993.

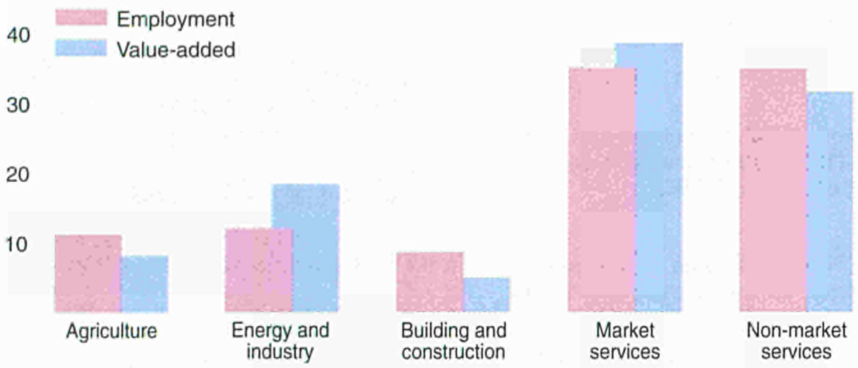
Women rank second and men second last in pensionable income

Average pensionable income in Nord-Norge was ECU 16 834 in 1993. This was 9% below the average for the country as a whole. The percentage of the region's inhabitants with pensionable income is 60%, slightly above the national average of just over 58%.

Average pensionable income in the case of women was ECU 13 890, a figure exceeded only in the Oslo og Akershus region. This can largely be explained by the high rate of full-time employment of women (for this indicator, the region is classed second in the country). Average pensionable income for men was ECU 19 353, relegating Nord-Norge to second last in a ranking by region.

Troms is the county with the highest average income for both sexes in the region, while Finnmark has the lowest. In a ranking of Norway's 19 counties by average pensionable income, Finnmark comes third, Troms sixth and Nordland ninth in the case of women. The positions with regard to the average pensionable income of men are Troms 13th, Nordland 15th and Finnmark 18th.

Employment and value-added: distribution by branch — 1990 (%)



Jobs in non-market services

Fishing is an important industry in Nord-Norge, with 4% of the region's jobs to be found in offshore and coastal fishing. The number of fishermen has gone down, however, while the average size of vessels has increased. The sea off Nord-Norge contains the country's richest fishing grounds. Cod is the most important catch. Due to strict regulations in the 1980s, stock size estimates and catches have increased in recent years.

Agriculture's share of employment is slightly above the national average. Reindeer farming is of major economic importance to the Lappish population in the county of Finnmark.

The fishing industry in Nord-Norge also forms the basis for a substantial fish-processing industry. More than 40% of the national value-added in salting, drying, smoking and freezing of fish is produced in the region. Relatively few people are employed in other branches of industry, manufacture of iron and steel being the most important. The iron and steel industry, located mainly in the county of Nordland, has undergone major restructuring and job reductions in recent years.

The service sector's total share of employment reflects the national pattern, although it is below average for market services and above average in the case of non-market services. Military bases, located mainly in the county of Troms, are important to the regional economy. In recent decades the government has accorded special priority to investment in public infrastructure and development of various types of public services in Nord-Norge. An example is the University of Tromsø, which has seen its student body expand considerably since it was founded at the start of the 1970s.

Agriculture

Number of holdings	8 273
Labour force	9 566 AWU
Agricultural area	88 758 ha
Livestock	122 786 LU
Gross value-added	18 407 ECU/AWU
Main products	
Milk	47%
Livestock for slaughter	27%
Flowers	5%

Main enterprises

Name	Activity
Elkem Aluminium AS	Primary aluminium
Fundia Norsk Jernverk AS	Iron and steel
Luossavaara-Kiirunavaara AB	Loading and unloading
Nord-Norges Salgslag	Abattoirs
Norsk Hydroproduksjon AS	Crude oil and natural gas production
Ofotens og Vesteraalens Dampskibsselskab AS	Scheduled transport in coastal waters
SAS Region Norge V/Business Controll	Air transport
Sydvaranger AS	Iron ore mining
Troms Fylkes Dampskibsselskap AS	Scheduled transport in coastal waters
Widerøes Flyveselskap AS	Air transport

High energy consumption per capita

With its three counties of Nordland, Troms and Finnmark, Nord-Norge is more than twice as large as the second biggest Norwegian region. Nord-Norge has rich fish resources. Because of the low population density there are very few significant environmental problems, apart from some local problems with emissions from heavy industry.

Only 0.8% of the region's area is agricultural land. It is generally too cold to produce grain economically. Meadowland accounts for as much as 92% of the agricultural area.

Nord-Norge has the highest total energy consumption per capita of any region in the country. Average consumption in 1992 amounted to 218 GJ, compared with a national figure of 176 GJ. Because of its long coastline, Nord-Norge's consumption of marine fuels is almost as high as in Vestlandet. Per capita consumption of electricity is the highest of the country's seven regions.

Total emissions per capita are close to the national average. Emissions from the processing industry are above the national average.

In 1992 only 474 kg of municipal waste per capita was generated. This was the lowest figure in the country, apart from the Trøndelag region. A little more than half was household waste. Nord-Norge had the country's lowest rate of recycling, with only 6 kg of waste per capita being treated in this way.

In 1991 only about 21% of the population was connected to facilities for waste water cleaning. In 1993 total treatment capacity was 124 000 population units (p.u.), giving about 0.27 p.u. per capita, and 'high-grade' cleaning (including a biological and/or chemical phase) represented 46% of the capacity.

Explanatory notes — Norway

The statistical data presented here have been compiled by either the national statistical institutes themselves or in collaboration with Eurostat. Despite the efforts which have been made, the ocmparability of the data between regions in different countries cannot always be guaranteed.

Graph: The region and the European Union

Sources: Eurostat – regional databank REGIO

Statistics Norway – Labour Force Sample Surveys (LFS). The LFS figures at national level are broken down to region by using internal data.

Reference period: 1992 except for Age < 25 and Age > 65 (1990) and Population density, unemployment and areas (1993).

Definitions:

Activity rates: The activity rate is the ratio of the labour force to the population (aged 16-74).

Employment: Employment (aged 16-74) structure by sector of activity at the place of residence.

Internal employment data are of insufficient quality for official statistics. Thus the data are corrected before being published. The employment data used in the regional allocation have not been corrected. The quality problem is connected to the small number of municipalities. The impact on the aggregated regions is expected to be small.

Unemployment rates: The unemployment rate is the ratio of the number of unemployed to the labour force.

The unemployed persons are those who have no job, are looking for a job, have made serious efforts towards finding one and are immediately available for work.

The labour force includes those persons (aged 16-74) who have a job and the unemployed.

LFS figures concerning numbers of unemployed at national level are broken down to regional level by statistics compiled by the Directorate of Labour on the basis of registers of unemployed persons and applicants for work.

Table: The subregions

Sources: Eurostat – regional databank REGIO

Unemployment, activity rates

Source: Statistics Norway – Labour Force Sample Surveys (LFS). The LFS figures at national level are broken down to *fylke* (county) by internal data.

Definition: see above

Employment

Data refer to place of work.

The NA-figures at national level are broken down to *fylke* (county) by different methods. The NA figures for total industry employment are broken down to *fylke* by a set of regional figures from the Manufacturing Statistics and the Construction Statistics 1992. Statistics Norway. The NA figures for total agricultural employment at the place of work are broken down to *fylke* by administrative employment data by major industry group.

Table: Resident population of foreign nationality

of which EU countries: EUR12

Yugoslavia: all resident persons with Yugoslavian citizenship (or passport), i.e. former immigrants from the former Yugoslavia and new immigrants from Serbia and Montenegro.

Table: Number of pupils – 1993

The number of pre-school children and children in kindergartens by sex are not available

Table: Employment

Statistics Norway – Labour Force Sample Surveys (LFS). The LFS figures for salaried employees and wage earners at national level are broken down to region by administrative data on commuting. The data on commuting are derived from the Register of Employees, 2nd quarter 1993, National Insurance Institution.

It includes non-residents having a job in the region; excluding those resident abroad.

Tables: Employment/employment structure

Sources: Population censuses 1950, 1960, 1970, 1980 and 1990

Note: Resident employment

Definition:

For 1950, 1960 and 1970 the tables include those with a main occupation as the most important source of subsistence were economically active. For 1980 and 1990 the tables include as economically active those who worked at least 1 000 hours a year. Calculations have shown that there is a good correlation between 'working at least 1 000 hours' and 'to have a main occupation as the most important source of subsistence'.

Graph: Unemployment

Source: Statistics Norway – Labour Force Sample Surveys (LFS). The LFS figures at national level are broken down to *fylke* (county) by administrative data.

Definition: see above

Table: Characteristics of resident employment

Source: Administrative employment data, 2nd quarter 1993. Statistics Norway. The employee statistics are based on an administrative information system – the Register of Employees, 2nd quarter 1993, National Insurance Institution

Definition:

An employee is defined as anyone working for payment or other forms of remuneration. Part-time workers; employees working under 30 hours per week.

Graph: GDP

Production outside the mainland of Norway, mainly consisting of North Sea oil and gas, is excluded.

Method of deflation: The regional distribution of each of the 42 industries at current prices was applied to the corresponding national aggregates at fixed prices, and then recalculated to the 1986 price level. The statistical discrepancies between the sums of the regional figures and the national GDP figures at 1986 prices, arising as a result of the deflation methods, were distributed proportionally among the regions

Graph: Wages

Data covering wages for persons in banking and manufacturing industries.

Graph: Average pensionable income

Definition:

Average pensionable income is income per person with pensionable income.

Pensionable income forms the basis for computing future pension entitlement. It consists of wage, net entrepreneurial income and other taxable allowances such as unemployment benefit, sickness benefit and birth allowance. Capital interest is not included.

Graph: Employment and value-added by branch – 1990 (%)

Employment in off-shore oil production is not considered. Value-added of land-based ancillary activities to oil production is included.

Value-added of off-shore oil production is excluded.

Value-added tax, investment levy on fixed capital formation and special excises or taxes on imports and customs duties are excluded.

Table: Agriculture

Reference period: 1993 except for Main products and Gross value-added (1989).

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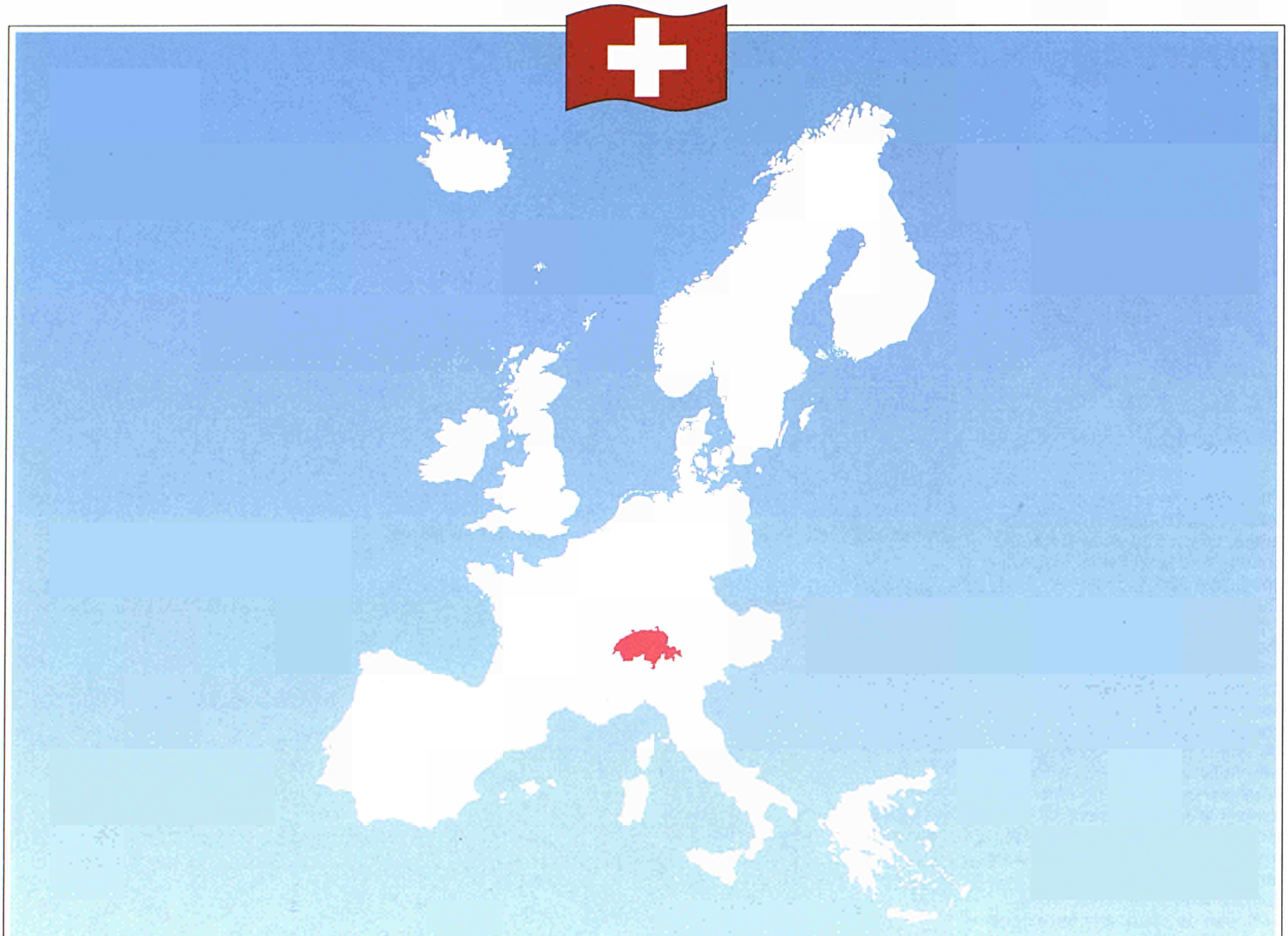
SWITZERLAND

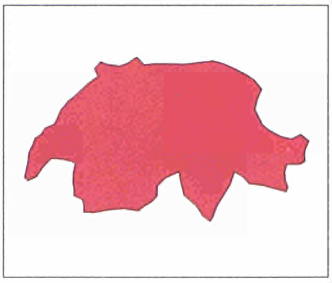


With an area of 41 000 km² and a population of 7 million, Switzerland is one of the smaller countries of Europe. In many ways it is conditioned by its Alpine situation. Although the Alps form a natural barrier between north and south, the territory of Switzerland straddles this divide. Switzerland lies at the meeting point of three major European language cultures (French, German and Italian) which — alongside the Rhaeto-Romanic culture of south-eastern Switzerland — have each made their contribution to the multicultural dimension. While not free of conflict, this particular component of the Swiss national identity has always been more of a cohesive factor than a divisive one.

Since 1848 Switzerland has been a federal State with a two-chamber system (the National Council and the Council of States, the latter comprising the representatives of the cantons). The power of Parliament and the political parties is considerably restricted by the marked federalism of the cantons and wide-ranging public rights ('popular initiatives' and referendums). The four strongest parties (Radical Democratic Party, Social Democratic Party, Christian Democratic Party and Swiss People's Party) have jointly formed the Government — the seven-member Federal Council — since 1959. Despite the Government parties' steady loss of votes to green and right-wing populist groupings, the overall political scene is extremely stable. Switzerland is divided into 26 historically-based cantons and 3 015 communes of varying size (as at January 1994). Since 1848 there have been only two adjustments to the administrative divisions — in conjunction with the separation of the canton of Jura from the canton of Berne.

The Swiss economy is dominated by the services sector — the two main pillars being the financial sector and tourism. In the secondary sector the lack of raw materials has led to the development of specialized processing industries (machinery, pharmaceuticals, watches). Agriculture still employs 4.2% of the population in employment (1990) and for climatic reasons concentrates on livestock farming. After decades of full employment the latest recession has meant that Switzerland has also been affected by unemployment.

SWITZER-LAND



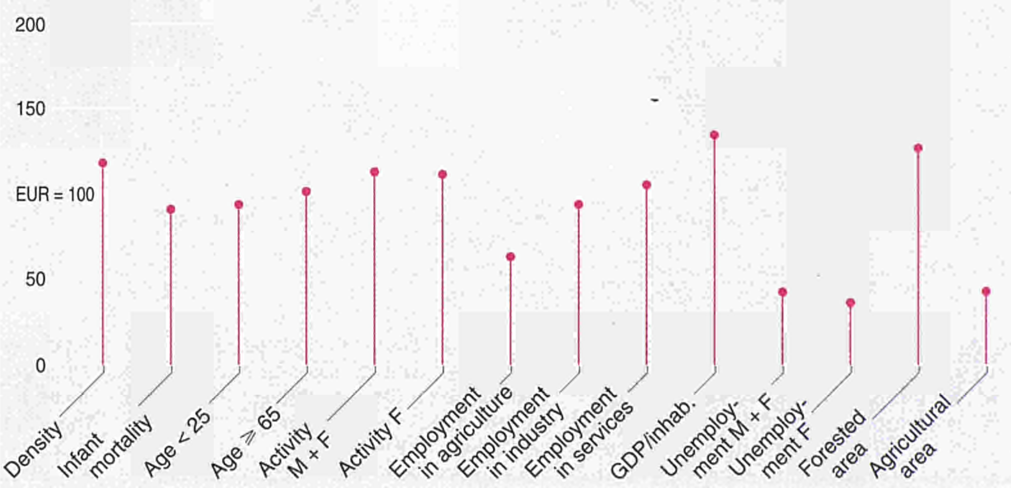
The predominant feature of the relief in Switzerland is the Alpine range, which traverses the entire country and reaches its highest point, at 4 634 m, with the Dufourspitze (Monte Rosa) in the Alps of the Valais. Together with the Jura hills it divides the country into the main regions of the Jura, the Mittelland, the pre-Alps, the Alps and the southern flank of the Alps. The climate is moderate-continental with Atlantic influences, while the southern valleys of the Alps are subject to Mediterranean influences. Because of the high proportion of barren mountainous terrain, 25% of the country's surface is unproductive, while 14% can be used only for extensive farming (Alpine pastures) and 30% is wooded (mainly coniferous and mixed beech forest).

Some of Europe's major rivers, for example, the Rhine and the Rhône, arise in the Swiss Alps. With Lake Constance and Lake Geneva, Switzerland has a share of the largest inland waters of Central Europe. Large numbers of reservoirs are used to generate electricity, although the proportion of hydroelectric power declined from 90% in 1970 to 59% in 1992, and almost 40% of electricity is now generated by nuclear power stations. Because of the many traditional Alpine passes (e.g. the Gotthard), Switzerland is a major transit country, and this is reflected in the dense and extensive road and rail network.

Human settlement and the major economic activities are concentrated in less than one third of the area — principally in the Mittelland and the larger Alpine valleys. Although only the Zurich conurbation approaches the 1 million inhabitants mark, 69% of the population lived in an urban environment in 1990.

Tourist landscape — a view of Lake Lucerne and the Alps (Photo: SVZ).

Switzerland and the European Union



Traditional qualities — new problems

A high standard of living, full employment, a good education system, unspoilt landscapes, a highly-developed infrastructure, a secure financial centre, political stability and neutrality: these are Switzerland's strengths as seen from abroad. Overall, Switzerland has a considerable economic potential with geographical advantages for high-tech branches of the secondary and tertiary sectors which rely on well-trained personnel and optimum transport links.

However, there are a few dark patches on this glowing picture. The major problem for the coming years is probably the controversial question of integration or isolation. Switzerland is not a member of the United Nations, and in 1992 it voted by a narrow majority not to join the process of European integration (rejection of accession to the EEA). Domestic politics are dominated by the same topics as in most other European countries — so Switzerland is not (or is no longer) a special case. After decades of more or less full employment, unemployment hit Switzerland in the 1990s and revealed structural weaknesses.

Cuts in public spending and a growing gap between rich and poor people are threatening the political consensus, as are xenophobic tendencies. Environmental problems are a serious issue, and although Switzerland has considerable achievements to its name in the field of water protection, the situation as regards air cleanliness is more problematic. The large volume of transit traffic makes it much more difficult to take regulatory action in this sphere.

Scale: 1 : 2 000 000

Mountains and high technology

Although communications are fairly good even in the peripheral regions, there is a lack of modern facilities such as motorways, international rail links and airports. Since the industrialization of Switzerland was based not on raw materials but on the availability of labour and energy, certain industries are still located in fringe areas.

With the shift to the services sector, however, development moved to the urban centres as in other countries. Regions with weak economic structures are now to be found in particular in the area of the pre-Alpine hills, where the decline in agriculture has not been offset by a corresponding growth in (winter) tourism. Single-industry locations are also threatened unless they manufacture highly specialized products which are less vulnerable to international competition.

	Area	Population			Activity	Unempl.	Employment			GDP/inhab.
	1 000 km²	1 000	Inhab./km²	Change %	%	%	% Agricult.	% Industry	% Services	EUR (PPS) = 100
		1993	1993	1980-90	1990	1993	1990	1990	1990	1993
Zürich	1.7	1 162.1	699.7	5.0	66.6	4.1	2.1	27.3	70.6	:
Bern	5.9	956.6	161.3	5.1	62.7	3.9	6.3	31.1	62.6	:
Luzern	1.4	335.4	234.7	10.2	65.0	3.6	8.6	34.0	57.4	:
Uri	1.1	35.7	33.8	1.0	60.1	1.6	8.5	39.6	51.8	:
Schwyz	0.9	118.5	139.2	15.0	66.1	2.4	6.7	38.9	54.4	:
Obwalden	0.5	30.8	64.2	12.2	63.3	2.0	10.1	35.1	54.8	:
Nidwalden	0.2	35.4	146.5	15.5	66.0	3.1	7.2	34.5	58.3	:
Glarus	0.7	39.1	57.5	4.9	65.0	2.3	5.5	48.3	46.2	:
Zug	0.2	88.6	427.7	12.7	68.3	3.8	3.7	30.4	65.9	:
Fribourg	1.6	218.7	137.5	15.3	62.4	5.0	7.1	32.8	60.0	:
Solothurn	0.8	236.4	299.0	6.3	64.5	4.6	3.1	41.7	55.2	:
Basel-Stadt	0.0	197.4	5 335.2	– 2.2	58.8	5.5	0.5	28.7	70.9	:
Basel-Landschaft	0.4	234.9	548.9	6.2	65.1	3.4	2.4	34.5	63.1	:
Schaffhausen	0.3	73.6	246.8	4.0	63.5	4.3	4.2	40.0	55.8	:
Appenzell Ausser-Rh.	0.2	54.1	222.7	9.7	62.4	2.8	7.2	37.2	55.6	:
Appenzell Inner-Rh.	0.2	14.7	85.1	8.0	63.8	1.6	17.5	35.9	46.6	:
St. Gallen	2.0	437.0	224.0	9.1	63.9	3.4	4.9	39.8	55.4	:
Graubünden	7.1	182.0	25.6	5.6	63.6	1.8	6.1	27.0	66.9	:
Aargau	1.4	518.9	372.0	11.9	66.9	3.4	3.5	38.3	58.2	:
Thurgau	0.9	217.1	251.6	13.9	64.7	2.9	7.6	41.9	50.5	:
Ticino	2.8	298.0	108.8	6.1	58.1	6.3	1.7	25.2	73.1	:
Vaud	2.8	596.7	211.4	13.8	63.4	6.9	4.4	25.3	70.3	:
Valais	5.2	266.7	51.2	14.2	61.0	6.5	3.5	32.5	64.0	:
Neuchâtel	0.7	163.9	228.7	3.5	62.1	6.3	3.3	39.0	57.7	:
Genève	0.2	387.6	1 577.9	8.6	64.4	7.2	0.9	17.6	81.5	:
Jura	0.9	68.6	82.0	1.8	60.9	5.9	7.1	42.0	50.9	:
Schweiz/Suisse	40.0	6 968.6	174.3	8.0	64.0	4.5	4.2	31.6	64.2	135
EUR 12	2 358.2	347 937.8	147.5	3.2	54.6	10.4	6.7	33.2	59.9	100

SWITZERLAND

A land of immigrants

The population of Switzerland passed the 7 million mark for the first time in 1994, giving a relatively high population density of more than 170 per km². Some 18.5% of permanent residents are foreign nationals (end of 1993), which means that Switzerland has, except Luxembourg, the highest proportions of foreigners in Western Europe; 62% of them are citizens of the EU and fewer than 9% are from outside Europe. The traditional linguistic diversity of Switzerland (63.7% German, 19.2% French, 7.6% Italian and 0.6% Rhaeto-Romanic in 1990) is enriched by other languages, of which Spanish, Serbo-Croat and Portuguese, for example, are more widely spoken than Rhaeto-Romanic.

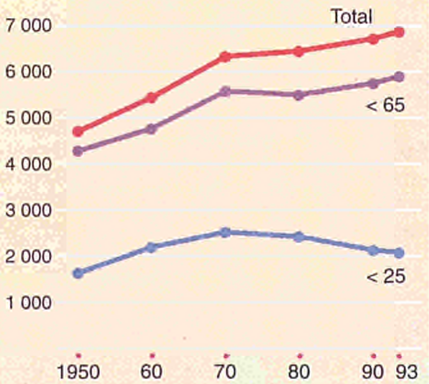
The birth rate is low, with 12.1 births per 1 000 inhabitants in 1993. Of these, 93.7% were within marriage and 75.8% were to Swiss parents. Infant mortality is very low and life expectancy is very high even for Europe, standing at 74.7 years for men and 81.4 years for women in 1990. The ageing of the Swiss population is more marked than that of the foreign population. The population growth is mainly the result of the positive migration balance: in the four years 1990-93 there was a net migration of 205 100 persons compared with a natural increase of 89 600.

The high level of prosperity, the age structure and changes in social patterns have led to a continuing decrease in the size of the average household, from 3.2 persons in 1960 to 2.3 persons in 1990. Nearly two thirds of households consist of only one or two persons (1990).

Population by age — 1993

	M + F 1 000	M + F %	M %	F %
< 15	1 224	17.6	18.4	16.8
15-24	869	12.4	12.9	12.1
25-39	1 709	24.6	25.2	23.7
40-54	1 442	20.7	21.3	20.0
55-64	705	10.1	10.2	10.2
⩾ 65	1 019	14.6	11.9	17.2
Total	6 969	100.0	100.0	100.0

Population (1 000)



Resident population of foreign nationality — 1993

	1 000	% of total population
Total	1 291.8	18.5
of which EU countries	792.4	11.4
of which non-EU countries	494.2	7.2
Italy	370.7	5.3
Former Yugoslavia	247.0	3.6
Portugal	122.0	1.8
Spain	106.9	1.5
Germany	88.2	1.3
Turkey	76.6	1.1

Demographic account — 1980-90
(1 000)

Population 1.1.1980	6 304
Births	760
Deaths	598
Net migration	+ 209
Population 1.1.1990	6 674

Many foreign workers

A feature of the labour market in Switzerland is the high proportion of foreign workers, which became even more marked in the 1980s. Foreigners (including frontier and seasonal workers) made up 25% of the labour force in 1993. Another noticeable trend in recent years has been the increase in the number of women working, although the activity rate for men (80% in 1993) is still much higher than that for women (57%).

Working hours are considerably longer than the European average, with full-time workers (excluding the self-employed) working 41.7% hours per week on average in 1993 (42.7 hours in 1991).

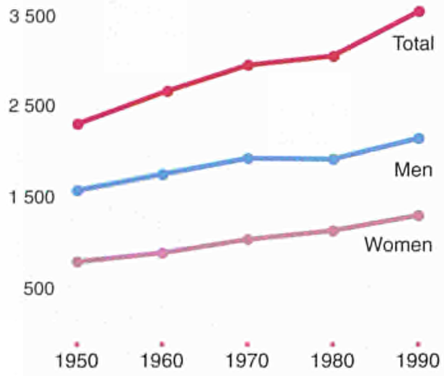
In 1991 some 22% of the working population had completed only compulsory schooling, with a higher figure for women (27%) than for men (18%), although the education gap between women and men is steadily narrowing. Some 59% had completed further secondary education (women: 62%; men: 57%) and 19% had a university-level qualification (women: 11%; men: 25%). Further secondary education mainly comprised vocational training of three to four years, a route followed by six out of ten pupils after completing compulsory schooling. For some years now, however, general schools have been gaining ground at the cost of vocational training.

Number of pupils — 1993

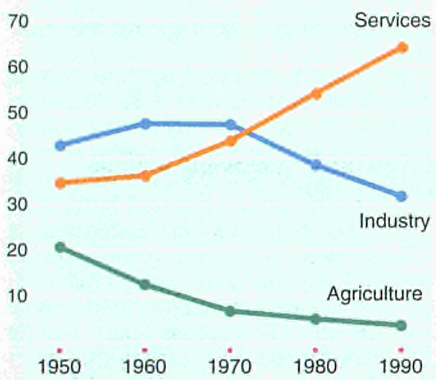
	M + F 1 000	F %
Pre-school	149	49
Primary	423	49
Lower secondary	287	49
Higher secondary (technical)	194	41
Higher secondary (general)	84	57
Higher education	113	36
Total	1 251	47

SWITZERLAND

Employment (1 000)



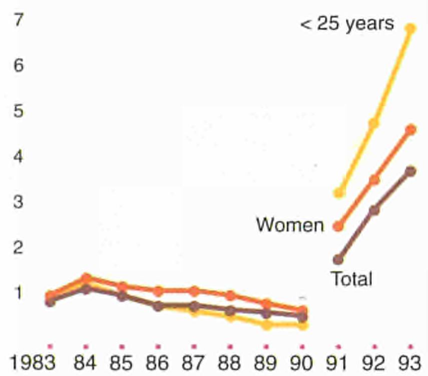
Employment structure (%)



Employment — 1993 (1 000)

Resident employment	3 729
+ Non-residents having a job in the region	160
– Residents having a job outside the region	6
= Internal employment	3 883

Unemployment (%)



Strongly expanding services sector, increasing employment

Between the censuses of 1980 and 1990 the number of persons in the labour force increased by 530 000 (+ 17%). The reason is to be found in the strongly expanding services sector, whose share of the population in employment rose from 54 to 64%. The share of the secondary sector (industry, construction and manufacturing) fell from 39 to 32%. In 1980 this sector was still the largest employer in 11 cantons, but by 1990 this was the case in only one (Glarus). Agriculture's share of employment declined from 6 to 4%, with mainly smallholdings going out of business.

The increase in the working population is attributable principally to foreign workers, but also to women. The number of foreign workers rose between 1980 and 1990 by 240 000, while the number of Swiss women who were economically active went up by 192 000 — most of the latter (175 000) part time. In all, 41% of Swiss women, but only 5% of Swiss men, have a part-time job. The corresponding figures for foreign workers, at 27 and 4% respectively, are markedly lower.

The change in sectoral structure is accompanied by a trend to more highly-qualified occupations, and the number of unskilled wage- or salary-earners fell between 1980 and 1990. However, it is still high amongst foreign workers (45% compared with only 15% of Swiss workers), almost half of whom are still employed in the secondary sector.

The growth of the economically active population and the spread of the conurbations has led to an increase in commuting, and some 50 out of 100 workers leave their commune of residence every day to work elsewhere (1990, compared with only 40% in 1980). Around the five major cities the figure is much higher, at 71%.

Characteristics of resident employment (%)

	< 25 years	25-54 years	⩾55 years	Employees	Employees: part-time		Employees: full-time temporary contract	
	1993	1993	1993	1993	1991	1993	1991	1993
Men	15.3	69.5	15.2	81.1	6.8	7.7	3.1	4.7
Women	17.8	68.3	13.9	82.8	50.4	55.8	12.2	11.2
Total	15.3	69.5	15.2	81.8	25.7	28.5	5.1	6.3

No oasis of full employment

At the start of the 1990s the number of persons in employment declined sharply. Unemployment, which for a long time had hardly existed, rose more rapidly than the European average. In 1993 the unemployment rate was 3.7% (1.7% in 1991), with women worse affected than men (4.7% as against 3.0%), foreigners worse than the Swiss (5.7% and 3.2% respectively) and young people worse than older persons (6.8% of the 15-24-year-olds were unemployed, 3.3% of the 25-49-year-olds and 2.7% of the 50-64-year-olds). Although persons of pensionable age are still seldom unemployed, the number of persons in this group with jobs has declined markedly.

The regional disparities are also considerable: the unemployment rate in German-speaking Switzerland is much lower than in western Switzerland and Ticino. The risk of unemployment also varies according to level of education — persons with only compulsory schooling, for instance, are more likely to be unemployed than those with a university-level education.

As unemployment has risen, the duration of unemployment has also increased. Between 1991 and 1993 the proportion of persons out of work for more than six months jumped from 28 to 48%. In this same period the proportion of unemployed persons entitled to unemployment benefit also rose, from 34 to 63%, although the figures for women were distinctly lower (26 and 49% respectively). Finally, 'laid off' has become increasingly frequent as the reason for unemployment, with 42% of unemployed persons citing it in 1993, compared with only 13% in 1991.

SWITZERLAND

Export-oriented industry

A characteristic feature of the industrial structure in Switzerland is the large number of small businesses. According to the 1991 business census, there was a total of 41 000 industrial undertakings, 94% of which employed fewer than 50 people and only 0.4% had 500 or more employees. Nevertheless, these larger undertakings account for some 29% of jobs.

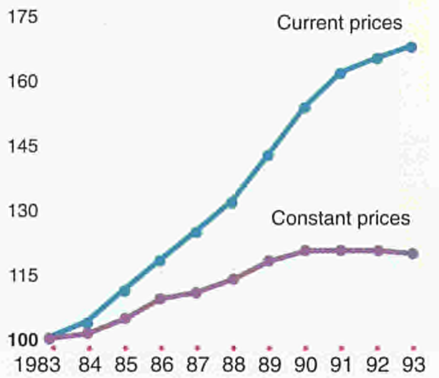
Gross value-added in industry in 1991 was ECU 44 000 million, about two fifths of this being accounted for by exports. The principal branches are mechanical engineering (17% of gross industrial value-added), electrical/optical engineering (15%), chemicals (13%), metalworking (11%) and food, beverages and tobacco (10%). The share of exports is particularly high in the watchmaking industry (87%), textiles (72%), leather goods/plastics (59%), mechanical engineering (56%) and the chemical industry (54%). Exports exceeded imports in the following branches: watchmaking, electrical/optical engineering, chemicals, textiles.

Not only is Swiss industry markedly export-oriented, but many undertakings also have production sites in other countries, and that is where most of the growth is being achieved — at least as far as employment is concerned — as undertakings are increasingly shifting their production abroad. In 1991 Swiss industrial undertakings employed more people abroad than in Switzerland. The largest multinational based in Switzerland, the food concern Nestlé, had 97% of its employees abroad in 1993, while the figures for the chemical multinationals Sandoz and Ciba-Geigy were 82 and 75% respectively.

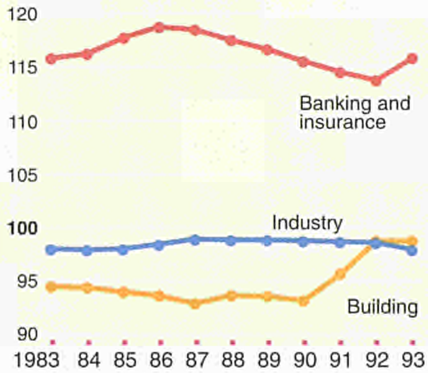
Despite industry's strong export performance, Switzerland's balance of trade is generally in deficit.

In 1992 a total of ECU 5 000 million was spent on research and development in Switzerland, representing 2.7% of GDP and putting Switzerland amongst the most active countries in terms of research. Private industry accounted for 70% of this expenditure. In 1992 R&D expenditure by private industry abroad exceeded expenditure in Switzerland for the first time.

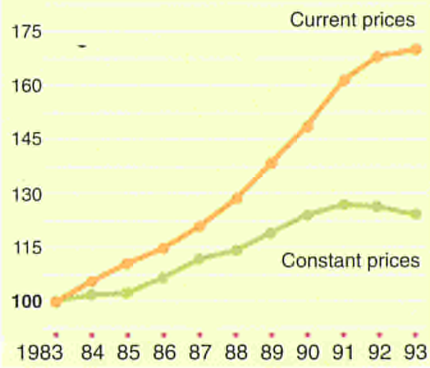
GDP (1983 = 100)



Wages
(all branches 1983 = 100)



Disposable household income
(1983 = 100)



High earnings, wide differences

Earnings in Switzerland are very high, but prices are also far above the European average (at least one third higher than in the EU in 1990). In 1993 half of those in work had an annual income of less than ECU 30 000 and 10% received less than ECU 4 900. The top 10% of earners had an annual income of more than ECU 60 000.

Between 1985 and 1993 real wages rose by 7.3%, representing an average annual increase of 0.9%. In branches with low unemployment they rose more than in those with high unemployment.

The differences between the branches are considerable: average wages (excluding senior management) are high, for instance, in public administration (ECU 3 750), the chemical industry (ECU 3 350) and banking and insurance (ECU 3 390), while the lowest wages are to be found in hotels, restaurants and catering (ECU 1 850), the retail trade (ECU 2 540) and in the foodstuffs industry (ECU 2 600).

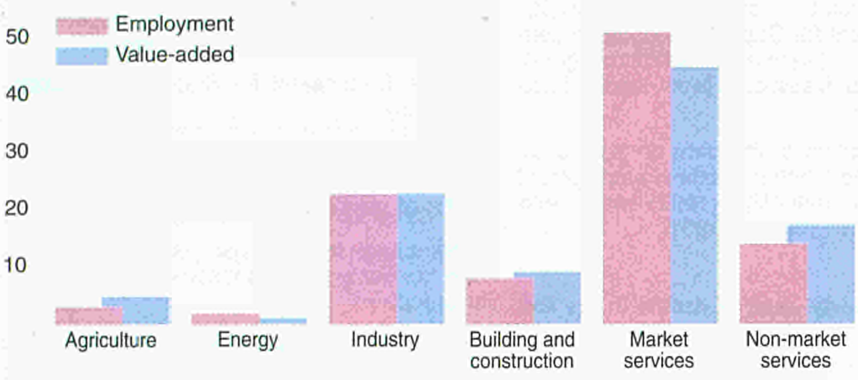
Incomes are also strongly affected by occupational status, education and professional experience, and these are among the factors determining the considerable earnings differentials between men and women — although an element of wage discrimination cannot be ruled out here.

Almost three quarters of household expenditure goes on consumption

An average four-person family spends ECU 4 570 per month (1992). After deduction of taxes (8.5%), insurance premiums (17%, including social security contributions) and other contributions and transfers (2%), 73% of this is left for private consumption. The largest single item is 22% for accommodation. This figure is slightly lower for rented accommodation in which two thirds of all households live than for owner-occupied accommodation. Other major items of expenditure are foodstuffs (14%) and transport/communications (9%).

SWITZERLAND

Employment and value-added: distribution by branch — 1991 (%)



Tourism along with highly-subsidized agriculture

Switzerland has no mineral resources to speak of, so it is not surprising that industry predominantly involves processing. However, for a long time now, most of the value-added has come from services, and their importance is continuing to increase. Alongside the distributive trades, which occupy a key position (13.4% of gross value-added), it is principally banking and insurance (10.7%), hotels, restaurants and catering and transport (6.8%) and consultancy and planning (6.3%) which have gained ground.

In addition to the return on capital, the services sector plays a decisive role in Switzerland's large balance-of-payments surplus, which accounts for approximately 9% of GNP. Of particular importance is tourism, the most important branch for many mountain regions, which brings in 10% of export earnings. In 1993 the mountain resorts accounted for a good two fifths of the more than 33 million overnight stays in hotels in Switzerland.

Agriculture now contributes only 2.9% of total value-added in Switzerland, and employment in the sector has been falling for years. Between 1985 and 1990 alone, some 12 000 agricultural holdings were abandoned, although production volume remained more or less the same. A good two fifths of the total of some 108 000 holdings are a secondary activity. The average useful agricultural area of a holding is just under 10 hectares, with three livestock farms for every one growing crops. Government subsidies to Swiss agriculture amount to some 80% of the production value, putting Switzerland at the top of the table of OECD countries.

Agriculture

Number of holdings	108 300
Labour force	176 500 AWU
Agricultural area (excluding Alpine grazing)	1 071 000 ha
Livestock	1 376 000 LU
Gross value-added	30 418 ECU/AWU
Main products	
Milk	36 %
Pigs	16 %
Cattle	15 %

Main enterprises

Name	Employees	Activity
Migros Gemeinschaft	51 685	Mixed activities, mainly retail distribution
Coop-Gruppe	34 476	Mixed activities, mainly retail distribution
Bankgesellschaft	21 498	Banking and finance
Ciba-Geigy	21 496	Chemical and pharmaceutical industry
SKA-Konzern	20 316	Banking and finance
Swissair-Gruppe	18 940	Air transport
Bankverein	18 145	Banking and finance
ABB Schweiz AG	13 200	Manufacture of machinery
Sulzer-Konzern	13 092	Manufacture of machinery

Committed to environmental protection

The high population density in Switzerland exerts a great deal of pressure on the habitat, and this has led to a high level of environmental awareness in Switzerland in the last 25 years. This period has seen the development of a comprehensive and varied package of measures for the 'protection of man in his environment' at constitutional and legislative level (e.g. the environmental protection law of 1985/93 and the water protection law of 1992) which embody the prevention principle, the 'polluter pays' principle, the cooperation principle and the principle of the holistic approach.

There has, however, been a growing realization that many environmental problems cannot be solved at national level alone, and Switzerland has therefore entered into commitments at international level, for example, the voluntary approximation of Swiss environmental legislation to that of the EU, ratification of the decisions of the UN Conference on Environment and Development (Rio de Janeiro, 1992) and the signing of the Protocol on the protection of the ozone layer (Montreal, 1992).

Of particular importance in countering the greenhouse effect is protecting the air quality and reducing the emission of pollutants. Although a wide range of measures have already been taken (*inter alia*, speed limits, levies on heavy goods traffic and heating oil, introduction of catalytic converters for exhausts), the statutory ground level concentration limits for ozone and nitrogen oxides are frequently exceeded. Since private transport is growing faster than public transport, the problem of air cleanliness remains on the agenda.

Major progress has been made on waste disposal and water protection. Although recycling and waste management (e.g. volume-related waste removal charges) have not succeeded in reducing the volume of waste, it has at least remained stable. Waste disposal has also been much improved, and in 1993 only 10% of urban refuse was disposed of in incinerators without flue gas cleaning. There have been similar successes with waste water treatment, and in 1992 almost 90% of the population was connected to a waste water treatment plant.

Explanatory notes — Switzerland

The statistical data presented here have been compiled by either the national statistical institutes themselves or in collaboration with Eurostat. Despite the efforts which have been made, the comparability of the data between regions in different countries cannot always be guaranteed.

Graph: Switzerland and the European Union

Sources: Eurostat – regional databank REGIO, Bundesamt für Statistik (population census, statistics on the annual population figure), (ESPOP), area statistics, Swiss labour force survey (SAKE).

With the exception of the data on age structure, activity rates and persons in employment (1990), infant mortality (1992) and area (1985), all figures relate to 1993.

Definitions:

— Infant mortality: ratio of deaths in the first year of life to total live births in %.

— Activity rates: number of economically active persons in relation to the population of working age (15 years and over).

— Unemployment rates: number of unemployed persons in relation to the number of economically active persons.

In accordance with the recommendations of the International Labour Organization (ILO):

— unemployed persons are all persons without work who are seeking work, have already taken steps to that end, and are currently available for work;

— economically active persons comprise persons in employment and unemployed persons.

Agricultural area: represents the agricultural area excluding Alpine grazing.

Table: The subregions

Sources: Eurostat – regional databank REGIO, Bundesamt für Statistik (population census, area statistics, ESPOP, SAKE).

Definitions: Unemployment rates: See above.

Graph: Population

Sources: Bundesamt für Statistik (1950-90: population censuses; 1993: ESPOP).

Table: Residential population of foreign nationality

Source: Bundesamt für Statistik (ESPOP).

Table: Population by age

Sources: Bundesamt für Statistik (1990: Population census, 1993: ESPOP).

Table: Demographic account

Source: Bundesamt für Statistik (Population censuses 1980/90).

Table: Number of pupils

Elementary school and total excluding special schools; tertiary level: including upper vocational schools and technical colleges.

Source: Bundesamt für Statistik (educational statistics).

Graph: Persons in employment at their place of residence and their place of work

'Commuters from abroad' is taken to mean only frontier workers; seasonal workers are not included.

Source: Bundesamt für Statistik: SAKE, population censuses; Bundesamt für Ausländerfragen.

Graph: Structure of employment

Source: Bundesamt für Statistik (Population censuses).

Table: Resident employment/internal employment

Source: Bundesamt für Statistik (ESPOP).

Graph: Unemployment

Figures for unemployment according to international standards (see above for definitions) are available for Switzerland only as from 1991. The source is the Swiss labour force survey which, in the second quarter of each year, reports on the number of unemployed persons and persons in employment.

Data for earlier years are from the Bundesamt für Industrie, Gewerbe und Arbeit (BIGA). Unemployed persons are persons registered with the cantonal job centres. The figure represents the annual average of the number of unemployed persons determined towards the end of each month, in relation to the number of economically active persons according to the 1990 population census (until 1989 according to the 1980 census).

Sources: Bundesamt für Statistik (BIGA).

Table: Characteristics of resident employment

Source: Bundesamt für Statistik (SAKE).

Definitions:

— Persons in gainful employment are all persons working for a wage or salary for a public or private employer. This includes military personnel, but not conscripts.

— The delimitation of part-time and full-time employment is left to the judgment of the respondent.

— A post is considered as temporary if it is clearly limited in time.

Graph: GDP

Source: Bundesamt für Statistik (National accounts).

Graph: Wages

Source: Bundesamt für Industrie, Gewerbe und Arbeit (BIGA): Wage statistics for October.

Graph: Disposable household income

Source: Bundesamt für Statistik (National accounts).

Graph: Employment and value-added: distribution by branch

Source: Bundesamt für Statistik (National accounts).

Table: Agriculture

Figures relate to 1990 except livestock (1993) and main products (1992).

Source: Bundesamt für Statistik: Census of agriculture 1990; Livestock census 1993; Secretariat of the Schweizerischer Bauernverband.

Table: Main enterprises

Source: Handelszeitung: 'Top 2000. Die größten Unternehmen in der Schweiz 1994'.

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1990	1991	1992	1993	1994
		1 ECU =		
‹2.4252	42.2233	41.5932	40.4713	39.6565
'.85644	7.90859	7.80925	7.59359	7.54328
:.05211	2.05076	2.02031	1.93639	1.92452
:01.412	225.216	247.026	268.568	288.026
129.316	128.469	132.526	149.124	158.918
5.91416	6.97332	6.84839	6.63368	6.58261
).76777	0.76781	0.76072	0.79995	0.79362
1521.94	1533.24	1595.51	1841.23	1915.06
‹2.4252	42.2233	41.5932	40.4713	39.6565
:.31214	2.31098	2.27482	2.17521	2.15827
4.4401	14.4309	14.2169	13.6238	13.5395
81.108	178.614	174.714	188.370	196.896
‹.85488	5.00211	5.80703	6.69628	6.19077
'.52021	7.47926	7.53295	9.12151	9.16307
).71386	0.70101	0.73765	0.77999	0.77590
.76218	1.77245	1.81776	1.73019	1.62128
'.94837	8.01701	8.04177	8.30954	8.37420
74.03	73.00	74.6584	79.2528	83.1063

Symbols and abbreviations

–	None
0	Less than half of the unit used
Ø	Average
≥	Greater than or equal
<	Less than
:	Not available
GDP	Gross domestic product
PPS	Purchasing power standard
M	Male
F	Female
AWU	Annual work unit
LU	Livestock unit
inhab.	Inhabitant
km	Kilometre
ha	Hectare

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