PORTRAIT OF THE REGIONS

VOLUME 2

FRANCE
UNITED KINGDOM
IRELAND

COMMISSION OF THE EUROPEAN COMMUNITIES

eurostat Statistical Office of the European Communities

Directorate-General for Regional Policy

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Foreword

Portrait of the regions

'1992 marks the beginning
of a new era, the era of Maastricht,
and opens up the new horizons of
European union.'
*(J. Delors in a speech
to the European Parliament)*

'We are not
binding States together,
we are uniting people.'

(J. Monnet)

The approximately 180 regions which — in all their diversity — currently make up the European Economic Community must learn more about each other if they are to coexist more fruitfully, work together within a frontier-free area and evolve within a Union pledged to strengthening economic and social cohesion.

The aim of this *Portrait of the regions* is to enable each region to learn more about the economic and social situation of its Community partners. The regions of Europe are presented one by one, in an identical format, via maps, diagrams, statistical tables and textual commentaries on their area, regional strengths and weaknesses, population patterns and trends, employment, the economic fabric and the environment.

In this way, systematic coverage is given to all the regions of the Community; from those which have been part of the Community from its earliest days through to the five German *Länder* incorporated as a result of German unification; from major metropolitan regions such as Île-de-France, Greater London, the autonomous community of Madrid or Attica through to sparsely populated rural regions such as Epirus, the Alentejo or parts of Ireland; from the regions at the geographical heart of Europe through to those at its outermost edges, such as the Canary Islands, the Azores or the French overseas departments.

The *Portrait of the regions* was produced jointly by several Commission departments (the Directorate-General for Regional Policies, the Translation Service, the Office for Official Publications of the European Communities and Eurostat) on the one hand, and the Member States' national statistical institutes, often in conjunction with their regional departments and departments within other ministries, on the other.

This publication supplements the information on the Community's regions 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 of the Community'. Its drafting and coordination was a mammoth task, for which all involved deserve sincere thanks.

H. Christophersen

B. Millan

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.

Drafting committee:

L. Van den Berghe	INS — Bruxelles
A. Wulff	Danmarks Statistik — København
P. Knoche	Statistisches Bundesamt — Wiesbaden
G. Tsoutsias	Athens
P. Díaz	INE — Madrid
J. P. Le Gléau	Insee — Paris
A. Redmond	CSO — Dublin
F. Pagnanelli	Istat — Roma
G. Zacharias	Statec — Luxembourg
W. Kleyn	MEZ — Den Haag
A. de Carvalho	INE — Porto
Ph. Rose	CSO — London
Eurostat and DG XVI	Commission of the European Communities

The text of Volume 2 is based principally upon analyses and studies carried out by:

France: Directions régionales de l'Insee

United Kingdom: England: T. G. Griffin, Ph. Rose, R. Cameron, B. A. Salerno (CSO); Wales: P. Fullerton (Welsh Office); Scotland: T. Whyte, J. D. Gray (Scottish Office, Industry Department); Northern Ireland: T. N. Caven, C. J. Morris (Department of Finance and Personnel); further assistance from the Employment Department; Department of the Environment; Department of Trade and Industry; Office of Population, Census and Surveys

Ireland: Central Statistics Office with assistance from the following five government departments: Education; Environment; Finance; Foreign Affairs and Health

Photos

France: Champagne-Ardenne: F. Hadengue, Collection CIV Champagne; Picardie: R. Brunel; Haute-Normandie: Observatoire régional de l'environnement; Centre: Cartier-Bresson; Basse-Normandie: Rougereau, Conseil régional; Nord-Pas-de-Calais: M. Lerouge, CUDL; Lorraine: M. Demange; Alsace: Parlement européen; Franche-Comté: G. Fessy, Copy. Fondation C.-N. Ledoux; Pays de la Loire: Conseil général de la Loire-Atlantique; Bretagne: L. Laurent; Aquitaine: J. Lacoste; Midi-Pyrénées: Conseil régional; Limousin: M. Barbas; Rhône-Alpes: F. Guy, Agence d'urbanisme de la Courly; Auvergne: H. Monestier; Languedoc-Roussillon: Centre régional de documentation pédagogique; Provence-Alpes-Côte d'Azur: Port autonome de Marseille; Corse: F. Rombaldi; Réunion: Conseil régional; other regions: N. N.

United Kingdom: Central Office of Information

Ireland: A. Redmond

Translation: Translation Service, Commission of the European Communities, Luxembourg

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 Community (graph)
– strengths and weaknesses of the region (2)

Page 2:
– list of EC similar regions (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 incomes (10)

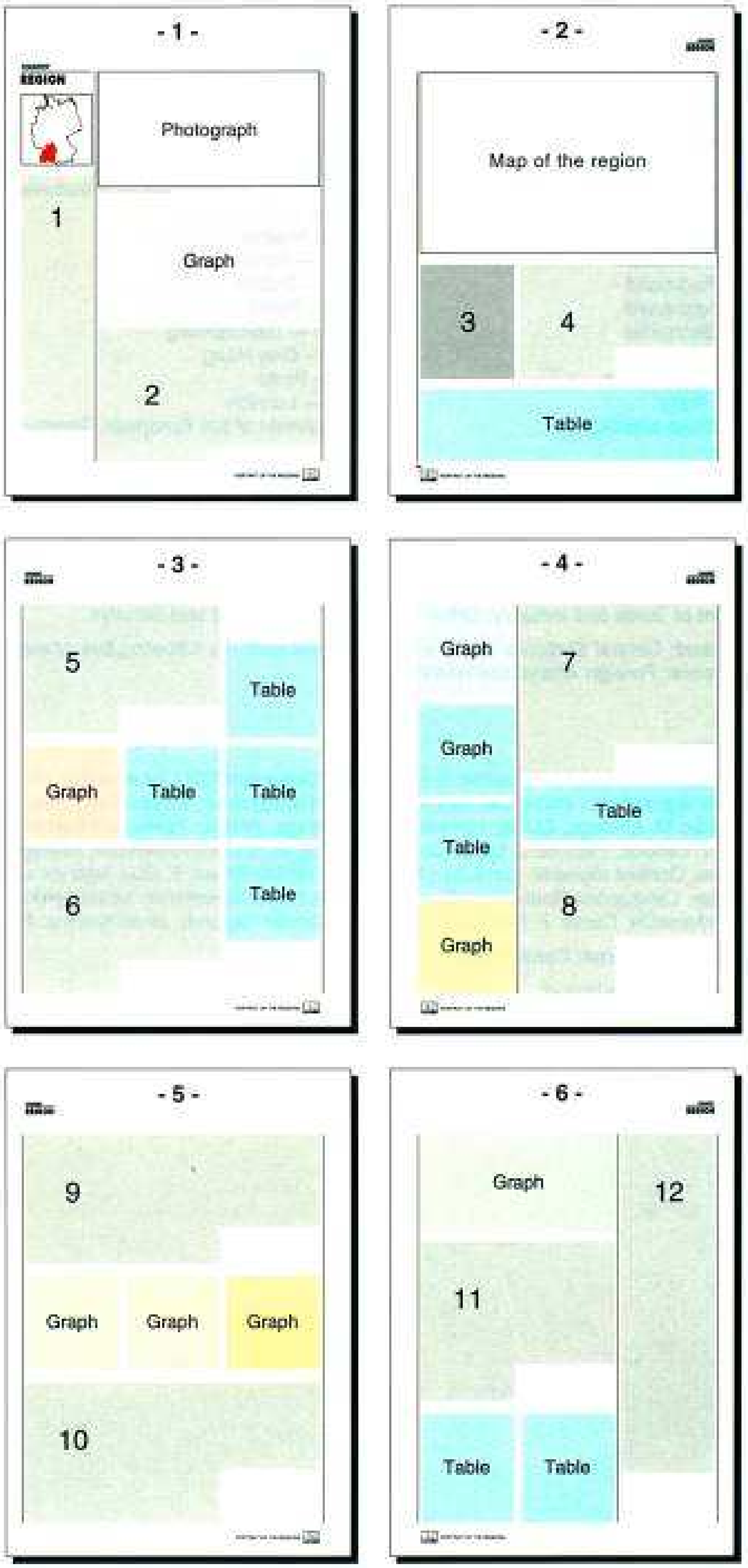
Page 6:
– agriculture, industry, services (11)
– main firms in the region (table)
– environment (12)

The regions are those classified at level 2 of the Community nomenclature of territorial units (NUTS, see p. 307). However,

– in the case of Belgium, Germany and the United Kingdom, the NUTS 1 regions are described on six pages, whereas the presentation of the NUTS 2 regions is limited to the first two pages of the uniform layout;

– the Greek regions are allocated four pages each.

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.



The PORTRAIT OF THE REGIONS consists of three volumes

Volume 1 Germany
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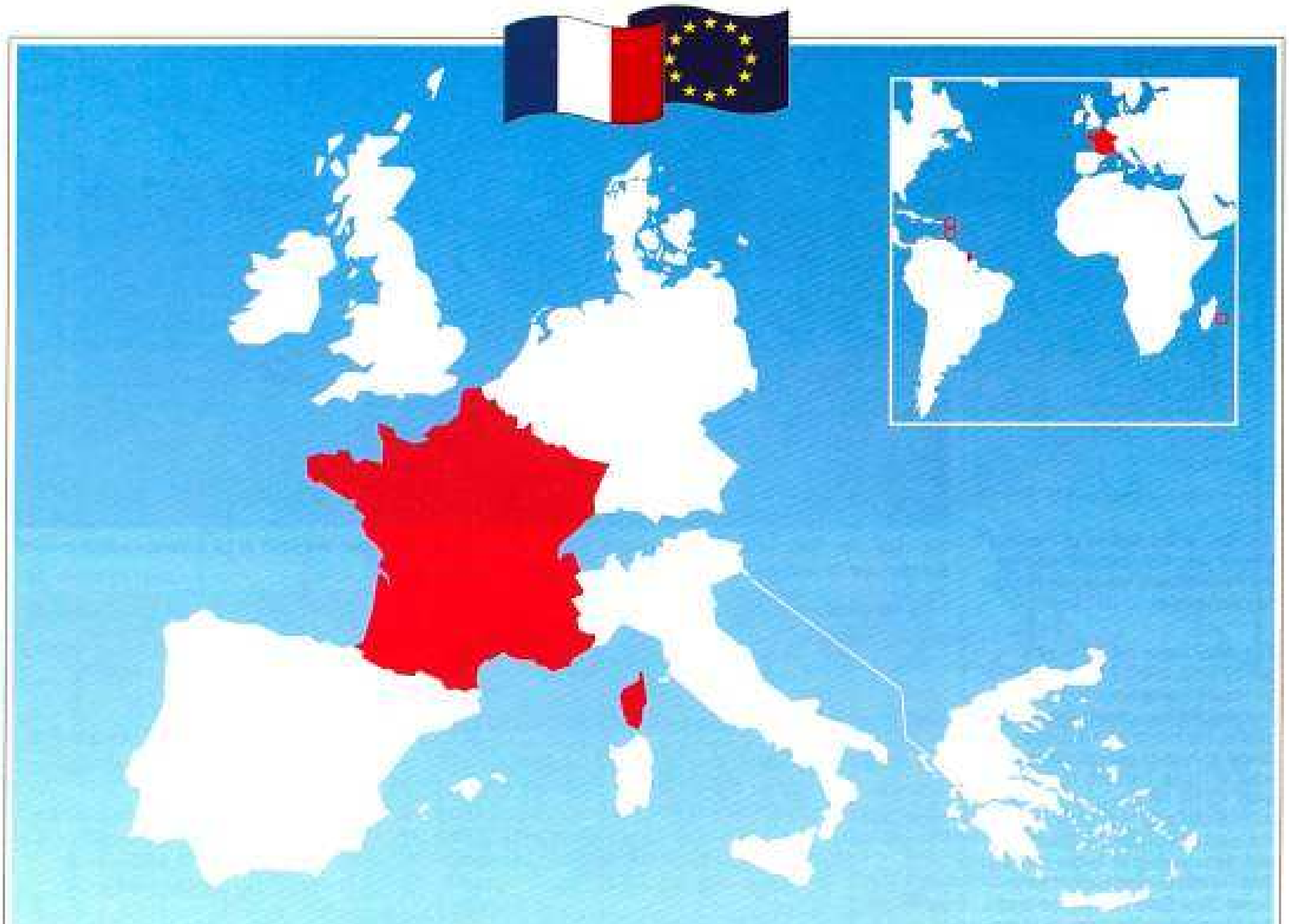
FRANCE



The French Republic consists of metropolitan France (mainland France, the coastal islands and Corsica), the overseas *départements*, the overseas territories and the 'collectivités territoriales' of Mayotte and St-Pierre-et-Miquelon. Only metropolitan France and the overseas *départements* are considered part of the EEC.

For the most part, the administrative division of France dates back to the beginning of the revolutionary period (1789-90). There was little change in its organization until the Law of 5 July 1972 which created the regions. In particular, the *départements*, created in February 1790, have undergone few changes, apart from annexations and territorial losses (the loss and return of Alsace and Moselle, the annexation of the Papal States and the return of Nice and Savoy). The most recent changes have been the reorganization of the Paris region (Law of 10 July 1964) and the re-division of Corsica into two *départements* (Law of 5 May 1975).

The area covered by Metropolitan France is 551 695 km², which makes it the biggest country in the European Community. It is divided into 22 regions, 96 *départements*, 327 arrondissements, 3 828 cantons and 36 551 communes. This high number of communes means that France is divided into much smaller units than its neighbouring countries. France accounts for almost half the communes in Europe and 80% of them have fewer than 1 000 inhabitants.

The four overseas *départements*, which also have the status of regions, are Guadeloupe and Martinique in the Atlantic Ocean, Réunion in the Indian Ocean and French Guiana on the American continent. They have a population of 1.5 million. Guiana is the largest French region (84 000 km² or 15% of the territory of Metropolitan France).

For national accounts purposes the territory does not currently include the overseas *départements*, but it does include the Principality of Monaco.

FRANCE

ÎLE-DE-FRANCE

Nestling in the hollow of the vast natural amphitheatre formed by the Paris Basin, the Île-de-France has an area of 12 000 km².

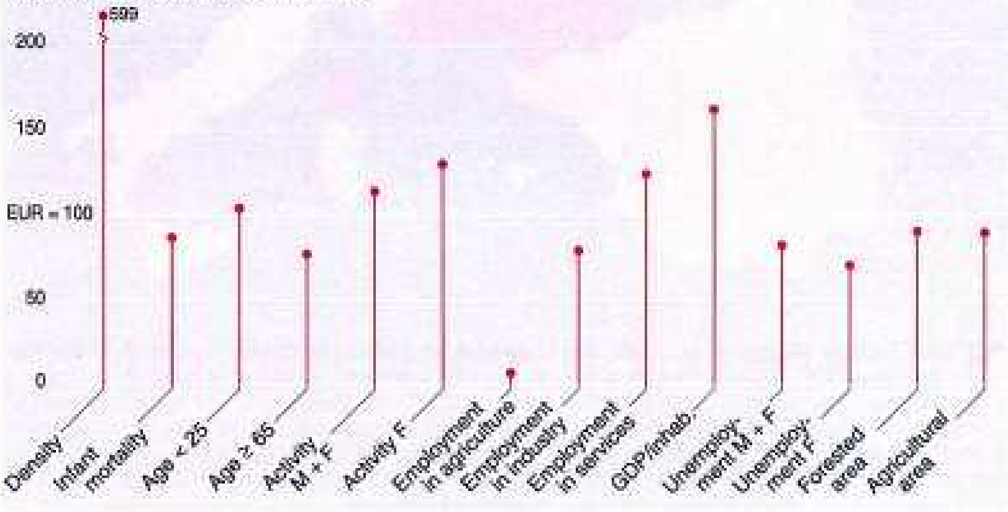
The relief takes the form of a gently undulating base plateau of generally calcareous rock, overtopped by a few intersected hills in the north and a larger range of higher elevations to the west of Paris. Towards the south-west, these hills become more substantial and gradually open out onto the plateau of Beauce with its covering of fertile silt, and Brie on the other side of the Seine. The Seine, the Oise and the Marne flow through all these plateaux along wide, meandering, entrenched valleys, which are mostly open.

As the climate of the region is subject to both oceanic and continental influences, it is neither monotonous nor prone to extreme conditions. The winters are not cold and very hot spells are infrequent and short-lived, even in summer.

Originally, the whole of the Île-de-France was forested. Remnants of this forest remain on large tracts of sandy soil (Fontainebleau, Rambouillet), impermeable plateaux with no silt covering (Crécy, Armainvilliers), old areas of infertile alluvial deposits (Saint-Germain, Sénart), and the summits of the highest hills (Montmorency, Hautil, Marly).

The view over Paris, with its old quartiers and historic monuments, from the Arch at La Défense which is itself surrounded by modern skyscrapers housing large companies.

Île-de-France in the Community



A pilot region in the services and high-technology sectors

The Île-de-France occupies a prime position in the national economy: 28.3% of French gross domestic product originates here, and the head offices located in the region control one in every two jobs in France.

The region is not very agricultural, supporting only 1% of all French farms.

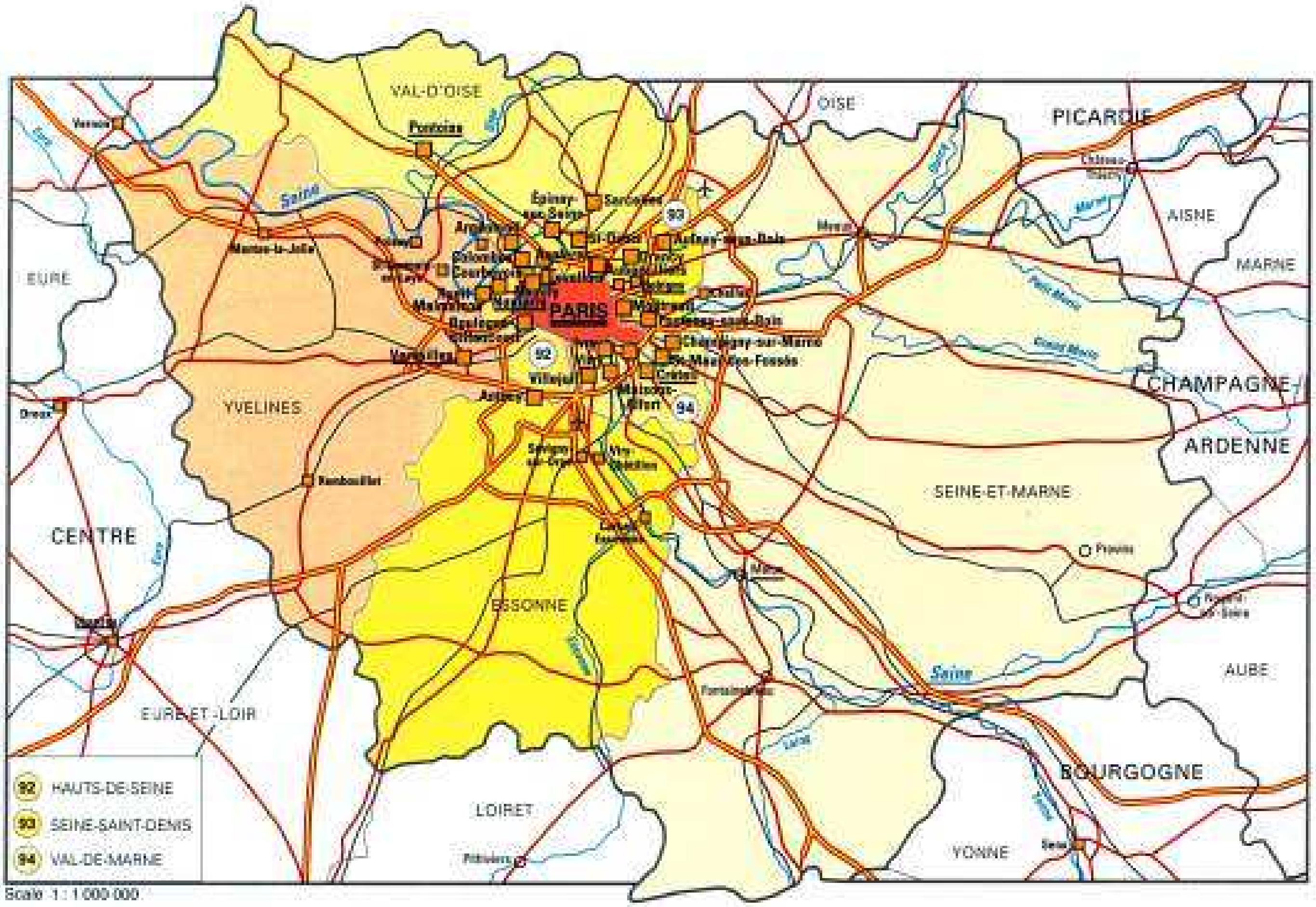
Deindustrialization in the Île-de-France is moving at a faster pace than in the provinces, and employment in the manufacturing industry is continuing to fall as production sites move to the provinces.

The key branches of industry in the Île-de-France are electronics (23% of jobs), the car industry (13%) and the printing, press and publishing sector.

The region leads the field in high-technology, computers, pharmaceuticals and aircraft construction, accounting for 58% of investment in these technologies in the whole of metropolitan France. These industries are clustered around research centres and educational establishments, and the contacts which exist between enterprises and the universities facilitate the taking up of innovations and the recruitment of management and technical staff (27% of the total workforce).

The Île-de-France is also playing a leading role in the economy's move to the services sector, with 40% of national employment in market services for businesses.

However, accommodation and transport in the region do present greater problems than in the provinces. Rents here are 50% higher and 250 000 people travel from the provinces to work in the region each day, although some of these use a *pied-à-terre* during the week.



Scale 1 : 1 000 000

Which EC regions are similar to Île-de-France?

Population:
over 10 million inhabitants
South-East (UK)
Nordrhein-Westfalen (D)

Employment:
over 70% in services
Brabant (B)
Zuid-Holland (NL)
Hamburg (D)
South-East (UK)

Activity rate:
above 60%
(above 50% for women)
Danmark
South-East; East Anglia;
East Midlands (UK)

Reduction in the imbalance between the centre and the periphery

The heart of the Île-de-France is obviously Paris, and over the last 2 000 years its political, economic and cultural influence has gradually extended from the ancient village of Lutetia on the Île de la Cité in the middle of the Seine to the whole of France.

None the less, within the present boundaries of the Île-de-France, only one in every five inhabitants lives in the capital and just over one in three works there. The last three decades have seen a major shift in the geographical emphasis, which has reduced the imbalance between the centre and the periphery. Having started as a demographic trend, this redistribution has now also extended to economic activity.

Although the ratio employment : working population does still drop between the centre of Paris and the edge of its conurbation 20 to 25 km away, it picks up again beyond this point around the medium-sized towns on the periphery.

The main imbalance exists between the south-west of the conurbation where senior management staff choose to live, and the north-east, which has a higher proportion of manual workers and less-qualified jobs.

The population is older in the centre and the peripheral rural regions, and younger in the middle belt, particularly in the new towns. Households increase steadily in size from the centre of Paris out to the ring of new towns.

	Area	Population			Activity	Unempl.	Employment			GDP/inhab.
	1 000 km²	1 000	Inhab./km²	Change (%)	%	%	% Agricult.	% Industry	% Services	EUR (PPS) = 100
		1990	1990	1980-90	1990	1990	1990	1990	1990	1989
Paris	0.1	2 154	21 537	−2.6	61	9.4	0	16	84	318
Seine-et-Marne	5.9	1 074	182	27.4	63	6.8	3	33	64	95
Yvelines	2.3	1 305	567	12.6	62	5.1	1	32	67	104
Essonne	1.8	1 083	601	12.0	64	5.3	1	29	70	96
Hauts-de-Seine	0.2	1 392	6 960	−0.6	62	5.8	0	36	64	236
Seine-Saint-Denis	0.2	1 380	6 902	4.6	64	9.2	0	32	68	108
Val-de-Marne	0.2	1 216	6 077	1.5	63	6.3	0	24	76	112
Val-d'Oise	1.2	1 047	872	17.2	64	7.1	1	27	72	93
Île-de-France	12.0	10 651	887	6.6	63	7.2	1	26	74	162
France (without FODs)	544.0	56 597	104	5.3	55	8.7	6	30	64	109
EUR 12	2 253.7	327 931	146	3.2	54	8.3	7	33	60	100

Nearly one-fifth of the population of France lives in the Île-de-France

The Île-de-France is by far the most populous region in France (nearly 20% of the total population).

Traditionally, the Île-de-France has always been a host region in terms of migration, but since 1975 departures have outnumbered arrivals. The sole growth factor is now the surplus of births over deaths (67 000 per year). However, since 1982, thanks to a slight recovery in the birth rate and in particular to a lower net migration loss (6 000 per year), the region has had a population growth above the national average (0.7% per year as against 0.5%).

The four *départements* in the outer ring continue their strong expansion, mainly thanks to the five new towns where one-third of the region's growth is concentrated. One new development, however, is that the exodus from the centre (Paris and the inner ring) is coming to an end.

Although families and retired persons are leaving the region, it still attracts young people of working age, which explains the above average number of 20 to 50 year olds.

It also attracts many foreigners, with 36% of those resident in France in 1982 choosing the Île-de-France.

Population by age — 1990

	M + F 1 000	M + F %	M %	F %
< 15	2 051.0	19.2	20.3	18.3
15-24	1 575.2	14.8	15.2	14.4
25-39	2 717.1	25.6	25.8	25.0
40-54	2 094.0	19.6	20.5	18.8
55-64	1 005.1	9.4	9.4	9.5
≥ 65	1 219.5	11.4	8.8	14.0
Total	10 661.9	100.0	100.0	100.0

Population (1 000)

Resident population of foreign nationality — 1990

	1 000	% of total population
Total	1 377.5	12.9
of which EC countries	463.4	4.3
of which non-EC countries	914.1	8.6

Demographic account — 1980-90 (1 000)

Population 1.1.1980	9 992.3
Births	1 606.7
Deaths	820.2
Net migration	– 127.4
Population 1.1.1990	10 651.4

Large percentage of females in the working population

There were fewer young people aged between 15 and 25 on the labour market, since a large number were still at school or college. Over the age of 25, the female activity rate is higher than the national average.

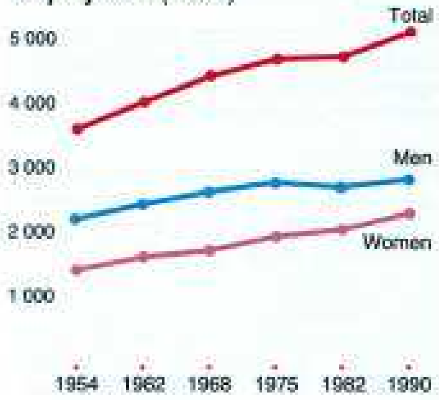
In 1989, out of more than seven million people aged 15 and over and not attending educational establishments, 38.8% had no qualifications higher than a primary school certificate (as against 53.7% in 1982), and 19% (12.9% in 1982) had diplomas of a higher level than the *baccalauréat*.

27% of all students attended institutes in the Paris, Créteil and Versailles educational districts. Between 1989 and 1990, there was a 4% rise in the region's student population.

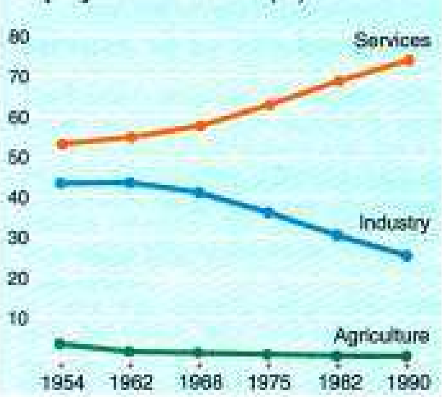
Number of pupils — 1990

	M + F 1 000	F %
Pre-school	484.4	48.8
Primary	777.0	48.6
Lower secondary	583.6	49.2
Higher secondary (technical)	122.4	47.5
Higher secondary (general)	298.1	52.4
Higher education	425.0	54.0
Total	2 690.5	49.8

Employment (1 000)



Employment structure (%)



Employment — 1990 (1 000)

Resident employment	4 896.8
+ Non-residents having a job in the region	243.2
– Residents having a job outside the region	48.9
= Internal employment	5 091.1

Unemployment (%)

75% of jobs created are in the market services sector

In 1989, 83 000 jobs were created. The region's move to the services sector can be explained by the presence of the capital city and the high level of urbanization. The driving force for employment is still the market services sector, which in 1989 provided the highest number of new jobs in the region – 64 000 – at an annual growth rate of 5.6%.

Industry shed only 1 600 jobs in 1989, and this 0.2% decrease was the lowest for seven years. Almost 4 000 jobs were lost in the production of capital goods, and there were redundancies in sectors such as the manufacture of land transport equipment (particularly the car industry), mechanical engineering, the agri-food industry and the energy supply industry. These losses were partly offset by the production of intermediate goods and non-durable consumer goods. In the case of the former, the recovery in foundry activities and metalworking which started in 1988 continued during 1989, and in the non-durable consumer goods sector, the printing, press and publishing branch built on its success of the previous year.

The upward trend in the building trade which started in 1985 was maintained, with 6 000 more employees being taken on in 1989.

The region's agricultural sector is still shrinking (1.7% of agricultural employment in France).

Characteristics of resident employment (%)

	< 25 years	25-54 years	≥ 55 years	Employees	Employees: part-time		Employees: full-time, temporary contract	
	1990	1990	1990	1990	1983	1990	1983	1990
Men	10	81	9	88	2	3	2	6
Women	13	78	9	94	12	15	3	7
Total	11	80	9	91	7	9	2	7

Unemployment rate lower than in the provinces

The unemployment rate in the Île-de-France is lower than in the provinces, the attraction of the labour market in the region being due to the slant of the employment structure towards the dynamic services sector. The gap with the provinces widened when the unemployment situation deteriorated during the period from 1983 to 1987.

The worst-affected *départements* are Seine-Saint-Denis, the most disadvantaged *département* in the region, and Paris, whose high unemployment rate is due to the presence of specialized employment agencies (management posts, employment in the arts), where residents of other *départements* are registered.

The percentage of young people in the unemployment figures is lower than in the provinces.

Unemployment among women in the Île-de-France is lower than elsewhere in France, owing to the higher number of job opportunities for women (in the services sector).

Long-term unemployment is also slightly less severe than in the provinces; 30% of those seeking employment have been registered for over a year, as against 32% outside the region.

The average duration of unemployment is 370 days – 22 days less than in the provinces.

While jobs in industry are relatively more secure than in the rest of France, 37.5% of unemployed persons are skilled non-manual workers.

Economic structure dominated by the services sector

The Île-de-France tops the table of French regions for per capita GDP.

Of the 4 500 000 employees in the Île-de-France at the end of 1989, almost three-quarters worked in the services sector. The attraction of Paris and the high level of urbanization in the region are at the root of the major development of the services sector.

The considerable number of company head offices in the Île-de-France, particularly those of the largest concerns, is further evidence of the attraction of the capital.

The region's economy is characterized by a high level of services activity and a considerable degree of autonomy.

Interestingly, although the region is still regarded as the granary of France, agriculture (basically confined to the east of the region) only plays a very minor role in the region's economy in terms of employment or value-added.

Industry also has a lower profile in the Île-de-France than in other regions of France. Energy apart, it accounts for 18% of regional value-added as against the national figure of 21%, and it is also shedding jobs.

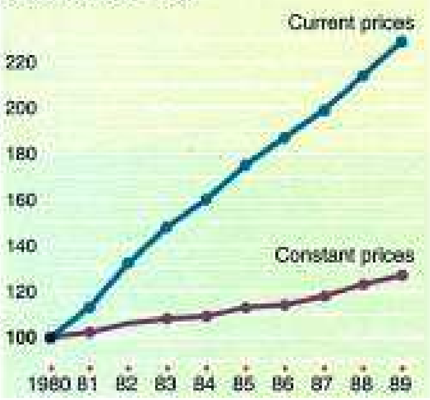
The driving forces of industry in the region are in fields where high technology, and therefore investment and a highly-skilled labour force, predominate (electrical equipment, cars and aircraft, parachemicals and pharmaceuticals).

While the energy sector receives the most in the way of investment (38% of the regional total), its share of regional employment is dropping.

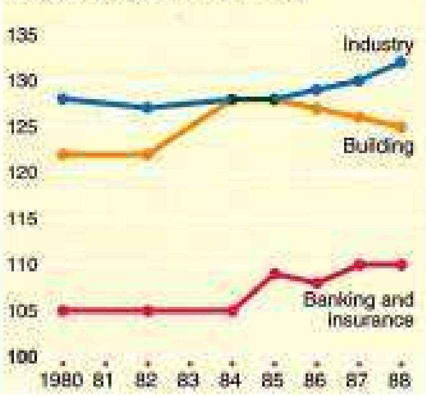
Nearly one in every three employees in the French building trade works in the Île-de-France, with 6% of all employees in the region active in this sector.

36% of employees in the dominant services sector work in market services (1 200 000 employees). The most dynamic of these activities is business services, which are not only the largest in terms of regional employment but are also developing at the fastest rate.

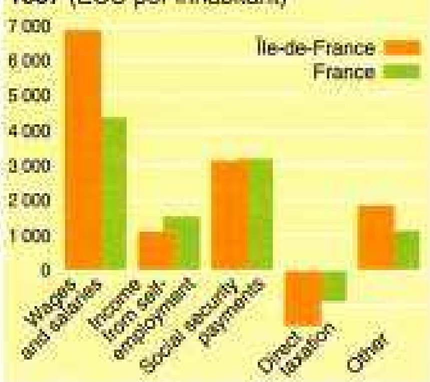
GDP (1980 = 100)



Wages (national level = 100)



Disposable household income – 1987 (ECU per inhabitant)



High incomes mainly from wages and salaries

In 1988, the average gross primary income in the Île de France (excluding tax and social security contributions and benefits) was 34% higher than the figure for France as a whole.

Most of this primary income consisted of salaries: 83% in the Île-de-France as against 71% nationally. This reflects the socio-demographic structure of the region: a higher activity rate and a larger proportion of employees among the workforce than in the rest of the country. On the other hand, earnings from self-employment were lower – 13% as opposed to the national average of 25% – reflecting the low proportion of farmers in the region's working population. All incomes, however, regardless of their nature, were above the national average.

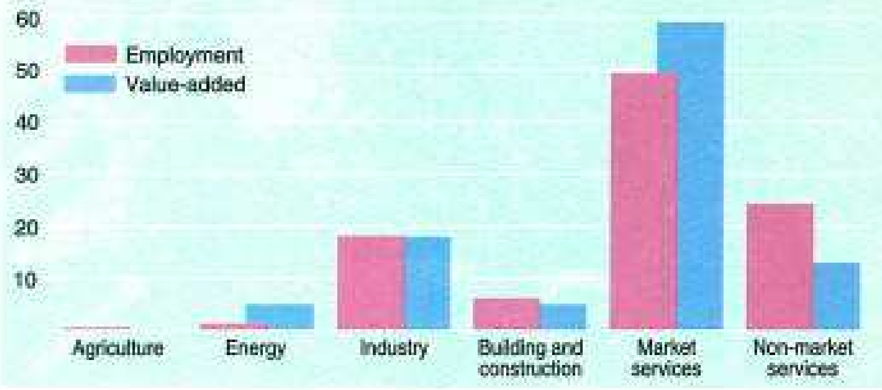
The wages offered by industry in the region (average net wage of ECU 16 600 in 1988) moved further ahead of the national average between 1984 and 1988: up from 28 to 30%. The high wages are not, however, a handicap to industry in the region, since they reflect the presence of high-technology sectors (car industry, aircraft industry and electronics) where major restructuring has increased labour productivity by reducing the proportion of unskilled workers.

This wage differential between the region and the rest of France also occurs in other sectors of activity: wages are 26% higher in the building trade and 10% higher in banking and finance.

The fact that decision-making and design activity in most sectors is concentrated in the Île-de-France (which has a disproportionately large number of head offices and research organizations) leads to a higher percentage of executive staff and, consequently, to higher average wages.

While residents in the region receive less than the national average in the way of social security benefits, they pay much higher social security contributions. This flow of transfers therefore helps to peg back the higher incomes earned in the region, bringing the difference down to 22% above the national average.

Employment and value-added: distribution by branch – 1988 (%)



Services: up by 40% between 1984 and 1988

The Île-de-France has the highest value-added of all the French regions for each sector of economic activity with the exception of agriculture. Whereas France's gross domestic product rose by 13% in volume between 1980 and 1988, it increased by 15% in the Île-de-France.

In 1988, the region's value-added was ECU 220 billion, with 72% falling to the services sector, 18% to industry (excluding energy), 5% to energy and 5% to the building trade and civil and agricultural engineering.

Agriculture accounted for only 0.3% of the region's value-added, and agricultural value-added actually dropped by almost 9% between 1984 and 1988. Agriculture in the region produces only 2.4% of the national agricultural value-added, and this proportion is falling steadily.

Although industry (including energy) has seen its share of regional value-added shrink, it still makes up 26% of the national total.

The position held by the building trade and civil and agricultural engineering has been stable over the last few years at 5% of total regional value-added and 24% of the national figure for this sector.

The services sector is the real powerhouse of the regional economy, recording a 40% expansion in value-added between 1984 and 1988, although the growth in the region's share of national gross value-added has slowed down at 31%.

Agriculture

Number of holdings	8 449
Labour force	20 084 AWU
Agricultural area	597 000 ha
Livestock	37 000 LU
Gross value-added	29 985 ECU/AWU
Main products	
Cereals	42%
Main crops	21%
Flowers	15%

Main enterprises

Name	Employees	Activity
Régie autonome des transports parisiens (RATP)	39 800	Urban transport
Régie nationale des usines Renault	33 500	Car manufacturing
Air France	19 600	Air transport
Thomson CSF	15 600	Electronics
Automobiles Citroën	14 700	Car manufacturing
Crédit Lyonnais	14 500	Banking and finance
Société nationale d'étude et de construction de moteurs d'aviation (Snecma)	13 700	Aircraft engines
IBM France	12 400	Computer equipment
Bull	10 000	Computer equipment

A region offering tourist and cultural attractions

The Île-de-France is a region of contrasts, ranging from the highly urbanized central zone (Paris and the inner ring) to its outer ring where more than half the land is used for agricultural purposes, mainly cereal crops.

This outer ring is also host to several leisure parks and rich and varied natural habitats (Rambouillet, Fontainebleau, the Seine valley and the Chevreuse valley). The basic development scheme for the region aims to keep this area free of pollution and prevent any growth in urbanization along the transport axes.

The inhabitants of the central zone, particularly the Parisians, suffer all the problems encountered in major cities: pollution (of the air and water), traffic problems despite a good public transport network, the high cost of housing, etc.

The fight against pollution is being waged through expanding the different methods of waste treatment: the incineration of domestic waste (plants at Saint-Ouen and Créteil), waste water purification and the removal of pollutants from rain water (the 'Seine propre' campaign to clean up the river and the sewage treatment plant at Valenton), and cleaning up the footpaths along the banks of the Seine, the Marne and the Oise.

Paris also, of course, has an enormous wealth of cultural assets. In 1988, the museums recorded over 10 million visits, more than three-quarters of which were to the national museums: the Louvre and the musée d'Orsay each clocked up over three million visitors. Exhibitions pulled in over four million visitors. The Georges Pompidou Centre (Centre National d'Art et de Culture) welcomed over eight million visitors and the Cité des Sciences et de l'Industrie at la Villette nearly four million. The construction of major architectural projects (the Louvre pyramid, the Arch at La Défense and the new Bastille opera house) can only add to the city's tourist and cultural attractions.

FRANCE

CHAMPAGNE-ARDENNE

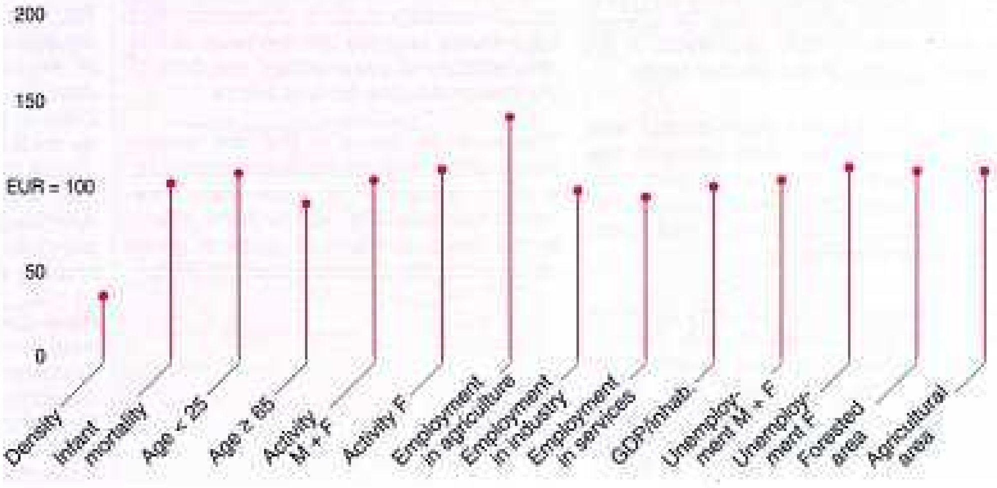
Champagne-Ardenne covers an area of 25 606 km² and comprises four *départements*: Ardennes, Aube, Marne and Haute-Marne.

The region is low-lying, the highest point being only 523 m in Haute-Marne. Although people think of Champagne-Ardenne as being flat and sparsely wooded, this is only true of the chalk-soiled area of Champagne proper. The rest of the region, however, is thickly wooded: the Ardennes hills, Argonne, the Forêt d'Orient and Haute-Marne have green landscapes with a relatively wide range of flora and fauna.

Situated at an average distance of 300 km from the sea, Champagne-Ardenne is still close enough to the Atlantic for its climate to be influenced by it. The summers are pleasant, and the winters are rarely harsh. It is a region of large lakes, including the Der-Chantecoq Lake (almost 5 000 ha).

Champagne, a quality image for the Champagne-Ardenne region.

Champagne-Ardenne in the Community

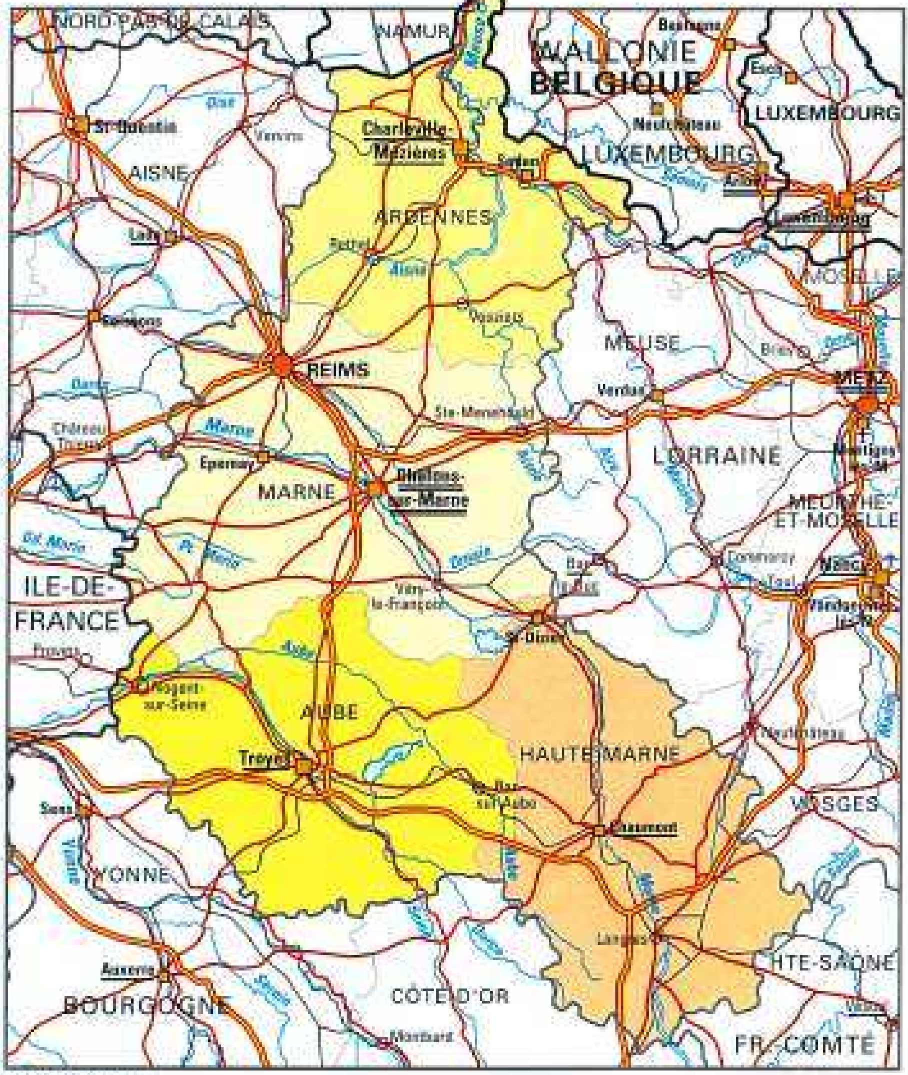


A crossroads where people are on the move

By virtue of its geographical situation in Europe, Champagne-Ardenne is both a thoroughfare and a meeting place. The modernization of its road network, and the fact that the TGV (high-speed train) will pass through it, mean that it is a real link between the Mediterranean and north-west Europe. A full range of university-level educational facilities are a considerable asset to the region. Reims, the capital of Champagne-Ardenne, has a relatively young university and an efficient business school. The region is also a major relay in the French telecommunications system thanks to its satellite telecommunications centre in Bercenay-en-Othe (Aube), which is second only to Pleumeur-Bodou in the whole of France.

Champagne-Ardenne has the disadvantage of being sparsely populated and to some extent gives the impression of a 'human desert'. Although it has a birth-rate that is even higher than elsewhere (Champagne-Ardenne was part of the fertile strip in the north-north-east of France) and a lower mortality rate than France as a whole, population growth is slow because many people move away. The fact that Paris is not far away may be a handicap for the region, so that it runs the risk of becoming an outlying part of Greater Paris, with the resulting brain drain and reduced decision-making powers.

CHAMPAGNE-ARDENNE



Scale 1 : 2 000 000

In search of unity

The fact that the demographic, economic and social situations in its constituent *départements* are different means that the Champagne-Ardenne region does not form a uniform whole. Population growth varies within the region: it is satisfactory in the centre but gives some cause for concern in the area to the east of a line between Vitry-le-François, Brienne-le-Château and Bar-sur-Aube, taking in the whole of Haute-Marne.

The Ardennes and Haute-Marne are experiencing economic difficulties typical of the old iron and steel regions. As regards agriculture, the region falls into two clear-cut areas: the Aube and Marne *départements* are covered by vineyards and large holdings practising intensive mechanized farming, while the Ardennes and Haute-Marne *départements* tend to have smaller farms specializing in mixed-crop and livestock farming.

The region's major industries are unevenly distributed. The agri-food industries are important economically in Marne, Aube and Haute-Marne, and Aube also has an important textile industry.

Smelting and metalworking are still important industries in the Ardennes and Haute-Marne *départements*. Services activities are concentrated in Marne, mainly in Châlons-sur-Marne, which is the capital of the *département*, and Reims, its largest town.

Which EC regions are similar to Champagne-Ardenne?

Area:
± 25 600 km²
Mecklenburg-Vorpommern (D)
Piemonte; Sicilia (I)

Population:
± 1.5 million inhabitants
50 – 70 inhabitants per km²
Bourgogne; Poitou-Charentes; Auvergne (F)
Sardegna (I)

Employment:
± 10% in agriculture
± 55% in services
Weser-Ems (D); Umbria (I)

Land use:
± 60% agriculture; ± 25% forest
Castilla-La-Mancha; Castilla y León (E)
Auvergne; Midi-Pyrénées (F)
Schwaben (D)

	Area	Population			Activity	Unempl.	Employment			GDP/inhab.
	1 000 km²	1 000	Inhab./km²	Change (%)	%	%	% Agricult.	% Industry	%Services	EUR (PPS) = 100
		1990	1990	1980-90	1990	1990	1990	1990	1990	1989
Ardennes	5.2	297	57	– 2.5	53	11.3	9	36	55	85
Aube	6.0	289	48	0.5	57	9.0	10	39	51	104
Marne	8.2	558	68	3.7	57	9.2	11	29	60	116
Haute-Marne	6.2	204	33	– 3.1	53	7.6	10	34	56	95
Champagne-Ardenne	25.6	1 349	53	0.5	56	9.3	10	34	57	103
France (without FODs)	544.0	56 597	104	5.3	55	8.7	6	30	64	109
EUR 12	2 253.7	327 931	146	3.2	54	8.3	7	33	60	100

CHAMPAGNE-ARDENNE

A young, but departing, population

The Champagne-Ardenne region is not densely populated. The region's urbanization rate of 62% is below the national average.

The birth-rate is declining, but this is a recent trend in Champagne-Ardenne. In 1962 it was one of the regions of France with the highest birth-rate, and it is still higher than the national average.

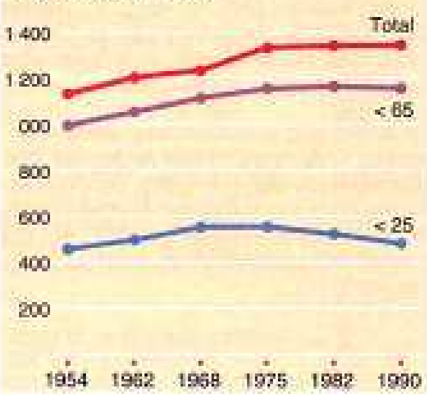
The region's demographic weakness lies in its high net migration loss. Far more people leave than arrive. There has long been a tendency for the people of Champagne to leave for more attractive regions, particularly for Paris and its suburbs. This tradition of emigration explains the small increase in population between the last two censuses.

Nevertheless, young people still predominate in the population structure of Champagne-Ardenne, and it is these young people who must be encouraged to stay in the region.

Population by age — 1990

	M + F 1 000	M + F %	M %	F %
< 15	270.7	20.1	21.0	19.2
15-24	212.7	15.8	16.5	15.1
25-39	304.2	22.6	23.0	22.1
40-54	235.0	17.4	18.2	16.7
55-64	136.8	10.1	10.0	10.3
≥ 65	188.8	14.0	11.3	16.6
Total	1 348.2	100.0	100.0	100.0

Population (1 000)



Resident population of foreign nationality — 1990

	1 000	% of total population
Total	64.6	4.8
of which EC countries	23.4	1.7
of which non-EC countries	41.2	3.1

Demographic account — 1980-90 (1 000)

Population 1.1.1980	1 341.6
Births	199.2
Deaths	131.3
Net migration	−60.9
Population 1.1.1990	1 348.6

A relatively new university

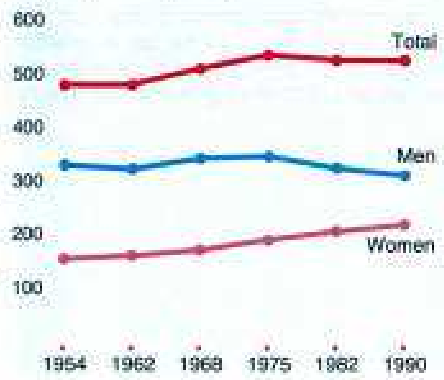
The ratio of active to non-active persons fell between 1982 and 1990. The balance between men and women has, however, remained unchanged. About 40% of the active population are women. The activity rate for under-25s of both sexes has decreased considerably. The same applies to the over-55s. The figure for women between 25 and 55 is just under 75%, which is 10% more than in 1982.

The University of Reims Champagne-Ardenne was set up a little over 20 years ago. It has taken an innovative approach both to the subjects taught and to the degrees awarded, but owing to its geographical situation it fails to attract many students from the Aube, Haute-Marne and Ardennes *départements*, who prefer Dijon or Lille.

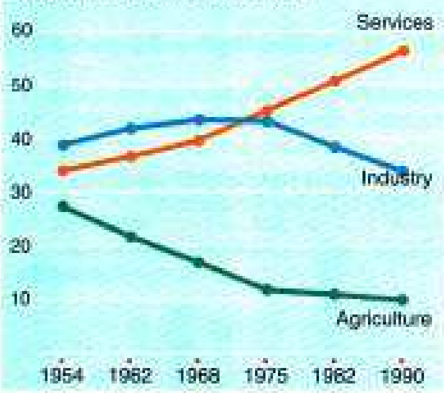
Number of pupils — 1990

	M + F 1 000	F %
Pre-school	64.4	48.6
Primary	104.3	48.4
Lower secondary	84.5	49.8
Higher secondary (technical)	17.7	46.6
Higher secondary (general)	38.4	52.2
Higher education	29.6	52.7
Total	338.9	49.8

Employment (1 000)



Employment structure (%)



Employment — 1990 (1 000)

Resident employment	525.3
+ Non-residents having a job in the region	14.1
− Residents having a job outside the region	17.2
= Internal employment	522.2

Unemployment (%)

A new lease of life for traditional industry and a promising future for the services sector

During the first few years of the economic crisis that began in 1973, there was a rise in the number of people employed, in contrast to the national trend. Subsequently the employment situation worsened rapidly, and the number of people in employment fell to the national level. Since 1987 there has been an upturn, fuelled by a revival in industry.

There has been a marked decline in farming, which used to be a particularly important sector. However, the proportion employed in agriculture is still higher in Champagne-Ardenne than in France as a whole. The region's diversified industry is still very much marked by the tradition of smelting, metalworking and textiles, which employ most of the industrial workforce — twice as many as the average for the French regions. The agri-food industry has expanded to become the industrial sector employing the third largest number of people in the region. Steel processing and glassmaking are also important sources of employment. There is scope for expansion in other industries such as chemicals, electrical and electronic equipment or the car industry, which are under-represented.

The services sector in Champagne-Ardenne is weak in the hotel and catering area and in business services.

Characteristics of resident employment (%)

	< 25 years	25-54 years	≥ 55 years	Employees	Employees: part-time		Employees: full-time temporary contract	
	1990	1990	1990	1990	1983	1990	1983	1990
Men	13	80	7	82	1	3	3	7
Women	13	79	8	87	19	22	5	8
Total	13	80	7	84	8	11	4	7

High unemployment falling closer to the national average

Throughout the past decade the unemployment rate in Champagne-Ardenne was higher than in France as a whole. The situation is now much improved, and the rate has fallen almost to the national level thanks to a decrease in the number of unemployed and an increase in the number of jobs available. One of the main underlying factors in this is the revival of industrial activity in the region.

Trends in unemployment vary according to the population groups involved. Unemployment affects fewer and fewer younger people, while the opposite is true for women, who make up the majority of unemployed persons, whereas not many years ago they were in the minority. One positive aspect is the reduction in the duration of unemployment and in the number of long-term unemployed. This particularly applies to young people, for whom periods of unemployment are becoming ever shorter. In recent years the causes of unemployment have changed. The expiry of fixed-term contracts accounts for only a little over a third of unemployment. On the other hand, the expiry of temporary assignments is on the increase, far less so, however, than the increase in the number of assignments. This leads to the conclusion that either the situation for those in temporary assignments is becoming more stable, or that they lead to a longer-term employment contract.

Small and medium-sized enterprises: an important feature of the region's industry

The image of the region is mainly marked by the success of its agriculture, which accounts for 10% of the region's value-added, a higher percentage than in any other region of France.

Thanks to the quality of its vineyards and the high yields of its field crops, the region has by far the highest gross income per holding in France. Partly based on crops which are subsidized or for which prices are guaranteed, this success is to some extent the outcome of the way the common agricultural policy has developed.

Although Champagne-Ardenne is relatively more industrial than the rest of the country, an important feature of its industry is the preponderance of SMEs. Apart from the agri-food and energy industries, only 27 industrial establishments employ more than 500 people. These establishments account for only a quarter of the region's paid employees.

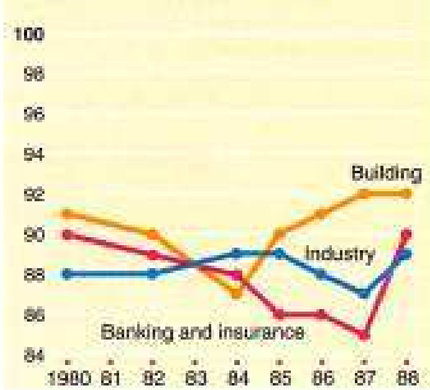
The fact that there are so many small family businesses means that there is less integration into the national industrial structure: 61.2% of the region's workforce is employed in establishments which are based in the region. This is the highest proportion in the Paris Basin, except for the Île-de-France. It is probably the common practice of subcontracting, which is important for small textile and clothing businesses, which enables these small units to survive.

The lack of qualified manpower, the inadequacy of vocational training, and the brain drain are obstacles to the modernization of the region's SMEs.

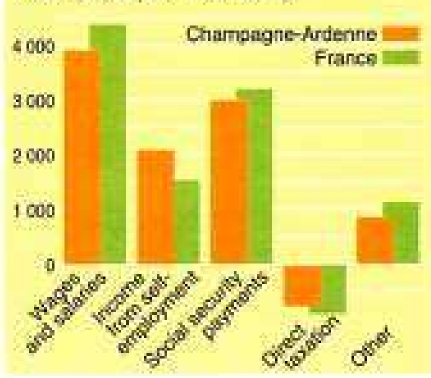
The region's involvement in international trade, which tends to be on a smaller scale than in other regions, rests mainly on exports of champagne and machinery.

GDP (1980 = 100)

Wages (national level = 100)



Disposable household income – 1987 (ECU per inhabitant)



High farm incomes

Wages in the region's industry are about 10% lower than the national average. This difference is due to the nature of local activities (a large proportion of intermediate goods with low value-added), and above all to the fact that the employees are not highly qualified.

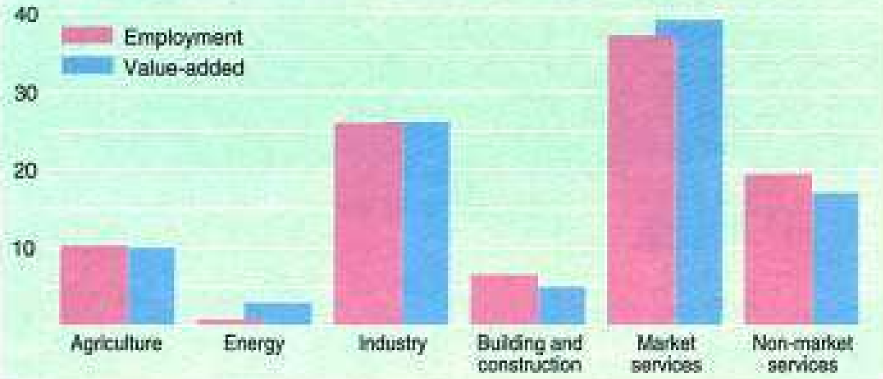
However, wages and salaries account for a greater proportion of value-added than the national average, which is a reflection of mediocre productivity, particularly in the clothing and furniture industries.

Despite the low rates of pay, per capita gross income, before tax and deductions, is almost the same as the national average.

Owing to the high income of farmers, who are more numerous than in other regions, the per capita income of individual entrepreneurs is actually the highest in France (farmers' incomes account for over 50% of the gross income of individual entrepreneurs in the region as against about 25% for France as a whole).

The people of the region receive rather fewer social security benefits but also pay rather less tax, so per capita disposable income is about the same as primary income. This disposable income is susceptible to the marked fluctuations in agricultural income.

Employment and value-added: distribution by branch – 1988 (%)



The region's agriculture is among France's front-runners

The region's agricultural wealth is based on vines and field crops, with livestock farming relegated to a minor role.

Since the vineyards and field crops are concentrated in the Marne and Aube *départements*, incomes vary greatly within the region.

Too many of the region's industrial sectors are in decline or are not performing well. Smelting, metalworking, textiles and clothing still dominate the region's industry, and the industry of the Aube *département* is made up almost entirely of these sectors.

On the other hand, sectors producing capital goods are under-represented in the region.

Lastly, except for the agri-food industries, which figure largely in the region (12.3% of industrial employment) but are not geared to secondary processing, the performance of the region's industry is below the national level in both investment and productivity.

While agriculture and industry are well represented in the region, commerce and services play a relatively minor role, services to individuals and to business being particularly under-represented.

Agriculture

Number of holdings	32 797
Labour force	52 469 AWU
Agricultural area	1 586 000 ha
Livestock	536 000 LU
Gross value-added	29 990 ECU/AWU
Main products	
Wine	28%
Cereals	25%
Main crops	22%

Main enterprises

Name	Employees	Activity
Automobiles Citroën	3 100	Car manufacturing
Devanlay SA	2 800	Textiles
Case Poclain	1 600	Agricultural machinery
Pneumatiques Kleber	1 500	Rubber
Arthur Martin	1 500	Household goods
Champagne Moët et Chandon	1 400	Soft drinks and alcohol
Sommer	1 300	Textiles
Caisse régionale de Crédit agricole	1 000	Banking and finance

Forests and fields, the natural assets of Champagne-Ardenne

Champagne-Ardenne is a land of water. The Seine rises on the Langres Plateau in Haute-Marne and becomes navigable in the Aube *département*. The Rivers Aube, Marne and Meuse rise on the same plateau, and the source of the River Aisne is in Argonne.

The region supplies the capital city with the water and energy that are so essential to it. Some of the most beautiful lakes in France are to be found there: Vieilles Forges, Bairon and Belval in Ardennes, the Étangs d'Argonne and the Forêt d'Orient Lake in Aube, and the Der-Chantecoq Lake straddling the border between Marne and Haute-Marne. These artificial lakes are international attractions. The different subsoils of the region (chalk, millstone, hard limestone, quartzite, etc.) mean that there is a wide range of landscapes. It is also a region of forests: oak forests, copses, pinewoods and poplar. Extensive forested areas (the Ardennes and the forests of Epernay, the Montagne de Reims and Arc-en-Barrois) are inhabited by large numbers of deer, wild boar, etc. Thus, without presuming to rival France's top tourist centres, Champagne-Ardenne has its attractions and has plenty of accommodation to offer.

The region is making great efforts to improve the environment, and for the last 10 years or so there has been a proper regional environment policy covering important aspects such as water quality, pollution control, waste recycling and disposal, noise abatement and atmospheric pollution. *La Hulotte*, the best known French magazine dealing with the protection of nature, is published in Champagne-Ardenne.

PICARDIE

Lying to the north-west of the Paris Basin, Picardy forms two distinct geological and land types: to the north, an essentially chalky soil, and to the south a more varied countryside in which sand, clay and limestone alternate.

Picardy comprises three *départements*, Aisne, Oise and Somme, making up a total area of 19 500 km². The most obvious feature of Picardy's climate is its mildness: mild average temperatures, mild winters, moderate rainfall evenly spread throughout the year.

There is little climatic contrast across the region; the west is slightly more oceanic, the east a little more continental in influence.

The region's river system is not particularly dense or ramified except in the Thiérache, in the north-east. Of the major rivers, the Somme's flow is fairly steady all year round, whilst the Oise shows substantial variations between seasons.

Picardy still has its rural, agricultural character: land under agriculture still accounts for 72% of the region's area. Woodlands are relatively insignificant, at only 16%, mostly concentrated in the Aisne and the Oise *départements*.

Picardy, a fertile land.

Picardie in the Community

A young but unskilled population

Picardy has four real strengths:

– its population is relatively young;

– its rural character and many types of countryside (ranging from sea-side to river valleys to wetlands), together with its historical heritage, are conducive to the development of short-trip tourism;

– agriculture and industry are the driving forces in the development of the regional economy;

– the region has the determination to narrow the gap with the rest of France. For example, Picardy has devoted more money to youth training than any other French region over recent years.

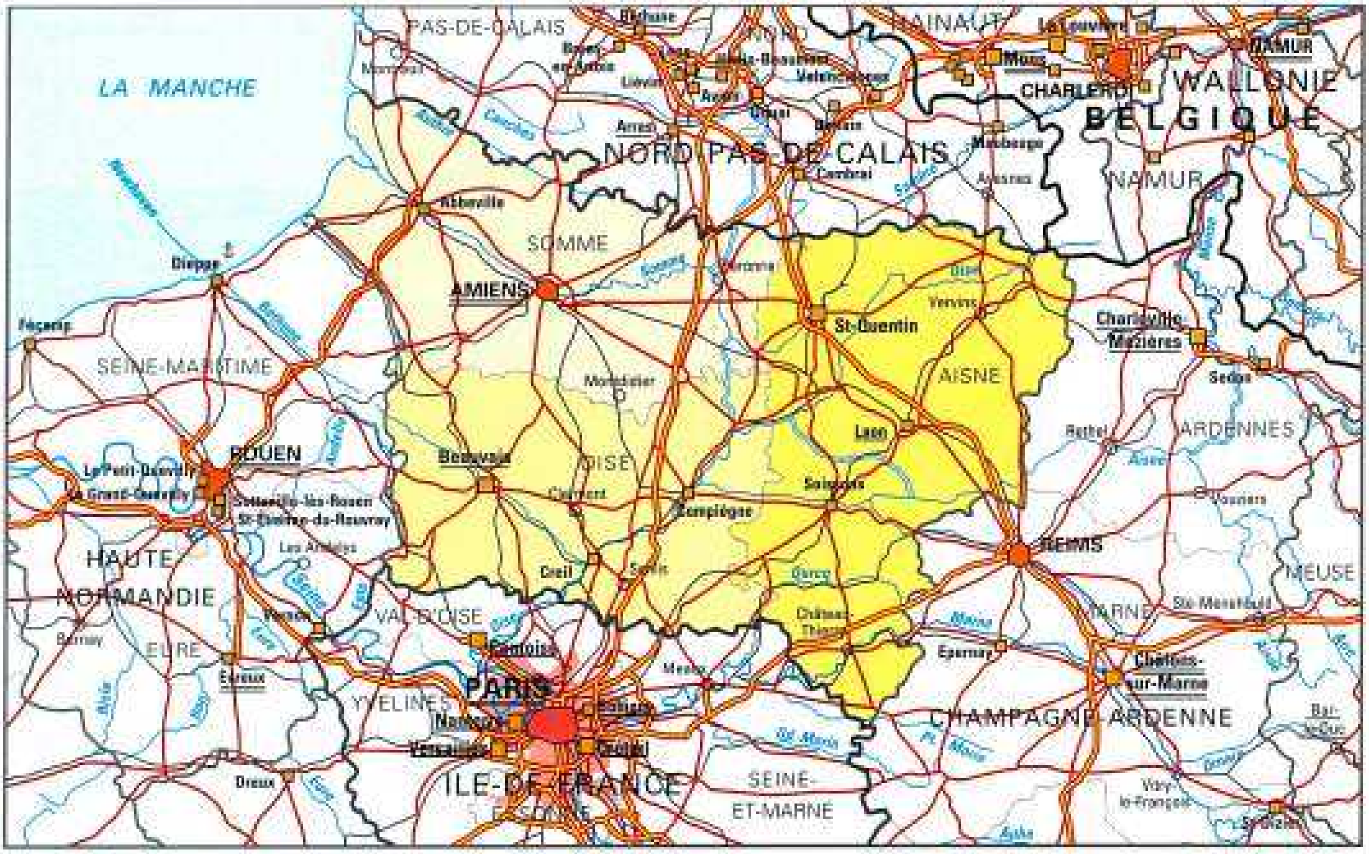
But the region is handicapped by four weaknesses:

– the population is less skilled than the average Frenchman. The proportion of any generation passing the *baccalauréat* is lower than the French national average. And despite remarkable progress, lost years in primary school are more frequent than nationally;

– communications are inadequate within the region, between Picardy and other regions, and internationally;

– Picardy's industrial structure bears the imprint of its traditional and low value-added past;

– Picardy borders on two regions of high population density, Île-de-France and Nord-Pas-de-Calais. It must trade on its differences with those two.



Scale 1 : 2 000 000

Which EC regions are similar to Picardy?

Population:
around 2 million inhabitants
around 100 inhabitants per km²
Borders-Central-Fife-Lothian-Tayside (UK)
Kentriki Makedonia (GR)

Age:
around 40% of inhabitants aged less than 25
Comunidad Valenciana;
Extremadura (E);
Nord-Pas-de-Calais;
Haute-Normandie (F);
Sicilia; Sardegna (I)

Land use:
± 70% agriculture (large-scale farming)
Schleswig-Holstein (D)
East Anglia (UK)

North-South imbalance

The north and south of Picardy do not differ just geographically: the differences extend to demography and economics.

Oise and the southern half of Aisne have seen their population grow over recent years as a result of the arrival of working people from the Île-de-France, who as a rule continue to work there. But certain employment catchment areas, Compiègne and Beauvais in particular, also showed an increase in population between the two most recent censuses, attributable to economic development.

In the north of the region, on the other hand, and more particularly in the employment catchment areas of Abbeville and Santerre-Somme, and in the northern part of Aisne, the population decreased markedly during the period between 1982 and 1990.

Generally speaking, the urban structure of Picardy appears weak compared with the total regional population. Amiens, with 132 000 inhabitants, accounts for only 7.3% of the population, and its suburban influence is far from extensive. Indeed, the region has few towns of more than 20 000 inhabitants.

Restoring some balance to the region will mean building up the Saint-Quentin-Amiens corridor, and the construction of the A29 motorway should bring this nearer to reality. Developing this corridor could also have knock-on effects on the intermediary employment areas.

	Area	Population			Activity	Unempl.	Employment			GDP/inhab.
	1 000 km²	1 000	Inhab./km²	Change (%)	%	%	% Agricult.	% Industry	% Services	EUR (PPS) = 100
		1990	1990	1980-90	1990	1990	1990	1990	1990	1989
Aisne	7.4	538	73	0.8	54	10.7	10	33	57	97
Oise	5.9	724	124	12.6	59	8.5	5	38	57	96
Somme	6.2	548	89	1.1	54	11.3	9	34	57	92
Picardie	19.4	1 810	93	5.3	56	10.0	8	35	57	95
France (without FODs)	544.0	56 597	104	5.3	55	8.7	6	30	64	109
EUR 12	2 253.7	327 931	146	3.2	54	8.3	7	33	60	100

PICARDIE

Negative net migration since 1985

The population density in Picardy is low compared with the neighbouring regions of Île-de-France and Nord-Pas-de-Calais. The demography of Picardy shows the following features:

– a relatively young population, with 37% aged under 25 in 1990. This must be seen in the context of the fertility rate, traditionally higher than the national average;

– a mortality rate higher than the national average, particularly infant mortality, and a very wide gap between male and female mortality;

– a pronounced rural character in the population, particularly in the Aisne and Somme *départements*.

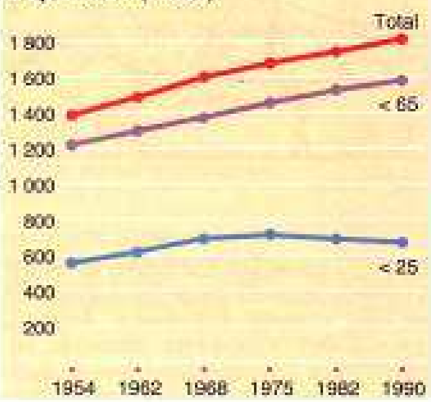
Between the last two censuses (1982 and 1990) the population grew at exactly the same rate as between the previous two. There was a positive net migration and an increase in births, itself the effect of the steady flow of migrants since 1970, mainly from the Île-de-France.

Although the population is still rising, the rate of increase has slowed. Since 1985 there has been a negative net migration, as a result of the widening deficit of the Aisne and Somme *départements*, and the falling migratory attraction of the Oise *département*.

Population by age — 1990

	M + F 1 000	M + F %	M %	F %
< 15	384.9	21.2	22.0	20.6
15-24	285.2	15.8	16.4	15.1
25-39	415.7	23.0	23.3	22.6
40-54	314.8	17.4	18.1	16.6
55-64	176.3	9.7	9.6	9.9
≥ 65	234.0	12.9	10.6	15.2
Total	1 810.9	100.0	100.0	100.0

Population (1 000)



Resident population of foreign nationality — 1990

	1 000	% of total population
Total	75.7	4.2
of which EC countries	28.3	1.6
of which non-EC countries	47.4	2.6

Demographic account — 1980-90 (1 000)

Population 1.1.1980	1 718.9
Births	267.4
Deaths	172.8
Net migration	– 3.7
Population 1.1.1990	1 809.8

An earlier start to working life

Picardy's total working population increased by 55 000 between 1982 and 1990, mainly as a result of demographic change.

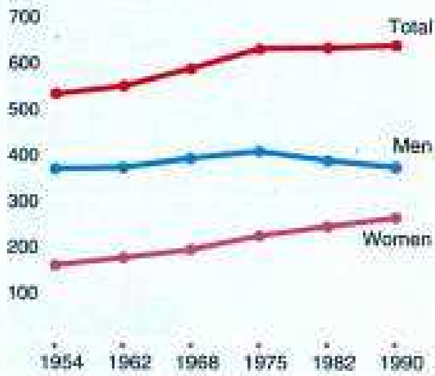
The female activity rate is slightly higher than that of the Community, particularly in the early years of activity: girls leave school earlier. Over the age of 25, the rate is below the national average. Retirements are relatively early, because of the low proportion of agricultural and craft trade occupations, and the importance of sectors undergoing restructuring — iron and steel, and metalworking.

The conventional forms of higher education are readily available in Picardy. The University of Amiens attracts students from neighbouring regions, including in particular the Île-de-France. But the region's students rarely stay in Picardy for their first employment. The University of Technology at Compiègne is an innovative establishment which has breathed some life into the Compiègne employment catchment area.

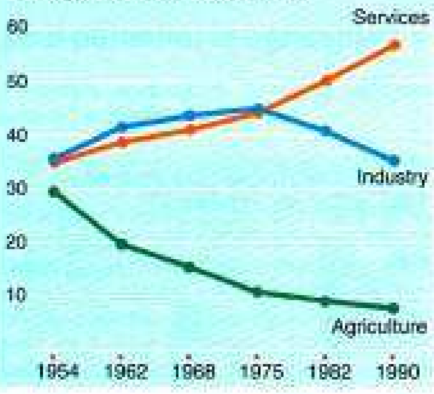
Number of pupils — 1990

	M + F 1 000	F %
Pre-school	88.5	48.9
Primary	147.6	48.5
Lower secondary	110.6	49.9
Higher secondary (technical)	33.3	43.7
Higher secondary (general)	51.2	54.5
Higher education	25.7	48.0
Total	456.9	49.2

Employment (1 000)



Employment structure (%)



Employment — 1990 (1 000)

Resident employment	696.1
+ Non-residents having a job in the region	26.0
− Residents having a job outside the region	85.4
= Internal employment	636.7

Unemployment (%)

Still a highly industrial region

In 1990 industry in Picardy still represented almost one third of jobs.

The industries established seem well-diversified, with a tendency towards chemicals, agri-food and mechanical engineering. Individual employment catchment areas are more specialized — food preserving in Santerre-Somme, brass foundrywork in Vimeu, and textiles and clothing in Amiens and Saint-Quentin.

The shortfall in services sector employment, notably in market services to businesses, is explained by the proximity of the metropolitan centres of Paris and Lille.

Agriculture is well-represented, in terms of jobs, and its economic importance is even greater than is suggested by the number of persons employed.

Between 1968 and 1973 total employment grew faster in Picardy than in France as a whole. This was essentially the effect of relocation of businesses from the Paris region, but was also due to growth of employment in the services sector.

From 1975 to 1983 employment remained stable, with job losses in agriculture and industry being offset by gains in the services sector.

From 1984 to 1987 the rate of job creation in the services sector failed to compensate for job losses in industry, and employment in the region shrank more quickly than the national average.

Since 1988 the employment situation has been looking much brighter.

Characteristics of resident employment (%)

	< 25 years	25-54 years	≥ 55 years	Employees	Employees: part-time		Employees: full-time, temporary contract	
	1990	1990	1990	1990	1983	1990	1983	1990
Men	13	79	9	84	2	3	3	9
Women	14	76	10	88	17	23	2	10
Total	14	78	9	86	8	11	3	10

Unemployment dependent on job training

Unemployment in Picardy has been higher than the national average for a number of years. Three factors account for the bulk of this difference:

– the working population is younger and less well qualified than the French national average, which is a long-term factor in unemployment;

– over recent years, services sector growth has been slower than the national average, and this has had an effect on female unemployment — particularly amongst the younger age-groups — despite a lower female activity rate;

– job creation has been below the national average in Picardy.

Unemployment differs widely between individual employment catchment areas. The highest rates are observed in the Somme and the north of the Aisne *départements;* in southern Picardy those seeking employment account for no more than 10% of the working population.

Unemployment in Picardy tends to last longer than in the other regions of metropolitan France. In late 1990 the average period of unemployment was just over 12 months, and 31% of those seeking employment had been registered for more than a year. The principal reason for registration remains the ending of a fixed-term contract: in late 1990 this applied to almost 40% of those seeking employment.

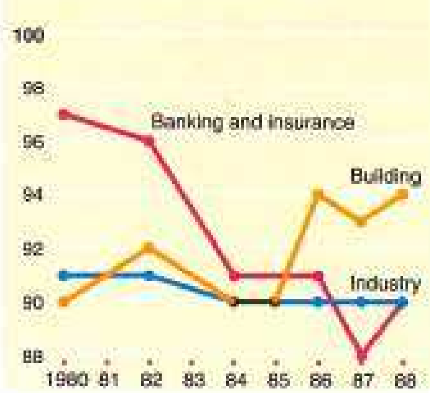
Highly productive agriculture; industry less impressive

Agriculture is relatively important in the region's economy. It is based on very large holdings, producing mainly cereal crops but also industrial beet, potatoes, pulses and fresh vegetables. Two products are worthy of specific mention: chicory and champagne. Picardy's agricultural strength has enabled a powerful agri-food industry to grow up: agricultural yields are amongst the highest in France, and productivity has increased substantially over the past 10 years. Gross income per holding is twice the national average (1989 figures). This puts Picardy in second place amongst the French regions, just behind Champagne-Ardenne.

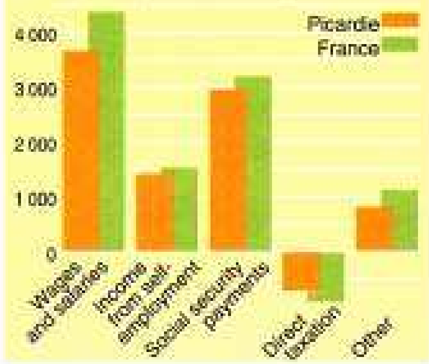
Picardy is also one of France's most industrial regions. The industrial structure was developed in two distinct phases: the first now ancient history, with a widespread system of small and medium-sized businesses in traditional industries — textiles and clothing, glassware, and metalworking. This wave of industrialization was most marked in the Aisne and Somme *départements*.

The second wave of industrialization took place with the industrial boom of the post-war period and the decentralization from Paris of national and, in particular, international groups. The industrial sectors concerned by this development were rubber, chemicals, automobile engineering and industrial machinery. The labour employed in these industries is generally low-skilled, and they have been in some decline since the first oil-price crisis.

GDP (1980 = 100)



Wages (national level = 100)



Disposable household income – 1987 (ECU per inhabitant)

Wages below the national average

Net annual wages in Picardy are below the French national average. The gap can be as much as 10% in the industrial sector. This is the result of the structure of the region's industrial activities, and of the skills required to work in them. Industries manufacturing intermediate products and consumer goods such as textiles and clothing, which are well-represented in Picardy, generally offer below-average wages. And for identical activities the number of unskilled workers and unqualified staff is higher in Picardy.

On the other hand, the breakdown of businesses by size shows the region to be close to the national average: medium-sized businesses, which are better-represented, offer higher wages than small businesses.

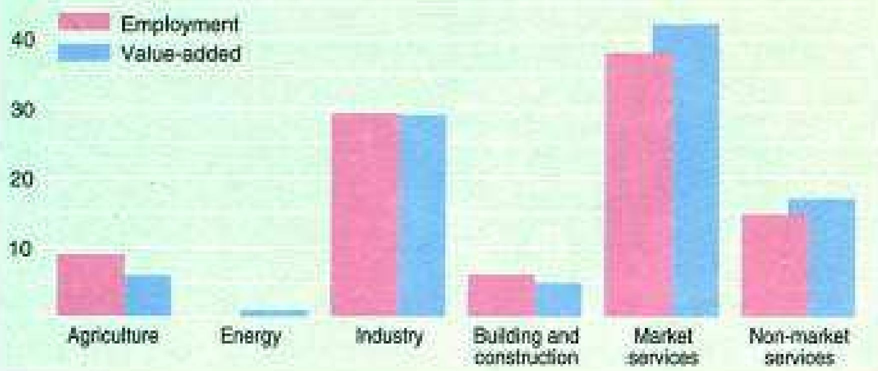
The low level of average wages in industry must be seen in the context of the region's below-average labour productivity.

Low wage levels not compensated by transfers

The gross disposable income of the Picardy household is 13% below the national average, and 8.5% below the average of French provincial regions. This puts Picardy at the bottom of the national table of per capita gross disposable income.

The per capita social benefits received are 8% below the national average, too, and consequently do nothing to close the regional gap on net wages. This relatively low level is explained by the proportion of retirement pensions in transfers: the proportion of pensioners is lower in Picardy than elsewhere, because of the relatively youthful population. Moreover, since wages have traditionally been lower, the value of pensions in Picardy is below the national average.

Employment and value-added: distribution by branch – 1988 (%)



Real potential in agriculture

Picardy's agriculture is highly efficient and diversified.

There are highly-mechanized specialist cereal holdings in the Santerre, Soissons, Valois and Vexin districts, and holdings as big as 200 ha are not uncommon. Mixed holdings, where a wider variety of crops is grown alongside some stock-breeding, on the plateaux of Picardy, in the Noyonnais and Brie-Tardenois, are generally between 30 and 70 ha. And the small pasture holdings of Vimeu, Thiérache and the Pays de Bray have been severely affected by the imposition of milk quotas.

Picardy's industry can be summed up as follows:

– highly dependent on national and above all international conglomerates, whose headquarters are situated outside the region;

– centred on products which are in a highly competitive market, such as intermediate goods and textiles and clothing. Dynamic sectors and high technology are still poorly represented, although there have been some improvements, and they are not powerful enough to kick-start the region's economy;

– able to call on numerous private research establishments, catering for the region's industrial specializations.

But the under-representation of the services sector, and particularly the top end of the sector, remains a persistent weakness. Market services, notably consultancy and research bureaux, are 20% behind the average of French regions.

Agriculture

Number of holdings	21 709
Labour force	42 317 AWU
Agricultural area	1 378 000 ha
Livestock	549 000 LU
Gross value-added	24 115 ECU/AWU
Main products:	
Cereals	31%
Main crops	30%
Milk	13%

Main enterprises

Name	Employees	Activity
Société des usines Chausson	2 800	Car manufacturing
France glace Findus	2 100	Ice-cream
Goodyear France	1 700	Tyres
Établissements Jaeger	1 500	Car manufacturing
Saint-Gobain Vitrage France	1 500	Glass
SARL SICUP	1 400	Tyres
MBK industrie société nouvelle motobécane	1 400	Motorcycles and cycles

Varied countryside and an ancient architectural heritage

Situated between two heavily urbanized regions, Picardy has remained predominantly rural. The range and quality of its countryside, and its architectural wealth, have provided the impetus for a tourist trade which now only needs consolidation.

The region's coastline, itself highly varied, and the Marquenterre plain are already fairly heavily visited, in the high season at least. But the valleys of the Somme, Aisne and Oise offer fenland countryside and lakes which attract anglers from Picardy and well beyond. The cereal-growing plateaux form Picardy's dominant landscape, and this is the image most generally left by the region.

Forests account for only a small part of Picardy, but they are concentrated in the south of the Oise *département*, where they are unbroken from Chantilly to Ermenonville, and where shoots and hunting of international renown have been developed.

Picardy's rural character is also betrayed by the sheer number of the region's municipal authorities. The 1990 census showed a total of 2 293 municipalities with an average population of 790, well below the national average. Pooling of resources is enabling an increasing number of authorities to overcome the handicap of their size.

The region's architecture is testimony to the events which have marked its history. Evidence of the earliest human occupation is on public display, and Laon and Senlis contain groups of buildings of immense architectural value. Finally, Picardy was the cradle of Gothic architecture, and the builders of Amiens, Beauvais, Noyon, Laon, Soissons and Senlis each sought to outdo the others in the beauty and the monumental height of their cathedrals.

FRANCE

HAUTE-NORMANDIE

Upper Normandy is formed by two *départements*: Eure and Seine-Maritime.

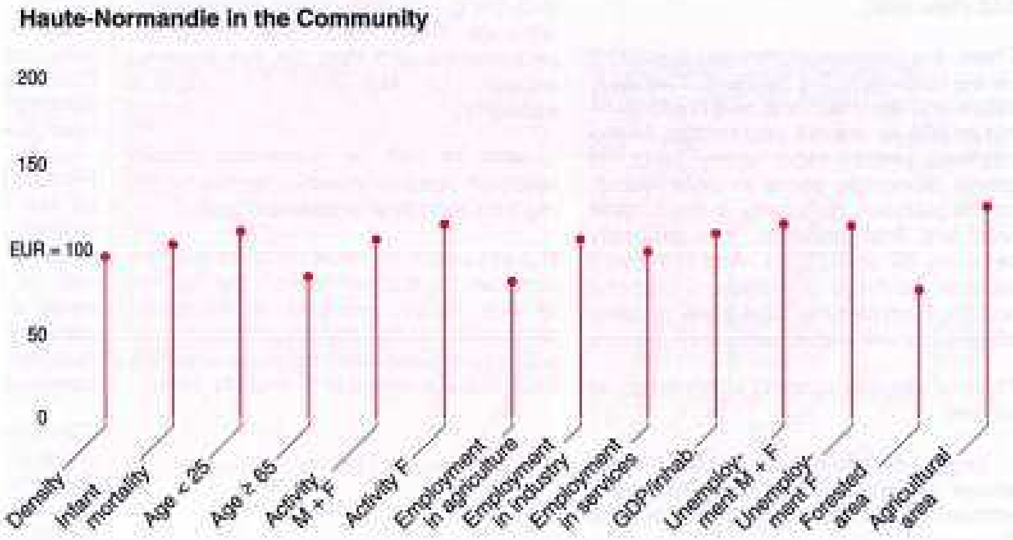
Its area of 12 317 km² makes it one of France's smallest regions in terms of size.

Upper Normandy is the seaboard of the Paris Basin. Formed from sedimentary beds dating back to the Mesozoic and Tertiary periods, the countryside is characterized by a succession of plateaux and valleys. The plateaux rise to slightly different heights, from around 130-135 m by the sea to over 200 m around the elevation of the Pays de Bray.

They are intersected by a large number of rivers and streams, and most human and economic activity in the area is concentrated in the Seine valley, which includes the two largest built-up areas in the region, Le Havre and Rouen.

The climate is no more uniform than the topography. Upper Normandy lies in the path of the Atlantic depressions, and enjoys an oceanic climate with fairly abundant rainfall, temperate summers and mild winters.

Urbanized and industrialized, Upper Normandy has managed to keep a quality environment.



Many facets to the economy

Situated between Paris and the English Channel, the busiest shipping lane in the world, Upper Normandy has an extensive seaboard and is bisected by the Seine, which is navigable. These features are all prime geographical assets.

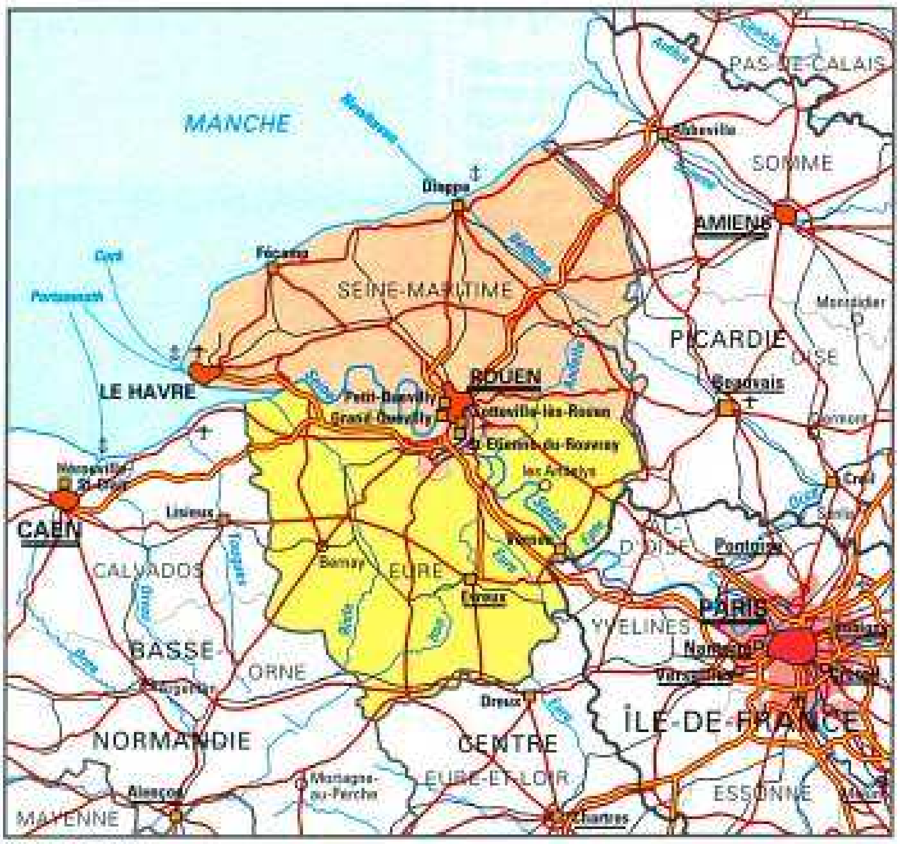
This geographical situation has attracted large national and international concerns to the area. The presence of water and a navigable river has given rise to a large number of industrial and commercial activities which have been able to adapt to changing conditions, providing the region with an extensive, diversified and modern industrial fabric.

The region's population includes a high proportion of young people under the age of 25.

There are, however, drawbacks as well as assets. The first disadvantage is the region's economic dependence, particularly on its powerful neighbour, the Île-de-France. The activities which have moved out from the Paris area tend to be in industries employing an unskilled workforce, resulting in more job opportunities in manufacturing activities than in conceptual work.

The region's second major weakness lies in the insufficient level of training obtained by its population, 43.3% of whom possess no qualifications (39.4% in France).

In the face of economic activities which require extensive knowledge and expertise, and despite the efforts which have been made, the region's population still lacks the necessary resources to adapt to these new demands. The upshot is a persistently high level of unemployment.



Scale 1 : 2 000 000

Which EC regions are similar to Upper Normandy?

Population:
1.6 million inhabitants
density close to EC average
Schwaben; Tübingen (D)
Cornwall, Devon (UK)
Alsace (F)

Age:
± 40% are aged less than 25
Sicilia; Sardegna (I)
Nord-Pas-de-Calais; Picardie;
Pays de la Loire (F)
Comunidad Valenciana;
Madrid (E)

Employment:
5-7% in agriculture
55-60% in services
Toscana (I)
Niedersachsen (D)
Overijssel (NL)

Land use:
25% grassland
50% crops
West-Vlaanderen (B)
Yorkshire and Humberside (UK)
Pays de la Loire (F)

The Seine valley: powerhouse of regional development

The Seine valley is not just a geographical line bisecting the region, but is also the main access route between the Paris region and the sea.

Three-quarters of the region's population and 80% of the jobs are concentrated in the Seine valley. At 194 inhabitants per km², the population density in this area is much higher than the regional average. There are three distinct zones:

– the upstream zone in the *département* of Eure. The characteristic feature of this area is its low level of urbanization, and its small and medium-sized towns are home to decentralized economic activities;

– the zone around Rouen with its river and sea port, and the Brotonne nature park;

– the estuary zone centred on Le Havre with its seaport and petrochemical activities.

Since 1975, population growth in the Seine valley has proceeded at the same pace as in the region as a whole. However, the importance of the built-up areas of Rouen and Le Havre has decreased at the expense of the upstream area, which is nearer to the Paris region.

To the north-east and south-west of this dividing line are areas suffering from demographic and economic decline.

On the coast, Dieppe is holding its own despite its isolated location, thanks to its fishing port and ferry terminal and its subcontracting activities in the field of mechanical engineering.

	Area	Population			Activity	Unempl.	Employment			GDP/inhab.
	1 000 km²	1 000	Inhab./km²	Change (%)	%	%	% Agricult.	% Industry	% Services	EUR(PPS) = 100
		1990	1990	1980-90	1990	1990	1990	1990	1990	1989
Eure	6.0	513	85	14.2	59	8.2	7	33	60	97
Seine-Maritime	6.3	1 224	195	3.2	56	10.4	4	26	70	115
Haute-Normandie	12.3	1 737	141	6.2	57	9.8	5	28	67	110
France (without FODs)	544.0	56 597	104	5.3	55	8.7	6	30	64	109
EUR 12	2 253.7	327 931	146	3.2	54	8.3	7	33	60	100

HAUTE-NORMANDIE

A high-density young population

Upper Normandy's population density of 141 inhabitants per km² is around the European average.

Its population is characterized by:

– the large number of young people;

– a high birth rate, but a life expectancy which is below the national average;

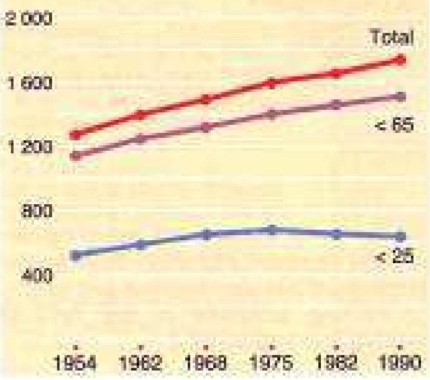
– major regional disparities as regards urbanization: 74% of the population of Seine-Maritime lives in urban municipalities; this figure falls to 51% in Eure.

Population growth was very slow up until the Second World War, but took off afterwards. Although the rate of increase has since slowed down, the movement is still upwards despite the economic difficulties. Most of the overall demographic increase since 1982 has been through natural growth. Since 1968, there has been a negative net migration, although migratory behaviour in the two *départements* has differed considerably. While Eure benefited from its proximity to the Paris region and recorded a positive net migration of around 0.8% per year between 1982 and 1990, in Seine-Maritime, a traditionally industrial *département*, there was a negative net migration of –0.4% per year over the same period.

Population by age — 1990

	M + F 1 000	M + F %	M %	F %
< 15	366.1	21.1	22.0	20.1
15-24	270.0	15.5	16.2	14.9
25-39	402.7	23.2	23.6	22.7
40-54	303.1	17.4	18.1	16.8
55-64	168.9	9.7	9.5	9.9
≥ 65	227.1	13.1	10.6	15.6
Total	1 737.9	100.0	100.0	100.0

Population (1 000)



Resident population of foreign nationality — 1990

	1 000	% of total population
Total	56.5	3.3
of which EC countries	14.8	0.9
of which non-EC countries	41.7	2.4

Demographic account — 1980-90 (1 000)

Population 1.1.1980	1 635.0
Births	264.5
Deaths	155.3
Net migration	– 7.7
Population 1.1.1990	1 736.5

A growing female working population

The 1980s saw the collapse of such predominantly male bastions of the regional economy as shipbuilding. The emergence of new services activities attracted a female workforce, giving women the opportunity to enter the labour market.

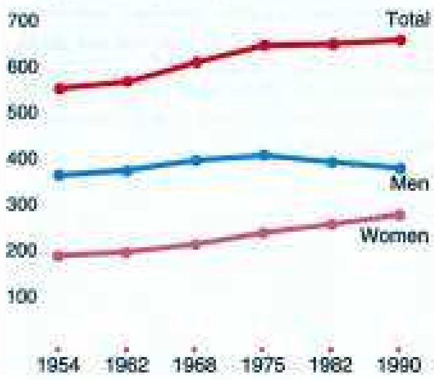
There are 29 000 students in higher education. Founded in 1966, the University of Rouen has five faculties (Law and Economics, Humanities, Science and Technology, Medicine and Pharmacy, and Psychology, Sociology and Educational Sciences) and two institutes of technology, one of which is sited at Evreux. The University of Le Havre is even more modern (1984) and has decided to develop specialized courses in such fields as international business, and science and technology. It also has an institute of technology. Almost 21 000 students are enrolled in the university system, while 8 000 (including preparatory classes) attend the *Grandes écoles* (institutes of higher education).

Private education plays a fairly minor role in the educational structure.

Number of pupils — 1990

	M + F 1 000	F %
Pre-school	79.9	48.7
Primary	140.0	49.6
Lower secondary	101.2	54.5
Higher secondary (technical)	28.8	38.7
Higher secondary (general)	48.0	54.5
Higher education	32.0	36.2
Total	429.7	49.4

Employment (1 000)



Employment structure (%)

Employment — 1990 (1 000)

Resident employment	677.1
+ Non-residents having a job in the region	19.6
– Residents having a job outside the region	39.2
= Internal employment	657.5

Unemployment (%)

Low growth in the services sector

Employment in agriculture has fallen by 20 000 since 1975.

The high level of industrial employment is explained by the strong presence of industrial activities in the region. On top of the manufacturing tradition, which dates back to the eighteenth century and is based on textiles, chemicals and shipbuilding, came the 1960s wave of decentralized economic activities from the Paris region in the automobile, electronics and pharmaceuticals branches. The industrial fabric is comprehensive and diversified. This sector has been forced to change with the times at the cost of major cutbacks in jobs, 50 000 being lost in industry between 1975 and 1989 and 7 000 in construction.

In 1975, less than 50% of jobs in the region were in the services sector, whereas this threshold had already been crossed at national level. Fifteen years later, the gap had still not been closed despite the creation of over 70 000 new jobs. The services sector has not proved to be dynamic enough to absorb the job losses suffered in the other sectors.

Since 1988, the growth rate for employment in the services sector has picked up and more jobs have been created in industry.

Characteristics of resident employment (%)

	< 25 years	25-54 years	≥ 55 years	Employees	Employees: part-time		Employees: full-time, temporary contract	
	1990	1990	1990	1990	1983	1990	1983	1990
Men	15	77	8	86	2	4	4	9
Women	15	75	10	87	19	24	3	11
Total	15	76	9	87	9	12	3	10

A persistently high level of unemployment

The strong demographic pressure and low increase in employment opportunities have produced a regional unemployment rate (10.8% in 1990) which is above the national average (9%), and that of the Community (8.3%). Whereas the situation on the labour market had been healthy in the mid-1970s, the beginning of the 1980s brought a sudden change, as the unemployment rate shot up, reaching a peak in 1987. The rate has subsequently dropped back down, but there has been no reduction in the gap between it and the national figure.

Competition from countries where production costs are low led to large numbers of jobs being shed in two traditional branches, textiles and shipbuilding, where employment fell by 50% in 10 years. In the car industry, mechanical engineering and electronics, the modernization of the means of production resulted in staff cutbacks.

Almost one-third of those seeking employment are under 25, and 54% are women. The changes made to the region's production structure have led to large numbers of redundancies among unskilled workers, who are then unable to find employment. As a result, the average duration of unemployment in the region is 425 days, as against 361 for France. Two-thirds of those entering the labour market are doing so on fixed-term contracts, whereas in 1983 there was an even balance between those recruited on fixed-term contracts and those taken on indefinitely.

A varied and modern economy

The region has the second-highest per capita GDP in France. This is due to the large number of energy-related activities in the region, its oil refineries and the production of electricity from nuclear energy.

The policy of decentralization pursued in the 1960s brought a large number of establishments to the region, even though their headquarters very often remained in Paris: these included Hermès (perfumes), Renault (cars), Sanofi (pharmaceuticals), Télémécanique (electronics), SEP (aeronautics), etc.

These different units supplemented the traditional structure made up of production units in mechanical engineering, shipbuilding and textiles.

The region's industry is therefore well integrated into international and national markets, and the regional market accounts for only 16% of its turnover. A lot of subcontracting work is carried out in Upper Normandy for large client companies in the region or the Île de France.

The three major characteristics of industry in the region are diversity, dependency and internationalization.

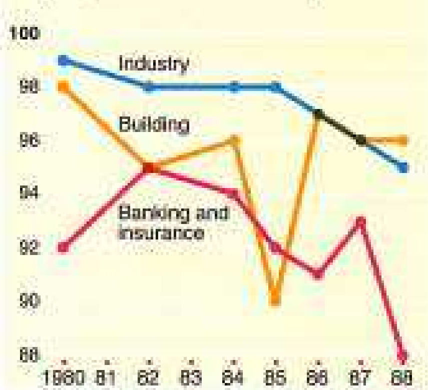
In agriculture, Upper Normandy enjoys many natural advantages. The land supports two types of production: cattle farming and cereal crops. The cattle are raised for milk production, mainly in the valleys of Seine-Maritime, and this sector will need to adapt to the new conditions governing agriculture in Europe.

Cereal crops are grown on the plateaux, particularly in Eure.

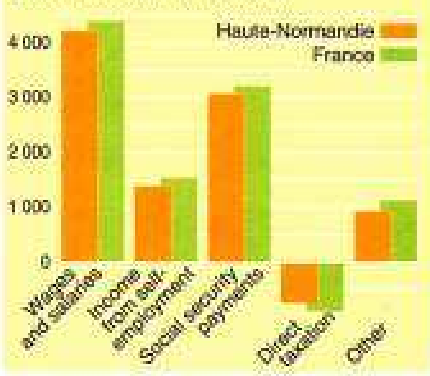
The agri-food sector provides work for 15 000 employees, but has not yet been able to fully exploit the assets it possesses in the form of a diverse agricultural sector and the proximity of the Paris region.

GDP (1980 = 100)

Wages (national level = 100)



Disposable household income – 1987 (ECU per inhabitant)



High wages and salaries in the energy sector

Upper Normandy stands out among the French provincial regions for its high average wage level.

This situation can be explained by the economic structure of the region, and in particular by the fact that the average wages in some of the strongest sectors of the region's industry – energy, chemicals and mechanical engineering – are relatively high.

The staff required to work in these activities are mainly technicians and skilled workers whose abilities and stresses are reflected in the levels of remuneration.

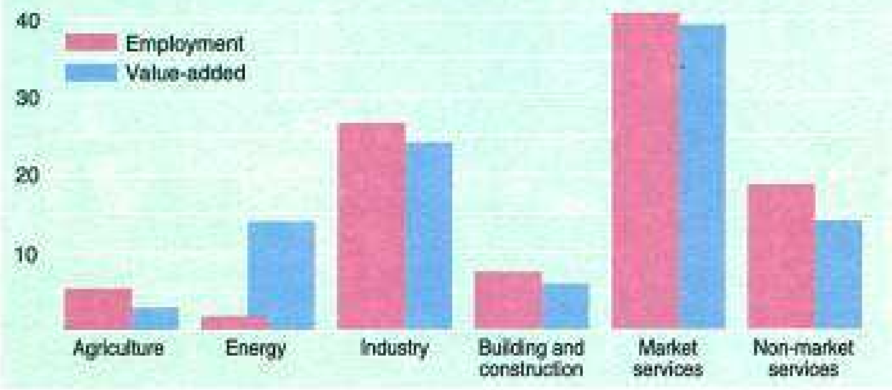
However, the proportion of staff expenditure in value-added is lower than for other regions, reflecting the capital structure of the region's industry and its attempts at modernization.

Increase in social transfers

The gross disposable income of inhabitants in Upper Normandy is around average for the French provincial regions. Wages and salaries make up 47% of regional income. This proportion, which is 5% higher than the national figure, arises from the fact that the economic structure of the region is made up of large industrial establishments. The minor role of agriculture and the relatively low number of small and medium-sized enterprises explains the modest share of regional income accounted for by earnings from self-employment: 16%, as against the national average of 18%.

Social security benefits make up 35% of regional income, which is very close to the national figure. It is this item which has undergone the most dramatic change since 1982, reflecting the rise in unemployment and the long-term exclusion of part of the population from the labour market. Between 1982 and 1988 the growth rate in income from self-employment was slower in the region than nationally, which indicates that the rise in regional income over this period was based on higher wages and salaries and especially on the increase in social security benefits.

Employment and value-added: distribution by branch – 1988 (%)



A broad range of activities

While stock-farming provides 54% of the value of agricultural production, its current decline contrasts with the increase in crop production. Cereals are the main crop grown, particularly wheat, 90% of which is exported. The region is Europe's leading producer of flax, which is the only fibre plant grown in France.

One-third of France's total refining capacity is located in the region, as well as two nuclear power stations at Paluel and Penly.

The car industry is represented by two Renault factories, each with over 6 000 employees, and there are car parts suppliers established all along the Seine valley. Paper mills are one of the more traditional activities, now controlled by Scandinavian or Anglo-Saxon capital.

Two characteristics can be found throughout industry in the region. The first is the large size of the establishments, with 67% of those working in industry employed by units of over 100 employees, as against 57% nationally. The second is this sector's economic dependence on the Île de France, as almost half of the workforce in the region's industry is employed by companies whose headquarters are located in the Paris region.

In the services sector, the main feature distinguishing the region is its two international ports, Rouen and Le Havre. These ports have generated a large number of jobs in the services sector (shipowners, forwarding agents, land and sea transport, etc.).

Agriculture

Number of holdings	24 073
Labour force	31 696 AWU
Agricultural area	862 000 ha
Livestock	673 000 LU
Gross value-added	17 177 ECU/AWU
Main products	
Cereals	25%
Milk	23%
Cattle	19%

Main enterprises

Name	Employees	Activity
Régie nationale des usines Renault	14 500	Car manufacturing
Port autonome (Basse-Seine) Le Havre, Rouen	2 400	Port services
Philips	2 000	Manufacture of components and condensers
Atochem	1 800	Plastics
Cie de raffinage et distribution Total France	1 800	Petroleum refining
Société européenne de propulsion (SEP)	1 800	Rocket engines and launchers
Saint-Gobain Desjonquères	1 700	Glass
Établissements Mesnel	1 600	Rubber goods
Société chimique de la Grande-Paroisse	1 400	Nitrogen fertilizers and other nitrates

Determination to overcome the threats posed by industry

As a result of its high level of industrialization, the environment of Upper Normandy is in a very delicate state. It presents a contrasting picture of green meadows and thick plumes of smoke from nearby factories, since heavy industry also forms part of the local environment. The threats posed by technological development are considerable, and 49 of the 139 establishments classified in the Seveso category in France are located in the region.

Environmental protection activities are being carried out on six main fronts:

- improving the quality of the water;
- monitoring air pollution;
- controlling other sources of pollution (noise, odours);
- preservation of the natural heritage;
- risk management;
- informing the public.

The measures aimed at improving the quality of the water are being given top priority. Water is not only essential for human requirements, but is also needed for agricultural and industrial activities. Paper mills and chemical plants are major consumers. The Seine valley is a particularly vulnerable zone, suffering not only from locally-produced pollution but also from pollution which has not been brought fully under control upstream in the Paris region. At regional level, considerable progress has been made in cleaning up the Seine and its tributaries, thanks to the action programmes drawn up jointly by industry, the State and the local authorities.

This concern for environmental protection is also taken into account when the regional partners draw up plans for the future, in order to protect the precious natural assets which the region still possesses.

FRANCE

CENTRE

The Centre region comprises six *départements*, Eure-et-Loir, Loiret, Loir-et-Cher, Indre-et-Loire, Cher and Indre, and covers 39 200 km².

In relief the region is unassuming and undemanding. The region's geographical unity is derived essentially from the River Loire and its tributaries.

The Loire itself has had an influence both on the region's geology and history, and is also the least regular of France's great water-courses. The average monthly flow has a ratio of 1:8 between August and February in Orléans. This irregularity in the Loire, and in its principal southern tributaries (the Cher, the Indre and the Creuse), has carved out a system of valleys, or rather, alluvial plains, with varying features.

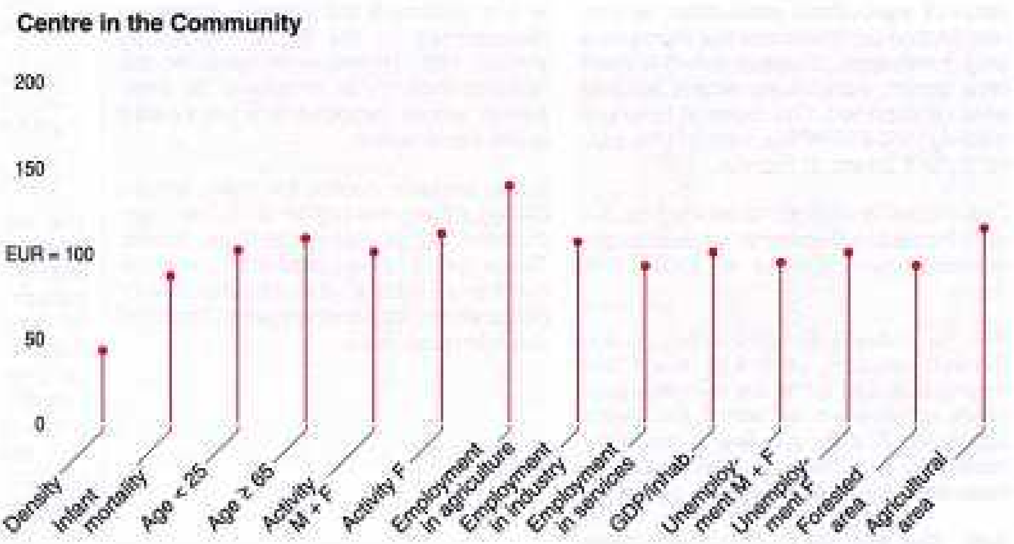
The Centre's climate is mild, heavily influenced by the Atlantic Ocean.

The countryside has a varied appearance, from open-field in Beauce and north-eastern Berry, to hedged fields in Boischaut and Pays Fort, and even Gâtines, where land has been converted from forest.

Wooded areas are now fairly widely spaced: the Perche, Gâtines and Orléans forests, mostly former royal hunting forests. The Sologne is a forest of more recent origin, dominated by the conifers which have been planted on the heathlands.

A peaceful village on the banks of the Loire.

Centre in the Community



A high-quality environment to face new challenges

The Centre region has three advantages:

– an outstanding historical and cultural heritage known throughout the world (the châteaux of the Loire);

– a highly diversified and relatively modern industrial fabric, which has been spared the sectoral crises of the 1970s and 1980s;

– an ideal geographical situation: easily accessible, not densely populated, occupying an area bigger than Belgium, and well supplied with services being close to the Île-de-France.

The region's disadvantages are, in a way, the quid pro quo of its advantages:

– a low level of independence in its manufacturing industry, which consists mainly of businesses relocated from Paris or abroad. The labour force is not highly skilled, and high-level services are poorly represented;

– a regional unity caught between the attraction of the Île-de-France (a risk of becoming a suburban dormitory and supplier of manpower), and the depopulation of the northern flanks of the Massif Central;

– the lack of a regional capital of European dimensions, able to lead the region in a strategy of market conquest abroad. The urban network in the Centre remains traditional: a good range of small to medium-sized towns overlaying a rural region in which agriculture remains fundamental and which is increasingly threatened by the ageing of the population. The twin centres of Orléans and Tours have yet to develop any concerted complementarity.

Scale 1 : 2 000 000

North-South split

The north of the region continues to develop rapidly: expansion in the Île de France has reached the north-east of the Eure-et-Loir *département* and the north of Loiret, and here demographic growth accelerated during the 1980s.

In the Loire valley, Amboise and Orléans are important centres of growth; so, to a lesser extent, are Tours and Blois.

In the mainly rural centre of the region – around towns such as Chinon, Vendôme or Romorantin – the population is stable but the principal centres are losing their powers of attraction.

In the south the population is still declining: the areas of Saint-Amand, Issoudun, Argenton and La Châtre are being particularly hard-hit. The principal reason for this is a heavy deficit in natural population increase: losses by migration seem to have come to an end, however, and here and there some immigration to rural areas can be detected.

The fact remains that the growing imbalance between north and south is a cause for concern at regional level.

The twin centres of Orléans and Tours may be a weakness from the international point of view, but they do contribute in their way to maintaining some internal balance in the region.

Which EC regions are similar to Centre?

Area:
± 40 000 km²
Nederland
Danmark
Extremadura (E)

Population:
2.4 million inhabitants
± 60 inhabitants per km²
Midi-Pyrénées (F)

Employment:
± 10% in agriculture
± 35% in industry
Emilia-Romagna (I)
Comunidad Valenciana (E)
Weser-Ems (D)

	Area	Population			Activity	Unempl.	Employment			GDP/inhab.
	1 000 km²	1 000	Inhab./km²	Change (%)	%	%	% Agricult.	% Industry	% Services	EUR(PPS) = 100
		1990	1990	1980-90	1990	1990	1990	1990	1990	1989
Cher	7.2	322	44	1.0	53	8.3	9	35	56	85
Eure-et-Loir	5.9	396	67	11.8	59	7.5	7	38	55	98
Indre	6.8	238	35	– 3.0	52	9.1	14	32	54	90
Indre-et-Loire	6.1	529	86	6.5	55	9.6	7	29	64	99
Loir-et-Cher	6.3	306	48	4.6	55	7.4	11	35	54	108
Loiret	6.8	580	86	11.4	58	8.3	6	34	60	112
Centre	39.2	2 370	61	6.4	56	8.4	8	34	58	100
France (without FODs)	544.0	56 597	104	5.3	55	8.7	6	30	64	109
EUR 12	2 253.7	327 931	146	3.2	54	8.3	7	33	60	100

An attractive region

With no over-population and nowhere totally uninhabited, the population of the Centre is well balanced. The region remains attractive, though perhaps a little less so now than in the past.

Population migration was a dominant feature from the 1960s until 1975. Since then overall growth has moderated: 0.7% per year from 1975 to 1982, and 0.6% per year from 1982 to 1990. Half the population's growth now comes from natural increase, the other half from migration.

Since the last years of the 1960s the migration flow from the Île de France to this region has been positive for all age-groups except 20 to 29 year-olds.

The proportion of those of 65 years of age or more is above the French national average, and the attractive nature of some districts to pensioners, casts some doubts on their demographic future.

The wheel has thus come full circle: having provided the Paris region with growth for more than a century, the rural areas of the Centre are now being repopulated by urban migrants of all ages from the Île de France. Under their influence the countryside, attitudes and activities in the Centre are gradually changing.

Population by age — 1990

	M + F 1 000	M + F %	M %	F %
< 15	444.6	18.7	19.5	18.1
15-24	349.6	14.7	15.3	14.2
25-39	517.0	21.8	22.4	21.3
40-54	417.2	17.6	18.3	16.9
55-64	252.6	10.7	10.6	10.7
≥ 65	390.1	16.5	13.9	18.8
Total	2 371.1	100.0	100.0	100.0

Population (1 000)

Resident population of foreign nationality — 1990

	1 000	% of total population
Total	117.4	5.0
of which EC countries	47.3	2.0
of which non-EC countries	70.1	3.0

Demographic account — 1980-90 (1 000)

Population 1.1.1980	2 227.8
Births	302.1
Deaths	237.4
Net migration	+77.5
Population 1.1.1990	2 370.0

High female activity rates, but an inadequately trained workforce

The active population increased substantially throughout the 1970s and until 1982. The main reason for this was the sharp increase in the number of women in employment.

This growth came at the same time as the boom in assembly industries (particularly electronics) which had been relocated in the region following the expansion of the services sector.

But the inhabitants of the Centre were well behind the average in terms of education, qualifications and job-skills.

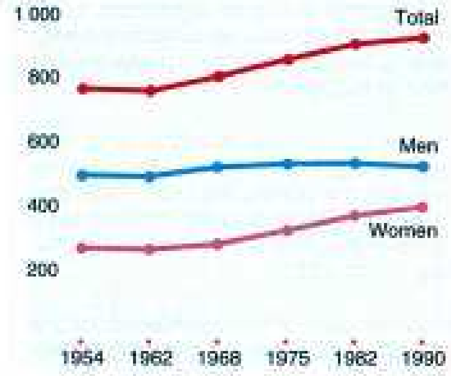
The region made up some of this deficit *vis-à-vis* the French national average during the 1980s. At the same time, technical and management skills made substantial progress.

But there remain big problems of job training and retraining, particularly in the unskilled services sector and in the building and civil engineering industries.

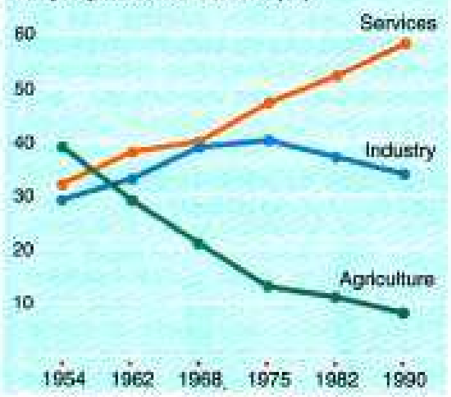
Number of pupils — 1990

	M + F 1 000	F %
Pre-school	101.1	48.9
Primary	167.5	48.8
Lower secondary	126.0	49.2
Higher secondary (technical)	35.7	46.5
Higher secondary (general)	61.1	55.5
Higher education	36.1	56.3
Total	527.5	50.1

Employment (1 000)



Employment structure (%)



Employment — 1990 (1 000)

Resident employment	957.3
+ Non-residents having a job in the region	26.8
– Residents having a job outside the region	61.7
= Internal employment	922.4

Unemployment (%)

Industrial employment withstanding the crisis well; services lacking dynamism

In terms of industrial jobs, the region is placed fifth in France.

The reasons for this came in two stages:

– the setting up during the 1960s and 1970s of modern industrial centres (pharmaceuticals, electronics, plastics, motor vehicles, etc.) alongside the more traditional industries of Berry and the Orléans area;

– during the crisis years these industries stood up well: the region's leading sectors were scarcely affected by the sectoral problems of the day (the region has only a small textile sector, and no steel-making or shipbuilding at all), and their modern plant and machinery was able to stand up well to competition.

The region's industry is evenly distributed geographically, and well balanced in its sectoral structure, and for these reasons the levels of employment have been maintained. Between 1982 and 1990 the region's industry lost only 6% of its labour force, compared with 12% nationally.

In both 1988 and 1989 there was even an upturn in industrial employment (2% annually).

The building and civil engineering industries, on the other hand, are still having trouble emerging from the crisis of the 1980s.

Trends in market services are much the same as the national average. Clearly, the low level of the services sector in the region is not going to be made good in the short term.

More than 10% of the region's active persons are self-employed, making up a dense network of small businesses: 60 000 in agriculture and 36 000 in craft industries.

Characteristics of resident employment (%)

	< 25 years	25-54 years	≥ 55 years	Employees	Employees: part-time		Employees: full-time, temporary contract	
	1990	1990	1990	1990	1983	1990	1983	1990
Men	13	80	7	85	1	3	3	8
Women	13	80	7	90	19	24	2	7
Total	13	80	7	87	9	12	3	8

Unemployment: a few black spots

Year-in year-out the region's unemployment rate remains below the national average.

The regional pattern of unemployment is none the less fairly similar to that observed for the country as a whole. Women, however, form a greater percentage, and the long-term unemployed – those registered for more than 12 months – a slightly smaller one.

The regional average masks very different situations:

– the four districts of Indre-et-Loire show a rather sluggish labour market (low turnover) with rates of unemployment never falling below the regional average;

– three districts where the labour market is in closer harmony with the Paris region (Montargis, Gien and Dreux), together with Vierzon, have high rates of unemployment which are compensated by much faster turnover;

– the remainder of the region, finally, has unemployment rates below the regional average but a slower turnover. The southern border of the region also shows a high proportion of long-term unemployment.

Setting aside Vierzon, which has suffered from a severe crisis in industrial employment, the region has two major centres of unemployment. The first, despite a low proportion of active population, is the southern flank of the region; the second is the *département* of Indre-et-Loire, where the employment opportunities available are not particularly suited to a fairly young and quite well-qualified labour force.

Dynamic regional economy

The region's industrial structure shows a number of distinguishing features:

– a diversified sectoral breakdown, with a sizeable network of small and medium-sized businesses and specialist subcontractors;

– a fairly good concentration of manpower: the region exceeds the national average for jobs in businesses with 50 to 500 employees, and there are very few large-scale employers;

– a concentration of businesses whose headquarters are outside the region (51% of all employees), mostly based in the Île de France;

– a dependence on foreign capital: more than a quarter of all employees.

The finest economic performances come from the big regional exporters: the rubber and plastics industries, mechanical engineering, foundries and the pharmaceutical and parachemical industries. As a rule these sectors are also well-placed as regards their investment rates and their profitability.

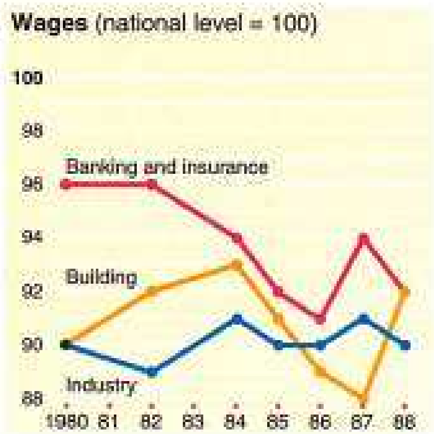
Looking simply at total figures, the region's industry invested heavily in the 1970s and 1980s. The bulk of this is nevertheless attributable to the construction of nuclear power stations along the Loire: 15 reactors on four sites which now generate 25% of all the nuclear energy produced in France.

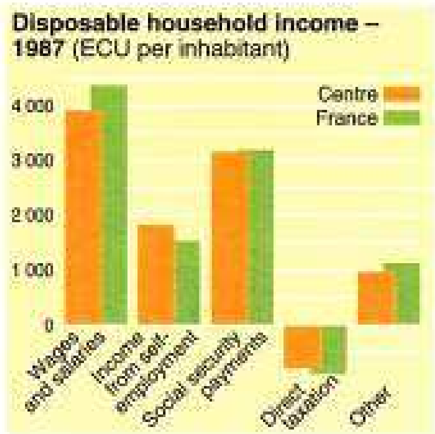
In 1983, for example, of the almost ECU 2 billion invested nearly 1.3 billion were destined for nuclear power. This had little economic impact on the region (save in the building and civil engineering industries) and few permanent jobs were created.

The region's industrial dynamism relies more on the capital and consumer goods sectors, both of which have made a major effort to modernize.

The crisis in the building and civil engineering industries was particularly severe in the Centre, but later moderated under the effects of major projects such as the high-speed train (TGV) and motorway construction.

The weak point of the region's economy is the poor development of the services sector, both in-house (head office, marketing department, management services, research department) and in professional consultancies. Office building has increased over recent years, however, and the region could benefit from relocation of Paris-based services enterprises.





Wage costs: close to the national average

Average net wages were between 8 and 10% below the national average throughout the period 1980-88. This is the effect of the employment structure of the region: little personnel training, few technical jobs, few qualifications required in both industry and services.

In the Centre region, apparent labour productivity (that is, value-added per employee) developed very satisfactorily during the early 1980s in the consumer goods sector. But for the region's industry as a whole apparent productivity is some 10% below the national average. This means that unit wage costs are generally close to the national average.

The region's best productivity performances come from the arms and aerospace sector, electrical engineering and the parachemical and pharmaceutical industries.

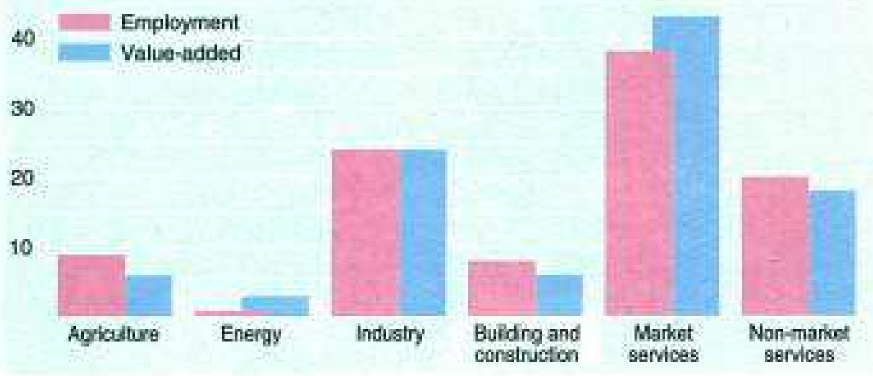
Nuclear power is best left out of consideration: it generates substantial value-added with a very small workforce, but requires considerable capital investment.

Average income close to the national average

Although net wages are some 10% below the French national average, the average household in the Centre region has earnings above the average for provincial France. Income from self-employment (farming, and the craft and retail trades) is substantially (20%) better than the national average. Given that the age pattern in the region is comparable to the national average, social security benefits are also broadly similar. Consequently, the gross disposable income of the average household in the Centre region is 3% lower than the national average and 3% higher than the provincial average.

Social security contributions totalling ECU 5 billion were paid in 1989 and benefits paid out came to only ECU 3.8 billion, but when the special agricultural schemes are taken into account, this deficit is somewhat reduced.

Employment and value-added: distribution by branch – 1988 (%)



Modern means of production

The Centre is primarily a major agricultural region with highly-diversified connected industries. The Centre is France's leading cereal grower, producing 18% of the country's wheat, 12% of maize and 7% of industrial beet. Intensive, large-scale production on large modern holdings began in Beauce and north-eastern Berry, and has spread rapidly to other, less suitable districts which are more vulnerable to shifts in cereal prices. Stock-raising accounts for 24% of the region's farm production, mainly in beef and lamb. The Centre boasts the largest cattle-market in France, at Sancoins (Cher *département*). Finally, more than 12% of the value of production comes from vines, orchards, vegetables and flowers. These are concentrated along the Loire valley and provide a driving force in the region's agricultural economy.

The Centre's industry is the result of the decentralization of the 1960s and 1970s. A number of centres and specializations have emerged in particular:

– the pharmaceutical, cosmetics and perfumery industries: these are located mainly along the valley of the Loire;

– the rubber and plastics industries in Tours, Bourges, Orléans and Montargis;

– metalworking and mechanical engineering, supplying the motor industry;

– electrical and electronic engineering, concentrated in the Eure-et-Loir and Loiret *départements*;

– aerospace and arms in Bourges, textiles and clothing in Indre, and publishing.

Agriculture

Number of holdings	51 471
Labour force	80 245 AWU
Agricultural area	2 519 000 ha
Livestock	598 000 LU
Gross value-added	21 876 ECU/AWU
Main products	
Cereals	41%
Main crops	16%
Vegetables	6%

Main enterprises

Name	Employees	Activity
Michelin	6 100	Tyres
Groupements des industries d'armement	3 700	Arms
Philips	3 500	Radio, TV, lighting
Aérospatiale	2 700	Aeronautics
Matra automobiles	2 500	Car manufacturing
IBM, France	2 100	Computer equipment
Roto Diesel	1 900	Motor vehicle parts
Unidis	1 800	Distribution
Hutchinson	1 700	Rubber goods
Dior	1 600	Perfumes

The garden of France

With its cathedrals (Chartres) and the châteaux of the Loire (Chenonceaux and Chambord), the Centre region has an architectural heritage of world-wide renown. Together they form one of the world's leading centres for cultural tourism, attracting many million visitors each year.

Visitors to the châteaux tend to remark on the close links they perceive between the beauty of the architecture and that of the environment. The Loire valley is the 'garden of France' not only for its fruit- and vegetable-growing, but also because of the wealth of images it conjures for visitors.

The fact that tourism is concentrated along a few well-known paths does, in its way, help maintain the quality of certain conservation areas – particularly the banks of the Loire, certain wooded areas and the marshlands of Sologne and Brenne. Brenne has recently been designated a Regional Natural Park, and a number of nature reserves are run with the help of the region's active naturalists.

Walking, cycling and horseback tourism have developed over the last 10 years. Certain lakes have been developed for water sports and are used regularly, but are still a great way from being used to capacity.

The area of agricultural land being returned to nature has scarcely been affected by the reorganization of farm ownership and the steep fall in the number of persons active in farming. Changes in the landscape have tended to be in two directions, according to district: the disappearance of hedges and increase in field sizes as farming becomes more intensive, or the development of low-intensity grazing for Charolais herds, and of forestry plantations. But such changes are too slow – or too recent – yet to have had any effect on the visitor's perception of the garden of France.

FRANCE

BASSE-NORMANDIE

The mainly low-lying region of Lower Normandy is a maritime area subject to oceanic influences. It covers 17 600 km² and is divided into three *départements*: Calvados, Manche and Orne. The coastline of Calvados and Manche stretches for 470 km.

From east to west, there are three distinct areas differing in relief and in economic activity. The first two form the rim of the Paris Basin, the third is part of the Armorican massif.

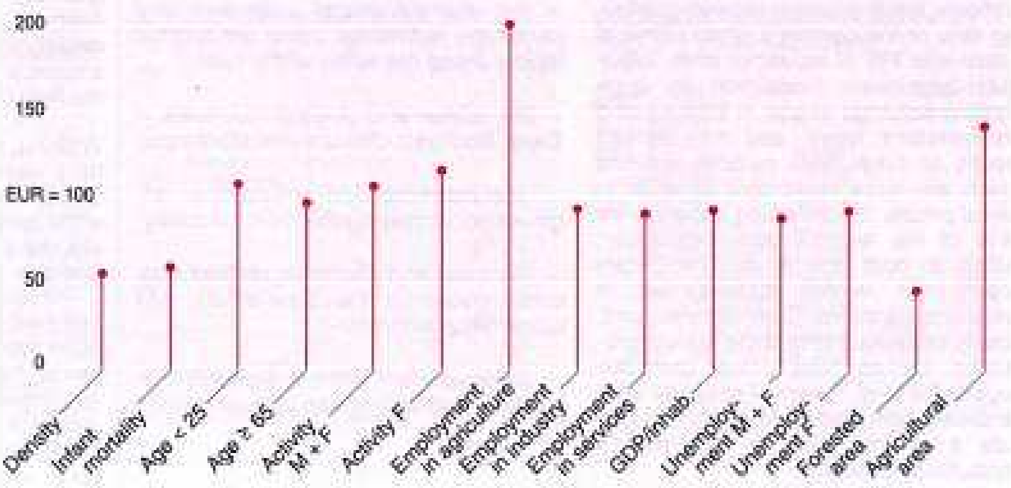
The eastern part (Pays d'Auge, Pays d'Ouche and Perche) is formed of sedimentary, argillaceous and calcareous beds, and influenced by the proximity of Paris, explaining the massive rural exodus which began in the 19th century, the low level of urbanization and the proliferation of second homes.

The mainly calcareous central plains (the Bessin, and the plains around Caen, Falaise and Argentan) are the crop-growing areas. This is also the area with the most economic activity and urbanization.

The western part is an area of livestock farming and, the north of the Cotentin peninsula excepted, the rate of development is slow. The north of this peninsula became one of Europe's biggest building sites at the beginning of the 1980s with the construction of a nuclear power station and the extension of the nuclear waste reprocessing plant at La Hague.

In Lower Normandy even horse-breeding has become a leading international industry.

Basse-Normandie in the Community



Atlantic coast and Paris Basin

Due to its geographical location, most of the region enjoys the advantages of a seaboard area. Lower Normandy is influenced by its proximity to Paris in the east, but its economy is closer to the surrounding Atlantic regions.

Its high birth-rate and young demographic profile are major assets, provided that the number of increasingly well-qualified young people can find work locally.

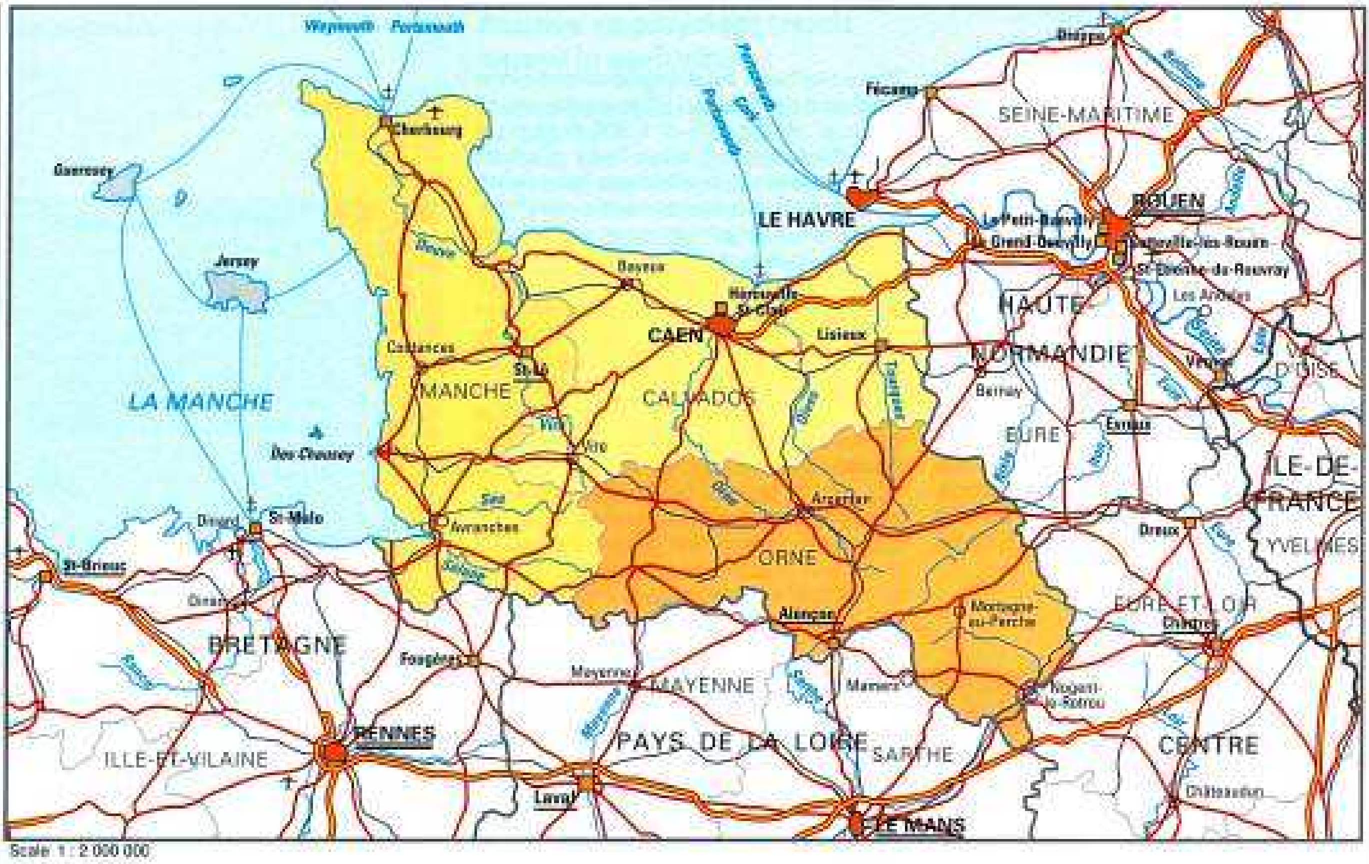
The quality of the environment, even in industrial areas, is a major bonus for the region in the field of economic activity. There are very few chemical plants or other polluting industries in the region, and tourism is quite unaffected by the proximity of activities in the nuclear sector.

The region's coastline is a boon for tourism, and provides excellent opportunities for rapidly expanding activities such as shellfish farming.

The region's handicaps resulted from the industrial decentralization of the 1960s, and to its decline at the end of the 19th century, when it was unable to sustain any major industries or activities related to the processing of agricultural products.

The process of conversion in the agricultural sector has not been completed and in some areas farm workers still accounted for between 20 and 30% of those in employment in 1982. Farmers in the wooded upland areas tend to be older and work on small holdings which specialize in dairy farming.

The region's second handicap is the lack of qualifications possessed by its inhabitants, and especially its young people, although a lot of ground has been made up in this field over the years.



Scale 1 : 2 000 000

Which EC regions are similar to Lower Normandy?

Population:
1.4 million inhabitants
less than 100 inhabitants per km²
- Lüneburg (D)
- Champagne-Ardenne;
- Auvergne (F)

Employment:
15% in agriculture
- Ireland
- Abruzzi (I)
- Auvergne (F)

Land use:
± 80% agriculture
- Puglia (I)
- Ireland
- Wales; East Midlands (UK)

Caen and Cherbourg: two poles of activity

Around half the population of Lower Normandy lives in Calvados, 30% in Manche and 20% in Orne. Caen, the regional capital, has over 100 000 inhabitants. Its suburbs extend its sphere of influence to take in over 300 000 people in Calvados — over 50% of the total population of the *département*. The port of Cherbourg at the extreme north of the Cotentin peninsula is the region's second pole of industrial and urban activity, with almost 100 000 inhabitants.

Excluding the nuclear energy sector in Cotentin (Cherbourg), the iron and steel industry near Caen and the motor vehicle industry in Calvados and Orne, all other industrial activities are dispersed throughout the region. Agricultural activity is varied: cereals are grown and beef cattle raised on the plain between Caen and Perche (in the south-east of Orne), while dairy farming predominates in the upland wooded terrain in the rest of the region. Finally, apart from in Alençon and some tourist spots such as the spa at Bagnoles-de-l'Orne, services activities are concentrated in the northern half of the region.

The north of the region also has the best road and rail links. The south-west of the region, in a triangle between Avranches, Bayeux and Alençon, is the area with the most socioeconomic difficulties.

	Area	Population			Activity	Unempl.	Employment			GDP/inhab.
	1 000 km²	1 000	Inhab./km²	Change (%)	%	%	% Agricult.	% Industry	% Services	EUR(PPS) = 100
		1990	1990	1980-90	1990	1990	1990	1990	1990	1989
Calvados	5.5	618	112	6.6	56	9.1	8	29	63	99
Manche	5.9	480	81	4.0	55	7.3	18	30	53	87
Orne	6.1	294	48	-0.4	56	6.8	16	31	52	90
Basse-Normandie	17.6	1 391	79	4.1	55	8.0	13	30	57	93
France (without FODs)	544.0	56 597	104	5.3	55	8.7	6	30	64	109
EUR 12	2 253.7	327 931	146	3.2	54	8.3	7	33	60	100

BASSE-NORMANDIE

A young region

The population of Lower Normandy is increasing at a rate of 5 000 persons per year (+0.36%), mainly through natural growth. Most of this growth is in the employment areas of Caen and Cherbourg.

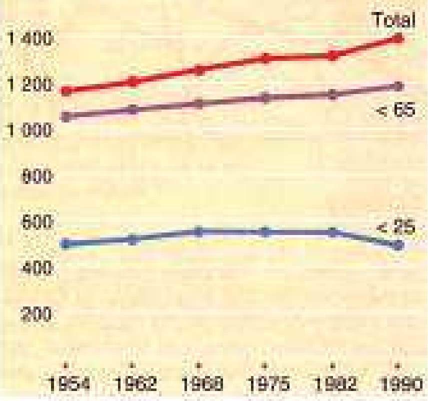
In 1990, the proportion of 0 to 19-year-olds in the total population was a good three percentage points higher than the EC figure. If present trends are sustained, the proportion of young people will still be 26% in the year 2010. Though these figures are obviously relative in world terms, the high percentage of young people in the region is the result of one of the highest birth rates in western Europe. Over the last few years, however, the gap has shrunk, bringing the rate back down to around the national average.

There has been a net migration loss since 1926, and over the last 20 years the region has lost an average of 1 500 persons a year. While the migratory flows of adults aged between 30 and 50 have been much the same in both directions or even slightly positive, a large number of young people aged between 20 and 30 have been lost to the region and replaced by an influx of persons of retirement age. Most of these migratory flows are to and from the Paris region, and work out favourably for the region. The migratory balance is positive with regions in the north and the east, and negative with those situated in the south.

Population by age — 1990

	M + F 1 000	M + F %	M %	F %
< 15	278.3	20.0	21.0	19.1
15-24	215.4	15.5	16.2	14.8
25-39	306.4	22.0	22.9	21.1
40-54	232.4	16.7	17.2	16.2
55-64	150.3	10.8	10.5	11.1
≥ 65	209.2	15.0	12.2	17.7
Total	1 392.0	100.0	100.0	100.0

Population (1 000)



Resident population of foreign nationality — 1990

	1 000	% of total population
Total	21.7	1.6
of which EC countries	6.5	0.5
of which non-EC countries	15.2	1.1

Demographic account — 1980-90 (1 000)

Population 1.1.1980	1 336.3
Births	198.3
Deaths	132.0
Net migration	− 11.2
Population 1.1.1990	1 391.4

High female activity rate

The activity rate in the region is one of the highest in France and the Community. The reason for this is the high male activity rate and the particularly high rate for women, resulting from the strong tradition of women working in the agricultural sector and the presence of industrial sectors which tend to employ women (textiles, then electronics). However, the region lags behind in training, not just in the level of education attained by its population but also in basic vocational training. Ground is being made up quickly in this field, but a balance needs to be found between the different types of training.

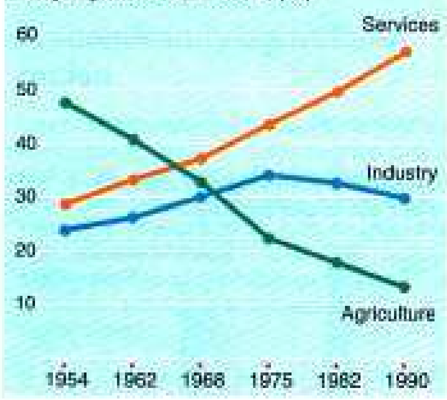
The industrial workforce is more qualified in many sectors than on average in France, with the exception of the Île-de-France. However, those sectors where they are relatively less well-qualified tend to be the largest employers in the region, which brings the average rate down considerably. The region has a relatively low number of management and executive staff, with only a couple of sectors approaching the average for provincial France.

Number of pupils — 1990

	M + F 1 000	F %
Pre-school	64.5	48.8
Primary	110.5	48.4
Lower secondary	88.2	49.0
Higher secondary (technical)	29.5	41.9
Higher secondary (general)	38.5	55.6
Higher education	29.0	54.6
Total	360.2	49.3

Employment (1 000)

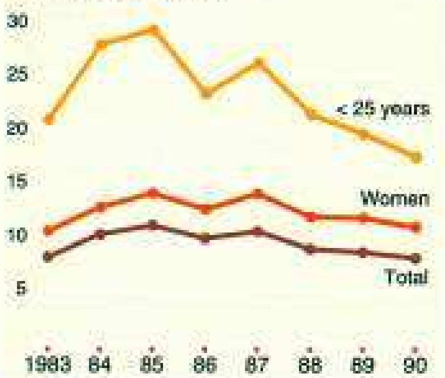
Employment structure (%)



Employment — 1990 (1 000)

Resident employment	543.5
+ Non-residents having a job in the region	14.3
- Residents having a job outside the region	19.9
= Internal employment	537.9

Unemployment (%)



Positive employment trends except in agriculture

Employment trends in the region were not as bad during the 1980s as in most regions, and were characterized by a sharp drop in employment in agriculture and a fall in the number of people working for large companies. These trends were not, however, unique to Lower Normandy. Over the last 20 years, developments in most sectors of industry were above the French average. Employment in the region's industry rose faster than in France as a whole up until 1973 and, except for the odd hiccup, fell less precipitously thereafter. The region's services sector is proportionately smaller than elsewhere and its rate of development is around the national average. Growth in the wholesale and retail trade and market services sectors has been slightly more sustained over the last 10 years than in France as a whole, but has been slightly less dynamic in the non-market services branch.

Characteristics of resident employment (%)

	< 25 years	25-54 years	≥ 55 years	Employees	Employees: part-time		Employees: full-time temporary contract	
	1990	1990	1990	1990	1983	1990	1983	1990
Men	13	78	9	80	4	3	3	9
Women	14	77	9	84	22	30	5	7
Total	14	77	9	82	11	14	4	8

Youth and female unemployment

Many of the region's jobless are young people and women.

The region's unemployment rate is the same as the national average. Calvados has the highest rate, and Manche has experienced the fastest rise over the last few years, mainly due to the difficulties experienced by sectors which are in the throes of reconversion (shipbuilding, textiles, electronics).

From 1976 to 1979, male adult unemployment grew much faster than the national average, and this trend then remained somewhat higher in the region. From 1985, and more obviously 1987, the male unemployment rate dropped below the national average. Recently, young people and women have borne the brunt of regional unemployment, even allowing for the drop in the percentage of young people out of work. Long-term unemployment remains a problem, although the proportion of those unemployed for over one year is around the national average.

There are major imbalances within the region, but those areas which are underprivileged in terms of employment structure and trends tend to have a low rate of unemployment. When faced with economic difficulties, the working population leaves its local labour market or, in the case of farmers, retires from active life. On the whole, unemployment is higher in the north than in the south, with the exception of Alençon, and a little higher in the east than in the west, with the exception of Cherbourg. The area around Caen has the region's highest unemployment rate.

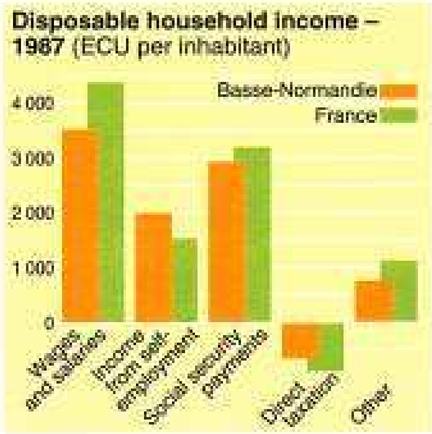
Nuclear technology, microwaves, smart cards and Camembert

In Lower Normandy on 1 January 1989, approximately one-third of those working in industry were employed by one of the 33 establishments with a staff of over 500.

The largest of these enterprises is in the public sector and builds nuclear submarines in Cotentin. The other main industrial employers operate in the motor vehicle sector and ancillary activities (Renault Véhicules Industriels, Citroën, Valéo, Cousin, Blaupunkt, Jaeger, Luchaire), iron- and steelmaking (Unimétal) and electronics (Moulinex, Philips, CIT Alcatel, Acome).

The enterprises with 10 to 500 employees provide employment for 64% of the region's industrial workforce, in three main groups: the meat and dairy industry (ULN, Besnier, Nestlé), mechanical engineering, which has benefited considerably from the contracts put out to tender by the building sites in Cotentin (Cherbourg), and smelting and metalworking. Employment in subcontracting companies working in the electronics and motor vehicle sectors also grew by 15% between 1984 and 1989.

In research and development, there are some activities, products, brands and organizations which are characteristic of the region: the reprocessing of nuclear waste by Cogema, the construction of nuclear-powered submarines, Moulinex microwaves, the solar cells used in the Ganil (National heavy ion accelerator) to test the heat shield on the Hermes shuttle, the Post and Telecommunications Research Centre and its development work on smart cards, Bifidus-actif yoghurt which originated in Lower Normandy, and other products in the fresh foods industry.

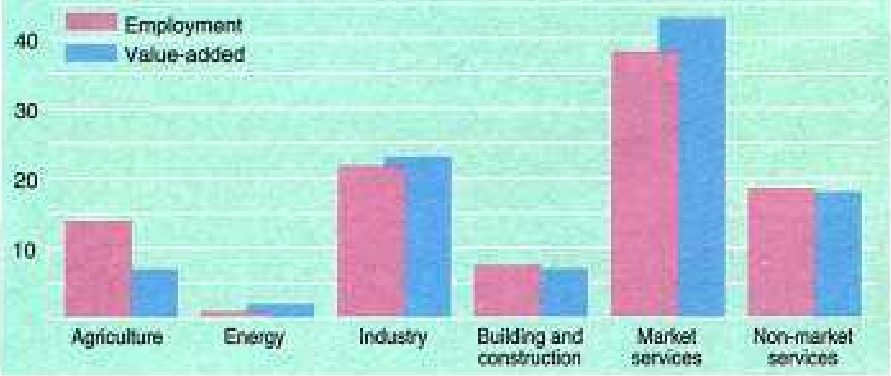


Average wages among the lowest in France

In 1987, the average net annual wage in Lower Normandy was the lowest of all the French regions, with the exception of Corsica. Although rarely the lowest of all in France, wages in all categories are certainly at the bottom end of the scale as a result of structural effects (large proportion of unskilled female employees and, perhaps, the large number of apprentices).

In 1986 wages and salaries accounted for 40% of gross disposable income, income from agricultural activities 8%, income from self-employment outside the agricultural sector 15% and social security benefits 34%. With a gross per capita disposable income of ECU 8 500 in 1986, the average figure in Lower Normandy was higher than in five other French regions.

Employment and value-added: distribution by branch – 1988 (%)



Predominantly agricultural region

Lower Normandy is first and foremost an agricultural region, with agriculture's share of regional value-added being twice the level for France as a whole, while the proportion of jobs in industry and industry's share of total value-added are very close to the national average. As a result, services activities are under-represented.

A shortage of fast road and rail links

Like a number of other coastal regions, Lower Normandy suffers from the fact that its transport infrastructure is essential for it alone. It is, however, linked to England by cross-channel car-ferry routes from Cherbourg and Caen. Most of the traffic goes to Portsmouth and experts in this field do not expect much competition from the Eurotunnel fixed link.

Despite the shortage of fast road and rail links, Lower Normandy can offer a much sought-after quality of life. In addition to its coastline and regional park, it also has 1 400 monuments of historical interest, 530 of which are listed. Although many tourists and holiday home-owners are still drawn to the sea, the interior of the region is becoming increasingly popular. Mont-Saint-Michel, which is the symbol of the Middle Ages in western Europe and features on Unesco's World Heritage List, is still the most-visited tourist attraction in the region.

Agriculture

Number of holdings	52 654
Labour force	71 849 AWU
Agricultural area	1 409 000 ha
Livestock	1 527 000 LU
Gross value-added	13 357 ECU/AWU

Main products	
Milk	42%
Cattle	25%
Cereals	8%

Main enterprises

Name	Employees	Activity
Moulinex	6 500	Household goods
Direction des constructions navales	5 000	Shipbuilding
Renault Véhicules industriels	3 900	Commercial vehicles
Cogema	3 100	Recycling of nuclear waste
Automobiles Citroën	2 400	Car manufacturing
Unimétal	1 800	Steel
Cousin	1 600	Motor vehicle parts
Crédit Lyonnais	1 400	Banking and finance
Continent	1 100	Distribution
IDEA Industrie	1 000	Meat

FRANCE

BOURGOGNE

Burgundy (Bourgogne) comprises four *départements* (Côte d'Or, Nièvre, Saône-et-Loire, Yonne) and has an area of 31 582 km².

The heterogeneity of the physical environment accounts for the diversity of the Burgundy countryside. Its relief is dominated by plains and low plateaux. Its backbone is the Morvan, the central mountainous area reaching a height of 900 m. This is also the watershed: the Seine towards the Channel, the Loire towards the Atlantic, the Saône towards the Mediterranean.

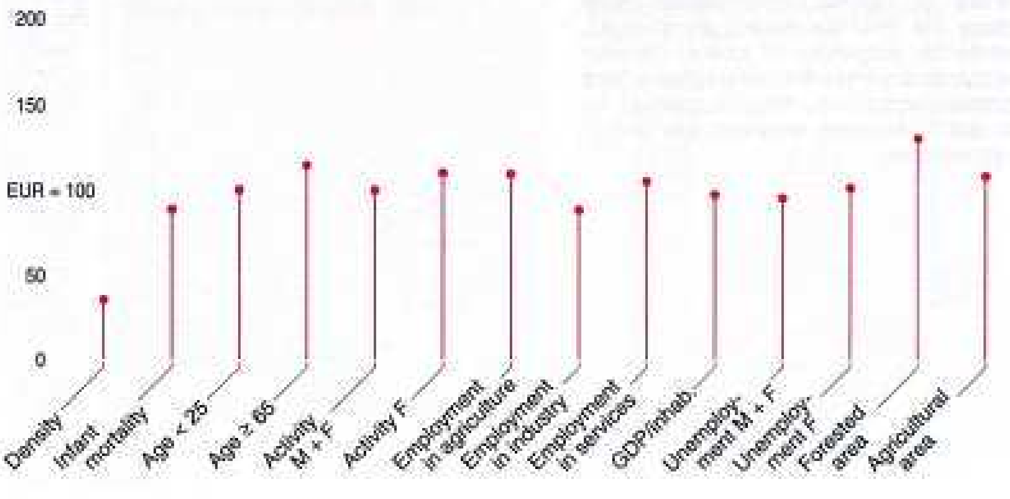
The diversity of the countryside is matched by that of the soil: marl, limestone, sandstone and granite are all present.

The climate is governed by an oceanic-type general influence combined with continental and southern influences, leading to moderate rainfall and pronounced variations in temperature.

Burgundy has extensive, diversified woodlands, vast cereal-growing areas in Yonne and on the plateaux, and a mosaic of vineyards of great renown.

The hospices of Beaune, to the south of Dijon, evoke the rich heritage and prestigious wines of Burgundy.

Bourgogne in the Community



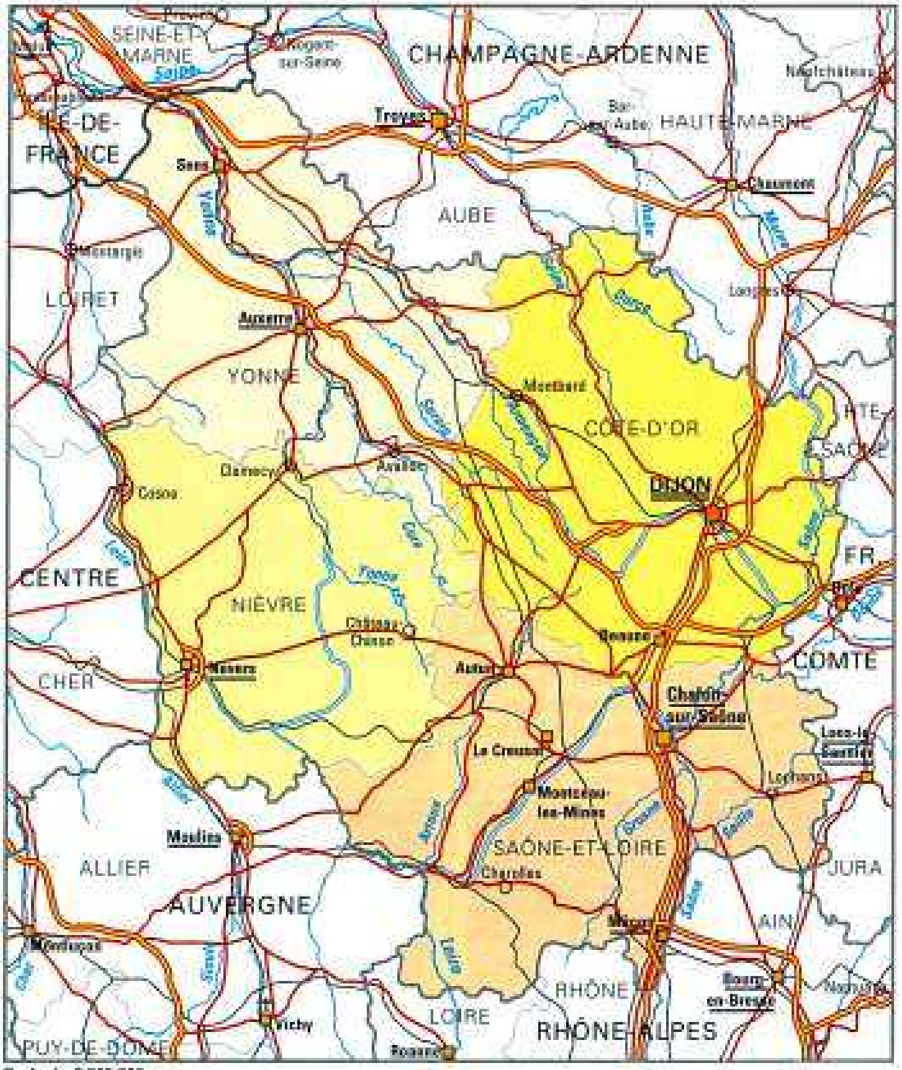
Inability to take full advantage of a privileged geographical situation and reputation

Its geographical situation makes Burgundy a privileged region, both in France and in the Community. Well connected with the Rhône valley to the south, it is a mandatory through-route for north-south traffic; to the north it has motorway links with the Paris region, the Benelux countries, the Rhine area and, in the near future, the Channel Tunnel. However, the Morvan massif cuts Nièvre off from all this traffic. Generally speaking, the strong outside attractions (Paris, Lyon, etc.) are not conducive to the cohesion of the region, which is built up around its edges.

Burgundy has few decision-making centres; 70% of its industry is controlled by concerns outside the region, and in some cases it merely performs production functions. Despite the presence of one or two notable centres, the region's research potential remains modest. Saône-et-Loire suffered a lot from the difficulties associated with the steel industry, but enjoys an industrial tradition that fosters the development of innovative firms (lasers and high-energy equipment, new materials and plastics, etc.).

Vast rural areas that have aged and broken up may give the impression that Burgundy is a backwater, but the wealth of its heritage and the reputation of its gastronomy and wines, make it very attractive, especially to tourists.

BOURGOGNE



Scale 1 : 2 000 000

Diversity of outside attractions

Burgundy comprises four widely differing *départements*, characterized by large internal disparities.

Côte d'Or is the wealthiest. Two-thirds of its population is concentrated around Dijon and the surrounding area. To the south, Beaune is a major motorway crossroads and famous for its vineyards. The rest of the *département* is sparsely populated, with often fewer than 20 people per km².

With its industrial tradition, Saône-et-Loire suffered a lot from the crisis. A redevelopment area has been set up in Montceau, Le Creusot and Châlon-sur-Saône.

The population of the *département* is declining. Young people are leaving it, especially for Lyon, the nearest big city. Beyond Dijon and Beaune, the Saône valley is still relatively dynamic. Wine-growing is highly developed around Mâcon. In the south-west, the Loire valley suffers from a lack of vitality aggravated by the livestock crisis.

Yonne has vast cereal-growing plains. To the north, the Sens region benefits from the attraction of Paris. Apart from the Auxerre basin, the *département* has a very elderly population (rural exodus).

With its sparse, aged population Nièvre is the poorest of Burgundy's *départements*, being more similar to Auvergne or Centre than to the rest of Burgundy. It is very much affected by the imbalance between the Morvan mountains in the east and the busy, industrial Loire valley in the west, particularly around Nevers.

Which EC regions are similar to Burgundy?

Population:
1.6 million inhabitants
± 50 inhabitants per km²
- Sardegna (I)
- Poitou-Charentes (F)

Employment:
9% in agriculture
60% in services
- Valle d'Aosta (I)
- Drenthe (NL)

Age:
1 in 6 persons over 65 years old
- Auvergne;
- Provence-Alpes-Côte d'Azur (F)
- Schleswig-Holstein (D)
- Castilla y León; Aragón (E)
- Wales; East Anglia (UK)

Land use:
60% agriculture
30% forest
- Extremadura; Andalucía;
- Navarra (E)
- Champagne-Ardennes;
- Auvergne (F)

	Area	Population			Activity	Unempl.	Employment			GDP/inhab.
	1 000 km²	1 000	Inhab./km²	Change (%)	%	%	% Agricult.	% Industry	% Services	EUR (PPS) = 100
		1990	1990	1980-90	1990	1990	1990	1990	1990	1989
Côte-d'Or	8.8	494	56	5.5	56	8.0	7	29	65	110
Nièvre	6.8	234	34	−3.3	50	8.0	10	30	60	74
Saône-et-Loire	8.6	560	65	−1.9	52	8.3	11	35	54	100
Yonne	7.4	323	44	5.2	53	8.2	9	32	59	89
Bourgogne	31.6	1 610	51	1.4	53	8.1	9	32	59	97
France (without FODs)	544.0	56 597	104	5.3	55	8.7	6	30	64	109
EUR 12	2 253.7	327 931	146	3.2	54	8.3	7	33	60	100

Very low demographic growth

Over the last 10 years the population of Burgundy has gone up by about 2 000 per year. This modest demographic growth is due solely to the excess of births over deaths. Overall, Burgundy is therefore no longer attractive, unlike in the post-war period when important industrial decentralization measures brought in people from abroad or from other regions of France: between 1955 and 1975, the population increased by almost 9 000 per year.

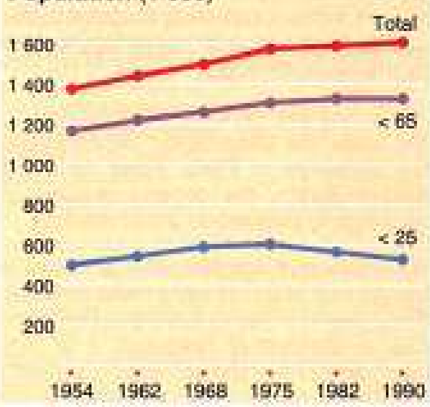
This demographic history explains the scissors movement of the age distribution: an increasingly younger population until 1970 and a rapidly ageing one since that date. Half of the population is over the age of 36. Côte d'Or is an exception: this *département* is relatively younger than the rest of the country, mainly on account of the University of Dijon, which has 22 000 students.

In recent years, the number of old people (over 85) has become quite substantial as a result of increased life expectancy: there are now almost 40 000 in Burgundy. Every year, another 1 000 or so people reach this age. Conversely, the fall in the number of births is having a lasting effect on the age pyramid.

Population by age — 1990

	M + F 1 000	M + F %	M %	F %
< 15	293.0	18.2	19.0	17.4
15-24	235.4	14.6	15.4	13.9
25-39	341.4	21.2	21.9	20.6
40-54	280.6	17.4	18.2	16.7
55-64	179.2	11.2	11.0	11.2
≥ 65	280.2	17.4	14.5	20.2
Total	1 609.8	100.0	100.0	100.0

Population (1 000)



Resident population of foreign nationality — 1990

	1 000	% of total population
Total	82.8	5.1
of which EC countries	35.2	2.1
of which non-EC countries	47.6	3.0

Demographic account — 1980-90 (1 000)

Population 1.1.1980	1 587.8
Births	206.6
Deaths	182.2
Net migration	– 1.8
Population 1.1.1990	1 610.4

Higher education expanding rapidly

Young people are coming onto the labour market at an increasingly later age. At present, 85% of the 15 to 19 age group (compared with 78% in 1982) are schoolchildren or students. Burgundy thus has 25 000 students, 22 000 of whom attend the university. Food engineering, biotechnology and new materials are the main sectors of research. For some years now, both higher education and the *lycées* have been going through a boom period.

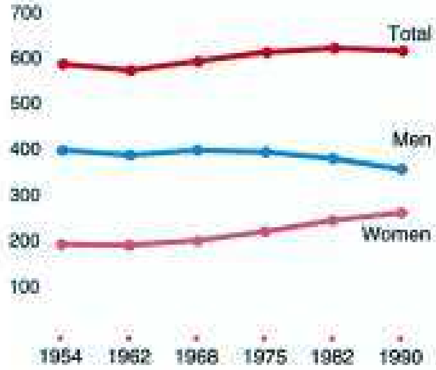
As a result of the early retirement schemes in times of economic crisis, the end of working life is coming at an increasingly early age. Consequently, almost half of the population of Burgundy aged between 55 and 60 are non-active, whereas the statutory retirement age is 60.

96% of men aged between 25 and 55 are in employment or looking for work. The activity rate for women in this age group is lower (75%), but is rising all the time.

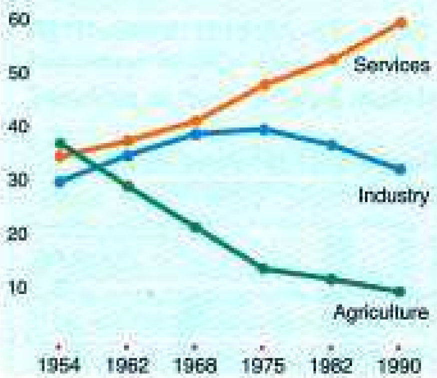
Number of pupils — 1990

	M + F 1 000	F %
Pre-school	66.6	49.0
Primary	112.3	48.4
Lower secondary	92.9	49.2
Higher secondary (technical)	21.5	47.2
Higher secondary (general)	42.6	55.4
Higher education	26.3	52.3
Total	362.2	49.7

Employment (1 000)



Employment structure (%)



Employment — 1990 (1 000)

Resident employment	617.7
+ Non-residents having a job in the region	22.4
– Residents having a job outside the region	29.4
= Internal employment	610.7

Unemployment (%)

Despite their decline, a high number of jobs remain in agriculture and industry

Up until 1982 employment grew, despite the fall in numbers employed in industry. Between 1982 and 1986, the growth of the services sector, especially services, was not able to offset the losses in the other sectors (41 000 jobs cut, 25 000 of them in industry). The upturn in employment, which began in 1987, was consolidated during the period from 1988 to 1990. Industry continued to shed jobs up until 1988 but at a slower rate.

Despite the decline of agriculture, Burgundy is still a markedly agricultural region, producing cereals, beef cattle, wine, etc.

Although Burgundy is not renowned as an industrial region, it does specialize to a certain extent in the metal sector (iron and steel, smelting, metalworking and, above all, mechanical engineering). The other important sectors in terms of employment are electrical and electronic engineering, the agri-food industries and textiles and clothing. Parachemicals and pharmaceuticals are two fast-growing sectors.

The services sector accounts for 60% of jobs. A third of these are public-service employees. This sector is well established in the Dijon conurbation and in the *préfecture* towns.

Characteristics of resident employment (%)

	< 25 years	25-54 years	≥ 55 years	Employees	Employees: part-time		Employees: full-time, temporary contract	
	1990	1990	1990	1990	1983	1990	1983	1990
Men	12	78	10	76	1	3	4	8
Women	13	79	8	81	22	23	2	7
Total	12	78	9	78	10	12	3	8

Unemployment: fewer young people, more women

After a leap between 1984 and 1987, the level of unemployment in Burgundy is now falling.

The bleak years from 1984 to 1987 saw a marked deterioration of employment characterized by the difficulties encountered by sectors well established in the region (metalworking industry, motor vehicles, clothing, mining).

Although still worrying, unemployment among young people is on the wane. A number of factors have contributed to this: impact of measures to assist them, raising of the school-leaving age, and an upturn in employment from which they have been the main ones to benefit. The proportion of women among job-seekers has increased steadily. Usually aged between 25 and 49, more and more of them are looking to return to work.

The unemployed over the age of 50 are finding it difficult to get back to work. A third of all unemployed have been so for more than two years, this hard core being composed mainly of women and people aged 50 or over.

The reason for registering as unemployed, 'out of contract', is increasing all the time: the expansion of tenuous employment leading to many more people returning to the ranks of the unemployed.

A highly varied economy

With its varied activities, Burgundy is a somewhat more agricultural and industrial region than the national average.

Agriculture still occupies an important place. The average area of holdings is 47 ha, compared with a national figure of only 28 ha, which gives a high proportion of economically viable farms. The gross operating result per holding is 135, the base figure for the country as a whole being 100.

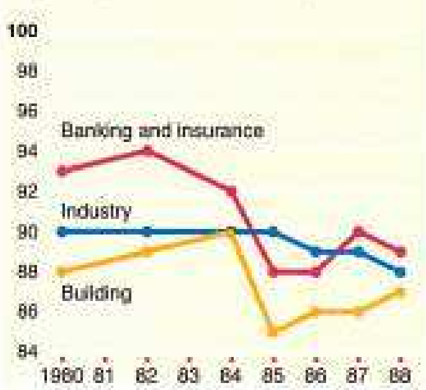
Industry is based on production units of widely varying size, with a large proportion of medium-sized firms (between 100 and 500 employees). Industrial activities are diversified. Having benefited from the decentralization in the 1960s, Burgundy's industry is highly dependent on outside decision-making centres: 70% of the workforce is employed by concerns whose parent company is in Paris or a foreign country.

Research is well supported in two areas: agri-food and biotechnology on the one hand, and lasers, high-energy equipment and materials physics on the other.

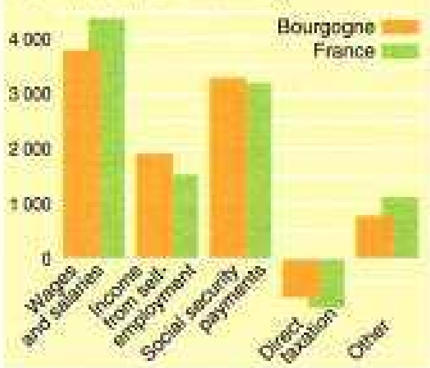
The services sector has not only many small firms but also large units, especially in food wholesale distribution. Burgundy is relatively weak in the business services sector owing to the structure of its industry: it has a large number of production units but few design offices and commercial or financial decision-making centres.

GDP (1980 = 100)

Wages (national level = 100)



Disposable household income – 1987 (ECU per inhabitant)



A low proportion of managerial staff keeps average wages on the low side

Average earnings of industrial employees in Burgundy amounted to ECU 15 350 in 1988. This figure is 11% below the national level and reflects the relatively low proportion of managerial staff: 20.3% managers and technicians, compared with 27% for the country as a whole. Bearing in mind the degree of centralization in France, however, the picture would be quite different if Burgundy were compared with the other French regions, excluding Île-de-France.

In some branches the average wage is even well below the national level: electrical and electronic engineering, owing to the almost total absence of the manufacture of computer hardware, and construction materials, on account of the relative importance of the mining sector.

Burgundy: on average, a wealthy region

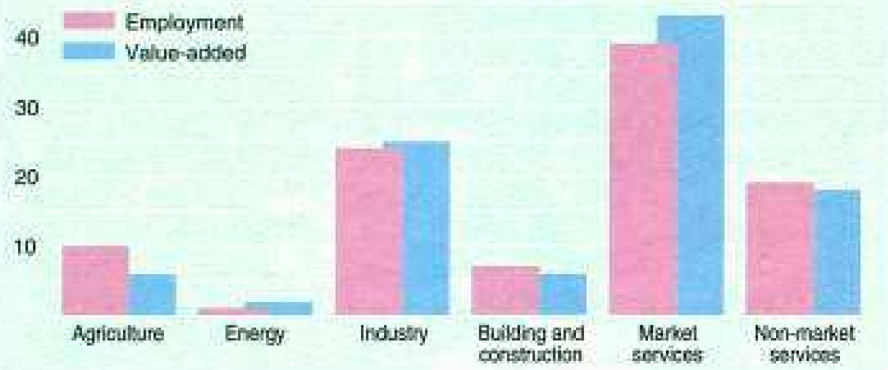
Households in Burgundy have a disposable income slightly below the national average but higher than the average for the provincial regions.

However, net wages in the region are slightly lower than the provincial average. Burgundy is a rural region, with a fairly elderly population. It thus has relatively fewer economically active persons and, among these, a lower proportion of employees. Moreover, average wages are lower in regions with few towns.

On the other hand, the incomes of businessmen in Burgundy are higher than the provincial and even national average, and therefore help to raise the level of households' total income.

The other components of income, namely social benefits and taxes, which are close to the provincial average, do not change this state of affairs.

Employment and value-added: distribution by branch – 1988 (%)



Agriculture: cereals, wine and cattle
Industry: highly diversified
Services sector: geared mainly to households

Agriculture in Burgundy has considerably expanded its production of cereals, while meat production has stagnated and that of milk has fallen.

At present, crop products account for 60% of production (cereals 21% and wine 21%) and animal products for 40% (cattle 25%).

Industry accounts for a quarter of value-added and employment in Burgundy. As it is highly diversified, it does not really have a dominant sector. Industry is particularly concentrated around the Dijon-Châlon axis, where investment per employee is higher than elsewhere: the three areas of Dijon, Châlon and Le Creusot received half of industrial investment in the region between 1984 and 1987, whereas together they accounted for only 37% of jobs.

The services sector generates 60% of the region's value-added. Wholesale and retail distribution, market services to individuals and non-market services are particularly flourishing in Burgundy, which has a high proportion of self-service hypermarkets. On the other hand, market services to businesses and financial services are not as well developed as in the regions such as Île-de-France, Rhône-Alpes or Provence-Alpes-Côte d'Azur.

Agriculture

Number of holdings	35 893
Labour force	59 190 AWU
Agricultural area	1 919 000 ha
Livestock	990 000 LU
Gross value-added	20 518 ECU/AWU
Main products	
Cereals	23%
Cattle	22%
Wine	19%

Main enterprises

Name	Employees	Activity
Kodak-Pathé	3 200	Photographic equipment
Dim	2 400	Textiles, clothing
Ugine	2 200	Steel
Casino	2 100	Retail distribution
Caoutchouc manufacture et plastiques	2 200	Rubber
Creusot-Loire Industrie	1 900	Steel
Gec Alsthom	1 900	Electrical goods
Framatome	1 800	Industrial machinery

Art, gastronomy and delightful countryside

Renowned for its gastronomy and high-quality wines, Burgundy also offers the visitor a multitude of Norman churches, castles, museums and art.

It enjoys a prime position on the routes leading to the Mediterranean or the Alps, and has attractive countryside and forests where tourists can relax and go for outings.

The 842 000 hectares of woodland cover 30% of the region's territory. The diversity of natural conditions is reflected in the forests, with a preponderance of deciduous trees such as oak, while the conifers comprise mainly Norway pine and spruce.

There are many quarries, gravel pits and sand pits; the extraction of materials plays an important part in the regional economy.

60% of the area of Burgundy is given over to agriculture (compared with a national average of 52%). In the region as a whole the proportions of arable land and grassland are approximately equal, but there are considerable differences from one *département* to another.

Burgundy has a well-preserved environment because it has a low population density, most of the factories give off little pollution and the majority of the population is concentrated in a few major centres. Considerable efforts have been made to contain pollution and conserve nature. The most spectacular of these initiatives was the creation in 1971 of the Morvan Regional Park, the 172 500 hectares of which spill over into the four *départements* of Burgundy, encompass 64 communes and house a population of 28 000.

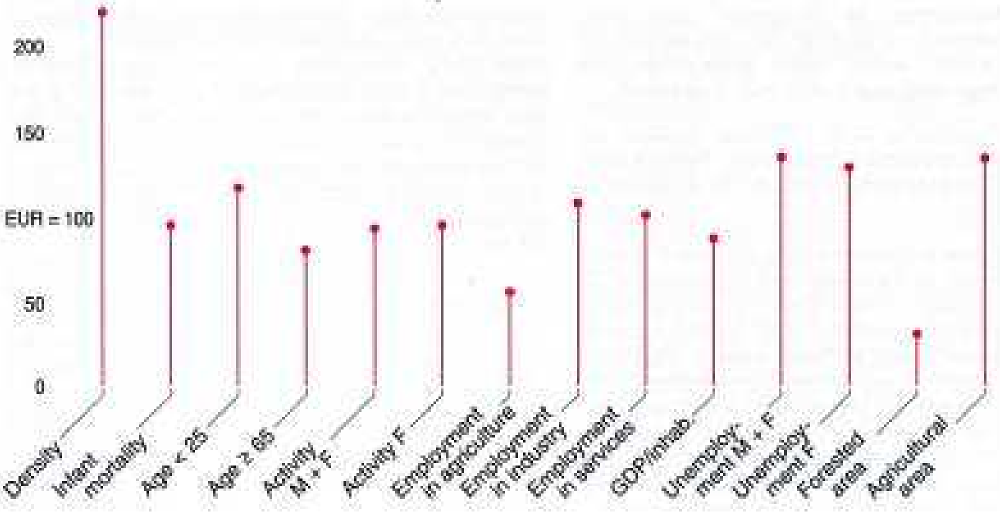
Most of the towns in Burgundy lie around the edges of the region, with very few on the plateaux and in the Morvan.

FRANCE

NORD-PAS-DE-CALAIS

The Place du Général de Gaulle in Lille; the region's young population is one of its assets.

Nord-Pas-de-Calais in the Community



The relatively small Nord-Pas-de-Calais region (12 452 km^2) forms a buffer zone between northern Europe and the Paris basin.

It has two geological areas; the 'Haut Pays', running from the foothills of the Ardennes (250 m) to the Boulonnais via the Crête de l'Artois, and the 'Bas Pays', the beginning of the great northern plain.

In the south, the geological substratum is mainly chalk; the northern plain is composed of sand and clay. Almost the entire surface of the region is covered with silt.

The rather rainy climate is influenced by the ocean in both the west and north. Eastward from inland Flanders, it has a continental character which becomes more and more pronounced. The average temperature in Lille is 10°C.

The network of watercourses is of average size; its orientation is opposite to that of the Paris Basin. 75% of the territory is under cultivation, unspoilt areas of nature accounting for 8%. Woods cover 80 000 hectares in the Haut Pays, and the coastal dunes 8 300 hectares.

Like its geography, its history connects it with northern Europe. Derived from the province of Artois and from half of the provinces of Flanders and Hainaut (the other half being in Belgium), the region became French only after the time of Louis XIV (end of the seventeenth and beginning of the eighteenth century).

A European vocation and a great industrial past

Apart from its long-standing industrial know-how and pride in itself, the region has the following major advantages:

– a location in the middle of a 'golden square' for business between Paris, London, the Netherlands and the Ruhr. In 1993 this will be even more favourable when the Channel Tunnel and North-European high-speed train will put Lille two hours from London or Cologne, one from Paris, and half an hour from Brussels;

– Lille, likely to become a major European metropolis and a new attractive development area for firms and executives. There are around one million inhabitants in the built-up area comprising Lille, Roubaix and Tourcoing;

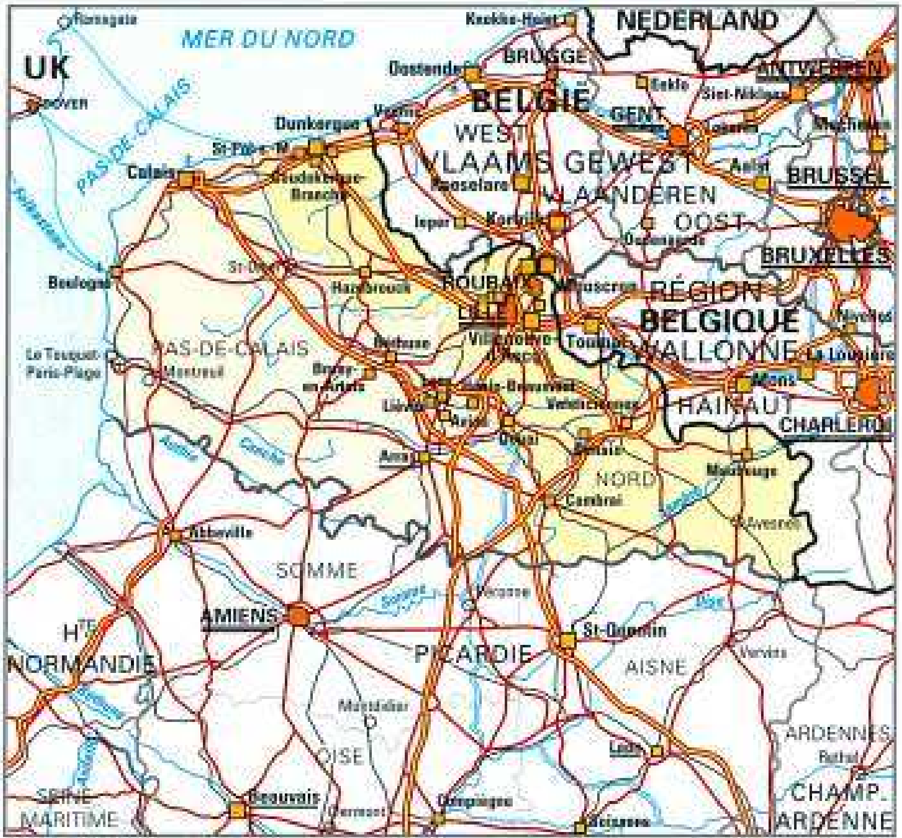
– a young and large workforce with the 'Nordic' traditions of capacity to work and ability to adapt to changing social conditions.

The disadvantages are crisis- and image-related:

– at the beginning of the 1950s, the Nord-Pas-de-Calais produced half the coal in France, one-third of textile products, one-quarter of steel, and was prominent in shipbuilding. In 1991, there is no coal and no shipbuilding. The steel industry only exists next to the sea and employment in the textile industry has fallen from 200 000 to 34 000. Overall, 410 000 jobs (or one-third of the working population) have been lost in these sectors in 30 years;

– this restructuring has left traces in the memory in the unemployment figures and also in the countryside where half the disused industrial land in France is to be found. This has not improved the region's image, that of a place of slag heaps and mining villages.

NORD-PAS-DE-CALAIS



Scale 1 : 2 000 000

Which EC regions are similar to Nord-Pas-de-Calais?

Population:
4 million inhabitants
± 300 inhabitants per km²
Yorkshire and Humberside;
East Midlands (UK)
Veneto (I)
Stuttgart (D)
Lisboa e Vale do Tejo (P)

Age:
40% aged less than 25
Calabria; Sicilia; Sardegna (I)
Flevoland (NL)

Birth rate:
higher than 15‰
Ireland
Northern Ireland (UK)
Açores (P)

Employment:
3-4 % in agriculture
60 % in services
Vlaams Gewest (B)
Oberbayern; Hannover (D)

The risk of development at two different speeds

There is a risk of a split between the disinherited zones which are the former mining and steelmaking areas, and the new dynamic sectors forming around centres such as Lille in particular, but also Dunkirk.

Unemployment almost doubles between the least affected zones (Flanders, Lys and Lille) and the most severely affected (around Valenciennes, Lens or the Sambre-Avesnois areas).

The demography is not in balance within the region between the capital of Lille, where the population is going up, and the areas of Valenciennes, Avesnes and Cambrai, where the population is declining.

A study of the seven main areas in the region, grouped around the metropolis of Lille which is strengthening its position, shows that the situation and prospects for each are unequal. The three coastal areas have the best potential and can act as a staging point for both Lille and the rest of France: Dunkirk (third port in France), Boulogne (first French fishing port, second passenger port), Calais (the prime passenger port in continental Europe). In the middle, the Lens area benefits from the proximity of Lille and its own position on the Lille-Paris axis, whereas the Béthune area is still rather fragile. The areas in the east, Valenciennes and Sambre-Avesnois, are the most severely affected by restructuring and are still dependent on specialized forms of industry.

	Area	Population			Activity	Unempl.	Employment			GDP/inhab.
	1 000 km²	1 000	Inhab./km²	Change (%)	%	%	% Agricult.	% Industry	% Services	EUR(PPS) = 100
		1990	1990	1980-90	1990	1990	1990	1990	1990	1989
Nord	5.7	2 533	441	0.9	52	11.7	3	33	64	94
Pas-de-Calais	6.7	1 434	215	1.9	49	12.0	6	34	60	75
Nord-Pas-de-Calais	12.4	3 967	320	1.2	51	11.8	4	33	63	87
France (without FODs)	544.0	56 597	104	5.3	55	8.7	6	30	64	109
EUR 12	2 253.7	327 931	146	3.2	54	8.3	7	33	60	100

NORD-PAS-DE-CALAIS

A high population with a large proportion of youth

The largest conurbations are Lille-Roubaix-Tourcoing (959 000), Valenciennes (338 000), Lens (323 000) and Béthune (260 000). 86.2% of the population lives in the towns (1990 census).

This is the youngest population in metropolitan France. The birth rate is the highest in France (16.0 per thousand in 1988) but the infant mortality rate is also high: 8.5 per thousand as opposed to the national average of 7.7 per thousand.

The number of inhabitants has remained stable for 15 years. With the crisis in traditional occupations after 1973, the Nord-Pas-de-Calais has become the prime region of French emigration: from 1982 to 1990, there were 171 000 net departures (departures less arrivals), or 21 500 per year.

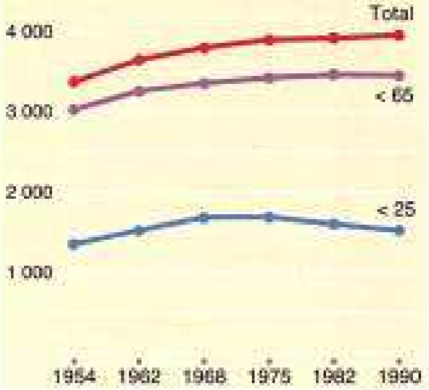
But the natural excess of population is even greater: each year births are higher than deaths by 25 500.

There are around 170 000 foreigners in the region, almost one-third coming from Community countries.

Population by age — 1990

	M + F 1 000	M + F %	M %	F %
< 15	881.0	22.2	23.4	21.1
15-24	651.0	16.4	17.3	15.7
25-39	890.0	22.4	23.0	21.8
40-54	651.0	16.4	17.0	15.8
55-64	394.0	10.0	9.6	10.3
≥ 65	499.0	12.6	9.7	15.3
Total	3 966.0	100.0	100.0	100.0

Population (1 000)



Resident population of foreign nationality — 1990

	1 000	% of total population
Total	166.0	4.2
of which EC countries	48.0	1.2
of which non-EC countries	118.0	3.0

Demographic account — 1980-90 (1 000)

Population 1.1.1980	3 919.0
Births	589.0
Deaths	357.0
Net migration	– 184.0
Population 1.1.1990	3 967.0

Working population: a larger proportion of women

The working population has changed little since 1980.

From 1982 to 1990 the main developments were:

– a drop in the activity rate of persons under 25;

– a continued rise in the female activity rate, which remains, however, below the French average;

– a fall in the activity rate of persons older than 50;

– a fall in the male working population;

– an increase in the female working population.

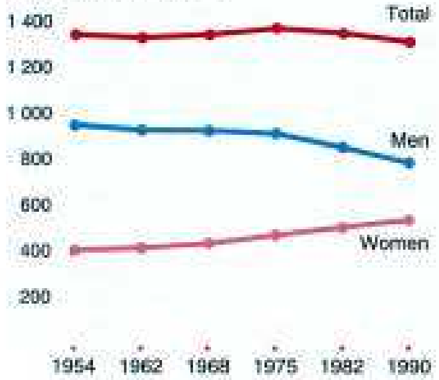
As in the rest of France, the weekly hours of work were reduced by approximately two hours between 1980 and 1985 to end up at around 39 hours.

The level of training and qualification in the Nord-Pas-de-Calais is below the French average. The lag in general education and vocational training is slowly being made up. The region certainly has considerable potential with five universities (two others being planned) and 18 schools of engineering or management.

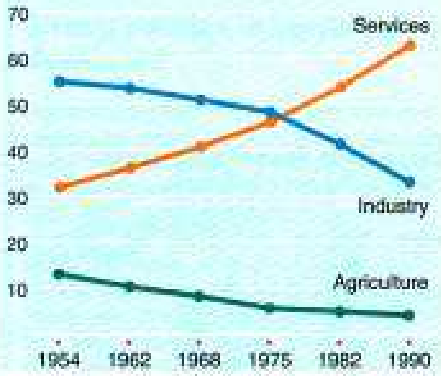
Number of pupils — 1990

	M + F 1 000	F %
Pre-school	223.0	48.8
Primary	340.0	48.6
Lower secondary	249.0	49.9
Higher secondary (technical)	88.0	44.0
Higher secondary (general)	124.0	52.9
Higher education	102.0	48.0
Total	1 126.0	48.9

Employment (1 000)



Employment structure (%)



Employment — 1990 (1 000)

Resident employment	1 322.1
+ Non-residents having a job in the region	12.3
– Residents having a job outside the region	33.7
= Internal employment	1 300.7

Unemployment (%)

Massive transfer of jobs from industry to services

The development over the past 20 years may be summarized as a massive transfer from industry to services: the latter creating 225 000 jobs, or almost as many as industry shed (230 000). At the beginning of 1990, there were as many jobs as in 1984 or 1970.

From 1982 to 1990, agriculture and industry lost a quarter of their workforce. The market services sector showed an increase of 10%, while the non-market sector had the greatest increase (18%). Particularly prominent have been market services to enterprises, including temporary staff. The main job losses affected the collieries, textiles and clothing, construction and public works as well as the steel industry.

Geographically, the Lille area is the most dynamic, and accounts for a quarter of the jobs in the region (and with Roubaix and Tourcoing, more than a third).

Characteristics of resident employment (%)

	< 25 years	25-54 years	≥ 55 years	Employees	Employees: part-time		Employees: full-time, temporary contract	
	1990	1990	1990	1990	1983	1990	1983	1990
Men	13	81	6	88	1	3	3	10
Women	16	77	7	88	20	26	3	9
Total	14	79	7	88	9	12	3	9

Many unemployed youngsters with few qualifications

Unemployment is one of the major problems in the region. The effect of the fall in industrial jobs and of demographic growth is cumulative and to this must be added the increase in the female activity rate.

The unemployment rate in the Nord-Pas-de-Calais is usually above the French average. The former mining and industrial areas are the most affected: Valenciennes, Sambre-Avesnois and the Lens area.

At the end of 1990, 218 800 persons were seeking employment, this number being divided equally between men and women.

Young persons under 25 are the most affected. Here there are more women than men; more than a third of the unemployed women are younger than 25. Two-thirds of young unemployed persons have been registered with the ANPE (Agence Nationale pour l'Emploi) for less than six months and 17% for more than a year.

Unemployed persons over 50 represent 11% of the total. They are the most affected by long-term unemployment; more than 60% have been registered for more than a year.

At the end of 1990, the average length of time that unemployed persons had been registered was 361 days.

Getting away from mono-industries

The traditional economic structure of the region was a juxtaposition of local mono-industries. Today, alongside major and well-integrated industrial branches, there is a large network of small and medium-sized industries, mainly concentrated in the traditional sectors.

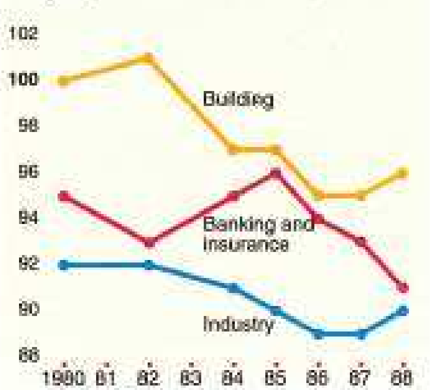
Solidarity of industrial production is very marked in the Nord-Pas-de-Calais, which provides more than 20% of the sales outlets, and supplies more than 30% of the purchases of intermediate products for these industries. Analysing this industrial complementarity shows four main branches; the most important is the major grouping metalworking, industrial equipment and transport equipment, which accounted for 131 000 jobs in 1987. It is well integrated but is becoming less so with the increasing sophistication of production. The textile and clothing industry with its 77 500 employees is very strong in the region and also well integrated. The branch chemicals-plastics-paper, with 45 700 employees, is very diversified, but the degree of self-sufficiency in regional terms is very low. Finally, the branch comprising agriculture, fishing and the agri-food industries — 29 400 jobs — enjoys considerable regional integration of the base products, but it still needs to be diversified.

The Nord-Pas-de-Calais is also the third region in France in terms of the number of small and medium-sized industries. In 1989 there were 2 155 establishments employing 20 to 500 persons, the overall workforce amounting to 119 000. The most common sectors are clothing and metalworking — these two accounting for two-thirds of all the small and medium-sized enterprises (SMEs) — and the agri-food industry. By comparison with all the French SMEs, these SMEs are characterized by insufficient technological progress, low productivity, average profitability, under-investment and a poor export capability.

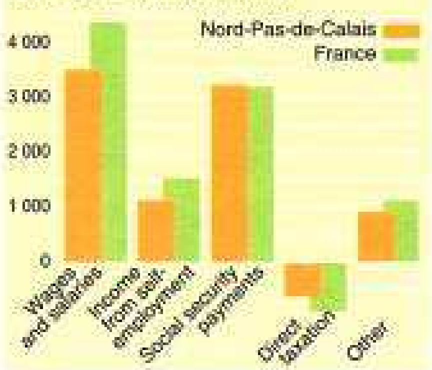
Industrial research and development is insufficient. The Nord-Pas-de-Calais accounts for 9.4% of French imports and 9% of exports.

GDP (1980 = 100)

Wages (national level = 100)



Disposable household income – 1987 (ECU per inhabitant)



Wages below the average

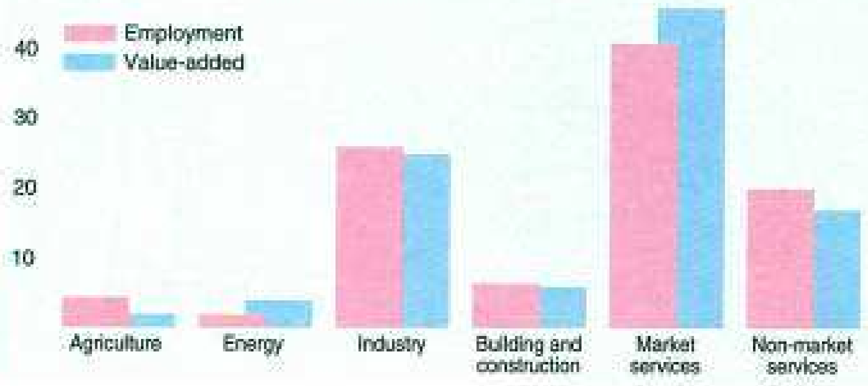
The average annual wage in the Nord-Pas-de-Calais in 1986 was ECU 15 700, or 9.6% lower than the national average. This difference is explained by the fact that the workforce is younger and less qualified, and also that there is local specialization in industrial activities which are less profitable than the services.

A similar structural effect is at play in a comparison of wages between men and women, those of men appearing to be one-third higher. On average, they are in fact more qualified, older and have more seniority. The difference in wages between men and women is 12.5% if the comparison is based on equal conditions, and it goes up with the level of qualification. Over the last eight years, wages in the region have gone up slightly less quickly than the national average.

The gross disposable income per inhabitant was ECU 8 425 in 1986, almost 10% below the French average. Over the last three years, this income has gone up as much as the national average, by 6.8% a year. Before taxation, it is made up of wages and salaries (40.7%), income from the activities of farmers (2.3%), and of other individual entrepreneurs (10.2%), social benefits (35.7%) and income from property (11.1%). The proportion of wages and salaries in income is less than the French average (42.9% in France), but that of social benefits is clearly higher (30.8% in France).

NORD-PAS-DE-CALAIS

Employment and value-added: distribution by branch – 1988 (%)



Strong position in agriculture and industry; services sector being developed

Agriculture plays an essential role in the region, in terms of both production and links with industry. Production is split equally between crops and animal products, with some particular crops (chicory, endives, flax and hops). Milk and cereals each represent 20% of regional production, while beef and pork production each represent 11%. With a coastline of 140 km, the region is responsible for 25% of the French fish catch and 75% of the country's production of frozen fish.

Industry remains the great strength of the region, accounting for 28% of employment and 7% of the French industrial workforce. But its share of national industrial value-added continues to decline.

Industry is fairly diversified (textile manufacture, steel making, metalworking and mechanical engineering, chemicals and glass making, construction of transport equipment, and energy). But diversification in the 'high-tech' branches of computers and electronics needs a further push.

The Nord-Pas-de-Calais does not yet have a services sector on a par with its economic and demographic importance. There are around 112 000 service enterprises, most of them small in size. A characteristic activity is mail-order sales: with 75% of the French turnover, particularly by 'Redoute' and '3 Suisses', the region occupies first place in Europe.

Agriculture

Number of holdings	28 592
Labour force	48 154 AWU
Agricultural area	929 000 ha
Livestock	757 000 LU
Gross value-added	15 743 ECU/AWU

Main products	
Milk	23%
Cereals	18%
Main crops	17%

Main enterprises

Name	Employees	Activity
Verrerie cristallerie d'Arques	8 600	Glass
Régie nationale des usines Renault	6 700	Car manufacturing
Sollac	6 600	Steel
Française de mécanique	5 400	Car manufacturing
La Redoute	2 600	Distribution
Houillères du Nord-Pas-de-Calais	2 400	Coal
Maubeuge construction auto	2 400	Car manufacturing
Ugine aciers de Chatillon	2 300	Steel
Société mécanique automobile du Nord	2 300	Car manufacturing

Pollution, nature and history

From its industrial past the region has inherited a rather negative image: the mines and the steelworks have left behind 10 000 hectares of industrial waste land.

The counterpart of this kind of industry, of intensive agriculture and a high degree of urbanization, is pollution, which is an important local problem. The Nord-Pas-de-Calais is at the top of French regions for both atmospheric and water pollution.

There is an ambitious regional policy which tries to tackle the problem. The industrial waste land, for example, is scheduled to be restored within 10 years. Massive reafforestation is also being undertaken and cleaning up the towns is a clear priority. Finally, pollution has caused people to search their conscience and certain firms are beginning to spend a great deal of money on environmental protection.

With its bocage, its woods, its nature reserves and bird sanctuaries, as well as its beaches (Le Touquet), dunes and cliffs, the Nord-Pas-de-Calais has plenty of assets which can be exploited. Finally, the history of a region which belonged to Burgundy, England and Spain (one could almost say Austria) has left its traces. These are to be found in the architecture, particularly the Flemish style, in the folklore (local festivals, giants and beer), and in culture. For example, after Paris, Lille has the richest museum in France, and its national orchestra is one of the best in France.

FRANCE

LORRAINE

Lorraine comprises four *départements* (Meurthe-et-Moselle, Meuse, Moselle and Vosges) and occupies 23 547 km² in a regular-shaped and well-balanced whole. The region thus matches fairly well the average French region.

The Lorraine region is divided by relief into two distinct parts: the plateau of Lorraine, occupying some five-sixths of the land area, and the Vosges mountains in the east, rising to almost 1 400 m.

The region's climate is continental and wet. Lorraine is rich in water-courses, the most important of which are the Meuse and the Moselle.

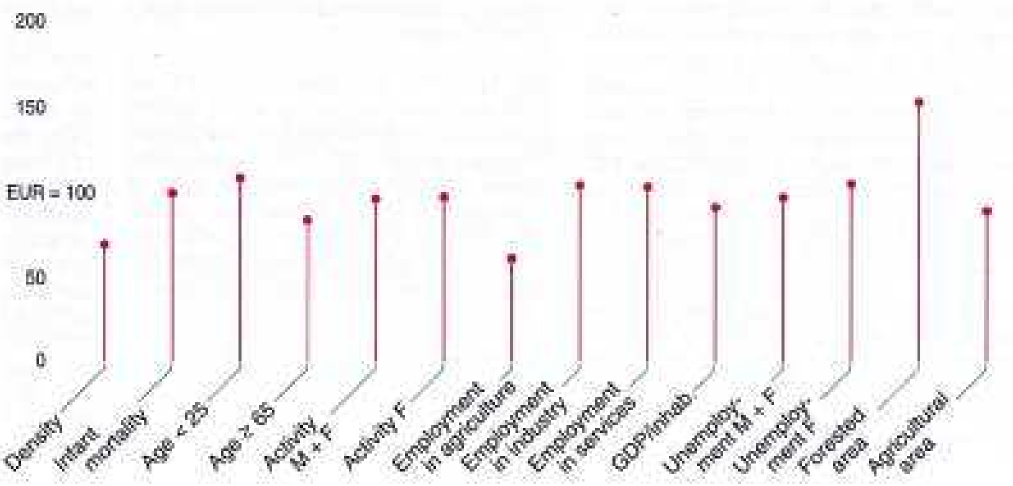
With 36% of the region under trees, Lorraine has a considerable and diversified wealth in forestry.

The apparent coherence of this region nevertheless masks a tumultuous past. Situated on France's borders, Lorraine has been invaded countless times, and remained a divided patchwork until very recently. A late addition to prerevolutionary France, twice annexed by Germany, at scarcely any time in history had Lorraine been united until the recent creation of France's regions.

The Moselle *département* maintains specific jurisdiction in certain fields, and its linguistic borderline, with Germany, runs well inside the *département's* frontier.

The image of slag heaps and blast furnaces does not correspond to the reality of present-day Lorraine.

Lorraine in the Community



Young, firmly in tomorrow's Europe, but ravaged by industrial decline

The Lorraine region's principal asset is its prime geographical position close to the Rhine corridor at the heart of Europe. Good transport and communications make the most of this advantage.

In addition, the population is fairly young, with a high birth rate.

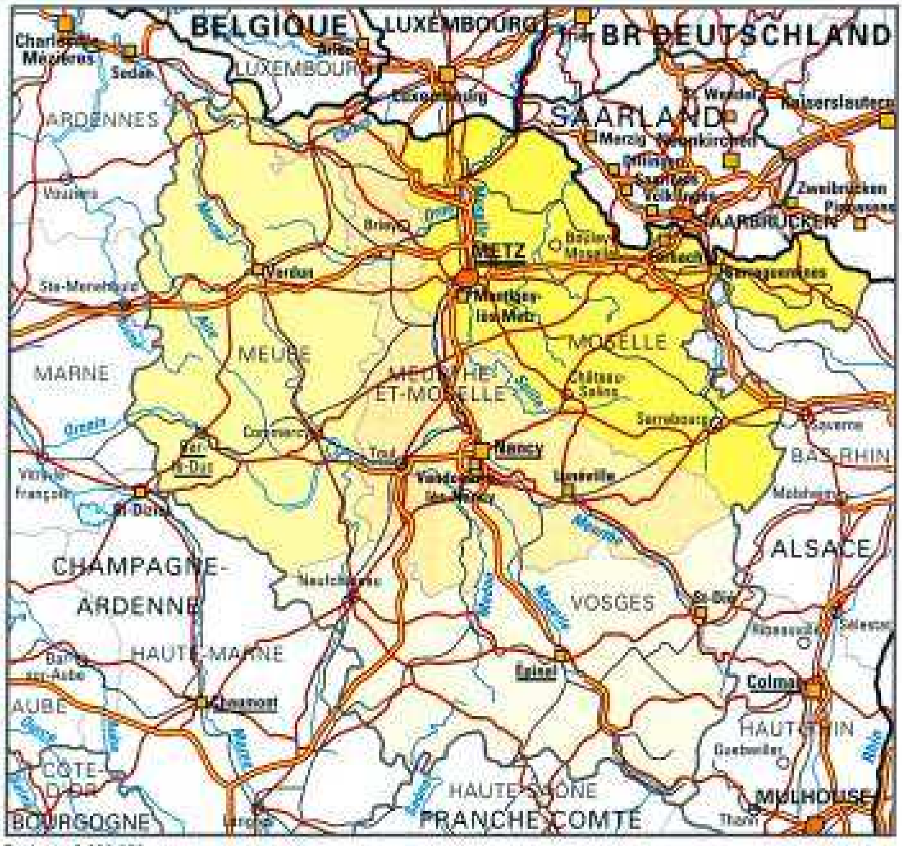
The industrial tradition is also an asset, with a good selection of advanced educational establishments and research laboratories; over recent years a considerable amount of investment has been attracted, particularly from abroad.

The role of regional capital is shared between Nancy and Metz. This sharing is both an asset and a liability. If the two cities add together their potential and their complementarity, the resulting conurbation may claim to be an urban region of European dimension. Taken separately, neither represents much more than an intermediate-scale urban centre.

However, the great disadvantage of Lorraine – apart from its present image – is the burden of history. The region has been ravaged by more than 30 years of uninterrupted industrial crisis. Tens of thousands of jobs cannot be lost without leaving a lasting scar. Large numbers of young persons leave the region every year.

The industrial fabric remains fragile, and still specializes in low value-added products. And the restructuring of basic industries is not yet over.

LORRAINE



Scale 1 : 2 000 000

Which EC regions are similar to Lorraine?

Area:
around 24 000 km²
- Mecklenburg-Vorpommern (D)
- Comunidad Valenciana (E)
- Lombardia (I)
- South-West (UK)

Population:
± 2.3 million inhabitants
- Noord-Holland; Noord-Brabant (NL)
- Münster (D)

Age:
over 35% aged less than 25
less than 12% older than 65
- Sardegna (I)
- País Vasco (E)

Employment:
around 5% in agriculture
± 60% in services
- Oberbayern (D)
- Rhône-Alpes (F)
- West-Vlaanderen (B)

Land use:
± 50% agriculture
± 35% forest
- Luxembourg (grand-duché)
- Bayern (D)

The decline of the industrial areas

The major problem during the 1980s was to redevelop areas with declining traditional industries. The bulk of the steel and mining industries was concentrated in the north of Lorraine, in and around the Longwy and Thionville coalfields which were the hardest hit areas.

The crisis has been less severe, though longer lasting, in the textile areas of the Vosges. And the effects of the crisis were somewhat reduced by the arrival of new industry and the development of tourism.

The real beneficiary from the past 20 years' development – particularly of the services sector – has been the corridor north from Toul through Nancy to Metz. This area could be extended further along the Moselle valley, from Épinal to Thionville, following the main communications routes.

As transborder commuting has developed, the north of the region, around Longwy, has increasingly turned its eyes towards its borders with Luxembourg and Belgium, where the European Development Centre (PED) has been set up; and the east of the Moselle *département*, is now virtually part of suburban Saarbrücken, where foreign capital has partly compensated the decline of coal mining.

The remainder of the region tends to be more isolated and more rural: the Meuse *département*, Luneville, the western flank of the Vosges and Sarrebourg. They appear rather fragile, with the problems of rural exodus and an ageing population.

	Area	Population			Activity	Unempl.	Employment			GDP/inhab.
	1 000 km²	1 000	Inhab./km²	Change (%)	%	%	% Agricult.	% Industry	% Services	EUR (PPS) = 100
		1990	1990	1980-90	1990	1990	1990	1990	1990	1989
Meurthe-et-Moselle	5.2	712	137	– 0.8	52	7.9	3	28	69	92
Meuse	6.2	197	32	– 2.4	51	7.7	13	31	56	86
Moselle	6.2	1 012	163	0.7	51	8.0	2	37	61	89
Vosges	5.9	387	66	– 2.4	55	8.4	6	43	51	96
Lorraine	23.5	2 308	98	– 0.6	52	8.0	4	35	61	91
France (without FODs)	544.0	56 597	104	5.3	55	8.7	6	30	64	109
EUR 12	2 253.7	327 931	146	3.2	54	8.3	7	33	60	100

LORRAINE

Population: still young, but marked by emigration

The population of Lorraine is 2 306 000, most of whom are concentrated in two main corridors: Nancy-Metz-Thionville and along the German border.

The population has been falling since 1975. Its leading features are:

– its youthfulness, compared to the average for France and the Community;

– a substantial migratory deficit, which is a factor for demographic decline and ageing.

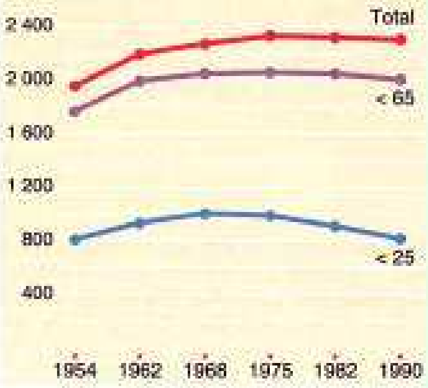
Youthfulness has been a feature of Lorraine since 1946, but the region is slowly losing its youth: the birth rate slipped from 14.7 to 13.4 per thousand between 1986 and 1990, the national average, and migration tends mainly to concern the youngest age-groups: the 20 to 40 year-olds and their children.

At the end of the Second World War Lorraine was one of France's most dynamic regions, both demographically and economically. It has paid a heavy penalty in the crisis which has afflicted the key sectors of its economy. It has become less attractive, and has been in deficit on migration since 1962. This deficit, which is on the increase, is no longer compensated for by natural increase.

Population by age — 1990

	M + F 1 000	M + F %	M %	F %
< 15	458.0	19.9	20.7	19.0
15-24	359.0	15.6	16.5	14.8
25-39	534.0	23.1	23.7	22.5
40-54	403.0	17.5	18.1	16.9
55-64	249.0	10.8	10.6	11.0
≥ 65	303.0	13.1	10.4	15.8
Total	2 306.0	100.0	100.0	100.0

Population (1 000)



Resident population of foreign nationality — 1990

	1 000	% of total population
Total	151.6	6.6
of which EC countries	64.9	2.8
of which non-EC countries	86.7	3.8

Demographic account — 1980-90 (1 000)

Population 1.1.1980	2 320.5
Births	339.3
Deaths	218.1
Net migration	– 135.3
Population 1.1.1990	2 306.4

The working population scarred by industrial crisis

The activity rate was stable from 1982 to 1990. In fact the female activity rate increased, offsetting a decline in male activity.

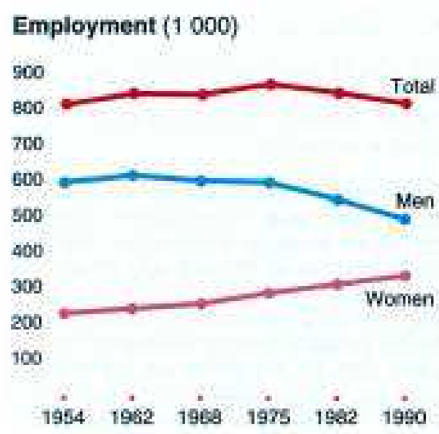
The social measures accompanying the steel industry crisis mean that the activity rate for males over 50 years of age is particularly low.

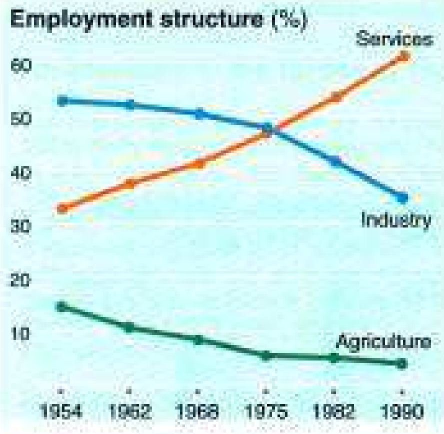
Another consequence of the crisis is that, as Lorraine offered fewer job opportunities, the inhabitants have looked beyond the region's borders. About 52 000 of them work outside the region. They commute across the border in increasing numbers to work in Germany and Luxembourg in particular: numbers commuting increased from 18 000 in 1982 to 31 000 in 1990.

Higher education offers about 55 000 places in Nancy and Metz. Most university disciplines are available, and the region is also host to 10 specialist engineering schools offering a wide range of disciplines (chemical, electrical, agri-food, etc.).

Number of pupils — 1990

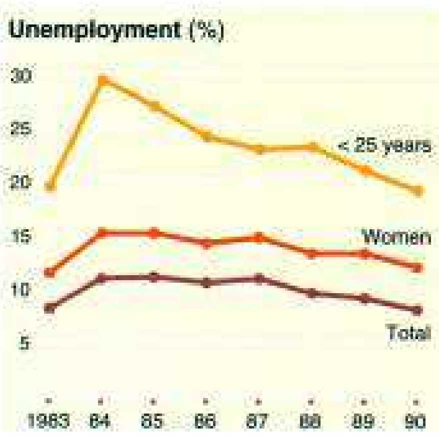
	M + F 1 000	F %
Pre-school	107.8	48.6
Primary	170.2	48.7
Lower secondary	130.3	49.2
Higher secondary (technical)	33.2	47.1
Higher secondary (general)	68.3	52.8
Higher education	54.2	49.4
Total	564.0	49.3





Employment — 1990 (1 000)

Resident employment	843.9
+ Non-residents having a job in the region	12.0
− Residents having a job outside the region	52.8
= Internal employment	803.1



Massive industrial job losses

For the third year in succession the Lorraine economy created new jobs in 1990. This achievement was all the more remarkable and welcome after 10 consecutive years of net job losses.

Growth in the services sector had failed since 1978 to offset the losses in industry and agriculture. Employment dwindled in Lorraine, whilst the national figures remained stable. From the end of 1977 to the end of 1987 Lorraine lost more jobs than any other region: 1%, or 8 300 jobs, each year.

The decline in Lorraine is above all a decline in industry. Its scale is no more than a reflection of the extent to which the region had specialized in iron-ore mining, steel-making, coal mining and textiles and clothing. In 15 years the industrial base lost over 120 000 jobs, more than a third of the total, and in the steel industry alone the 90 000 employees of 1970 are now no more than 12 000.

The services sector has become the largest. A feature of the region is that there are few self-employed (in farming or elsewhere); the market services sector is somewhat backward, and the public sector, both market and non-market, is more important than the average.

Job creation over the past three years has still been below the national average: this is essentially the result of the region's disadvantageous specialization. The weight of the industrial past is still a burden in Lorraine.

Characteristics of resident employment (%)

	< 25 years	25-54 years	≥ 55 years	Employees	Employees: part-time		Employees: full-time, temporary contract	
	1990	1990	1990	1990	1983	1990	1983	1990
Men	11	81	8	87	1	2	3	8
Women	13	79	8	89	21	26	2	7
Total	12	81	8	88	9	12	3	7

Moderate unemployment

The massive job losses were not reflected by a corresponding rise in unemployment. Even in the darkest days of the crisis, the region's unemployment rate barely exceeded the national average.

Indeed, over recent years, although Lorraine has been amongst the weakest performers as regards job creation, it has produced some excellent results in limiting unemployment. A number of factors have contributed to this:

– in 1975 the unemployment rate in Lorraine was very low. The region has therefore lost considerable ground, and this is a measure of its problems;

– the social measures which accompanied works closures in the steel industry (early retirement etc.) have kept tens of thousands off the unemployment register;

– cross-border commuting has increased substantially;

– finally, many young persons have left the region, particularly from the areas hardest hit by the steel crisis, such as Longwy.

The decline in unemployment over the last three years has benefited all age-groups, but has been most beneficial to the young, as their educational level has improved and other measures have been taken to help them.

Unemployment is also receding in the median age-groups, but here the reduction is less distinct and applies only to males.

LORRAINE

A long industrial tradition

Lorraine's industrial tradition and prosperity were founded on the region's underground resources. That prosperity has declined appreciably over the past 20 years, and from 1982 to 1988 the region had the poorest growth-rate of any French region: 1% per year against 2.6% for France.

Twenty years of crisis are not enough to redraw a complete economic landscape, however. The services sector has entered the Lorraine economy, as indeed it has virtually everywhere else. But the weight of industry in its value-added is still five points clear of the national average.

Despite an adjustment in favour of capital goods, Lorraine's specialization remains the production of intermediate goods. The metal industries form its industrial backbone, with steel at the forefront, followed by smelting, metalworking, mechanical engineering and, less importantly, the motor industry.

The drastic restructuring of the last few years has restored competitiveness to the steel industry. This has been achieved through mergers and the development of flat-rolled products (for vehicle bodies, for example) with higher value-added.

The industry of the region is highly capital-intensive, with low value-added, and heavily dependent on the national and international economy. The industrial pattern is still dominated by large-scale establishments, even though their role may be less important than in the past.

One of the features of Lorraine industry is the importance of large concerns, which employ almost three-quarters of the region's workforce.

The proportion employed by foreign concerns in Lorraine industry (15%) places the region fourth in France, just behind the Île-de-France, Picardy and Alsace.

Cooperation arrangements between Lorraine's industry and its universities have given rise to a number of advanced-technology businesses in the technology parks of Nancy-Brabois (agri-food, biotechnology, etc.) and Metz 2000 (telecommunications).

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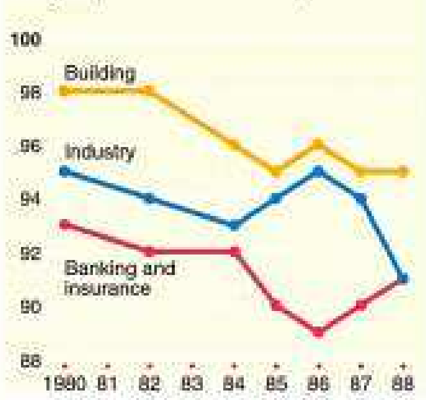
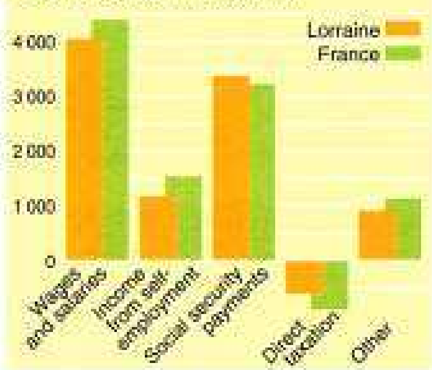
GDP (1980 = 100)

Wages (national level = 100)



Disposable household income – 1987 (ECU per inhabitant)



Incomes sustained by benefits

The average net wage paid in 1989 by private and semi-public sector employers was ECU 13 600 per year, or a little under ECU 1 140 per month. This puts Lorraine at the level of the average French provincial region (i.e. excluding the Île-de-France) as, indeed, it has been these last 10 years and more.

The highest average wages are paid in Moselle and Meurthe-et-Moselle with Meuse and Vosges some way behind. There are a number of reasons for these differences.

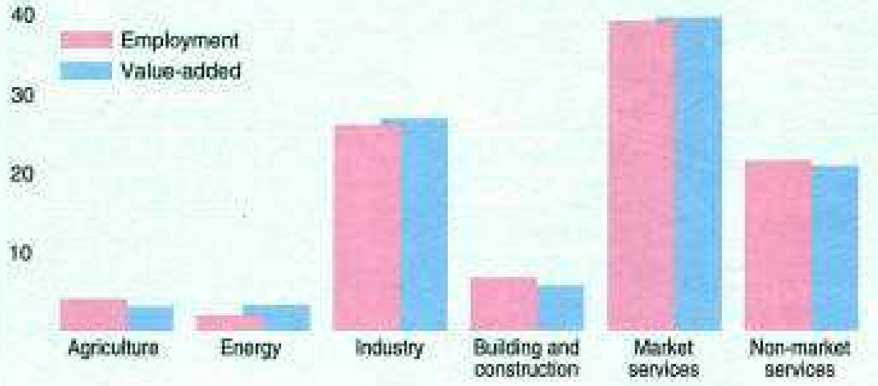
The wages paid in the energy and steel industries, which are well represented in both Moselle and Meurthe-et-Moselle, are higher than those in the textile and clothing trades (more important in Vosges). Workers in Meurthe-et-Moselle and Moselle tend to be better qualified. And there are more female workers in Vosges.

With a gross disposable income of ECU 8 860 per person, Lorraine was, in 1987 as in 1983, at the level of the average provincial region. The decline of the 1970s and early 1980s appears to have been stemmed – but in 1974 Lorraine had been the No 4 region of France.

Lorraine consequently compares more favourably with the rest of France in household incomes than it does in GDP. The smaller increases in total wages and salaries paid in the region – a direct result of the decline in employment – have been offset by the social measures accompanying the crisis (the General Convention on Social Security for the steel industry, and National Employment Fund early retirement for the coal and textiles industries). In the early stages of a crisis it is easier to offset lost incomes by transfers than by creating new jobs.

The fact remains that Lorraine is the region of France which has seen the greatest increase in social security benefits paid between 1983 and 1987. Their weight in regional income has increased by 56%, and they now slightly exceed the average for provincial regions: 38% against an average 36.2%.

Employment and value-added: distribution by branch – 1986 (%)



An economy in the throes of change

Lorraine's agriculture is heavily committed to dairy farming, and it was badly hit by the imposition of milk quotas in 1984. The change-around was accomplished rapidly, however, by reducing herd sizes and converting pasture to arable use, in particular for rape. Lorraine currently accounts for 10% of French production of cheese from cow's milk, and for 11% of rape production.

In forestry, Lorraine is France's leading producer of oak and beech.

Notwithstanding their calamitous decline, Lorraine's four leading industries – coal, iron ore, steel and textiles – retain a major role. Lorraine produces 97% of France's iron, 28% of its steel, 65% of its coal, and 35% of cotton yarns and fabric. But the region's industry is more than just these four sectors.

Lorraine has been able to diversify its energy production, in particular through the construction of the Cattenom nuclear power complex.

The agri-food sector, the timber industry and the chemical industry are also of major significance. Lastly, in recent years Lorraine has embarked upon motor vehicle manufacture, and a number of components suppliers have set up in business.

The services sector is growing in importance in the region's economic fabric, but remains modest compared with other regions. Lorraine lags noticeably in market activities and in business services (except transport, which has the advantage of a substantial infrastructure).

Agriculture

Number of holdings	24 740
Labour force	35 509 AWU
Agricultural area	1 184 000 ha
Livestock	792 000 LU
Gross value-added	15 037 ECU/AWU

Main products	
Milk	34%
Cattle	21%
Cereals	19%

Main enterprises

Name	Employees	Activity
Houillères du bassin de Lorraine (HBL)	15 400	Solid fuels
Unimétal	9 600	Steel
Sollac	8 000	Steel
SMAE (Société mécanique auto)	6 800	Car manufacturing
Pont-à-Mousson SA	3 600	Smelting
Grands magasins Cora	2 700	Retail distribution
Atochem	2 600	Basic chemicals
Lorfonte	2 300	Steel
Bata	1 600	Leather and shoes
Essilor	1 500	Mechanical engineering

Natural and cultural potential

In his *Adieux de Jeanne d'Arc à la Meuse*, the poet Charles Péguy shows a facet of Lorraine which is all too frequently overlooked: 'Adieu, Meuse endormeuse et douce à mon enfance / Qui demeure aux prés où tu coules si bas ...', a region of lush greenness and calm, contrasting with the all-too-popular image of slag heaps and blast furnaces.

Contriving to be simultaneously an industrial, agricultural and forested area, Lorraine offers an attractive variety of natural life which coexists harmoniously with the industrial world.

The extensive farmlands and forests, the countless rivers and streams, the wetlands, the ever-changing landscape resulting from geological variety, all contribute to an exceptional environment for the Lorrain and for the visitor.

Forests of oak, beech and pine have always been a priceless resource to the Lorrains; the tourist is beginning to appreciate them too.

Lorraine has a vast cultural, historical, archaeological, architectural and natural wealth. It has to capitalize on its ideal position in the heart of Europe to make the most of such assets.

Tourism remains quite modest in Lorraine. The Vosges *département* has capitalized on its relief to establish winter sports and spa centres, and build up a high-quality tourist environment. In recent years, the other *départements* have also developed more active policies towards tourism.

FRANCE

ALSACE

Situated in the southern part of the Rhine valley, which divides the Vosges massif (mountain region) from the Black Forest in Germany, it is bordered to the east by the Rhine, which forms the border with Baden-Württemberg.

To the west, the eastern slopes of the Vosges, the highest point of which is the Ballon de Guebwiller (1 424 m) are cleft by deep valleys. Passes are almost as high as the ridges and not readily accessible. The mountains are bordered by hills, with limestone slopes which are good for vine-growing. In the plain, the marshy, wooded Ried alternates with fertile terraces covered with silt.

In the north, the region extends to the Lorraine plateau, an area of grass and cereals, and to the south towards Switzerland and the Belfort Gap.

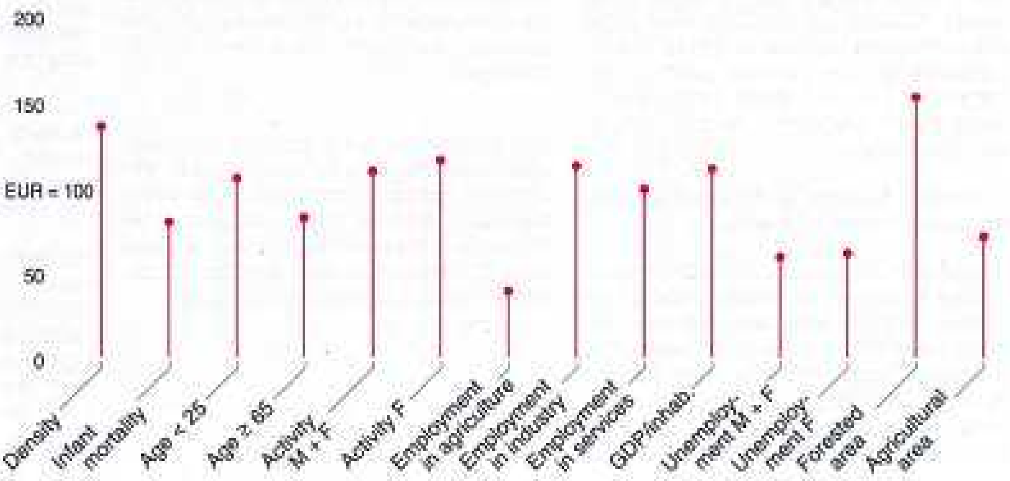
Forests are 65% coniferous and cover more than one-third of the territory.

Alsace has a continental-type climate, with the Vosges sheltering it from the damp west winds, and the Rhine valley frequently bathed in sunshine.

Criss-crossed by trade routes, Alsace has kept its own identity, a feature of which is its German dialect which is still widely spoken.

The presence in Strasbourg of the Council of Europe and the European Parliament confirms the role of Alsace as a crossroads of Europe

Alsace in the Community



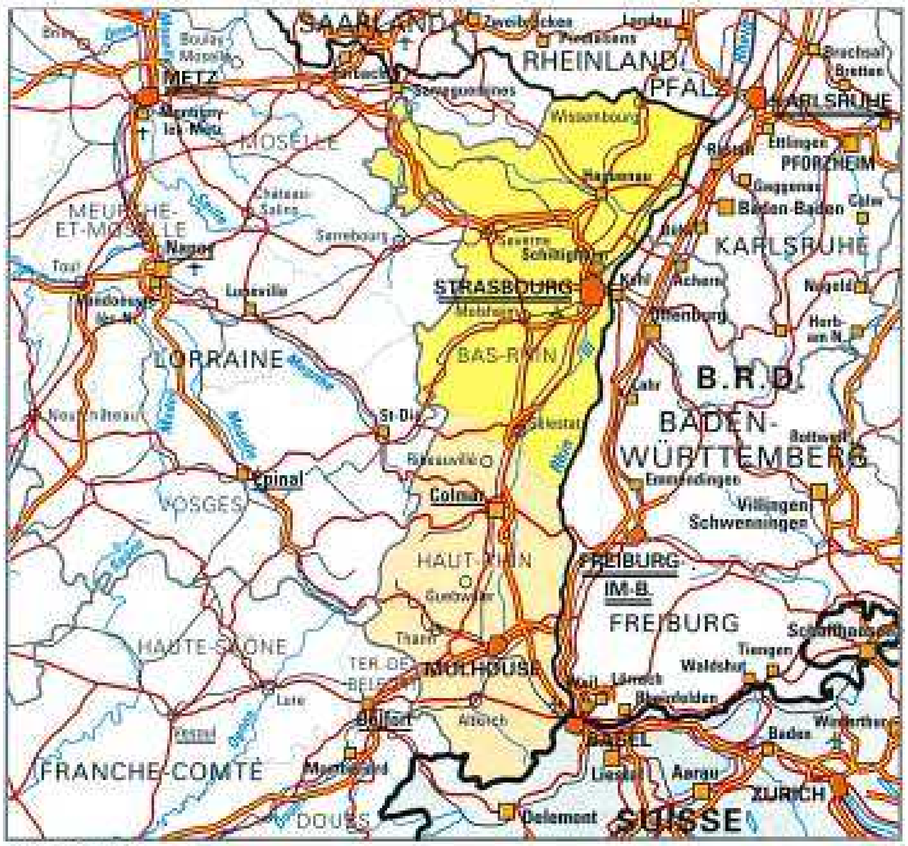
A European region

Throughout its history, Alsace has been influenced by its position as a border region. Forming the watershed of two cultures, it has its own, very marked personality, making for social and cultural cohesion.

In the immediate post-war years, the region did not derive as much benefit as it would have liked from the national economic restructuring policies implemented at that time; in a protectionist environment, its geographical position on the borders of France did not always attract investors.

Nowadays, however, Alsace has worked its way up to become one of the strongest regions economically. Its success is due to capital investment in the technological revolution, commercial know-how and new conditions for development linked with the gradual opening of frontiers. Tuning into market signals, the region is now a major focus for traffic and trade.

Historically and economically part of the Rhineland area, Alsace has a naturally-acquired European culture on which to base its future. The presence in Strasbourg of prestigious institutions such as the Council of Europe and the European Parliament lends weight to the international standing of Alsace.



Scale 1 : 2 000 000

Which EC regions are similar to Alsace?

Population:
1.6 million inhabitants
± 200 inhabitants per km²
- Braunschweig; Tübingen (D)
- Canarias (E)

Employment:
3% in agriculture
60% in services
- Vlaams Gewest (B)
- Hannover (D)

Activity rate:
around 60%
(around 50% for women)
- Bayern; Berlin (D)
- Scotland; Yorkshire and Humberside; North (UK)

Unemployment rate:
5 to 6%
- Emilia Romagna (I)
- West-Vlaanderen (B)
- East Anglia (UK)

The advantages of mixed development

Alsace presents to the world a finely balanced, harmonious landscape whose overall unity disguises different types of development in different areas.

Strasbourg (390 000 inhabitants) is the eleventh largest of the French regional conurbations. Although it has important industries (mechanical engineering and agrifood), the city is mainly known for its services activities (distributive trades and public services) and as the seat of European institutions. Mulhouse, on the other hand, has always been an industrial centre, with a varying economic fabric woven by successive waves of industrialization.

Alongside these major centres, a number of medium-sized towns has grown up, some of them around industries which have been brought to the area and others as dormitory towns.

With the population tending to concentrate in these urban centres, outlying rural areas are becoming disadvantaged. A further result is an army of commuters, whose daily journeys to and from work are made easier by a well-developed internal communications network.

Only a small part of the territory is directly affected by cross-border movements, but these have a substantial effect on the labour market as a whole: Basle to the south and Karlsruhe to the north are poles of attraction for workers from Alsace.

	Area	Population			Activity	Unempl.	Employment			GDP/inhab.
	1 000 km²	1 000	Inhab./km²	Change (%)	%	%	% Agricult.	% Industry	% Services	EUR(PPS) = 100
		1990	1990	1980-90	1990	1990	1990	1990	1990	1989
Bas-Rhin	4.8	953	198	5.4	57	4.8	3	34	63	117
Haut-Rhin	3.5	671	192	4.1	57	4.1	4	40	56	108
Alsace	8.3	1 624	196	4.9	57	4.5	3	37	60	113
France (without FODs)	544.0	56 597	104	5.3	55	8.7	6	30	64	109
EUR 12	2 253.7	327 931	146	3.2	54	8.3	7	33	60	100

A young population

Alsace has 1 625 000 inhabitants, or 2.9% of the population of France in an area which covers only 1.5% of the total area of the country. The population density is considerably above the national average, although still moderate compared with the Rhineland as a whole, which includes some of the densest population centres in Europe.

Although it used to be above the national average, the fertility rate has fallen in Alsace and is now below average. The number of births remains higher than the number of deaths, since Alsace has a young population.

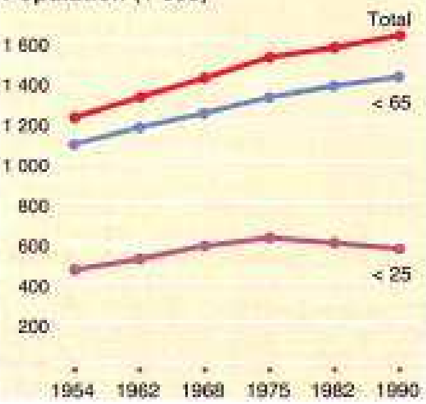
Older people account for a low percentage of the total population. Wars have undermined the age pyramid, but excess mortality over the age of 50, particularly among males, also helps to explain this regional characteristic.

The population is stable, with its roots firmly planted in the area. There is little migration to and from other regions of France but manpower shortages have attracted a large number of foreigners. With their families moving into the area and a high fertility rate, there has been a rapid increase in the total number of foreigners, who now make up 8% of the region's population.

Population by age — 1990

	M + F 1 000	M + F %	M %	F %
< 15	309.9	19.1	20.0	18.2
15-24	252.1	15.5	16.1	15.0
25-39	397.7	24.5	25.3	23.7
40-54	290.5	17.9	19.0	16.8
55-64	168.0	10.3	10.2	10.4
≥ 65	206.4	12.7	9.4	15.9
Total	1 624.6	100.0	100.0	100.0

Population (1 000)



Resident population of foreign nationality — 1990

	1 000	% of total population
Total	126.8	7.8
of which EC countries	42.2	2.6
of which non-EC countries	84.6	5.2

Demographic account — 1980-90 (1 000)

Population 1.1.1980	1 548.7
Births	227.0
Deaths	153.8
Net migration	+ 1.9
Population 1.1.1990	1 623.8

Highly developed technical training

Characteristic of the Alsatian educational system is the predominance of vocational and technical training – in particular for the BEP-CAP certificates (two or three years in technical college) – and the large number of apprenticeships. There is also a large student population from outside the region, attracted by the high level of teaching.

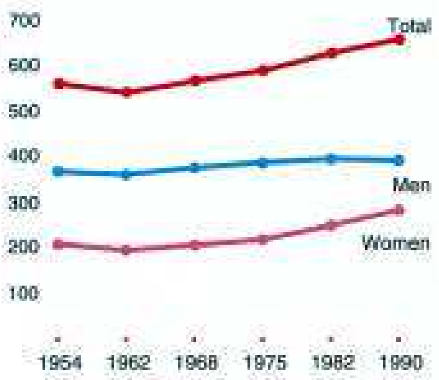
In areas close to the French border, the highly qualified workforce is much in demand by German and Swiss employers.

The increase in the working population (by some 5 000 per annum) is expected to continue owing to the increase in the population as a whole and the rise in the number of women going out to work. The women of Alsace are now catching up on those of other French regions, coming onto the labour market in ever-increasing numbers even though they may not always find it easy to get jobs.

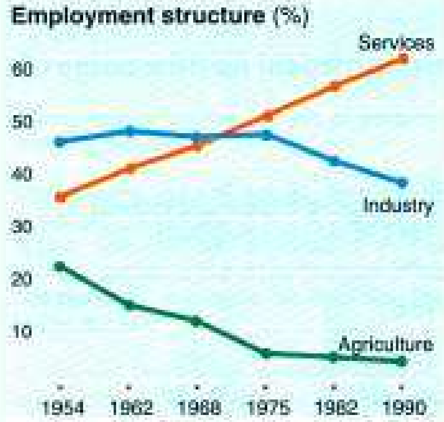
Number of pupils — 1990

	M + F 1 000	F %
Pre-school	67.1	49.0
Primary	118.8	48.6
Lower secondary	87.4	49.8
Higher secondary (technical)	20.0	45.0
Higher secondary (general)	38.0	53.8
Higher education	56.0	53.0
Total	387.3	49.6

Employment (1 000)



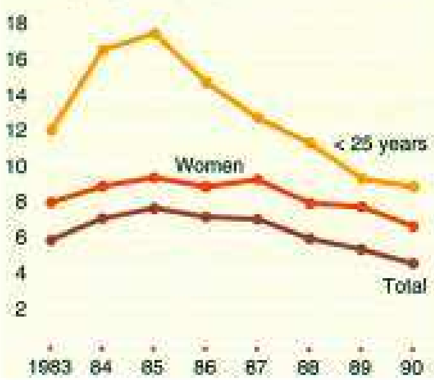
Employment structure (%)



Employment — 1990 (1 000)

Resident employment	689.7
+ Non-residents having a job in the region	13.7
− Residents having a job outside the region	64.7
= Internal employment	638.7

Unemployment (%)



Sharp rise in employment in the services sector

After a period of recession, employment began to pick up in 1985 and the revival has continued (+28 000 jobs in five years, i.e. a rise of 4.6%) along with a marked fall in casual employment. Fewer jobs have been shed and the number of vacancies for permanent jobs has increased. Although there has been a decline in the number of self-employed — the main reason being heavy job losses in agriculture — the rate of decline has been slower than over the previous period.

The services sector has seen the highest number of jobs created over the past few years (+33 600 jobs, or +9.7%, since 1985). More than half of these new jobs have been in services to individuals or businesses.

The building and public works sector is thriving, with an upturn in new housing and public investment. There has been a net increase of almost 3 000 jobs over the past five years (+7.1%).

There has been a sharp decline in the industrial workforce as a result of major restructuring programmes, particularly in clothing and textiles. But some sectors — mechanical engineering, electronics and electrical engineering — have been booming in recent years, benefiting mainly from recent Japanese investment in the area. This upturn in investment bodes well for the future.

Characteristics of resident employment (%)

	< 25 years	25-54 years	≥ 55 years	Employees	Employees: part-time		Employees: full-time temporary contract	
	1990	1990	1990	1990	1983	1990	1983	1990
Men	13	79	8	89	1	2	3	7
Women	19	75	6	91	20	27	3	8
Total	15	78	7	90	8	12	3	7

Alsace: the lowest unemployment in any French region

With an unemployment rate at half of the national average, Alsace is the French region least hit by unemployment. Unemployment peaked in 1985 and has been declining ever since, with the improvement mainly benefiting the under-25s and the long-term unemployed, as a result of policies specially geared to these population groups. Although they form the majority of those seeking employment, women have benefited least from such measures.

Most of the long-term unemployed (60%) are women, the majority with few or no qualifications and many aged over 50. Girls who left school early to get jobs have tended to leave their jobs very early, often to have their first child, and this pattern of behaviour, fairly widespread in Alsace, is one of the most common reasons why women find it difficult to get back onto the labour market when they are older.

The employment situation is frequently even more favourable in those regions of other countries bordering on Alsace: both Baden and Switzerland have little unemployment. According to the 1990 census, 55 000 persons commute across the region's borders every day, and this is a considerable advantage for the region's labour market. The economic fabric of Alsace is also highly diversified and dynamic, which generates jobs.

Dynamic, internationalized industries

Alsace appears as a haven of prosperity amid industrial areas seriously affected by major restructuring. In recent years Alsace has seen a high increase in GDP, due to developments in both the industrial and services sectors.

Characteristic of the Alsatian economy are large-scale businesses (with over 500 employees) and a relatively compact network of medium-sized units: 75% of employment in the region is in businesses employing over 100 persons. Foreign capital (24% of jobs) and French groups (39% of jobs) feature prominently in the Alsatian economy, where small and medium-sized enterprises exist alongside units belonging to large-scale organizations.

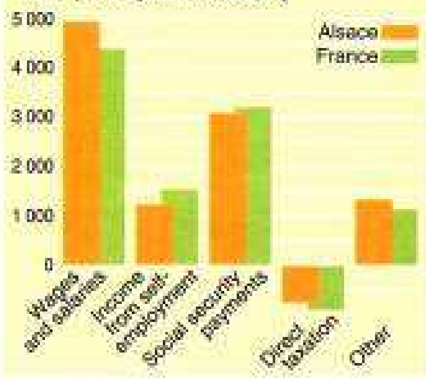
The increasing output of Alsatian industry is due to a high level of labour productivity and major investments. Technical, economic and financial resources have been concentrated on highly internationalized activities directed towards a strong export market. Industry in Alsace has been geared towards high value-added products requiring a highly qualified workforce.

The recent rise of the services sector, in particular business services, is the fruit of this industrial dynamism: the region's production system turns essentially on industry.

GDP (1980 = 100)

Wages (national level = 100)

Disposable household income – 1987 (ECU per inhabitant)



Preponderance of wage- and salary-earners

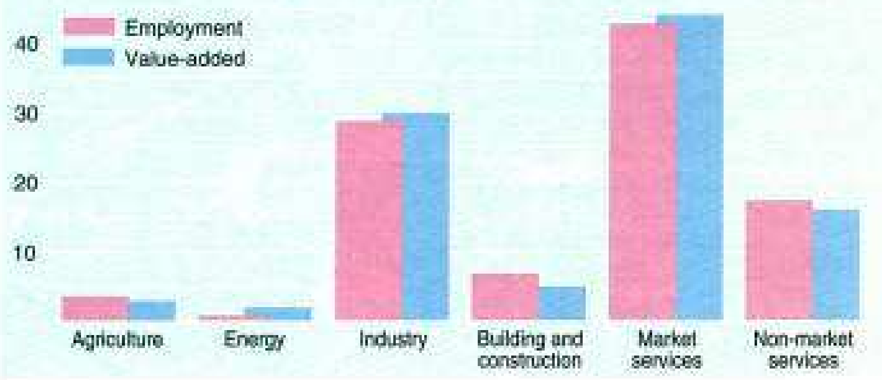
Per capita income is higher in Alsace than in any other French provincial region. Wages and salaries are the main component of household resources, accounting for half of total disposable income (net of social security contributions). On the other hand, income from self-employment accounts for only 13.4% of this total (16.2% at national level). This reflects the differences in regional employment as opposed to employment in France as a whole: wage- and salary-earners predominate, with agriculture and the craft industries under-represented.

Social transfers to households comprise less than one-third of their disposable income (30.6%). Payments to elderly persons are, however, relatively high owing to the high proportion of retired wage- and salary-earners and the existence of a particularly generous local scheme. In contrast, unemployment benefits account for a low percentage of disposable income as a result of the healthy situation on the labour market.

Wage and salary levels are very close to the national average, but Alsace has some of the highest levels of the provincial regions, probably as a result of the qualifications required in the high-tech industries which have sprung up in the region (mechanical, electrical and electronic engineering).

Wage and salary levels are frequently much higher on the other side of the border than in Alsace, which is one reason for the number of cross-border commuters.

Employment and value-added: distribution by branch – 1988 (%)



A region with an industrial tradition

Agriculture accounts for 3% of employment in the region.

Mixed crop and livestock farming is gradually giving way to more specialized types, with cereals dominating in the lowland areas, vines in the foothills of the Vosges and livestock farming on the hillier terrain.

Traditional crops such as hops, tobacco, and cabbage for sauerkraut are finding it hard to hold their own against vines and grain maize.

The construction and civil engineering sector has been dynamic, with a stable distribution of jobs between new work and maintenance, building and civil engineering, and housing and commercial premises. The production apparatus is changing in character, with medium-sized businesses being bought out by groups which have set themselves up on the cross-border market.

In recent years there has been a substantial increase in market services, especially business services.

Within the north-eastern arc of regions with an industrial tradition, Alsace is relatively diversified. Six sectors each account for more than 5% of the industrial value-added of the region. The main specialized activities are mechanical engineering, the automobile industry, brewing, chemicals, textiles and clothing.

Agriculture

Number of holdings	20 974
Labour force	28 459 AWU
Agricultural area	335 000 ha
Livestock	190 000 LU
Gross value-added	13 890 ECU/AWU
Main products	
Wine	25%
Cereals	20%
Milk	14%

Main enterprises

Name	Employees	Activity
Automobiles Peugeot	12 000	Car manufacturing
Mines de potasse d'Alsace SA	3 200	Potassium salt extraction
Dollfus Mieg et Cie	2 100	Sewing thread
Télic	2 000	Telecommunications equipment
Clemessy	1 800	Manufacture of machinery
INA roulements	1 800	Manufacture of bearings
Steelcase Strafor	1 500	Structural metal products
Cegedur GP	1 400	Aluminium and other light products
Rhône-Poulenc Chimie	1 300	Organic chemistry
General Motors	1 300	Car manufacturing

The quality of life in Alsace

Alsace is a densely populated, highly industrialized and urbanized region, with a first-class ecological and cultural heritage. The diversity and quality of its landscape have been instrumental in forming its image, or 'identity', but a close watch has to be kept on the environment in view of its specific geographical and climatic features.

The plain is a rift valley, with exceptional underground and surface water resources. The underground water supply — an estimated 50 000 million cubic metres — needs particularly careful monitoring since it is shallow and vulnerable to surface pollution. Alsace's water courses are at risk from certain industrial activities, with the recent pollution of the Rhine highlighting the need for vigilance and cross-border cooperation to deal with issues with a supra-regional impact.

Alsace is proud of its image and particularly concerned about maintaining its quality of life, aware of the fact that human activities should not be allowed to develop to the detriment of a balanced environment. Emphasis has been laid on proper management, so that the national parks in the region (the Northern Vosges and the Ballons des Vosges), which cover almost 20% of the land area, together with nature reserves, play their full part in exploiting and at the same time protecting the natural assets of Alsace.

FRANCE

FRANCHE-COMTÉ

Franche-Comté is a small region with an area of 16 200 km². It comprises three *départements* of similar size (Doubs, Jura and Haute-Saône) and a fourth (Territoire de Belfort) which covers less than 4% of the region's area.

Sinkholes, long underground passageways, resurgences and grottoes all bear witness to a predominantly limestone soil and subsoil. More than 40% of the land area is covered by conifers and deciduous trees, making Franche-Comté the most wooded region of France along with Aquitaine. The remainder is mainly grassland, with 70% of cultivated land being given over to livestock.

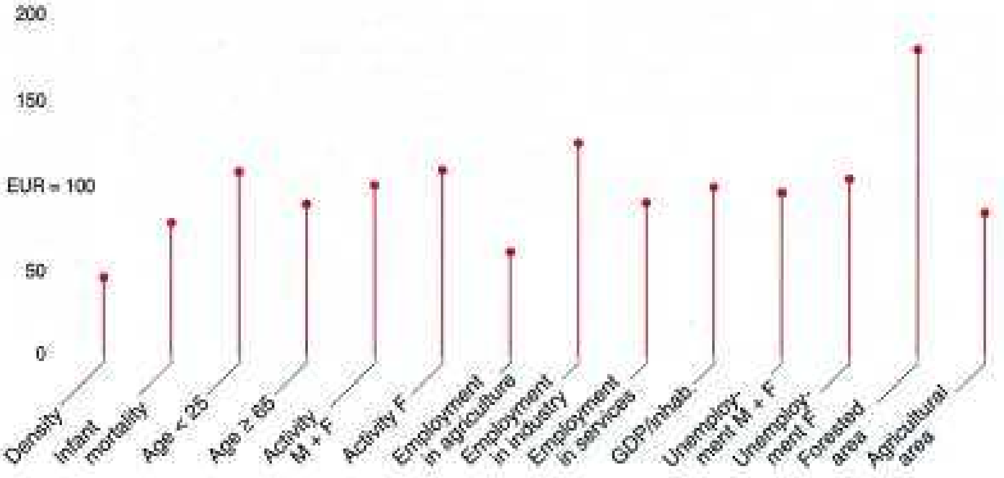
The relief rises gradually from west to east, from the plain of the Saône to the Jura massif with its three tiers and moderately high skyline (1 400 to 1 700 m) along the Swiss border.

The climate is of the continental type, with rather cold, snowy winters and warm summers. Although there is considerable rainfall, particularly on the uplands, the region is relatively sunny and not very windy.

Franche-Comté is situated on the borders of the Germanic, Latin and French-speaking areas, and its roots endow it with a remarkable cultural diversity.

The former royal salt-works at Arc-et-Senans, a symbol of Franche-Comté, now houses an international conference and futurology centre.

Franche-Comté in the Community

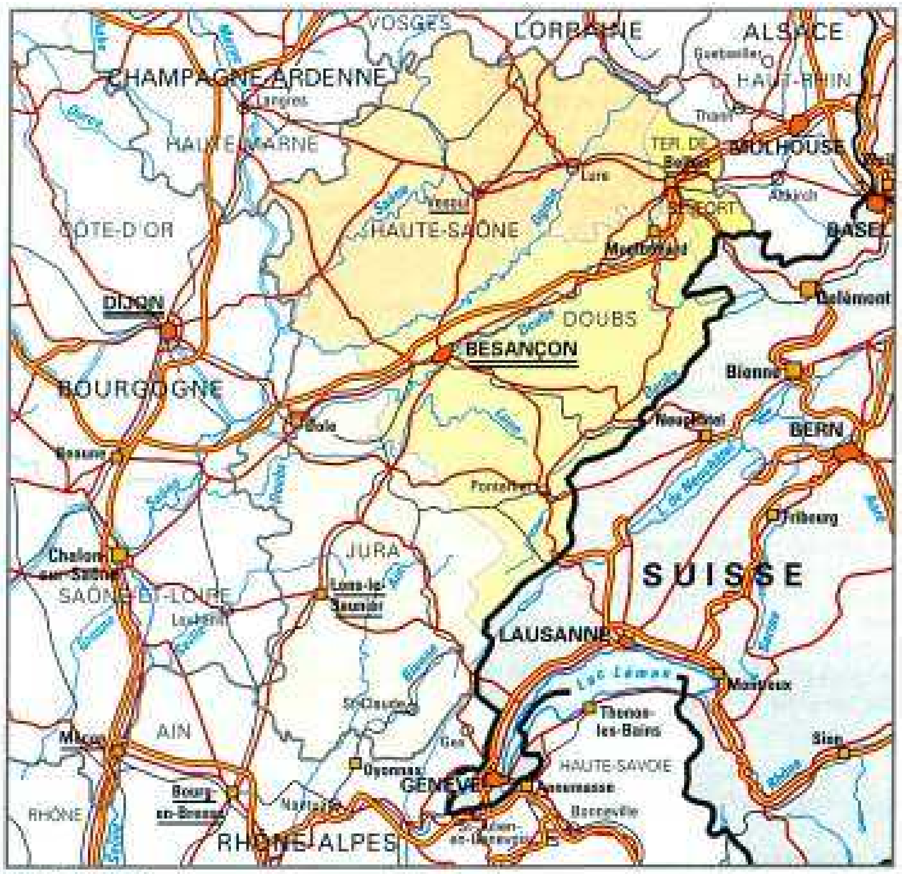


An industrial tradition in a region of human dimension

Franche-Comté is the most highly industrialized region of France. Centred around major international concerns (Peugeot, Alsthom, Solvay, Bull) and diversified, high-flying small and medium-sized firms, the region's industry is a source of real potential. This industrial centre is situated at one of the crossroads of Europe between the German Rhineland, northern Italy and the Mediterranean basin more to the south. There are numerous development opportunities in this still relatively wide-open but nevertheless cultivated area, since although the countryside comes right to the very edges of the towns, it is never allowed to run wild. The region has almost 1 800 communes. Its main assets include technical know-how, a skilled workforce and a youngish population with an efficient technical training system at their disposal.

This industry is, however, highly specialized (car manufacture, metalworking), dependent on outside decision-making centres, and still has the stamp of the large manufacturing workshop that it once was. It will have to go along with the tide of technological change, a course it has already embarked on with the introduction of microtechnologies, for example. As a corollary, the services sector, particularly business services, has still to be developed. The number of managerial staff and the level of wages are still not high enough. The region both benefits and suffers from its low population, which does not reach a sufficient level in many areas.

FRANCHE-COMTÉ



Scale 1 : 2 000 000

Which EC regions are similar to Franche-Comté?

Population:
1 million inhabitants
less than 100 inhabitants/km²
Clwyd, Dyfed, Gwynedd, Powys (UK)
Murcia (E)
Trentino-Alto Adige; Umbria (I)

Age:
more than 35% are aged less than 25
País Vasco; Baleares (E)
Overijssel; Friesland (NL)

Employment:
4-5% in agriculture
more than 40% in industry
País Vasco; Cataluña (E)
Rheinland-Pfalz;
Baden-Württemberg (D)

Land use:
more than 40% forest
Freiburg; Trier (D)
Aquitaine (F)
Cataluña (E)

A region split into two

The valley of the Doubs forms the demographic and economic backbone of the region. In the north-east, heavy industry is concentrated in the Belfort-Montbéliard conurbation, which is trying to consolidate its services sector and diversify its activities. In the centre, Besançon, the administrative capital and a university town, has to play the part of a true economic and commercial metropolis by giving fresh impetus to its development. One of the challenges is to overcome this sometimes antagonistic split.

Another split opposes the north-west to the rest of the region. Haute-Saône has a higher unemployment rate, lower economic growth, a low population density and a declining population. The Jura and the plateaux enjoy a certain degree of vitality based on craft industries, small and medium-sized firms and tourism.

There is also a contrast in the components of demographic development. Although this region benefits from an evenly spread natural increase, the loss of attractiveness to the north of a line from Gray to Morteau contrasts sharply with the south, where arrivals and departures offset one another.

The main employment areas are often highly specialized: for example, car manufacture in Montbéliard and Vesoul, mechanical engineering in Haut-Doubs, and electrical and electronic engineering in Belfort.

	Area	Population			Activity	Unempl.	Employment			GDP/inhab.
	1 000 km²	1 000	Inhab./km²	Change (%)	%	%	% Agricult.	% Industry	% Services	EUR (PPS) = 100
		1990	1990	1980-90	1990	1990	1990	1990	1990	1989
Doubs	5.2	485	93	2.1	56	6.6	5	40	55	112
Jura	5.0	249	50	2.9	54	5.0	8	38	54	103
Haute-Saône	5.4	230	43	0.5	53	7.8	10	37	53	76
Territoire de Belfort	0.6	134	224	2.6	55	7.9	2	37	61	89
Franche-Comté	16.2	1 098	68	2.0	55	6.7	6	39	55	100
France (without FODs)	544.0	56 597	104	5.3	55	8.7	6	30	64	109
EUR 12	2 253.7	327 931	146	3.2	54	8.3	7	33	60	100

FRANCHE-COMTÉ

The population remains young although the exodus continues

Franche-Comté has a population of just over a million. Demographic growth is steady but has slowed down over the last 10 years, as a consequence of the industrial crisis and the accompanying job cuts. When its industry was expanding, the region opened its doors in the search for labour, but nowadays departures exceed arrivals by far. Since 1982, the balance of migration has shown a loss of around 30 000 people. Fortunately, the natural increase more than makes up for this deficit.

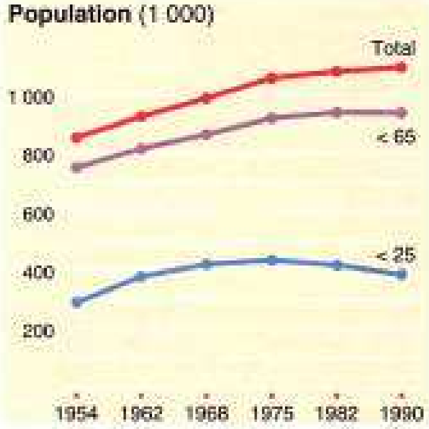
The birth rate has remained high for a long time. The demographic pattern has now moved into line with national trends. The average number of children per woman is thus 1.8.

The mortality rate is still on the low side, reflecting a favourable age structure. This relatively favourable situation is likely to change, since those leaving the region tend to be the young ones, which means that in future there will be fewer births, an ageing population and more deaths. Franche-Comté will have to look for its future demographic growth by regaining its attractiveness.

Population by age — 1990

	M + F 1 000	M + F %	M %	F %
< 15	217.9	19.9	20.6	19.1
15-24	171.7	15.6	16.5	14.9
25-39	241.8	22.0	22.5	21.6
40-54	196.4	17.9	18.6	17.2
55-64	114.0	10.4	10.3	10.5
≥ 65	155.5	14.2	11.5	16.7
Total	1 097.3	100.0	100.0	100.0

Population (1 000)



Resident population of foreign nationality — 1990

	1 000	% of total population
Total	69.1	6.3
of which EC countries	17.8	1.6
of which non-EC countries	51.3	4.7

Demographic account — 1980-90 (1 000)

Population 1.1.1980	1 076.2
Births	171.0
Deaths	109.9
Net migration	− 39.5
Population 1.1.1990	1 097.8

A region determined to improve training

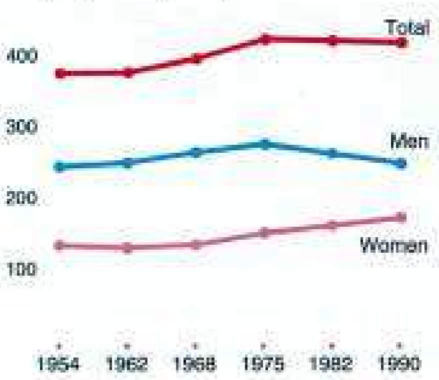
The increase in the working population is mainly attributable to a rise in the number of women at work, especially over the age of 25. However, it is difficult to meet this demand for employment. Over the same period, female unemployment has increased by 20%, whereas the labour market situation for men has improved.

This labour force is becoming increasingly well trained. Franche-Comté still has the highest proportion of persons without any formal qualifications, taking all age groups together. However, the percentage of *baccalauréats* obtained by the new generations is average, and even slightly higher in the case of technological subjects. Two engineering colleges at Besançon and Belfort, specializing in training courses in optics, and the timber and dairy industries, and the technological university of Sévenans are all known and recognized outside the region's boundaries.

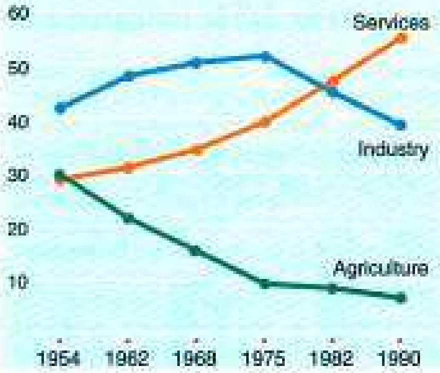
Number of pupils — 1990

	M + F 1 000	F %
Pre-school	50.7	48.2
Primary	83.2	50.0
Lower secondary	65.4	49.3
Higher secondary (technical)	15.3	47.3
Higher secondary (general)	30.9	54.2
Higher education	22.3	49.7
Total	267.8	49.8

Employment (1 000)



Employment structure (%)



Employment — 1990 (1 000)

Resident employment	433.3
+ Non-residents having a job in the region	8.5
− Residents having a job outside the region	26.8
= Internal employment	415.0

Unemployment (%)

The crisis arrived later

Agriculture is just as important in Franche-Comté as in the rest of France.

Industry is more important in this region than in any other region of France and, indeed, of Europe. There are more than 35 000 employees in car manufacturing alone. Other important industries in the region are mechanical engineering and metalworking, with 20 000 jobs each.

This high degree of industrialization has its corollary: employment in the services sector is proportionally lower than in the national economy.

Between 1967 and 1973, employment increased at a faster rate in Franche-Comté than in the country as a whole, despite the job losses in agriculture. The first oil-price shock in 1974 affected industry. But the region came out of it relatively well, temporarily taking advantage of a productive structure that was spared more than others, the services sector making up for the job losses in industry.

The effects of the second oil-price shock and the automation of production processes were more painful. In 10 years, a quarter of jobs in industry were cut, most of them in the largest production units (−20 000 persons in the car industry). The expansion of the services sector cannot make up this deficit entirely, especially as agriculture continues to decline. This crisis is felt most keenly by the north-east of the region.

Characteristics of resident employment (%)

	< 25 years	25-54 years	≥ 55 years	Employees	Employees: part-time		Employees: full-time, temporary contract	
	1990	1990	1990	1990	1983	1990	1983	1990
Men	13	79	9	82	3	3	3	11
Women	17	75	8	88	23	31	1	11
Total	15	77	8	84	10	15	3	11

Low unemployment, but a female labour force seeking employment

Two out of every three unemployed are women. The decline of activities heavily dependent on female labour, such as textiles and clockmaking, the redundancies in industry affecting the least skilled jobs and the relative weakness of the services sector are all factors that work against them. There is some prospect of improvement with the expansion of the services sector now in progress and new opportunities in electronics. But this imbalance can be moderated only by enabling women to have access to 'male' jobs.

In terms of the overall situation, however, Franche-Comté is in a good position. The unemployment rate is one of the lowest in France, reflecting the dynamism of small and medium-sized firms, especially in the Jura. But it masks a number of unfavourable truths. For example, the modernization of the car industry was accompanied by many early retirements and by the return home of immigrant workers, mainly Algerians and Turks.

Franche-Comté has become a region that is being abandoned, with young people going elsewhere to look for the higher education and jobs that they cannot find at home. Lastly, there is a belt of transfrontier commuters, with more than 15 000 inhabitants of Franche-Comté crossing the border to work in Switzerland every day.

An economy in the throes of change

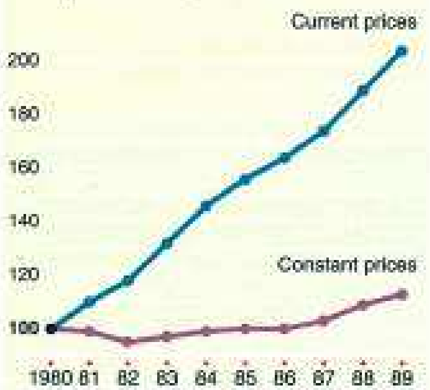
The region's economy is dominated by its industry. The big firms account for a major slice, the largest among them being the Peugeot works at Sochaux. Apart from the car industry, the electrical engineering/electronics and chemical sectors are also dominated by large concerns, while the other activities are more the preserve of small and medium-sized firms.

As elsewhere, the economy is in the throes of change. Subcontracting, linked mainly to the car industry, is having to adapt to new purchasing policies. Other activities are having to re-adjust and in overall terms the production system, which is highly specialized, is having to diversify while maintaining its lead in certain sectors. This process of change is coming up against certain difficulties linked to a long-standing imbalance in the structure of jobs. Only 3% of employees have an engineering qualification, 5% are senior management staff and 8% technicians. However, the changes are also fostered by a number of positive elements, such as the fact that the region's industry is outward-looking, with exports amounting to close on ECU 4.5 billion per year.

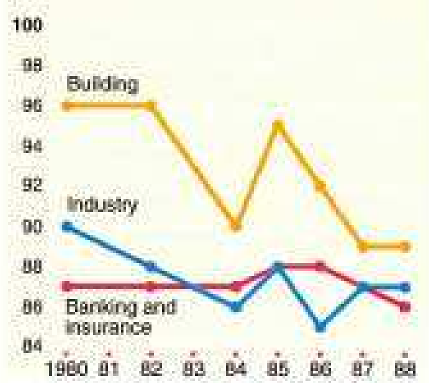
Although it has been affected very little so far by foreign companies acquiring holdings, almost half of the workforce is employed by firms whose head office is outside the region.

The dominance of industry has of course been eroded over the last 20 years, with the crisis resulting in substantial job losses (– 27%). In addition, four out of every 10 workers have left agriculture. At the same time, the services sector has expanded considerably and accounts for 56% of all employees, but it is still relatively underdeveloped in Franche-Comté.

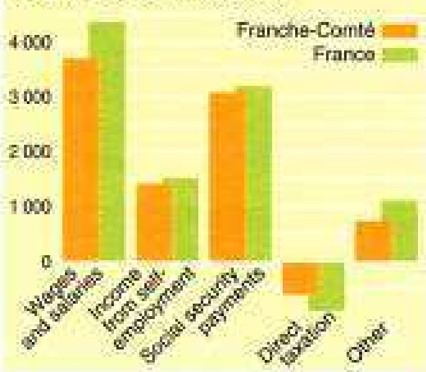
GDP (1980 = 100)



Wages (national level = 100)



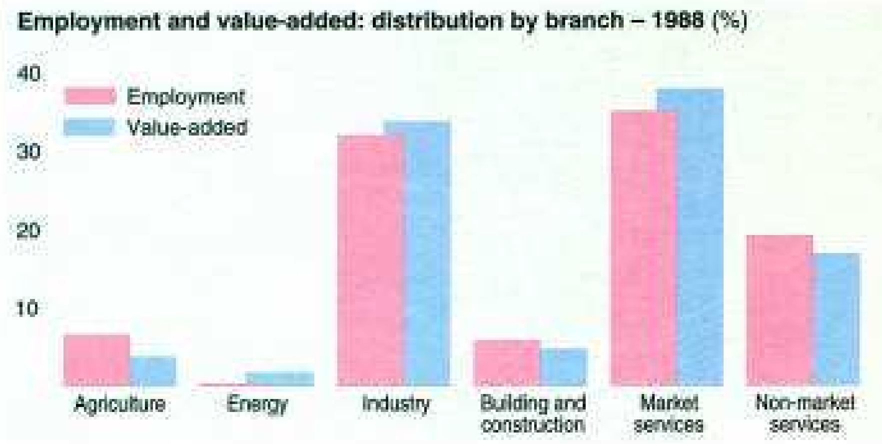
Disposable household income – 1987 (ECU per inhabitant)



Wages: still a little way to go

Wages in Franche-Comté are 16% lower than the national average (7% lower than those for provincial France). This is attributable partly to lower qualifications and partly to the structure of the local economy: few high-tech services activities and a lot of manufacturing industry. Disregarding these specific features, Franche-Comté still lags some 4% behind the rest of the country. While this handicap is not decisive, it could encourage young graduates and workers to leave for other regions or for Switzerland. The difference between the earnings of a worker in Franche-Comté and the national average wage is found at all levels of qualification, whatever the sector of activity.

The composition of primary income is the same in Franche-Comté as in the rest of France: a low proportion of property income (6%), just under a quarter of in come from self-employment and the bulk (71%) made up of earned income. The relatively low wages lead to a shortfall in primary income that transfers, i.e. mainly social security benefits and contributions, are unable to offset. In the final analysis, the disposable income of households in Franche-Comté is some way behind the rest of the country, and the disparity with the other regions is even tending to grow wider.



The potential of the services sector has still to be consolidated

More than 60% of the agricultural holdings in Franche-Comté are engaged in milk production. The major crops are found only on the plains, with grassland accounting for three-quarters of all farmland. Increased productivity has offset the decline in the number of persons working in agriculture, and the younger age of farmers is reflected in a better level of training and automation of methods. However, there are still a great many farmers over 50 who are wondering about the future of their farms.

Industrial production is dominated by the car industry. More than 400 000 vehicles come off the Peugeot assembly lines every year. The region's other industrial products include engines and locomotives for the high-speed train (TGV), computer printers, games, toys and spectacles, chemicals, furniture and machinery. Clothing and watches are still produced, while the textile industry is declining and clockmaking is in the process of change. As the successor to this clockmaking tradition, microtechnologies are becoming a beacon for the future.

The basic necessities of food, clothing, health and education are all properly satisfied through reasonably well-established retail networks, health-care services and public services. The same cannot be said of economic services. Wholesale distribution, business services and, above all, the design and consultancy sector are lagging some way behind the rest of the country.

Agriculture

Number of holdings	18 696
Labour force	26 738 AWU
Agricultural area	779 000 ha
Livestock	552 000 LU
Gross value-added	12 544 ECU/AWU

Main products	
Milk	50%
Cattle	21%
Cereals	8%

Main enterprises

Name	Employees	Activity
Automobiles Peugeot	26 900	Car manufacturing
GEC Alsthom	5 900	Electronics
ECIA	4 450	Motor vehicle parts
Solvay	2 650	Basic chemicals
«Casino» Guichard-Perrachon	1 850	Retail distribution
Bull	1 500	Computer equipment
Alsthom turbines à gaz	1 200	Turbines, dam equipment
Peugeot motocycles	1 100	Motorcycles and cycles
Parisot meubles	1 000	Furniture

A richly varied countryside

Being a highly coveted frontier region, Franche-Comté was laid waste on many occasions up to the seventeenth century.

The region's typical steeples are only 200 years old; some of them are of even more recent origin, such as that of the chapel of Ronchamp designed by Le Corbusier or that of the church of Audincourt. The many castles dominating valleys and roads, the fortifications built by Vauban at Besançon and Belfort and the Roman ruins are all well visited.

The region is probably best symbolized by the former royal salt-works at Arc-et-Senans. As the meeting-point of industry and the rural world, the model industrial village inspired by the visionary architecture of Ledoux nowadays houses an international conference and futurology centre.

The countryside offers an endless range of colours, from the many different greens of the forests, meadows, lakes and rivers to the white of winter. The tourist industry identifies itself with these colours, offering discovery of nature, fishing, water sports and pastimes, winter sports, etc. With 2 300 km of tracks, the Jura massif is one of the largest areas for cross-country skiing.

It is in the midst of this well-preserved nature that men of resolute character live. Scattered throughout the many villages, they have been able to unite when necessary, giving rise to the region's production cooperatives specializing in Comté cheese and Jura wines. Although their legendary independence still nourishes the parochial spirit rather than the new forms of solidarity, the intercommunal movement has taken off at a promising pace.

PAYS DE LA LOIRE

Situated between the Atlantic and the Paris Basin, and bounding the eastern part of Brittany, the Loire region covers an area of 32 000 km². Made up of five *départements* (Loire-Atlantique, Maine-et-Loire, Mayenne, Sarthe and Vendée) with origins in four former provinces (Anjou, Maine, Brittany and Poitou), it will be able to achieve, only gradually, true cultural, economic and social cohesion.

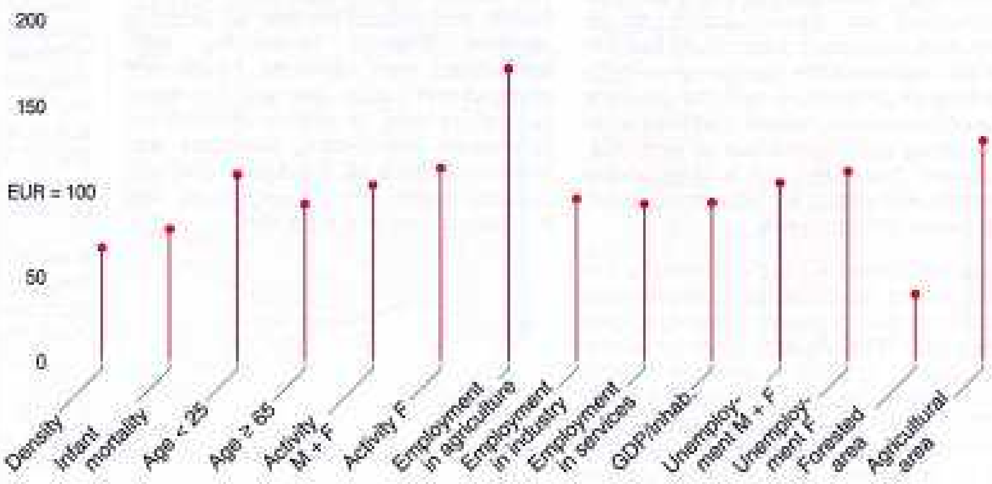
Drained by the valleys of the Loire system, the region consists mainly of the ancient hills of the Armorican massif. The Mont des Avaloirs rises to 417 m in north-east Mayenne. The landscape, consisting mainly of bocage (a mixture of woodland and pasture), has undergone a profound change over the past 30 years as a result of land consolidation. The east of the region opens onto the alluvial plateaux of the Paris Basin, whilst the littoral alternates between rocky coastline and long beaches of fine sand.

The drainage system is rich and varied and consists mainly of the Loire and its tributaries.

The climate is of the sub-Atlantic type, with mild temperatures throughout the year. The coastal region enjoys an exceptionally high number of sunshine hours, whilst the north and east of the region benefit rather less from the influence of the Atlantic.

Despite its diminishing economic importance, the Loire remains one of the region's assets.

Pays de la Loire in the Community



Young people forsaking quality of life for quality of work

Development of the region could be based on three assets:

– a strong and diversified agricultural sector, making possible the local development of an agri-food industry with high value-added production;

– a fairly low population density, which allows a quality environment to be preserved around dynamic urban centres. Provided the infrastructure is developed, this cannot but represent an asset at a time when quality of life is tending to play an increasingly important role;

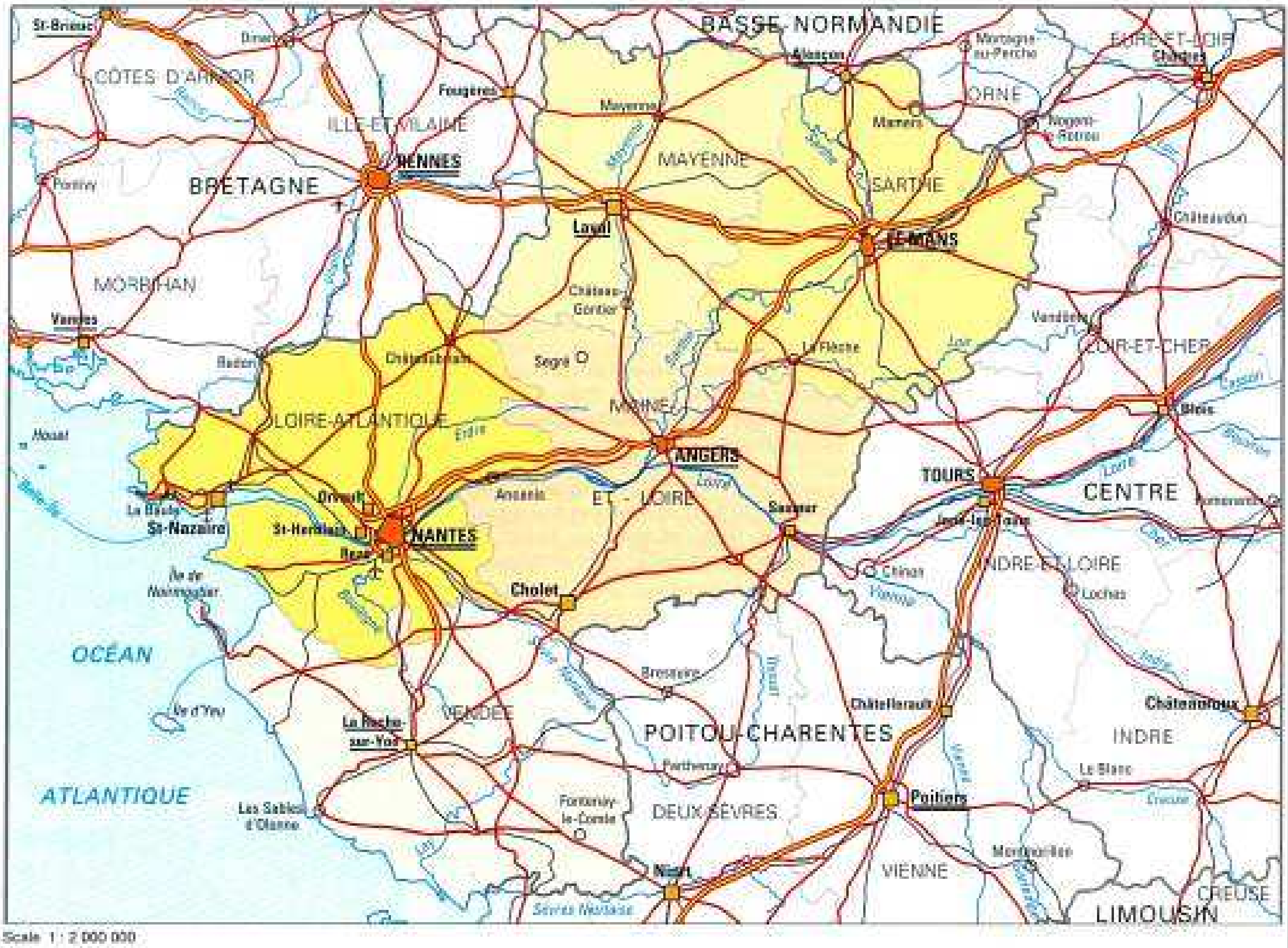
– a dynamic urban centre which is open to the Atlantic and which has all the necessary components (stock exchange, high-level services, rapidly expanding university centre) for satisfying the needs of dynamic businesses active on the international market.

However, three handicaps must be overcome:

– a traditional production apparatus which is based on semi-skilled labour and has a low level of productivity, meaning that it cannot clear the necessary margins to attract investment and so become more competitive;

– a low level of economic internationalization which, with the advent of the single market, may prevent the region from playing its role as part of the Atlantic rim;

– emigration from the region by young people between the ages of 20 and 30 seeking jobs that are more rewarding in terms of skills or pay.



Scale 1 : 2 000 000

Which EC regions are similar to the Pays de la Loire?

Population:
± 3 million inhabitants
± 100 inhabitants per km²
Wales (UK)
Galicia (E)

Employment:
± 12% in agriculture
± 30% in industry
Emilia-Romagna (I)
Comunidad Valenciana (E)

Land use:
± 75% agriculture
East Anglia; South-West (UK)
Nord-Pas-de-Calais (F)

Two attractive areas bounded by rural districts with ageing populations

Two areas, linked by the common denominator of water, constitute the region's main centres of attraction:

– the Loire Valley, which crosses the region from east to west, is home to three of the main urban centres and the economic heart of the Loire region. Nantes, Angers and Saint-Nazaire together account for more than a quarter of the population of the Loire Valley;

– the coastline, which stretches from the Loire estuary to south Vendée and attracts people in early retirement who come to enjoy the temperate climate away from the hubbub of city life.

Outside of these two areas, which together form a V-shape, there are rural areas. These are economically dependent on agriculture and a number of small, unprofitable businesses, and are thus unable to stem the outflow and inexorable ageing of the population. This is particularly true of south Vendée, south Maine-et-Loire and the north of the region (north Loire-Atlantique, Mayenne and part of Sarthe). In a *département* that obviously keeps one eye permanently turned towards Paris, the high-speed train link, which has brought Le Mans into the greater suburbs of the capital (less than one hour by TGV), may breathe fresh life into the problematic development of the industrial and services sectors.

	Area	Population			Activity	Unempl.	Employment			GDP/Inhab.
	1 000 km²	1 000	Inhab./km²	Change (%)	%	%	% Agricult.	% Industry	% Services	EUR (PPS) = 100
		1990	1990	1980-90	1990	1990	1990	1990	1990	1989
Loire atlantique	6.8	1 052	154	7.8	55	10.9	7	29	64	99
Maine-et-Loire	7.2	706	98	6.9	55	8.9	12	33	55	89
Mayenne	5.2	278	54	3.5	57	5.0	21	32	47	94
Sarthe	6.2	514	83	2.7	55	8.9	9	33	59	92
Vendée	6.7	509	76	7.7	53	7.5	13	37	50	84
Pays de la Loire	32.1	3 058	95	6.3	55	9.0	11	32	57	93
France (without FODs)	544.0	56 597	104	5.3	55	8.7	6	30	64	109
EUR 12	2 253.7	327 931	146	3.2	54	8.3	7	33	60	100

PAYS DE LA LOIRE

An ever youthful region

In eight years the population has increased by 129 000, mainly as a result of natural surplus. The region's fertility index, which was previously one of the two highest in France, has been below the national average since 1989 (175 and 180 children per 100 women respectively). Nevertheless, with 36% of its inhabitants under the age of 25, the region is still one of Europe's most youthful.

Although on the decline, net migration remains positive (11 400 persons between 1982 and 1990, as against 39 700 between 1975 and 1982), but conceals some contrasting situations:

– the cities of Nantes and, to a lesser extent, Angers attract people as centres of employment;

– the coast, with its mild climate, attracts people in early retirement. This accentuates ageing, but creates employment,

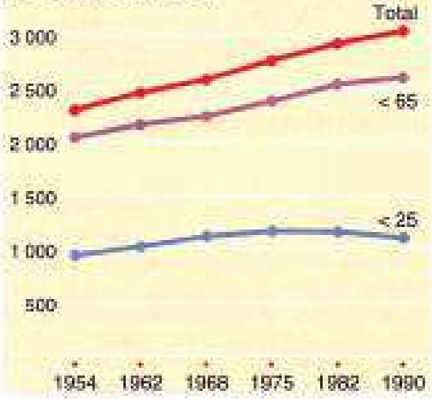
– other areas in severe decline and with ageing populations, as they are a long way from the main centres of employment.

In eight years, 50 000 young people aged between 20 and 30 have left the region to continue their studies or seek more highly skilled or better paid employment.

Population by age — 1990

	M + F 1 000	M + F %	M %	F %
< 15	622.1	20.4	21.3	19.4
15-24	483.3	15.8	16.6	15.1
25-39	667.4	21.8	22.5	21.2
40-54	519.5	17.0	17.4	16.6
55-64	314.7	10.3	10.1	10.5
≥ 65	450.7	14.7	12.1	17.2
Total	3 057.7	100.0	100.0	100.0

Population (1 000)



Resident population of foreign nationality — 1990

	1 000	% of total population
Total	43.8	1.4
of which EC countries	12.6	0.4
of which non-EC countries	31.2	1.0

Demographic account — 1980-90 (1 000)

Population 1.1.1980	2 878.2
Births	432.4
Deaths	274.4
Net migration	+21.9
Population 1.1.1990	3 058.1

More women in employment

The increase in the activity rate for the 25 to 54 age group is due mainly to the greater representation of women. The activity rate for women is one of the highest in provincial France, mainly because of the preponderance of industrial activities employing a high proportion of women.

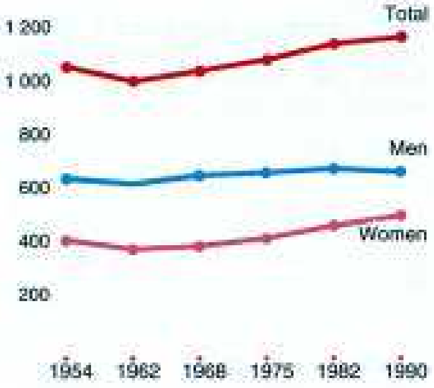
The youthfulness of the population (36% under the age of 25) explains why 26% of the region's inhabitants are in education. As elsewhere in the west of France, private education is very much in evidence, accounting for a third of primary level and half of secondary level establishments.

67 200 students are enrolled at the region's three universities or in high schools and colleges, and there is a total of 2 000 researchers specializing in material sciences, agri-food, electronics, plant physiology and biotechnology.

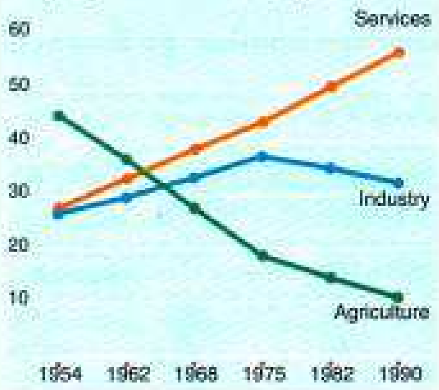
Number of pupils — 1990

	M + F 1 000	F %
Pre-school	147.3	49.0
Primary	241.1	48.4
Lower secondary	198.7	48.9
Higher secondary (technical)	39.1	49.7
Higher secondary (general)	91.8	55.0
Higher education	74.7	51.8
Total	792.7	49.8

Employment (1 000)



Employment structure (%)



Employment — 1990 (1 000)

Resident employment	1 186.3
+ Non-residents having a job in the region	22.7
− Residents having a job outside the region	35.3
= Internal employment	1 173.7

Unemployment (%)

The economy must offset job losses in agriculture

The agricultural sector remains important in the region. The other regional characteristic is the poor showing of services (particularly transport and business services).

The industrial sector, which is slightly better represented than at national level, is gradually approaching the average. The region is over-represented in the agri-food industries and the consumer goods sector and under-represented in the intermediate goods sector, although considerable progress has been made in the latter over the past few years (smelting, rubber and plastics industries).

After a substantial leap between 1967 and 1973 (3.1% per year), employment continued to grow faster at regional than at national level until 1980. This situation was reversed after 1980, the main reason for this being job losses in agriculture. Outside agriculture, employment has grown by 5.8% in eight years in the region as against 4.5% in France as a whole. This is one of the positive results of the region's economy, namely its capacity to create employment and so offset losses in the agricultural sector. Industry has been equally dynamic, limiting its losses to 5.5% between 1982 and 1990 as against 11.6% for the same period at national level.

Characteristics of resident employment (%)

	< 25 years	25-54 years	≥ 55 years	Employees	Employees: part-time		Employees: full-time temporary contract	
	1990	1990	1990	1990	1983	1990	1983	1990
Men	12	79	8	80	3	3	4	9
Women	12	81	7	84	24	35	2	6
Total	12	80	8	82	12	17	3	8

Women hardest hit by unemployment

In 1990, the unemployment rate conceals a number of major disparities between *départements*, notably between Mayenne, an agricultural *département*, and Loire-Atlantique, an industrial *département* which is still very much feeling the effects of restructuring in the metalworking and shipbuilding industries.

An improvement in the economic situation over the past few years has enabled the region to narrow its gap to the average. This is particularly true of young people under the age of 25, who have been the main beneficiaries of the upturn. They still account for 25% of the total unemployed, as against 33% five years ago. Unfortunately, the improvement has been less evident in the case of women and, for the first time ever, more women than men are seeking employment. They are also more affected by long-term unemployment, which incidentally has hit this region harder than the rest of the country. Activity rates that are above the national average, particularly in the case of women, and a large labour force of unskilled women in sectors that are steadily declining (clothing, footwear, etc.) may partly explain this state of affairs.

Owing to the continuing (albeit diminishing) preponderance of fixed-term jobs, half of all applications for registration as unemployed were made at the end of a contract or a temporary assignment.

Economy performing poorly

Long considered as the most industrialized of France's rural regions, the Loire region is seeing the structure of its economic activity approach that of the country as a whole. However, the proportion accounted for by the agricultural sector, whose structure and gross operating income are close to the national average, is still very high.

The Loire region is France's leading producer of beef and veal and her second largest producer of dairy, pork and poultry products, three-quarters of agricultural products being of animal origin. However, the favourable climatic conditions also allow farmers in the Loire Valley to grow high value-added produce such as wine, fruit, market garden crops, horticultural products, etc.

The region's traditional industries (shipbuilding, agri-food, clothing, footwear, timber, furniture, etc.) have seen their market shares gradually eroded by the intermediate goods sector (smelting, rubber, plastic products, paper and board) and the capital goods industries (electrical engineering and electronics, construction of inland transport equipment).

The main characteristics of the regional economy are as follows:

– modest export market (the region contributes a mere 3.6% towards France's exports);

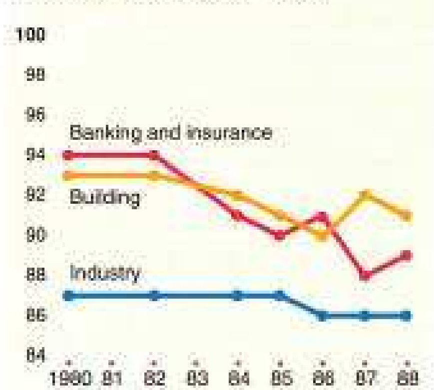
– a rate of investment that is lower than in France as a whole;

– a per-employee output that is almost 4% lower than that of provincial France, making the Loire one of the country's least productive regions.

Concentrating on areas of the market with low value-added, and often failing to adapt to new technologies, this is a labour-intensive, low-capital economy that is structured around small and medium-sized enterprises. These have similar output levels, and whilst they offer more jobs, they are largely unskilled and poorly paid, which explains the net migration loss of young persons of working age.

GDP (1980 = 100)

Wages (national level = 100)



Disposable household income – 1987 (ECU per inhabitant)

Wages lower than the national average

Wages in the region's private sector were 12.5% below the national average in 1988. This gap is continuing to widen, and has reached 14% in the industrial sector. This is because the region's industry is oriented towards areas of the market with low value-added that employ mainly women in unskilled and thus poorly paid jobs. However, the proportion of the region's value-added accounted for by wage costs is still higher than the national average owing to very low labour productivity in most sectors. The poor economic performance of the region's enterprises obviously affects the rate of investment, which is also below average.

The low labour productivity observed in industry is mirrored in the services sector, with the same repercussions for wage levels. This phenomenon is compounded by the poor showing of high-level services.

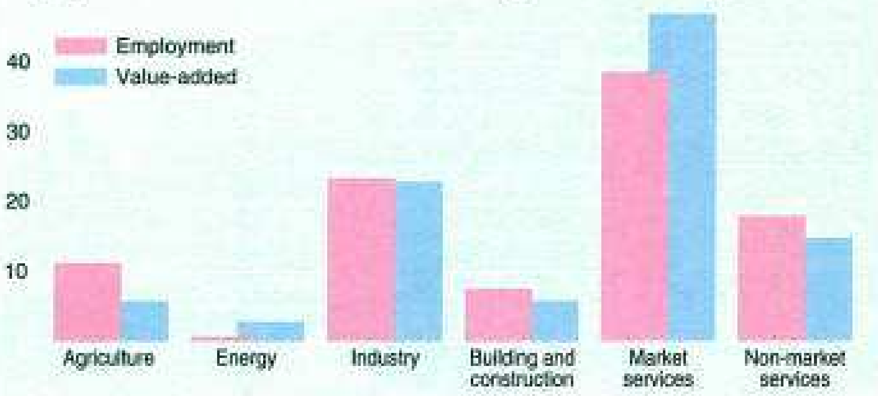
A low gross disposable household income

As with wages, the gross disposable income of households in relation to the number of inhabitants is lower (– 4.6%) than the average for provincial France. It is also increasing less rapidly than the national average. Apart from the low level of wages, the breakdown of this income shows a number of other distinctive characteristics:

– the social security benefits received by the region's inhabitants are the lowest in France owing to the population structure and the low proportion of elderly people in the region;

– operating income deriving from activities in craft industries, wholesale and retail distribution, agriculture and self-employment is almost 10% higher in the Loire region.

Employment and value-added: distribution by branch – 1988 (%)



Dynamic agricultural and business sectors

With 86 000 agricultural holdings, the Loire region ranks as one of France's most important agricultural areas. Agriculture is strongly geared towards livestock production (two-thirds of agricultural land and three-quarters of produce) — not to mention horticulture, fruit, vegetables or wine which, whilst accounting for a relatively small proportion of farmland, make up almost 17% of output.

Although there has been large-scale redeployment of the region's industry over the last 10 years or so, its main features remain largely unchanged, namely:

– a low volume of trade on the international market: the export rate for regional industry is around 20%, and half of all businesses have never generated more than 5% of their turnover from exports;

– unfavourable economic indicators: rates of investment, labour productivity, qualifications and the proportion of managers, technicians or supervisors are lower in the Loire region than in the country as a whole.

There is a contrasting situation regarding the services sector:

– financial services and, with the exception of the Nantes conurbation, business services match the performance of regional industry;

– with wholesale and retail distribution strongly represented and labour productivity and growth in value-added above the national average, regional trade is definitely booming.

Agriculture

Number of holdings	83 009
Labour force	129 476 AWU
Agricultural area	2 406 000 ha
Livestock	2 469 000 LU
Gross value-added	17 522 ECU/AWU
Main products	
Milk	24%
Cattle	23%
Poultry/eggs	13%

Main enterprises

Name	Employees	Activity
Régie nationale des usines Renault	5 900	Car manufacturing
Chantiers de l'Atlantique	4 800	Shipbuilding
Les Mutuelles du Mans	2 900	Insurance
Bull	2 700	Computer equipment
Aérospatiale	4 400	Aeronautics
Michelin	2 000	Tyres
SA Esswein	1 800	Household goods
Seipel (Sarel)	1 500	Radio/TV equipment

A quality environment that must be preserved

Although the Loire region is famous for its coastline, the hinterland is equally attractive, with 18 000 km of rivers and numerous lakes etc. embellishing countryside that is forever green. Three large regional parks on the edge of the region provide 5 000 km² of tranquillity in a protected environment: in the north, the Normandy-Maine park, in the west the Brière park, and in the south the Marais-Poitevin park, also know as 'Green Venice'.

Although the Loire region is one of the least densely wooded areas of France, trees are none the less an ever-present feature of the bocage that makes up most of the landscape. After years of destructive consolidation that has sometimes left the region devoid of trees, a more moderate policy has now been implemented, the bocage being thinned rather than destroyed.

The hold of the aristocracy, religious fervour, the mild climate and the attractions of the Loire Valley have endowed the region with a very rich artistic and architectural heritage. The region boasts no fewer than 150 sites of interest, a third of which are in Anjou alone.

The absence of heavy, polluting industry and the fact that the winds are predominantly from the Atlantic mean that the region's air is pollution-free: in Nantes, for example (500 000 inhabitants), there are just 12 micrograms of pollutants per cubic metre, one of the lowest rates recorded in France for a conurbation.

The population density of individual municipalities (communes), or at least of the region's districts (cantons), is still such that essential services and amenities can be provided locally. With the gradual exodus of farmers, the problem over the next few years will doubtless be how to retain sufficient rural activity to allow the environment to be preserved.

FRANCE

BRETAGNE

Brittany comprises four *départements* (Côtes-du-Nord, Finistère, Ille-et-Vilaine and Morbihan) covering an area of 27 200 km². Historically Brittany also included Loire-Atlantique, now part of the Pays de la Loire region.

The Armorican massif, of which Brittany constitutes the western part, was shaped during the Hercynian episode, when the Aquitaine plate was compressed beneath the Armorican plate. Erosion transformed the massif into an uneven peneplain, whose highest points are nearly 400 m above sea level.

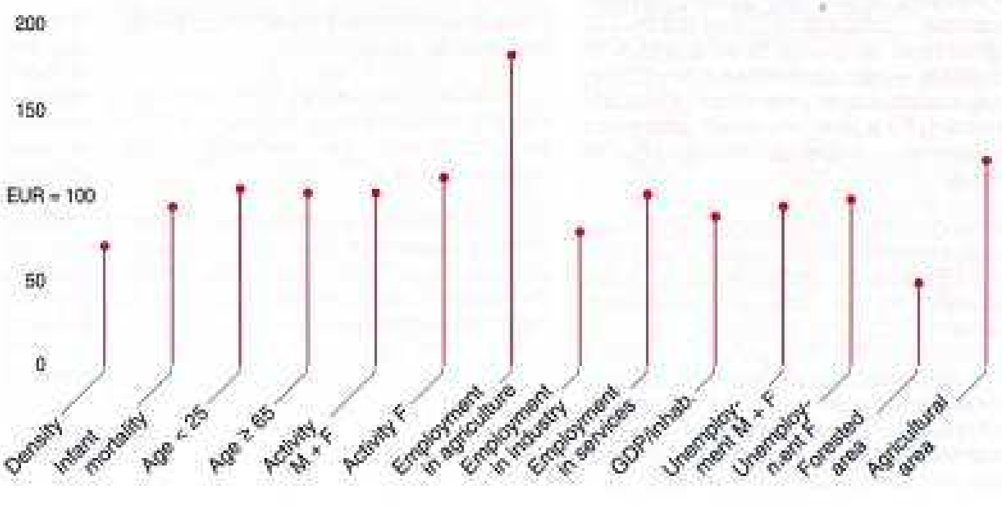
Much of the Brittany peninsula is bathed by the Gulf Stream and exposed to the prevailing west winds, giving the region a mild, humid climate. Precipitation in the region is moderate: Rennes actually has less (albeit more frequent) rainfall than Nice.

The ancient formations based on schists and granite are rich in silica, and are therefore acidic and not very fertile. Beeches and oaks form the natural vegetation, but woodland has in most places given way to bocage, the characteristic countryside of northern France.

The impermeable soils and pronounced relief explain the large number of springs and streams. The rivers are for the most part difficult to navigate, except near the coasts.

Brittany is a headland with a coastline stretching for more than 1 000 km.

Bretagne in the Community



An attractive region needing to develop its human resources

Brittany's natural and architectural beauty and its historical character make the region extremely attractive. This is one of the factors influencing investment decisions.

Although lacking in minerals, the region benefits from a dynamic agricultural sector and abundant marine resources.

The fact that Brittany is a peninsula is often considered a disadvantage. Although geographical remoteness can have its drawbacks, these have to be seen in context (Japan, for example, is much further away from its main markets). Moreover, Brittany is seeing a growing proportion of world trade pass through its coastal waters.

Although Brittany was late to industrialize, the gap has been narrowed, but there is still a need to boost investment, workforce training and wages. Brittany has to strengthen its economic fabric still further if it is to avoid a brain drain.

Indeed, the region's main asset is its human resources: few regions are better provided with educational establishments; perseverance and a spirit of enterprise are the inheritance of sailors and farmers. When they manage to overcome their local rivalries, Bretons display a considerable capacity for initiative, logistic organization and collective action.

Scale 1 : 2 000 000

Which EC regions are similar to Bretagne?

Population:
around 3 million inhabitants
± 100 inhabitants per km²
Galicia (E)
Brandenburg (D)

Employment:
13% in agriculture
60% in services
Sardegna; Campania (I)
Aquitaine; Midi-Pyrénées (F)

Land use:
± 70% agriculture
± 10% forest
Schleswig-Holstein (D)
Yorkshire and Humberside (UK)
Danmark

Development concentrated in the south and east

Brittany's driving force is some 20 towns, centres of employment constituting a formidable urban infrastructure.

Traditionally, broad distinctions are made between Armor and Arcoat ('the land of the sea' and 'the land of the forest') and between east and west Brittany (i.e. the French- and Breton-speaking parts of the region).

The population drift from the land and increasing industrialization have recently altered the region's demographic and employment patterns. Central Brittany, a rural area with no important towns and benefiting little from the road-building programme, is experiencing a population exodus which is threatening to devitalize the area. Economic development has favoured the south-eastern half of the region, particularly around Rennes and Vannes, where industrial and services sectors employment is concentrated.

The coastal employment centres have had varying fortunes: growth in the north-west, from Lannion to Brest, lags behind the regional average; the tourist parts of the region (Auray and Saint-Malo) are experiencing satisfactory growth, while the south-west, from Lorient to Quimper, occupies an intermediate position.

The balance between urban and rural areas has been upset by increases in car ownership and the associated urbanization: rural communities near to main urban centres are developing, while more remote rural areas become depopulated.

	Area	Population			Activity	Unempl.	Employment			GDP/inhab.
	1 000 km²	1 000	Inhab./km²	Change (%)	%	%	% Agricult.	% Industry	% Services	EUR (PPS) = 100
		1990	1990	1980-90	1990	1990	1990	1990	1990	1989
Côtes d'Armor	6.9	539	78	0.8	50	7.9	17	24	59	80
Finistère	6.7	839	125	2.2	51	8.6	12	25	63	92
Ille-et-Vilaine	6.8	798	118	8.6	56	7.7	10	29	62	99
Morbihan	6.8	620	91	6.4	53	9.8	13	29	58	84
Bretagne	27.2	2 795	103	4.6	52	8.4	13	27	61	90
France (without FODs)	544.0	56 597	104	5.3	55	8.7	6	30	64	109
EUR 12	2 253.7	327 931	146	3.2	54	8.3	7	33	60	100

The Breton population: growing but greying

The population is concentrated along the coastal employment centres and around Rennes. This concentration is becoming more pronounced, to the detriment of central Brittany.

The region currently has 2 800 000 inhabitants, only slightly more than the 2 600 000 recorded in 1911. The region was the scene of some terrible bloodshed during the First World War, which was followed by three decades of stagnation. Brittany gradually overcame the rural exodus, particularly towards the Paris region, and went on to experience remarkable demographic growth: a high birth-rate, followed by a favourable turnabout in migratory balances, resulted in accelerated population growth until the 1970s.

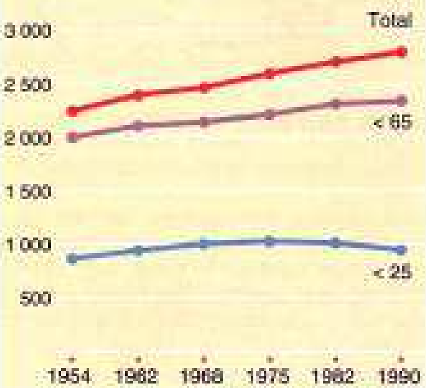
Since then, life expectancy has continued to rise, but the fertility rate, which was previously well above the national average, is now slightly below average. Natural growth remains positive (6 000 a year since 1982), as does net migration (4 900 a year since 1982).

A result of these trends is the gradual ageing of the regional population: whereas Brittany provided a pool of manpower up to the 1960s, it is now home to a growing number of retired persons.

Population by age — 1990

	M + F 1 000	M + F %	M %	F %
< 15	527.2	18.9	19.9	17.9
15-24	429.9	15.4	16.2	14.6
25-39	596.9	21.3	22.5	20.3
40-54	474.8	17.0	17.5	16.4
55-64	312.8	11.2	10.9	11.5
≥ 65	453.9	16.2	13.0	19.3
Total	2 795.5	100.0	100.0	100.0

Population (1 000)



Resident population of foreign nationality — 1990

	1 000	% of total population
Total	26.5	1.0
of which EC countries	8.7	0.3
of which non-EC countries	17.8	0.6

Demographic account — 1980-90 (1 000)

Population 1.1.1980	2 672.3
Births	368.8
Deaths	301.1
Net migration	+ 55.3
Population 1.1.1990	2 795.3

A large, well-trained workforce

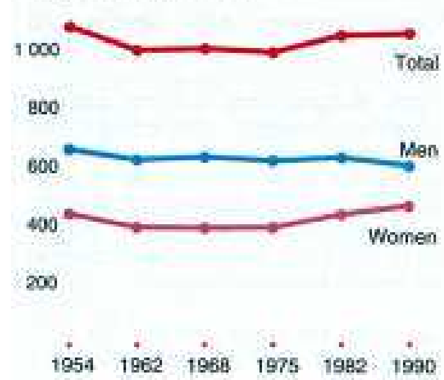
A higher percentage of women are economically active in Brittany than elsewhere in France, many of them working on family-owned agricultural holdings, but they are also well represented in paid employment. There is also a potential reserve of highly-skilled and experienced workers, obliged to move out of the region to obtain their first job but now keen to return to their place of origin.

The activity rate for persons in the 20 to 25 age group fell considerably between 1982 and 1990. Difficult economic conditions increasingly prompt young people to prolong their studies. In addition to three universities, its Institutes of Technology (IUTs) and its Higher Technical Departments (STSs), it boasts eight *Grandes écoles*, including three engineering schools, a school of architecture, a business school, the National School of Public Health and two schools of agronomy. A particular feature of the education in Brittany is the important role played by private Catholic education.

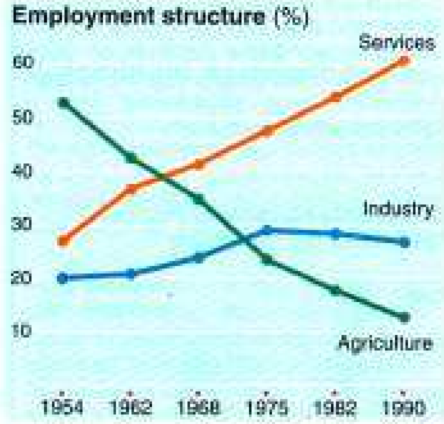
Number of pupils — 1990

	M + F 1 000	F %
Pre-school	135.4	48.7
Primary	203.2	48.8
Lower secondary	166.3	48.9
Higher secondary (technical)	39.7	44.9
Higher secondary (general)	89.7	55.2
Higher education	76.1	52.4
Total	710.4	49.8

Employment (1 000)



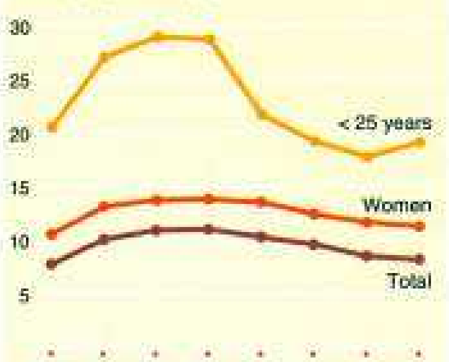
Employment structure (%)



Employment — 1990 (1 000)

Resident employment	1 050.2
+ Non-residents having a job in the region	11.5
– Residents having a job outside the region	25.3
= Internal employment	1 036.4

Unemployment (%)



Success in compensating for the loss of farm jobs

Employment in the agricultural sector in Brittany is still twice as important as in the rest of France, despite the considerable fall in agricultural employment.

The building industry, which was also important in the 1960s, has seen its workforce fall by one-third in 20 years. Paid employment in the industrial and services sectors has progressively compensated for these job losses. The continuous growth in these sectors from the early 1960s to 1983 was such that the drop in employment levels during the economic crisis of the early 1970s was gentle, amounting to just 1.4% between 1968 and 1975. Indeed, the sectors most severely affected, such as the textile and iron and steel industries, are not represented in Brittany to any great extent.

Employment fell for the first time in 1984. An underperformance in the services sector and a slow-down in demand caused a 2% fall in the number of jobs over three years. Industry entered into a decline, which affected even the most dynamic sectors. The region had to wait until 1987 before a resumption of economic growth pushed paid employment back up to the levels of 1983. The years from 1987 to 1989 were particularly good, with the net creation of 27 000 jobs. 1990 was less favourable: the international situation brought about the loss of certain markets and prompted industry to adopt a wait-and-see policy.

Characteristics of resident employment (%)

	< 25 years	25-54 years	≥ 55 years	Employees	Employees: part-time		Employees: full-time temporary contract	
	1990	1990	1990	1990	1983	1990	1983	1990
Men	11	81	8	77	2	4	4	9
Women	12	79	9	79	21	28	3	8
Total	12	80	8	78	10	14	4	8

A hesitant decline in unemployment

Between 1983 and 1986 unemployment in Brittany rose as industry shed jobs. The jobless total peaked at the end of 1986. During this crisis period, more than one-third of the working population under 25 years of age were unemployed. Women also had greater difficulty in finding employment in Brittany.

The economic recovery of the late 1980s brought with it a considerable fall in unemployment. Moreover, the structure of the unemployed workforce converged with that in France and Europe. Youth unemployment fell by nearly half. There were two reasons for this decline: the effectiveness of youth employment policy and a decline in young people's rate of economic activity. In 1990, 40% of all young people in employment (and 50% of all young women in employment) were working in rather insecure jobs. The corresponding figure for those in the older age groups was just 6%. The slow-down in economic activity which began in 1990 will have an adverse effect on youth and female employment.

Being less qualified than their male counterparts, women are the first victims of industrial decline: the electronics and agri-food sectors have already begun to shed large numbers of unskilled labour and this threatens to exacerbate what is already women's under-representation in industrial employment. To compound the problem, the services sector – for so long the provider of female employment – is losing momentum.

The Breton economy: industrial latecomer

Although not well endowed with mineral and energy resources, Brittany has known periods of great prosperity, thanks to a dynamic commercial sector which has at times had to contend with protectionist policies at national level.

Despite the rapid modernization of recent decades, Brittany is not one of France's richer regions. Wages in the region remain rather low, in line with the level of training of the local workforce and the number of managerial staff; apparent labour productivity is lower than the national average, a fact which goes some way to explaining the persistently unsatisfactory levels of investment.

The mild climate favours cattle farming and vegetable growing. In addition to these traditional farming sectors, pig and poultry farming have recently been thriving.

The fishing catches landed account for 45% of the national total.

Brittany's traditional industries, i.e. shipbuilding and, above all, the agri-food industry, grew up around the region's marine and agricultural resources. These industries have remained vigorous, unlike the leather and textile industries. Industrial decentralization has had varying results: increased car ownership has helped the growth of employment in the Rennes area, whereas the decision to locate electronics factories in the Trégor area has not had the hoped-for effect.

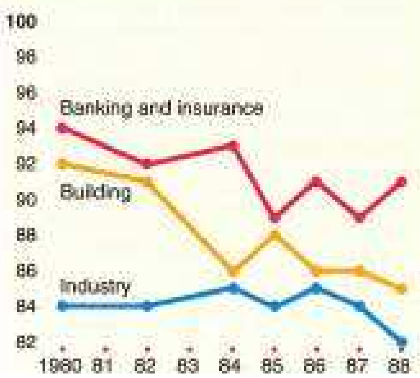
Breton industry is characterized by numerous small and medium-sized enterprises, a fact which can make the regional economy both flexible and fragile.

At 6%, Brittany's share of the national research budget (excluding Île-de-France) is quite significant. Apart from the region's three universities, its most important research establishments are in the telecommunications sector (CNET and CCETT), the agri-food sector (INRA) and marine research (Ifremer).

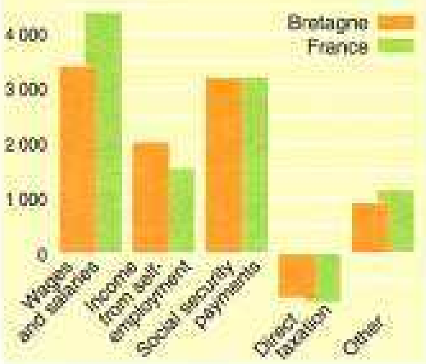
The region's modest share of France's foreign trade (2.6% of exports and 2.2% of imports) is due to the fact that its food products are aimed mainly at the French market, and that, although some 40% of the Breton workforce depends on decisions taken outside the region, foreign companies have established only a moderate presence there.

GDP (1980 = 100)

Wages (national level = 100)



Disposable household income – 1987 (ECU per inhabitant)



A region of low wages

Average wages in Brittany are among the lowest in France. The 1980s did nothing to close the gap; on the contrary, average wages in Brittany rose less rapidly in the 1980s than in the rest of metropolitan France.

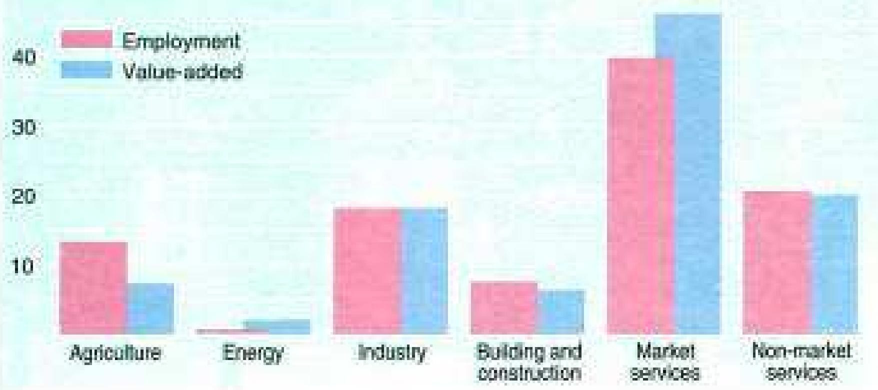
It is true that there has been some catching up in certain industrial sectors, such as the car, electronics and mechanical engineering industries, and in the wholesale food trade, but wages are lagging even further behind the national average in the building industry, the retail trade, transport, banking and insurance and most market services.

The 1980s saw a relative, if not absolute, decline in the living standards of non-manual workers in Brittany. In 1987-88, their average salaries were lower than the average wages paid to manual workers.

In fact, the rates of workers' pay rises in the 1980s outstripped those of other groups in paid employment. The causes of this are twofold: the shedding of unskilled labour and the upgrading of the remaining jobs. Both developments have helped Breton industry to withstand the crisis in the productive sector rather better than the rest of France.

Although the average wages paid to industrial workers improved during the 1980s, wages in the building sector have remained unchanged in real terms. This is a consequence of the severe crisis which has hit the sector.

Employment and value-added: distribution by branch – 1988 (%)



A dominant agri-food sector

A major feature of the Breton economy is the agri-food sector. Agriculture and agri-food industries accounted for 14.7% of regional value added in 1988 (compared with 6.2% for France as a whole).

With more than 1 million head of cattle, the dairy sector obviously occupies a place of importance in agriculture. Milk alone accounts for more than a quarter of agricultural production. Pig farming, already an important activity in Brittany, accounting for a further 25% of regional agricultural production, has to some extent replaced cattle farming in recent years following the imposition of milk quotas. Poultry farming accounts for a further 18.5% of agricultural produce in the region. Altogether, Brittany accounts for 12% of all French agricultural production and 22% of livestock production.

A local food-processing industry has sprung up, centring on the milk and meat sectors, canning and the production of animal foodstuffs. The region's manufacturing industry is very much concentrated on the production of capital goods: car assembly at Citroën's factory in Rennes, military shipbuilding at the shipyards in Brest and Lorient, and electronics in the area around the National Telecommunications Centre which has been set up in Côtes-du-Nord and whose most notable participants include Alcatel and Thomson.

Brittany produces relatively few intermediate goods. As this sector is a major consumer of energy, the region's industry has been able to ride out periods of recession with relatively little disruption.

Agriculture

Number of holdings	92 290
Labour force	133 650 AWU
Agricultural area	1 858 000 ha
Livestock	3 394 000 LU
Gross value-added	14 347 ECU/AWU
Main products	
Milk	29%
Pigs	23%
Poultry/eggs	18%

Main enterprises

Name	Employees	Activity
Automobiles Citroën	14 000	Car manufacturing
Direction de la construction d'armes navales	11 000	Shipbuilding
CIT Alcatel	2 300	Telecommunications
Thomson CSF	2 000	Electronics
Secta Yves Rocher	1 900	Cosmetics
Unicopa	1 800	Agricultural cooperative
Matra Communication	1 700	Telecommunications
Hyper Rallye	1 600	Retail distribution
Ouest-France	1 500	Newspapers and publishing

A unique but fragile environment

Brittany's wealth of natural and cultural assets makes it an attractive region not only for tourists but also for the local population. The prevailing west winds bring the region invigorating fresh air which is free from the atmospheric pollution encountered elsewhere on the continent. The quality of the water, although generally good, is nevertheless under threat, particularly from the practice of spreading manure sludge and the use of nitrate fertilizers. Also, the people of Brittany are only too well aware of the oil slicks which have ravaged their shores on many occasions.

The coastal regions and the Breton islands have a powerful allure. They are a priceless but fragile asset, unable to withstand a building free-for-all or the excessive development of tourism, which is obviously tempting for the tourist industry and local communities. The interior of the region, although less well known to tourists, is no less well endowed with natural assets and has a rich architectural heritage.

The strong character of Brittany is reflected not only in its folklore but also, and indeed above all, in its human and cultural dimension. Brittany's strong oral tradition has given rise to an abundance of myths and legends which have been kept alive by the spirit of adventure of young Bretons.

The distribution of water throughout the region is at the root of its exceptional population distribution: one-third of the region's population lives scattered among 100 000 villages and hamlets. Will the population distribution survive the march of economic efficiency which is reflected in the reparcelling of land and mass migration as people seek employment?

The quality of the environment, and therefore of life itself, calls for a policy of controlled economic development on the part of the public authorities. Nowhere is this more true than in Brittany, where the ecological and socio-demographic balances are fragile.

FRANCE

POITOU-CHARENTES

Comprising the four *départements* of Charente, Charente-Maritime, Deux-Sèvres and Vienne, the Poitou-Charentes region has an area of 25 800 km². It is made up of four zones, which are different in size, physical features, climate and population:

– on the granite foothills of the Massif Central, grasslands where animals graze;

– to the north-west, a corner of the Massif Armoricain, with its patchwork landscape of pastures, forests and fens, is also a cattlerearing area;

– along the Atlantic coast, a zone of alluvial plains and fens, where maritime activities and tourism predominate;

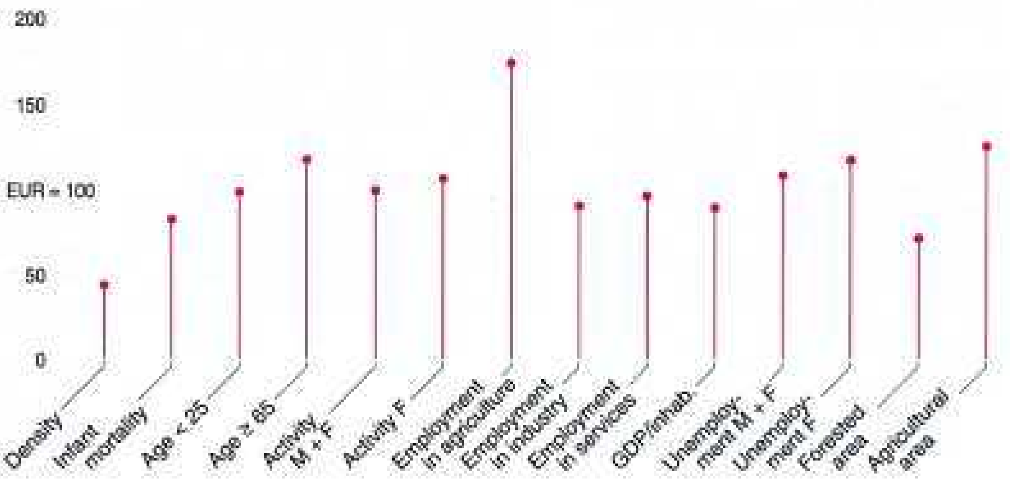
– in the centre, cereals, oilseed plants and vines are grown on soils of varying degrees of fertility in which limestone predominates.

The region has a maritime climate with a large number of hours of sunshine and, in the two zones of pastureland, higher precipitation than in the other two.

This natural diversity has resulted in complementarity and solidarity between the inhabitants of the former provinces of Poitou, Angoumois, Saintonge and Aunis, where, in days gone by, different civilizations passed through and clashed with one another.

With more than 90 000 ha of cognac vineyards, Poitou-Charentes has a production potential sufficient to satisfy world consumption.

Poitou-Charentes in the Community



Advantages and disadvantages of rural life

The region suffers from the following major drawbacks:

– An underdeveloped industry. Activities involving low-skilled jobs which generate low wages. Design offices outside the region, hence little demand for engineers.

– There is no real regional capital, since the biggest city is not quite big enough to attract high-technology services.

– The demographic situation gives cause for concern, since it combines a fall in the fertility rate, a positive migration balance as a result of retired people moving to the coast, and a drift of young adults away from the region.

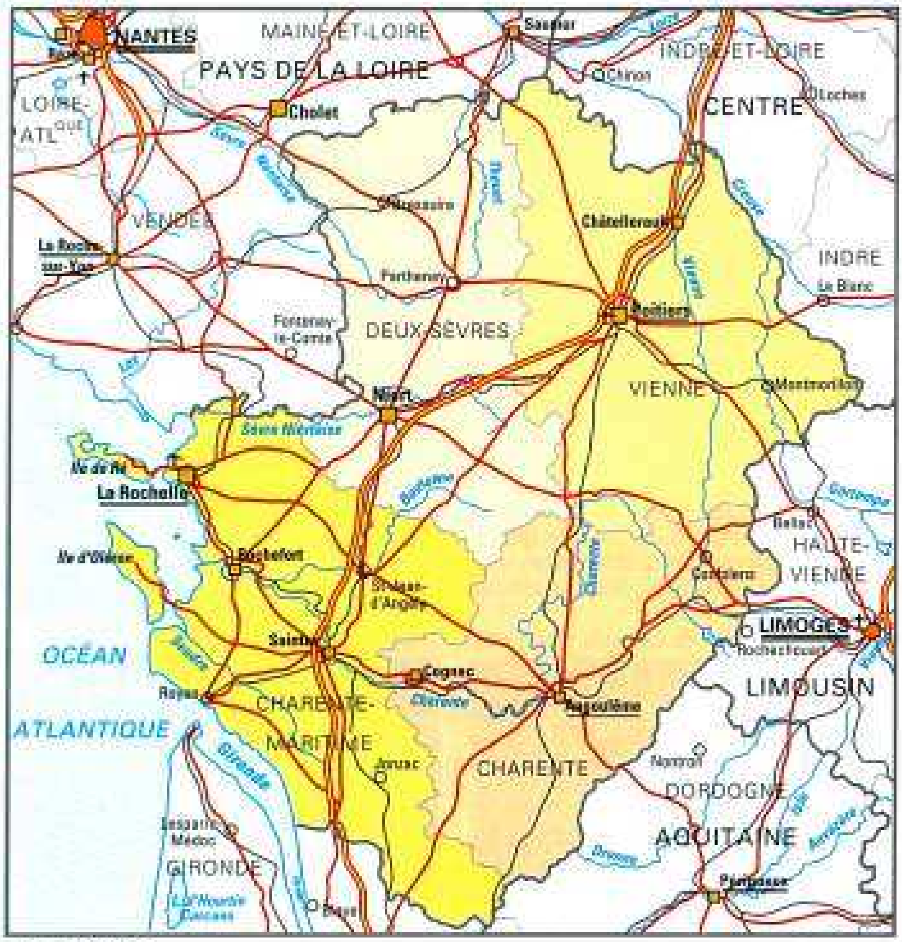
The region does, however, possess the following major assets:

– A coastal situation conducive to international trade thanks to the deep-water port of La Rochelle.

– Definite tourist appeal, with resorts concentrated around the islands, a mild microclimate, and a historic past which has left a legacy of many Romanesque buildings.

– An urban framework which consists of medium-sized towns and has avoided urban sprawl and the associated social problems.

– Internationally renowned products: 93% of the cognac produced is exported. Oysters from Marennes-Oléron, butter from Charentes, local goat's cheese (80% of French production) and Charentes slippers have made the region known all over the world.



Scale 1 : 2 000 000

Four main population areas

The people of Poitou-Charentes are increasingly concentrated in four areas: along the natural axis of the River Charente (Angoulême, Cognac and Rochefort), along the RN10 and RN11 roads (Châtellerault, Poitiers and Niort), along the Atlantic coast (La Rochelle, Rochefort, Île de Ré, Île d'Oléron and Royan), and in the north of Deux-Sèvres (Bressuire and Thouars). Outside these areas the region is thinly populated: the zone between Montmorillon and Confolens, the south of the Charente and Charente-Maritime *départements,* the centre of the region, and the border between the Deux-Sèvres and Vienne *départements.*

The biggest towns in the region (Poitiers, La Rochelle and Angoulême) form three employment zones, with more adults of working age than elsewhere. In contrast, the three zones with the lowest population density (Montmorillon, Upper Charente and South Charente) have to contend with the problem of an ageing population and are principally farming areas. One of the main features of the north of the Deux-Sèvres *département* is that it has a very young population, the result of high fertility rates until recently. The areas of Châtellerault, Cognac and Angoulême are the most heavily industrialized. Services activities are concentrated mainly around Poitiers and La Rochelle, but also in Saintonge Maritime and the south of Deux-Sèvres.

Which EC regions are similar to Poitou-Charentes?

Population:
± 1.6 million inhabitants
less than 100 inhabitants/km²
Bourgogne (F)
Kentriki Makedonia (GR)
Sardegna (I)

Age:
1 in 6 persons over 65 years old
East Anglia; Wales (UK)
Languedoc-Roussillon;
Midi-Pyrénées; Aquitaine (F)
Aragón (E)

Employment:
12-14% in agriculture
55-60% in services
Pays de la Loire; Auvergne (F)
Trentino-Alto Adige (I)

Land use:
± 70% agriculture
± 15% forest
Scotland (UK)
Sardegna (I)

	Area	Population			Activity	Unempl.	Employment			GDP/inhab.
	1 000 km²	1 000	Inhab./km²	Change (%)	%	%	% Agricult.	% Industry	% Services	EUR (PPS) = 100
		1990	1990	1980-90	1990	1990	1990	1990	1990	1989
Charente	6.0	342	57	0.7	54	9.5	13	34	53	99
Charente-Maritime	6.9	528	77	3.7	51	11.9	13	23	64	82
Deux-Sèvres	6.0	346	58	1.6	54	8.8	15	27	58	91
Vienne	7.0	380	54	3.6	52	8.9	10	28	62	88
Poitou-Charentes	25.8	1 596	62	2.6	52	9.9	13	28	59	89
France (without FODs)	544.0	56 597	104	5.3	55	8.7	6	30	64	109
EUR 12	2 253.7	327 931	146	3.2	54	8.3	7	33	60	100

A rural region with an ageing population

Rural because it is thinly populated and because barely half the population live in towns; the population is ageing because the proportion of old people continues to increase while that of young people is declining. Thus in 1990, 18% of the inhabitants of Poitou-Charentes were 65 or over and 32% were under 25, compared with 14% and 38% respectively in 1954.

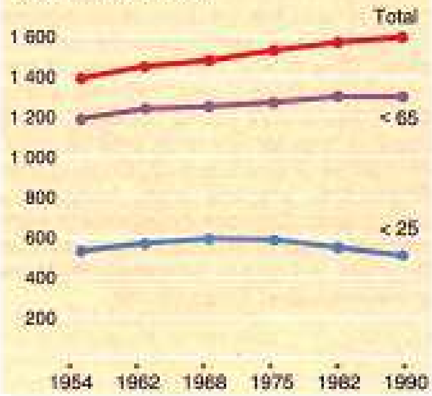
It is true that births have exceeded deaths by 1 500 to 2 000 per year in recent years, but the fertility rate is decreasing and there is a low mortality rate in the region. Thus the growth rate of this ageing population is decreasing: it was +0.5% per year in the 1950s, +0.4% between 1962 and 1982, and only +0.2% during the 1980s.

There is little chance of an overall trend of this kind being reversed. It is true that the migratory balance is positive, but those who arrive are mostly in the older age brackets and settle in the coastal resorts.

Population by age — 1990

	M + F 1 000	M + F %	M %	F %
< 15	280.4	17.6	18.4	16.8
15-24	231.0	14.5	15.2	13.8
25-39	336.1	21.0	21.6	20.5
40-54	273.3	17.1	17.6	16.7
55-64	184.9	11.6	11.5	11.7
≥ 65	289.9	18.2	15.7	20.5
Total	1 595.6	100.0	100.0	100.0

Population (1 000)



Resident population of foreign nationality — 1990

	1 000	% of total population
Total	24.9	1.6
of which EC countries	13.0	0.8
of which non-EC countries	11.9	0.8

Demographic account — 1980-90 (1 000)

Population 1.1.1980	1 555.8
Births	192.8
Deaths	168.8
Net migration	+15.8
Population 1.1.1990	1 595.6

More working women and more students

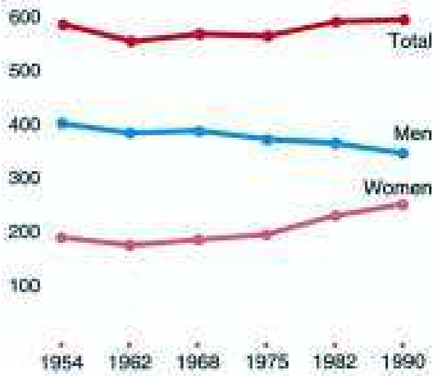
There are more working women in all age groups than in France as a whole, except those over 50, who are in line with the national average. There are more working men under 20 and over 50. The working population has increased by 31 000 (4.7%) in eight years or, to be more precise, it has gained 39 000 working women and lost 8 000 working men.

In 15 years the number of university students has risen from 13 000 to 21 000. Except for the University Institute of Technology in La Rochelle, the Regional University is based in Poitiers. In addition to the usual university departments, it has a Business Administration Institute and engineering colleges. The Technical University of Poitiers has departments in Châtellerault, Niort and Angoulême, which are soon to be given the status of fully autonomous UITs. In 1995 Poitou-Charentes will have a second autonomous university in La Rochelle. The National Mechanics and Aeronautics College also figures among the region's higher education establishments.

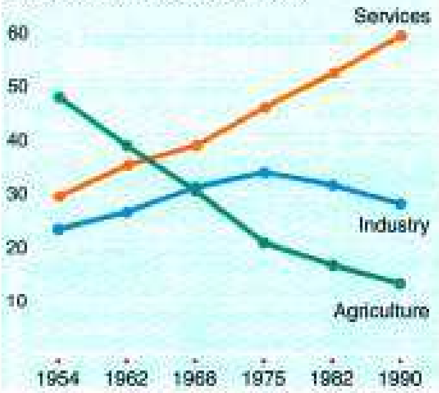
Number of pupils — 1990

	M + F 1 000	F %
Pre-school	66.2	48.7
Primary	108.9	48.3
Lower secondary	88.6	49.7
Higher secondary (technical)	22.8	47.4
Higher secondary (general)	44.6	54.7
Higher education	30.2	53.0
Total	361.3	49.9

Employment (1 000)



Employment structure (%)



Employment — 1990 (1 000)

Resident employment	599.9
+ Non-residents having a job in the region	12.5
– Residents having a job outside the region	19.3
= Internal employment	593.1

Unemployment (%)

Despite a decline, still many jobs in agriculture

Agriculture remains greatly over-represented, while industry is under-represented.

The region's industry covers a wide range of activities, with the agri-food industry (cognac, meat and milk) and consumer goods (woodworking, furniture, clothing and footwear) clearly in the lead. By contrast, intermediate goods, except for paper and board and building materials/ceramics, are under-represented, as are capital goods despite the large-scale presence of the aeronautical engineering, armaments and electrical engineering industries in the region.

The services sector does not have a very strong presence, only three sectors being over-represented: insurance, non-market services and food wholesaling.

The large number of jobs in agriculture explains the high proportion of self-employed persons.

Between 1968 and 1975 Poitou-Charentes benefited from the policy of industrial decentralization and saw an increase in its workforce. Between 1975 and 1980 the resilience of industry, the expansion of the services sector and the reduction in the number of people leaving agriculture helped to increase overall employment. The beginning of the 1980s brought a halt to this growth. Industry and building and public works were severely affected, and the rate of increase in services sector jobs slowed down. The stability of employment in 1985 and 1986 was due to the expansion of youth training schemes. Since 1987 employment has continued to rise without the help of these precarious jobs.

Characteristics of resident employment (%)

	< 25 years	25-54 years	≥ 55 years	Employees	Employees: part-time		Employees: full-time, temporary contract	
	1990	1990	1990	1990	1983	1990	1983	1990
Men	14	76	10	75	2	4	4	12
Women	16	75	9	85	24	28	2	9
Total	14	76	10	79	12	14	3	11

Higher unemployment than elsewhere

Poitou-Charentes is one of the regions hardest hit by unemployment. There are parallel trends in the regional and national unemployment rates.

For several years the number of female job-seekers aged between 25 and 49 has been increasing, and the situation of the long-term unemployed has continued to worsen. On the other hand, the number of unemployed persons under 25 has been decreasing: measures to employ young people as trainees and the fact that many stay on longer at school or leave to look for a first job in regions where the prospects are better keep many young people out of the employment market.

It is non-manual workers who are bearing the brunt of increased unemployment. The fact that women are worse affected by the trend in unemployment is partly responsible for this, since the majority of non-manual workers are women.

45% of those signing on as unemployed give the expiry of a temporary contract as the reason, although their numbers are decreasing slightly. There are also fewer redundancies, pointing to a healthier economy in general and industry in particular.

Long-term unemployment particularly affects people over 50 who have been made redundant. Despite the measures taken to assist them, 23% of people in this category have been out of work for more than three years.

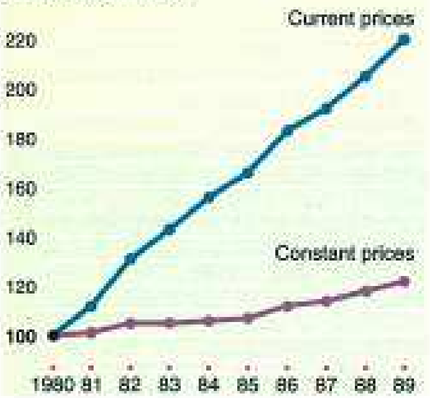
Small firms in traditional sectors

The region's production system has a very low apparent labour productivity.

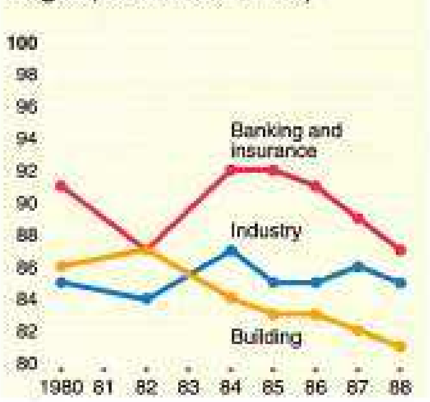
With 8 and 4% of the region's value-added respectively, agriculture and the agri-food industry are strongly represented. The large percentage of value-added accounted for by the non-market services sector (20%) may be regarded as indicative of a certain economic backwardness. On the other hand, the intermediate goods and capital goods sectors and the market services sector have percentages lower than the national average. Small and medium-sized enterprises (SMEs) form a considerable part of the region's manufacturing industry.

These SMEs are concentrated in traditional sectors with fairly poor prospects for growth: woodworking, furniture, building materials, milk, meat and footwear. On the other hand, their presence is not so marked in the more promising sectors of metalworking, mechanical engineering, electronics and plastics. The fact that there is no powerful industrial centre probably limits the amount of technology spin-off and transfer resulting from subcontracting or partnership arrangements. The performance ratios of these SMEs are lower than the national average for the corresponding sectors: productivity per worker (often accompanied by lower capital intensity), profit per worker and export sales (excluding certain prestige sectors such as cognac, of course, but also meat, woodworking, building materials and pleasure craft). This does not mean, however, that there is a total lack of successful firms in each of these sectors.

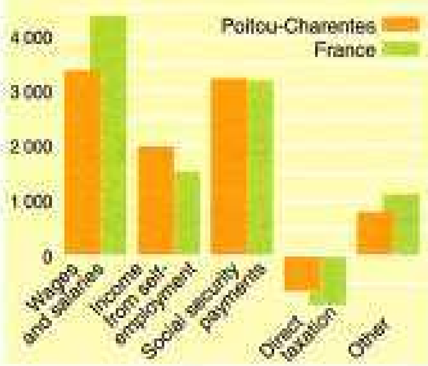
GDP (1980 = 100)



Wages (national level = 100)



Disposable household income – 1987 (ECU per inhabitant)



Incomes made up of low salaries and high social benefits

Since most jobs are not skilled, earnings in the region are considerably lower than the national average and are among the lowest in France. In 1988 industrial wages were on average 15% lower than those in French industry as a whole, and there has been little structural change in the region.

The wage bill as a proportion of value-added is lower than the national average in some key sectors (agri-food etc.) but in most cases it is on a par with that of the other regions of France despite the low wages in the region. It can be seen from this that the region's industry is not as profitable or as modern as it could be.

The average net disposable income of an inhabitant of Poitou-Charentes is 10% lower than the national average.

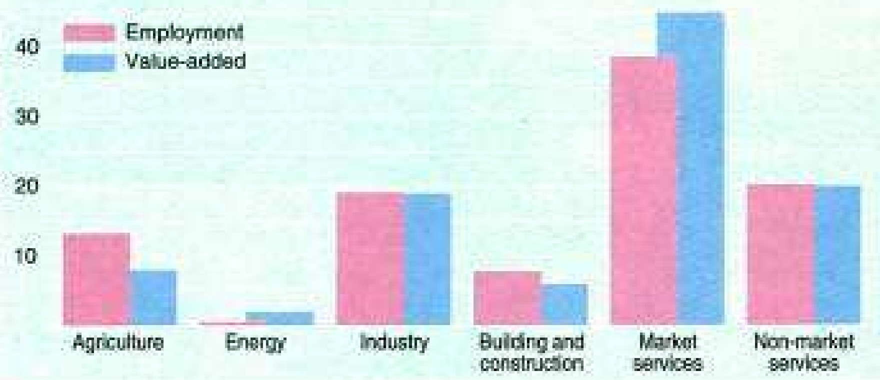
This low income is due to the fact that wages per inhabitant are 23% lower than the national average. This is the result of the low wage level, partly caused by the large number of jobs requiring little skill.

By contrast, earnings from self-employed work are 29% higher than for France as a whole. The reason for this, however, is the large proportion of self-employed persons (farmers, craftsmen, etc.) in the population.

Transfers are far from negligible, social benefits in the region since 1982 having been higher than or equivalent to the total net wage bill. This is partly due to the large number of retired people.

These benefits offset income tax and produce an increase in income. But this positive effect of redistribution is not enough to make up for the low wage level. Per capita disposable income thus remains below that of most other French regions.

Employment and value-added: distribution by branch – 1988 (%)



Two regional specialities: cognac and insurance

The agri-food sector is responsible for 14% of the region's value-added. Vineyards producing grapes for cognac cover over 90 000 ha, which means that the region's production potential is clearly ahead of world consumption. Over the last 10 years oilseed cultivation has increased very considerably in order to combat the shortfall in Europe. Producers of goat's cheese have recently started to restructure their sector and have launched a publicity campaign.

Poitou-Charentes is on the whole underindustrialized:

– the agri-food sector, the timber industry, clothing, footwear, paper and board, and electrical equipment are overrepresented;

– the many and diversified SMEs reduce the risk in the event of crisis but are poorly interlinked and technologically weak, and the region's industry is not very open to international markets (except in the case of cognac).

The services sector accounts for only a small proportion of total employment. The region mainly specializes in non-market services (military personnel etc.), insurance (a very large number of mutual societies in the Niort area) and food wholesale distribution. On the other hand, transport, market services to businesses and, to a lesser extent, market services to individuals seem under-represented.

Although the region is a long way from the economic strongholds of Europe, its situation on the Atlantic coast is of prime importance.

Agriculture

Number of holdings	53 167
Labour force	74 408 AWU
Agricultural area	1 813 000 ha
Livestock	858 000 LU
Gross value-added	15 418 ECU/AWU
Main products	
Cereals	24%
Main crops	16%
Cattle	14%

Main enterprises

Name	Employees	Activity
Moteurs Leroy-Somer	1 900	Electrical motors
Télémécanique	1 600	Low-voltage industrial equipment
Coopérative adhérents Maif (Camif)	1 600	Mail order
Mutuelle artisanale de France (MAF)	1 600	Insurance
MAIF	1 500	Insurance
Heuliez automobiles	1 500	Car manufacturing
SAFT	1 400	Batteries and accumulators

A region which has preserved a distinctive way of life

Because of its geological diversity, Poitou-Charentes possesses many different landscapes.

Only 18% of the region's area is wooded, but the fauna and flora are preserved in large State forests.

The coast, with the islands of Oléron, Ré and Aix, attracts many summer visitors, while the Marais Poitevin (Poitou Fens) and its canals, less well known, is a place of tranquil beauty. The wars of the past have left a number of fortified towns, and yet many people still live in scattered communities (35 000 hamlets, some of which have only a few inhabitants). The network of municipalities is distinctly hierarchical in structure, with basic services still concentrated in the main towns of the cantons. On the other hand, in remote country areas the lack of customers has put many small traders out of business. The municipalities situated within a 20 km radius of the major towns are expanding. The inhabitants of Poitou-Charentes tend to live in houses rather than flats.

The region boasts many examples of Romanesque art, and a considerable number of small churches attract lovers of medieval architecture and provide the setting for concerts of classical music.

The Futuroscope Park, with its sights firmly set on the high-tech twenty-first century testifies to a desire to combine progress with a pleasant living environment 300 km from Paris.

FRANCE

AQUITAINE

Aquitaine comprises five *départements*: Dordogne, Gironde, Landes, Lot-et-Garonne, Pyrénées-Atlantiques. It has an area of 41 300 km², covering 7.5% of the country.

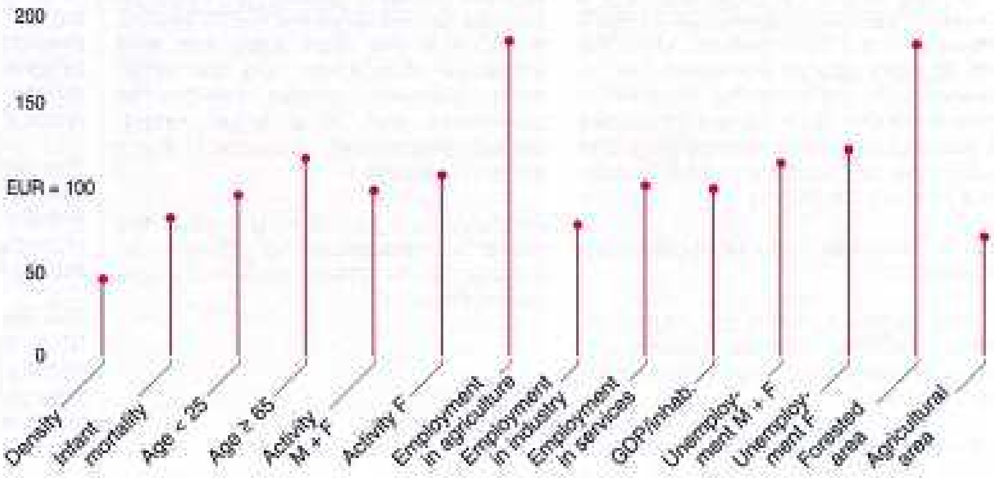
The relief is that of a sedimentary basin traversed by the alluvial channel of the Garonne, several kilometres wide with its banks a patchwork of market gardens, orchards and vineyards. The eastern part of the region is bordered by hills and dales, the southern part by a section of the Pyrenees range. The centre and west are covered by the vast pine forest of the Landes, stretching right to the 250 km-long, straight coastline of the Bay of Biscay.

The climate, of the southern oceanic type, is characterized by moderate temperatures with occasional heatwaves. The prevailing winds, which sometimes blow up into gales, are from the west and are accompanied at times by heavy rainfall which is evenly distributed throughout the four seasons. The winters are mild and spring comes early.

The Aquitaine of today, which is a purely administrative entity, comprises a number of old provinces of differing cultures where the dominant languages are Basque and the *langue d'oc*.

The vineyards of Bordeaux: tradition and quality.

Aquitaine in the Community



Risks of isolation: a challenge to be met

Aquitaine has three major assets:

– a large city of international renown, Bordeaux, with its prestigious past;

– a vast area that is diversified and attractive: diversified on account of its relief (sea, plains, mountains) and high-quality agricultural products (maize, wine of designated origin, fruit and vegetables, livestock); attractive by virtue mainly of its pleasant climate;

– a substantial number of modern and innovative industries, taking it already into the 21st century. Aeronautics and parachemicals/drugs employ 15 700 and 8 400 persons respectively, i.e. 13% and 5% of the national figure.

Four risks may nevertheless have a significant bearing on the future:

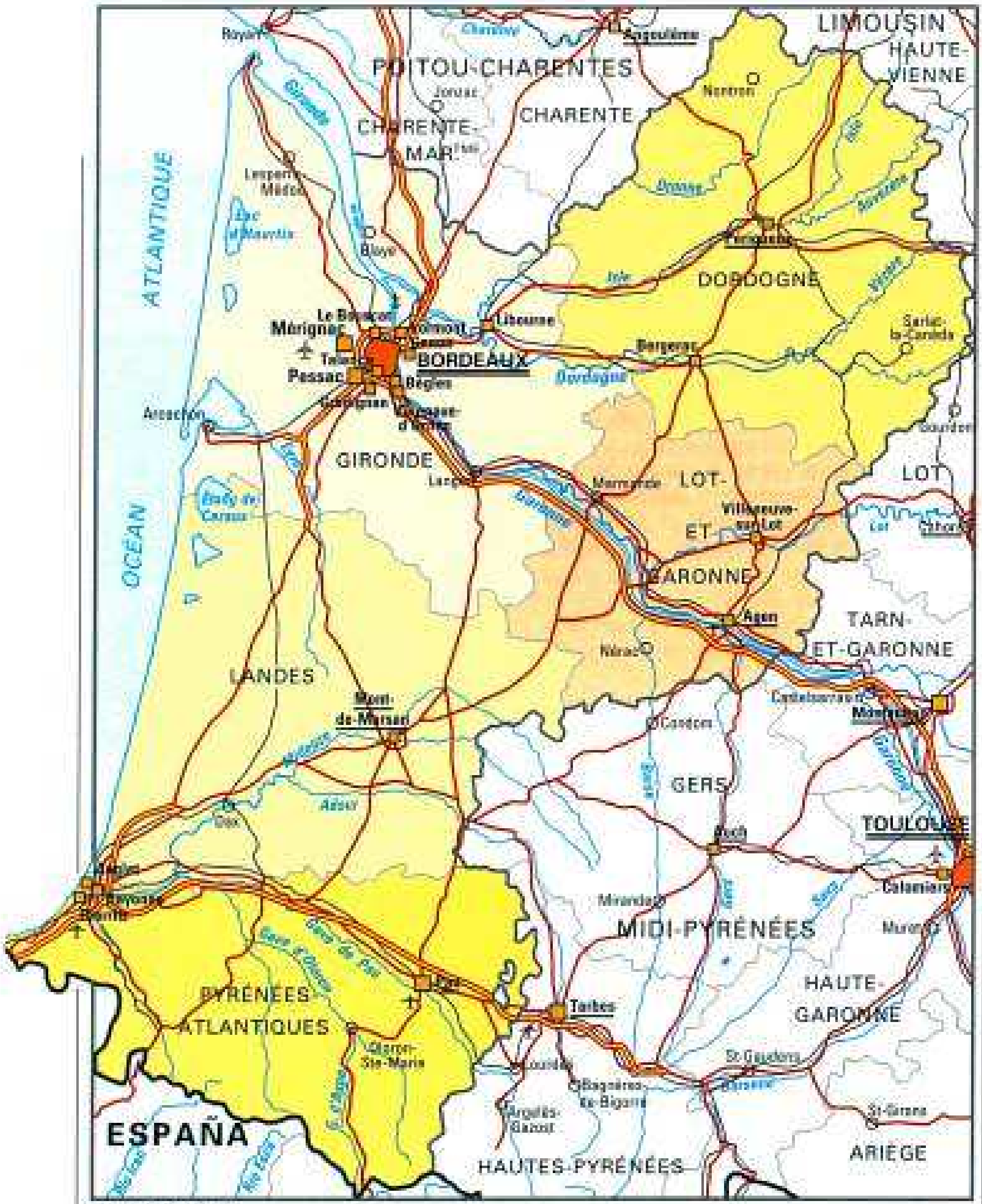
– the ageing of the population as a result of the combined effects of a low birth-rate and especially an inflow of migrants comprising mainly persons over the age of 50;

– an out-of-the-way geographical situation both nationally and in relation to Europe, which might work against the region if it was not corrected in the future by constructing a network of communications that enabled it to enjoy a better position in the mainstream of European commerce;

– extensive rural areas under threat of depopulation as a result of the changes taking place in agriculture;

– renewal of the industrial fabric leading to a growing number of large concerns for which Aquitaine is just one of the many regions where they have set up in business.

AQUITAINE



Three cities, two country areas and mountains

Aquitaine has two major industrial and urban centres: the Bordeaux conurbation, extended by the port areas along the Gironde, and the Pau-Bayonne complex in Pyrénées-Atlantiques. These areas are characterized by a young working population, a diversified services sector, a largely positive natural balance but also a significantly high unemployment rate.

In another area situated towards the eastern part of the region, a sparse industrial fabric means that other sectors of activity predominate, usually related to agriculture (notably livestock breeding, wine and maize). The agri-food industry plays an important part here. The population is stable but ageing. The positive balance of migration makes up for a low birth-rate.

Next come the vast wooded areas of the Landes, Ouest-Gironde and Lot-et-Garonne. The demographic balance is very tenuous in these areas of low population density. Their activity is of course centred on forestry and the paper industry linked to this. In certain coastal areas, tourism is leading to increased urbanization.

Lastly, most of the mountain communes are finding it difficult to maintain their economic activities and their population. Only those situated on the major routes or near the tourist resorts are spared.

Which EC regions are similar to Aquitaine?

Area:
± 40 000 km²
Nederland; Danmark
Extremadura (E)
Rhône-Alpes; Midi-Pyrénées (F)

Population:
around 3 million inhabitants
Wales (UK)
Galicia (E)
Thüringen; Sachsen-Anhalt (D)

Employment:
± 14% in agriculture
± 60% in services
Midi-Pyrénées; Bretagne (F)
Campania; Sardegna (I)

Land use:
± 40% forest
± 40% agriculture
Freiburg; Trier; Kassel (D)
Cataluña (E)

	Area	Population			Activity	Unempl.	Employment			GDP/inhab.
	1 000 km²	1 000	Inhab./km²	Change (%)	%	%	% Agricult.	% Industry	% Services	EUR (PPS) = 100
		1990	1990	1980-90	1990	1990	1990	1990	1990	1989
Dordogne	9.1	387	43	2.8	49	9.8	17	28	55	82
Gironde	10.0	1 212	121	9.6	55	11.7	6	24	70	106
Landes	9.2	311	34	5.7	52	8.6	13	29	59	93
Lot-et-Garonne	5.4	306	57	3.6	51	10.5	18	24	58	101
Pyrénées atlantiques	7.6	578	76	5.4	52	10.5	10	28	62	104
Aquitaine	41.3	2 795	68	6.6	53	10.7	11	26	64	100
France (without FODs)	544.0	56 597	104	5.3	55	8.7	6	30	64	109
EUR 12	2 253.7	327 931	146	3.2	54	8.3	7	33	60	100

AQUITAINE

Town and country moving at the same pace

In Aquitaine the population is concentrated around three urban centres: Bordeaux, Pau and Bayonne. The decline in the rural population, which can still be seen in the mountain areas and away from the major traffic routes, has generally been stemmed. This trend is even being reversed in the suburban areas.

The gross birth-rate is on the low side. The fertility rate is below the generation-replacement threshold. Births (32 000 a year) are 15% fewer than 20 years ago. At the same time, however, the population of Aquitaine has increased by 13%. There might well be a considerable shortage of young people in the future.

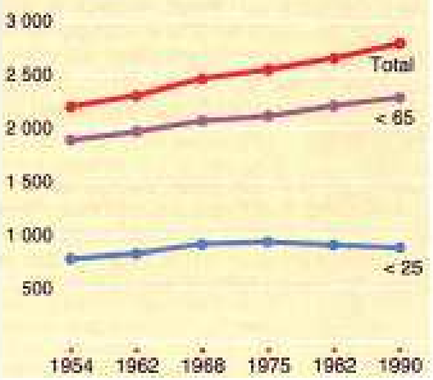
The arrival of persons of retirement age in Aquitaine is reflected in the growing number of over-65s in the region (half a million), even though this is not a new phenomenon. It is hardly surprising that the mortality rate is high.

The balance of migration (annual average of + 16 300) accounts for 90% of the population increase. The coastal area and the large conurbations benefit more than the rest of the region. The foreign population as a whole is not increasing very much, but its structure is changing to the detriment of nationals of European origin, as a result of their becoming naturalized.

Population by age — 1990

	M + F 1 000	M + F %	M %	F %
< 15	472.8	16.9	18.0	15.9
15-24	404.5	14.5	15.2	13.8
25-39	601.5	21.5	22.2	20.9
40-54	497.7	17.8	18.3	17.4
55-64	319.8	11.4	11.3	11.5
≥ 65	499.8	17.9	15.0	20.5
Total	2 796.1	100.0	100.0	100.0

Population (1 000)



Resident population of foreign nationality — 1990

	1 000	% of total population
Total	115.2	4.1
of which EC countries	64.1	2.3
of which non-EC countries	51.1	1.8

Demographic account — 1980-90 (1 000)

Population 1.1.1980	2 622.2
Births	319.6
Deaths	302.3
Net migration	+ 155.1
Population 1.1.1990	2 794.6

A lively student tradition

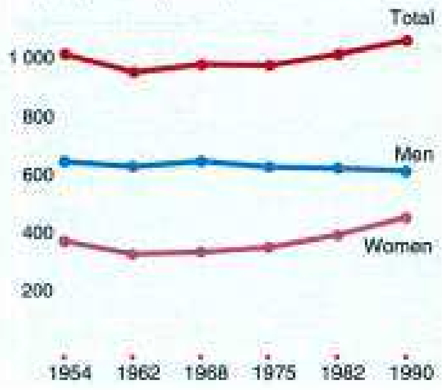
In 1990, the number of persons of working age in employment in Aquitaine was 5% up on the 1982 figure.

The high number of non-active persons (students, pensioners, etc.) over the age of 14 is not due solely to the lowering of the retirement age. Indeed, while there are many retired people, there is also a large number of young non-active persons (schoolchildren and students). The presence in the region of a large and growing number of those aged between 25 and 50 years old will guarantee an increasing number of children. Aquitaine boasts a dynamic university which has as many students as those of Toulouse or Aix-Marseille, for example. It thus continues to reap the benefits of the University of Bordeaux's long-standing tradition of being open to the outside world. The setting up of many higher education establishments in the other conurbations of the region in recent years is also worthy of note.

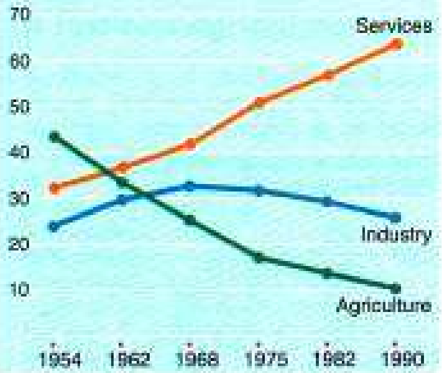
Number of pupils — 1990

	M + F 1 000	F %
Pre-school	107.4	48.8
Primary	183.3	48.3
Lower secondary	140.2	49.8
Higher secondary (technical)	29.3	48.8
Higher secondary (general)	71.0	54.7
Higher education	66.0	55.2
Total	597.2	50.2

Employment (1 000)



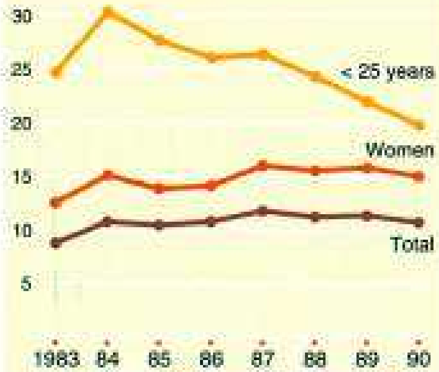
Employment structure (%)



Employment — 1990 (1 000)

Resident employment	1 067.4
+ Non-residents having a job in the region	16.0
− Residents having a job outside the region	25.2
= Internal employment	1 058.2

Unemployment (%)



Boom in the number of employees

The 5% increase in the working population with a job between 1982 and 1990 can be attributed to the rise in the number of employees, whose number increased by almost 10% between 1982 and 1990, but this trend has been running out of steam in recent years.

Over the same period, the number of self-employed dwindled by the same amount, with the euphoria of the market services sector unable to offset the decline in agriculture. In terms of the number of employees alone, the services sector nowadays accounts for seven out of every 10 jobs, compared with two for industry, less than one for building and virtually none for agriculture.

In recent years, the net creation of jobs in the services sector is attributable mainly to food retailing and the hotel and catering trade. Jobs connected with tourism will probably remain the driving force of services-sector employment in Aquitaine as the century draws to a close.

Lastly, the structure of employment in industry, which is ageing and devoid of an infrastructure able to meet the challenges of Europe, is also in the throes of change, with a boom in the capital and intermediate goods sectors and above all in the agri-food industry. However, there are dark clouds on the horizon for consumer goods and stormy times ahead for the energy sector.

Characteristics of resident employment (%)

	< 25 years	25-54 years	≥ 55 years	Employees	Employees: part-time		Employees: full-time temporary contract	
	1990	1990	1990	1990	1983	1990	1983	1990
Men	13	77	10	77	2	4	3	10
Women	13	77	10	83	19	28	3	8
Total	13	77	10	79	9	15	3	9

Unemployment in Aquitaine at the danger level

This poor situation is nothing new. Aquitaine's unemployment rate has fluctuated around 10% for the last 10 years, with a peak in 1987. This is due mainly to the precarious employment situation around the Bordeaux conurbation and in the south of the region.

During the 1980s there was a significant shift in the structure of the unemployed population in Aquitaine. It was the vital core, i.e. the 25 to 49 age-group, that felt the full force of the rise in unemployment. The unemployment rate for this age-group went up by two-thirds between 1982 and 1990, with men and women being equally affected. This must be seen as a consequence of the wholesale redundancies in and around the major urban centres. On the other hand, unemployment among the under-25s tended to stabilize or even to decline somewhat over the same period. While it is true that the unemployment rate for this age-group is still high — around 15% for men and almost 30% for women — this stagnation is indicative of the effects of the specific measures brought in to help young people, ranging from training schemes to tax incentives for firms.

Industry cramped between agriculture and the services sector

The agricultural slant of the Aquitaine economy is still apparent despite the reduction in numbers working in this sector.

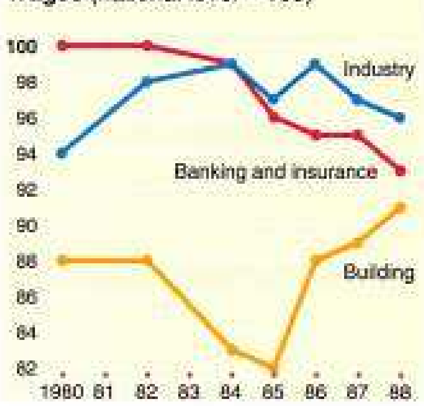
Industry, which for a long time was on a modest scale, has gradually expanded, particularly since the end of the Second World War. The traditional activities of woodworking or shoemaking have been joined by modern industries such as aeronautics, parachemicals and drugs, etc. Similarly, the region's extensive agri-food sector has now revived. This change is characterized by diversification, modernization and the setting up of large national and international concerns (Elf-Aquitaine, IBM, Ford) and subcontracting networks. However, the importance of industry is still below the national average in terms of both jobs and value-added.

Aquitaine has thus been spared the major crises of massive and painful redevelopment experienced in other regions with a longer industrial tradition, but in return the setting up of large national and international concerns has led to a certain degree of precariousness. It is by no means cut-and-dried that these concerns will stay in the region. Lastly, the education and research back-up for these modern industries has not yet reached the same proportions as in other regions, such as the neighbouring Midi-Pyrénées.

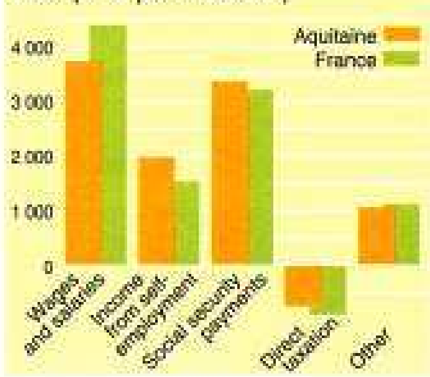
Changes are under way in the services sector too. Activities such as business services in the major conurbations or tourism along the coast are assuming increasing importance. Nevertheless, trade, transport and telecommunications are overall well represented. Despite its decline over a number of years, the port of Bordeaux is now picking up again.

GDP (1980 = 100)

Wages (national level = 100)



Disposable household income – 1987 (ECU per inhabitant)



Diversity and stability of incomes

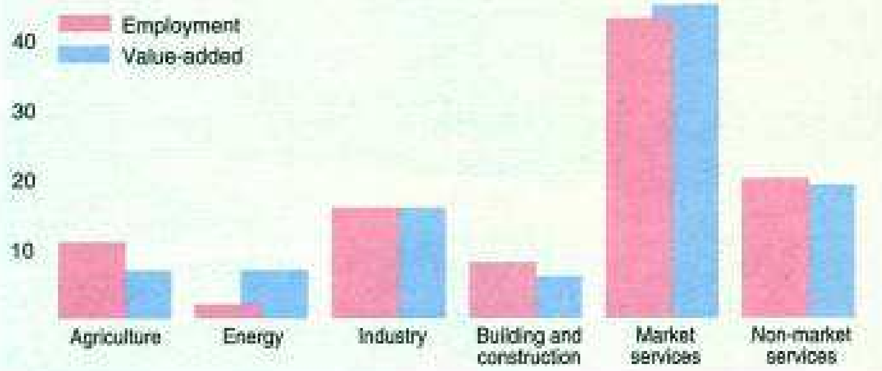
Average wages in Aquitaine are way below the national average in all the major sectors. However, if the Paris region is excluded, these differences disappear. Neither the profitability of the activities carried out in the region nor the structure of jobs by qualifications are significantly unfavourable to the region. In industry, for example, the oil, aeronautics and motor vehicle sectors offer particularly high pay.

Nevertheless, wages account for a considerably smaller proportion of households' total incomes in Aquitaine than in the rest of the country.

This state of affairs is a result of a lower proportion of wage-earners in the working population in employment, which in turn is due to the continuing existence of craft industries and a sizeable agricultural sector. This lower proportion of wages is therefore offset by higher incomes of the self-employed, especially the volume of income generated in agriculture. Social security benefits play a similar offsetting role in the structure of incomes.

The low proportion of incomes from wages is a factor of relative stability in households' incomes in times of industrial recession or stagnation such as those experienced in recent years. This stability is also consolidated by other factors, such as the high proportion of public-sector employees and the strength of tourism.

Employment and value-added: distribution by branch – 1988 (%)



A first-rate agricultural sector

Aquitaine is a markedly agricultural region. The average size of farms is on the small side at around 20 ha (one in every 10 jobs in Aquitaine is in agriculture, and almost 80% of this labour force comprises family workers).

Like the region, the products are highly diversified and income per holding varies quite widely depending on the type of farming. Crop products are well ahead of animal products (65 and 35% respectively). Maize and wine of designated origin each account for a quarter of the country's total production.

Aquitaine's agriculture is much geared to the outside world, since almost 35 % of the region's exports are accounted for by the agri-food industry, with wine responsible for a substantial proportion.

The industrial fabric comprises a large number of SMEs with between 10 and 500 employees, together with large establishments that often belong to national and international concerns. The activities are highly diversified, ranging from wood and footwear to aeronautics.

The importance of craft industries, clearly linked to the maintenance of rural activity, should be noted (20 craftsmen per 1 000 inhabitants, compared with 15 in the country as a whole).

The dynamism of the services sector, which is concentrated in the towns, is quite remarkable. It almost manages to make up for the job losses in agriculture and industry.

Agriculture

Number of holdings	76 427
Labour force	125 641 AWU
Agricultural area	1 659 000 ha
Livestock	803 000 LU
Gross value-added	14 548 ECU/AWU
Main products	
Wine	23%
Cereals	21%
Cattle	10%

Main enterprises

Name	Employees	Activity
ELF Aquitaine	4 400	Natural gas extraction
Turbomeca	3 800	Aeronautics
Ford France	3 400	Car manufacturing
Avions Marcel Dassault Breguet	2 900	Aeronautics
Société nationale des poudres et explosifs	2 800	Explosives, detonators, matches
Aérospatiale	1 800	Aeronautics
Société européenne de propulsion	1 800	Rocket engines and launchers
Compagnie générale française de transports et d'entreprises	1 700	Urban transport
Presse Éditions du Sud-Ouest	1 300	Press and publishing
Papeterie de Condat	1 200	Paper and cardboard

Protected open spaces

Aquitaine has a lot of wide open spaces. It encompasses one of the largest forests in Europe. The beach along the Bay of Biscay stretches for 250 km. The coastline is studded with inland lakes clustered among the maritime pines, forming ideal spots for water sports.

The diversity of the countryside overwhelms the curious traveller: the dales of Périgord criss-crossed by the wide valleys of the Rivers Dordogne, Isle and Vezère, the vast fruit-growing plains around Agen, Bordeaux vineyards as far as the eye can see, the mountains of the Basque country and Béarn.

There is an extensive architectural heritage, mainly comprising Norman churches, 13th- and 14th-century country farms and classical-style buildings in Bordeaux, and it was not scarred by the two World Wars.

The whole of this environment constitutes a valuable asset for Aquitaine, but it runs the risk of deterioration as a result of development.

A number of protective measures have been taken:

– the coordinated development of tourist sites concentrated first and foremost on the Atlantic coast during the 1970s. The stated aim of the 'Mission interministérielle pour l'aménagement de la Côte Aquitaine' was to avoid the haphazard growth of tourist facilities which would have led to intensive deforestation;

– the control of air and water pollution has limited the harmfulness of waste from the pulp factories in the *départements* of Dordogne and Gironde. The sea-water has been subjected to quality checks and cleansed of the waste swept in by the ocean currents;

– the disposal of industrial and household waste has been facilitated by the creation of a regional agency specializing in the recycling of such waste;

– the surveillance of unpopulated areas has remained a priority for the Landes forest, where fires have caused widespread damage in recent years.

FRANCE

MIDI-PYRÉNÉES

With its eight *départements* (Ariège, Aveyron, Haute-Garonne, Gers, Lot, Hautes-Pyrénées, Tarn, Tarn-et-Garonne), Midi-Pyrénées is the largest region of France. Its area of 45 300 km² has a very varied relief consisting of plains, hills and mountains of differing height:

– in the south, the Pyrénées, the highest point of which in France is the Vignemale at 3 298 metres;

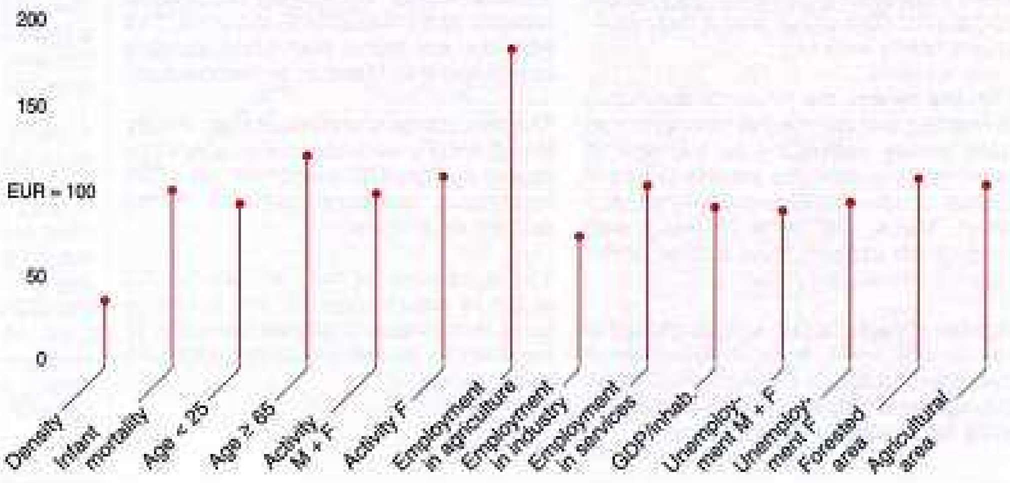
– in the north and east, the Massif Central and the Quercy plateaux;

– between these areas, on either side of the Garonne valley, hills which harbour the valleys hewn out by the rivers flowing down from the mountains, constituting the only real plains in the region.

Although equally distant from the Mediterranean and the Atlantic, Midi-Pyrénées is particularly influenced by the latter. Its climate is characterized by hot, dry summers with heatwave temperatures among the highest in France and by mild winters, except on the uplands. There is usually plenty of rainfall in spring and autumn.

Airbus assembly line: made throughout Europe, the different parts of the Airbus are assembled in Toulouse.

Midi-Pyrénées in the Community



A wealth of contrasts

Plains and mountains, traditional crafts and leading industries, wisdom of age and impetuosity of youth – Midi-Pyrénées thrives on these contradictions. The region has a number of real assets:

– booming industrial activity, with modern industries (aeronautics, space, etc.) gradually overtaking traditional industries, although never, however, making much of a mark on the region's culture, except in a few rare places;

– a heavy concentration of brain-power in higher education and research, which have in recent years moved closer to industry, thereby broadening horizons;

– a favourable image, combining the southern *joie de vivre* mentality with the idea of economic dynamism.

On the other hand, it also has some serious disadvantages:

– first of all, demographic problems, with the ageing of the population and the low population density making the social tissue extremely flimsy in many areas;

– secondly, the fragility of the economic system, the modern aspects of which are highly dependent on the international economic situation;

– lastly, an excessive concentration on Toulouse, a conurbation which houses the region's vital forces and whose brilliance hardly disguises the weaknesses of the rest of the region.

In addition, Midi-Pyrénées is something of an enclave, situated far away from the hives of the European economy and beset by the problems of distances, both within the region and in relation to the other regions, making it, for better or worse, more of a point of arrival than a staging-post.

Scale 1 : 3 000 000

Which EC regions are similar to Midi-Pyrénées?

Area:
±45 000 km²
Danmark
Niedersachsen (D)
Aragón (E)

Population density:
±50 inhabitants/km²
Ireland
Navarra; La Rioja (E)

Age:
±20% aged over 65
Liguria (I)
Hamburg; Berlin; Bremen (D)
South-West (UK)

Employment:
over 12% in agriculture
±60% in services
Sardegna (I)
Algarve (P)
Aquitaine; Bretagne (F)

An urban centre with outlying districts

The rapid development of the Toulouse conurbation (demographic growth, size and economic dynamism) gives a very vivid picture of Midi-Pyrénées, the other side of which are the vast rural areas with a sparse, ageing population and little economic activity.

A century of rural exodus from 1850 to 1950, followed by a partial revival of urban activity in the second half of the twentieth century, caused tremendous upheavals in the region. Nowadays, the only major city, Toulouse, and its conurbation have a population of 650 000. The other towns of any size are 10 times smaller (Tarbes, Albi, Montauban), the remaining built-up areas comprising some 15 medium-sized towns and a hundred or so market-towns.

This imbalance gives rise to the dual image of Midi-Pyrénées. The central part of the region, dominated by Toulouse, has the appearance of a massive urban area as a result of both the activity that is carried out there and the essentially suburban housing. On the other hand, the outlying districts still have a very rural aspect, with a fairly dense scattering of market-towns forming an integral part of rural life. However, this rural appearance is sometimes altered by the occasional industry with limited local influence, such as the Carmaux and Decazeville coalfields, the textile industries of Castres-Mazamet and Pays d'Olmes, etc.

	Area	Population			Activity	Unempl.	Employment			GDP/inhab.
	1 000 km²	1 000	Inhab./km²	Change (%)	%	%	% Agricult.	% Industry	% Services	EUR(PPS) = 100
		1990	1990	1980-90	1990	1990	1990	1990	1990	1989
Ariège	4.9	137	28	0.3	47	8.1	12	31	57	70
Aveyron	8.7	271	31	−2.9	49	5.1	21	26	53	77
Haute-Garonne	6.3	924	147	14.2	55	10.2	4	26	70	106
Gers	6.3	175	28	0.0	51	6.1	29	19	52	88
Lot	5.2	156	30	1.7	49	7.8	20	24	56	80
Hautes-Pyrénées	4.5	225	50	−1.0	52	10.0	10	23	67	88
Tarn	5.8	343	59	1.2	51	8.6	12	32	57	86
Tarn-et-Garonne	3.7	200	54	6.3	52	9.0	19	24	57	82
Midi-Pyrénées	45.3	2 430	54	5.4	52	8.7	12	26	62	91
France (without FODs)	544.0	56 597	104	5.3	55	8.7	6	30	64	109
EUR 12	2 253.7	327 931	146	3.2	54	8.3	7	33	60	100

Population: influx of migration

The region is sparsely inhabited and the population not evenly distributed: while the central part of the region, around Toulouse, houses more than a third, vast areas are virtually deserted; 10 to 20 inhabitants per km^2 in the rural cantons.

This sparseness of population is often accompanied by a highly unfavourable age structure. In all the *départements*, with the exception of Haute-Garonne, the proportion of over 65-year-olds is more or less the same (slightly over 20%) as that of under 20-year-olds.

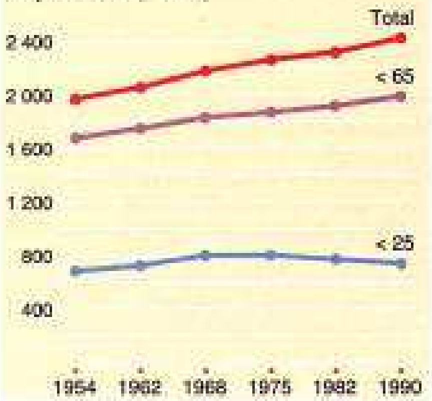
Outside Haute-Garonne, where the youthfulness of the population of Toulouse reverses the trend, the number of deaths is always well in excess of that of births, and it is only a generally positive migratory balance that enables the *départements* to maintain, somehow or other, a more or less stable population. However, the precariousness of this balance becomes quickly apparent whenever a change in the employment situation gives rise locally to a slowing-down of arrivals or a speeding-up of departures.

Substantial population inflows in the 1970s and 1980s should not therefore give a false impression: this movement is by nature unstable and reversible.

Population by age — 1990

	M + F 1 000	M + F %	M %	F %
< 15	393.1	16.2	17.0	15.4
15-24	349.3	14.4	15.0	13.7
25-39	528.4	21.7	22.5	21.0
40-54	432.9	17.8	18.2	17.4
55-64	283.6	11.6	11.6	11.8
≥ 65	444.2	18.3	15.7	20.7
Total	2 431.5	100.0	100.0	100.0

Population (1 000)



Resident population of foreign nationality — 1990

	1 000	% of total population
Total	105.6	4.3
of which EC countries	53.7	2.2
of which non-EC countries	51.9	2.1

Demographic account — 1980-90 (1 000)

Population 1.1.1980	2 306.2
Births	263.9
Deaths	258.8
Net migration	+ 118.7
Population 1.1.1990	2 430.0

Toulouse, second-largest university city in France

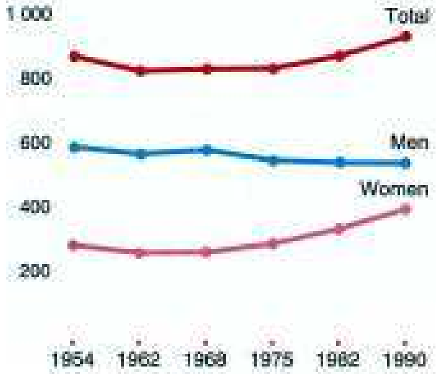
Both employment and unemployment rose sharply during the 1980s. The increase in the working population is due to migration, and the rise in the activity rate of women (to more than 75% for those between the ages of 25 and 55, compared with less than 50% 15 years ago).

Four universities (Science, Human Sciences, Social Sciences and the National Polytechnic Institute) and 10 renowned institutes of higher education make Toulouse the second-largest university city in France, excluding the twin-site universities. ENSAE, ENSICA and ENAC provide the aeronautics and space sectors with their future engineers. Under the 'université 2000' plan, the medium-sized towns will be endowed with new university institutes of technology, thus helping to improve the structure of the region.

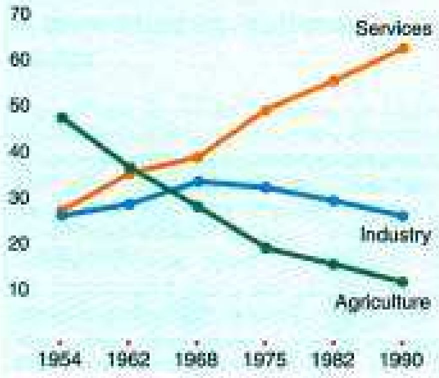
Number of pupils — 1990

	M + F 1 000	F %
Pre-school	95.8	48.5
Primary	150.3	48.3
Lower secondary	122.1	48.9
Higher secondary (technical)	25.4	42.8
Higher secondary (general)	63.4	54.6
Higher education	70.4	52.2
Total	527.4	49.4

Employment (1 000)



Employment structure (%)



Employment — 1990 (1 000)

Resident employment	936.7
+ Non-residents having a job in the region	14.5
− Residents having a job outside the region	20.8
= Internal employment	930.4

Unemployment (%)

Geographical concentration and modernization of employment in industry

The agricultural sector is still important in terms of employment in Midi-Pyrénées. The region's rural character explains the high proportion of self-employed persons: 22% as against 15% for the country as a whole.

Employment in industry is characterized by the growing importance of the capital goods sector and the decline of the consumer goods sector with, respectively, a gain of 7 200 employees and a loss of 7 400 over the last 10 years. The rise of modern industries, especially aeronautics/space and electronics, contrasts with the gradual decline of traditional activities such as textiles/clothing, leather and timber/furniture. This contrast is reflected in the growth of jobs in the Toulouse conurbation, which hosts the bulk of the high-tech sectors, and in a fallback in the other industrial parts of the region (Tarn, Hautes-Pyrénées, Ariège). Despite the importance of agriculture, the numbers employed in the agri-food sector are still modest. In the intermediate goods sector the job losses have affected many activities, such as iron and steel, non-ferrous metals and chemicals.

The region's services sector is of comparable importance as in the rest of the country, excluding the Paris region. Services to individuals (health, education) are well established, whereas business services, although on the increase, are still in short supply, mainly on account of the low level of industrialization.

Over the last 15 years, despite the fall in the number of farmers, total employment has risen faster than in France as a whole: +7% as against +3%.

Characteristics of resident employment (%)

	< 25 years	25-54 years	≥ 55 years	Employees	Employees: part-time		Employees: full-time, temporary contract	
	1990	1990	1990	1990	1983	1990	1983	1990
Men	10	78	12	72	3	4	4	8
Women	11	77	12	79	20	29	3	7
Total	10	77	12	75	9	15	3	7

Women the hardest hit by unemployment

In Midi-Pyrénées the average unemployment rate for 1990 stood at the same level as for the country as a whole.

Whereas this rate has fallen slowly but steadily for the last three years in France, it has changed very little in the region. However, unemployment amongst young people under 25 has fallen consistently for four years now, as a result not only of the measures taken from 1985 onwards to stimulate youth employment, but also of the longer duration of education, and the economic recovery. On the other hand, unemployment amongst women is still high, owing to the steady rise in activity rates.

The most common reason for becoming unemployed reflects the precariousness of many jobs: in 1990, 46% of the unemployed found themselves out of a job as a result of a fixed-term contract or temporary assignment coming to an end.

However, the reasons for unemployment vary according to age. For the youngest, the main reason after end of contract is finding the first job. For the oldest (50 and over), redundancy accounts for more than half of those looking for a job.

Almost one in every three unemployed has been seeking work for more than a year. The proportion of long-term unemployed is higher with age: 15% for the under-25s, 55% for the over-50s.

Tradition and modernity of the economy

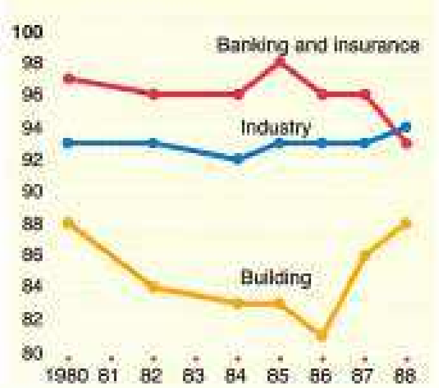
The economic structures in Midi-Pyrénées bear the stamp of a long-standing rural tradition. Agriculture is very important, with production equally divided between livestock and crops. The very large number of holdings still in existence (87 800) are engaged in widely differing types of farming, with mixed cropping and livestock breeding dominating in a very extensive agricultural area (8.7% of the utilized agricultural area in France). Certain high-quality products contribute to the renown of local agriculture: Roquefort cheese, Armagnac brandy, Madiron, Fronton, Gaillac and Cahors wines, and *foie gras*.

The services sector nevertheless remains the dominant element in the economic system of Midi-Pyrénées. In 1988 it accounted for two-thirds of the region's gross domestic product, and its expansion sustains the whole of the economy, which in recent years has seen slightly higher growth than the average for the rest of the country. The traditional bastions (wholesale and retail distribution, civil service, local authorities, social security funds, etc.) are being gradually supplanted by a new services sector, consisting of business services and services to individuals.

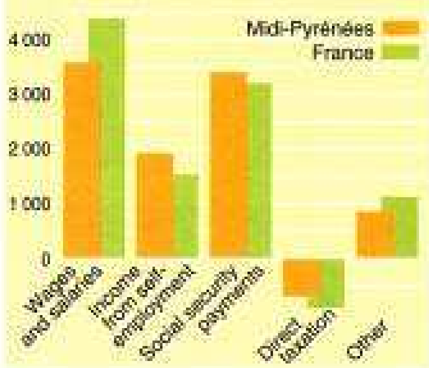
This shift has been encouraged by the development around Toulouse of a European technology centre linked to the aeronautics and space industries. It affords the Toulouse conurbation a number of advantages on which to base its future development: a research potential (some 10 000 persons), training structures, firms directly locked in to Europe and to the most advanced technologies. This modernity is being grafted onto an industrial fabric geared more to traditional activities (textiles, leather, wood), and many industrial centres in these areas are experiencing difficulties (Castres-Mazamet in Tarn, Lavelanet in Ariège). Moreover, the restructuring of the coal (Albi-Carmaux), steel (Decazeville), chemical (Lannemezan and Pierrefitte-Nestalas in Hautes-Pyrénées) and electrical industries (Tarbes) continues to cause painful redevelopment problems.

GDP (1980 = 100)

Wages (national level = 100)



Disposable household income – 1987 (ECU per inhabitant)



Wages: strong structural effects

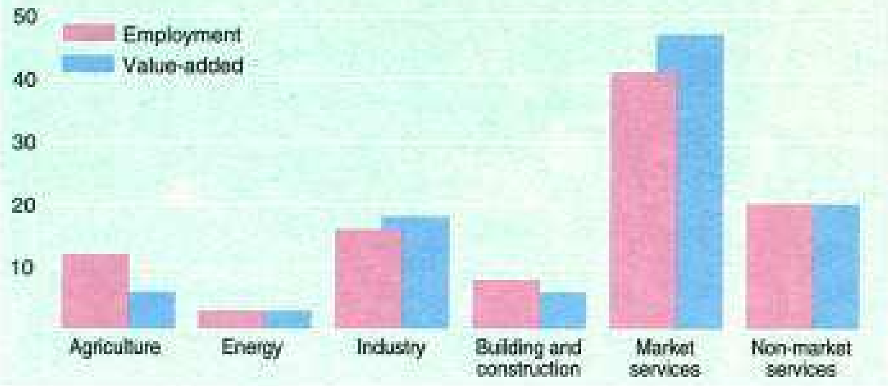
The average wage in Midi-Pyrénées is much the same as in most of the other regions of France, with the exception of Île-de-France. Both the relevant legislation and the employment structures are in fact very similar from one region to another; only Île-de-France, where most of the jobs paying very high wages and the most profitable activities are concentrated, stands apart from the other regions of France.

A somewhat similar pattern is found in Midi-Pyrénées: in seven *départements* the average wage is about 5% lower than the regional average, whereas in Haute-Garonne it is some 10% higher. There is a very pronounced concentration on Toulouse of both managerial professions and highly profitable activities (aeronautics, banking, insurance, etc.), especially as the few manual industries established in the region are found in the outlying *départements*. In this respect, the modernization of the regional economy, and especially the decline of the traditional industries and rise of innovative industries, has meant that in the last 20 years or so wages in the region have considerably narrowed the gap with the national average (but as a result employment has become even more concentrated on Toulouse).

Social transfers: role of retirement pensions

Wages make up some 40% of the income of households in the region, and social benefits about the same (the corresponding national figures are 47 and 34% respectively). The importance of social transfers in Midi-Pyrénées is due entirely to retirement pensions, the other transfers (family benefits, unemployment benefits, etc.) being somewhat lower than in other regions.

Employment and value-added: distribution by branch – 1988 (%)



A diversified agricultural sector

Agriculture in Midi-Pyrénées is highly diversified. Animal husbandry predominates in the mountain areas and Causses. In particular, Midi-Pyrénées has the largest flock of sheep in France (2 400 000 head, or 21% of the total number in the country). The hills of Lauragais and Gers are given over to cereals (soft wheat, maize). In the north-west, along the Garonne valley, most of the fruit production (plums, apples, peaches) is concentrated.

A limited industrial base

With its agricultural tradition, Midi-Pyrénées does not have a very dense industrial fabric. There are three dominant activities: electrical and electronic engineering, aeronautics and space, textiles and clothing. The first two of these, each of which accounts for 15% of industrial value-added, are established in Toulouse or the surrounding area.

The textiles and clothing industry (10% of industrial value-added) is concentrated around Castres-Mazamet in Tarn and Lavelanet in Ariège. Midi-Pyrénées is the second-largest wool-producing region of France and the leading centre for the production of carded yarn and woollen fabrics.

Vitality of the services sector

The services sector has always played an important part in Midi-Pyrénées. The aeronautics and space industry that has grown up around Toulouse has in particular generated a need for high-tech services (engineering, for example).

Nature mainly very well-preserved

Its vast size and diversity of relief make Midi-Pyrénées a region of contrasting landscapes which are the home of famous natural sites and some of the most abundant remains of the past in France (Cirque de Gavarnie, gouffre de Padirac, Rocamadour, etc.).

Away from Toulouse, the large city which dominates the urban network, and the few medium-sized towns that exist alongside it, certain areas are completely uninhabited (the high mountains) and others very sparsely populated. Moreover, the region is not very industrialized and its industries are generally low-polluting. Certain high-risk sectors require special monitoring, however: the Golfech nuclear power station in Tarn-et-Garonne, a number of chemical plants, etc.

Midi-Pyrénées has remained a highly agricultural region, practising mixed cropping and animal husbandry for a long time now, with a preponderance of cultivated land, forests and grassland. However, agriculture sometimes has a damaging effect on nature, since intensification may lead to the disappearance of certain plant or animal species, which are nevertheless protected in a few special areas: Pyrénées National Park, Néouvielle Reserve, Haut-Languedoc Regional Park, etc.

Water is a worrying problem in the region. Offtake is increasing both for agriculture and for domestic and industrial consumption; and the frequent periods of drought are leading to dwindling resources and a change in quality.

Agriculture

Number of holdings	85 645
Labour force	127 108 AWU
Agricultural area	2 652 000 ha
Livestock	1 283 000 LU
Gross value-added	12 342 ECU/AWU

Main products	
Cereals	24%
Cattle	15%
Milk	13%

Main enterprises

Name	Employees	Activity
Aérospatiale	8 500	Aeronautics
Groupement des industries d'armement terrestre	3 800	Arms
Cabiauto SGE	2 800	Car equipment
Motorola semi-conducteurs SA	1 800	Electrical equipment
Pierre Fabre médicaments	1 700	Pharmaceuticals
Société d'économie mixte de transport de l'agglomération toulousaine	1 500	Urban transport
Tissus Roudière	1 400	Textiles
GEC Alsthom SA	1 300	Electrical equipment
Siemens automotive SA	1 300	Car manufacturing
Thomson CSF	1 200	Electronics

FRANCE

LIMOUSIN

The Limousin comprises three *départements* of France: Corrèze, Creuse and Haute-Vienne. With an area of 17 000 km² it is one of France's smallest regions.

The relief of the region rises gradually from west to east, with its highest point at Mont Bessou, 978 m. The western slopes face the Atlantic; those on the east merge into the foothills of the Massif Central.

Climatically the region is virtually oceanic, tending towards a mountain climate, with mean temperatures between 8° and 12°C and fairly heavy rainfall. Accidents in the relief nevertheless result in the existence of microclimates.

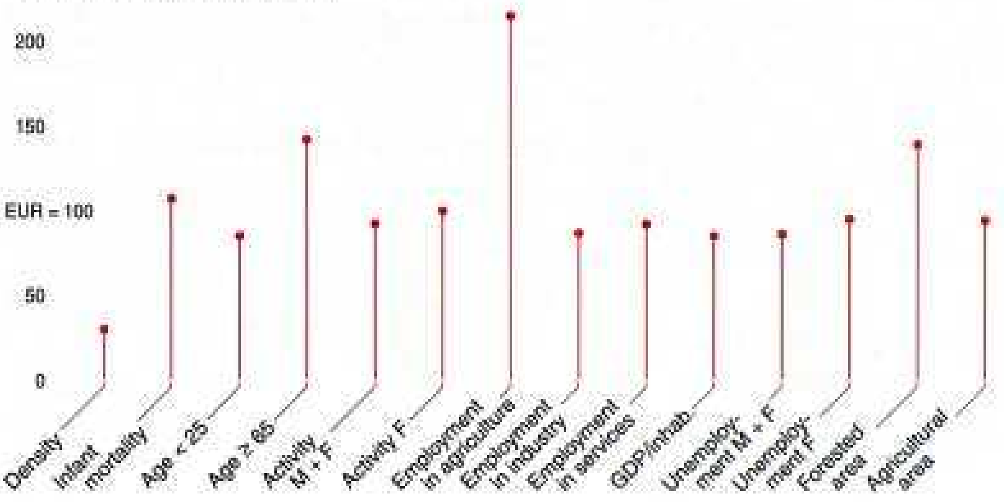
The land is frequently granitic or slaty, cut through by deep valleys which alternately broaden and narrow.

Water in the region originates from a multitude of springs and surface water, rising mainly on the plateau de Millevaches. The water itself is of excellent quality.

Forest cover is fairly dense, consisting mainly of deciduous natural forest (oak and chestnut), with some conifer plantations.

Trees and water are the hallmark of the Limousin, with its long tradition of rurality.

Limousin in the Community



Ageing population, high quality environment

The Limousin has four major advantages:

– the quality of life — the local products, the social structure, and an environment in which nature remains enviably unspoilt — have attracted a net migratory increase since 1962;

– small to medium-sized businesses, in sectors relatively immune to competition, with increasing potential in ceramics, electronics, enzyme bio-engineering and energy;

– an ageing population ('blue-rinsed gold'), with needs to satisfy and representing a potential source of jobs and businesses to be taken over;

– a determination to reverse the increasingly apparent trends.

But the region has four major handicaps, whose origins are rooted in history, which it must overcome:

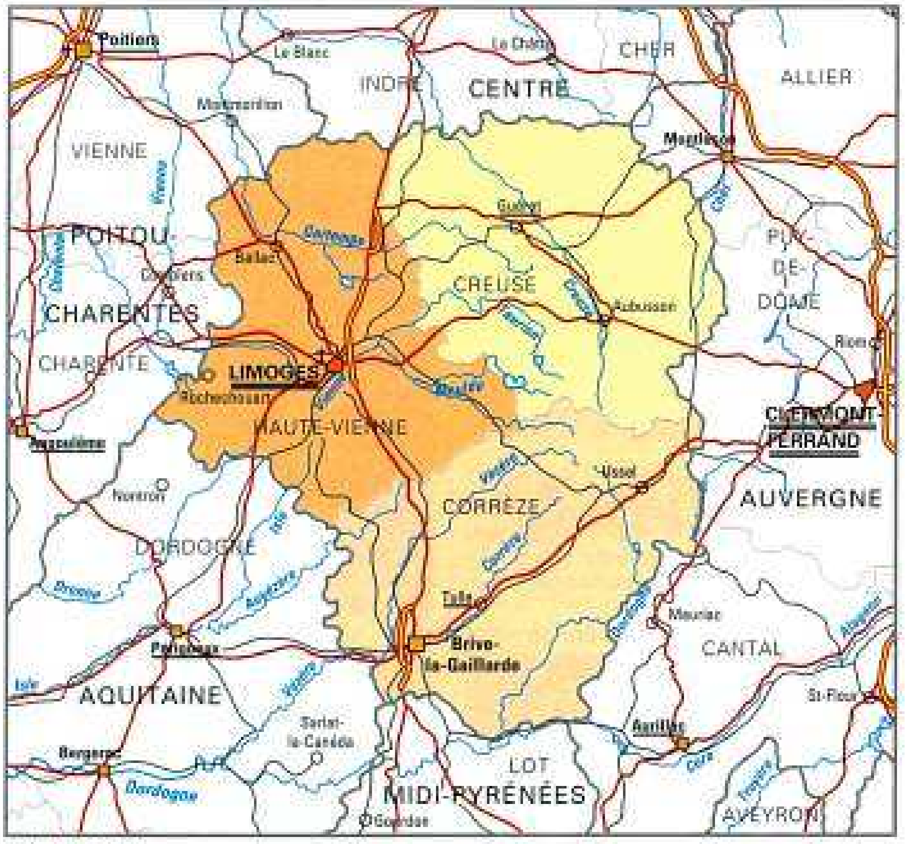
– an ageing demographic pattern, the result of below-average fertility, migration by the young and immigration by the retired;

– low productivity, the result of the nature of local occupations, the predominance of unskilled labour, a shortage of management expertise and antiquated plant and equipment;

– poor road and rail links within the region and with the outside;

– an unattractive image in the general public's mind.

The effect of all these is a continuing downward spiral. An ageing population is a weight on the dynamism of any economy. That adds to the isolation, and worsens an image which already compromises the region's attractiveness to the young, leading to further ageing of the population.



Scale 1 : 2 000 000

Which EC regions are similar to Limousin?

Population:
around 700 000 inhabitants
<50 per km²
Thessalia; Peloponnisos (GR)

Age structure:
20% aged 65 or more
Liguria (I);
Alentejo (P)
Hamburg; Bremen (D)
South-West;
Surrey, East-West Sussex (UK)

Employment:
15 to 20% in agriculture
55% in services
Abruzzi (I);
Alentejo (P)
Murcia; Andalucia (E)

Land use:
1/3 grassland
1/3 forest
Schwaben (D)
Luxembourg (grand-duché)
North-West (UK)

East/west imbalance

The socio-economic landscape clearly benefits the areas around Limoges and Brive in the west, and handicaps the north and the eastern slopes of the region, which are isolated and manifestly suffering from the lack of urban tissue. This situation is due to the combined effect of the relief, the rural exodus, the ageing of the population, below-average fertility, and the lines of communication towards the north, south and west.

The Limousin is centred around two main poles: Limoges, and the Brive-Tulle corridor. Limoges alone houses a fifth of the region's population; the remaining towns provide decentralized and less complete services, with the exception of Guéret, as the *préfecture* (administrative capital) of the Creuse *département*.

The municipal districts whose populations are most elderly and sparse are in the north and east of the region, in particular on the Millevaches plateau: the districts where the bulk of resources are of agricultural origin, centred on Bellac, Aubusson, Ussel and Guéret.

The four westernmost centres are amongst the most heavily industrialized: Rochechouart in particular, but also Limoges, Brive and Bellac. Services are concentrated in and around Limoges and Brive, which between them account for more than half the population.

	Area	Population			Activity	Unempl.	Employment			GDP/inhab.
	1 000 km²	1 000	Inhab./km²	Change (%)	%	%	% Agricult.	% Industry	% Services	EUR(PPS) = 100
		1990	1990	1980-90	1990	1990	1990	1990	1990	1989
Corrèze	5.8	238	41	−1.3	50	8.0	16	27	57	80
Creuse	5.6	132	24	−7.2	47	8.6	27	19	54	68
Haute-Vienne	5.5	354	64	−0.1	52	7.7	9	30	61	92
Limousin	16.9	724	43	−1.9	50	8.0	14	27	59	84
France (without FODs)	544.0	56 597	104	5.3	55	8.7	6	30	64	109
EUR 12	2 253.7	327 931	146	3.2	54	8.3	7	33	60	100

The demographic picture ageing and in decline

The population of the Limousin is small for its size: 723 000, or 43 per km² (1990 census).

Three features sum the situation up:

– a markedly rural character (over-representation of agricultural households and sparse population distribution);

– a population which is one of the oldest in the Community;

– a fertility rate of 1.5 children per woman, far below the national average.

In addition, celibacy amongst males and widowhood amongst females are unusually high.

The population peaked at around a million at the turn of the century and then, with the effects of the First World War, the rural exodus and declining fertility, fell until 1962.

Since 1962 the migratory tide has turned, as people return to their homeland on retirement. The migratory surplus continued to grow until 1982, which led to some stabilization in the population level.

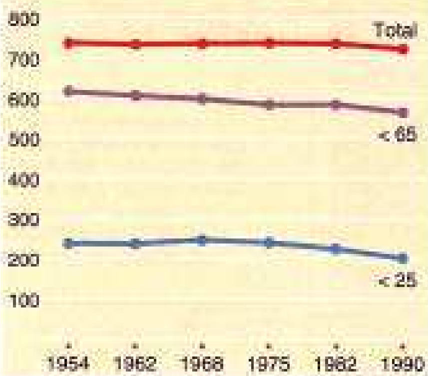
But since 1982 this migratory surplus has not been enough to offset the natural deficit caused by 10 000 deaths per year and only 7 000 live births. In the eight years, from 1982 to 1990, the region lost 14 000 inhabitants.

The challenge for the 1990s is clearly to attract and keep a young population.

Population by age — 1990

	M + F 1 000	M + F %	M %	F %
< 15	106.8	14.8	15.7	13.9
15-24	95.8	13.3	14.1	12.5
25-39	145.2	20.1	21.0	19.3
40-54	125.9	17.4	18.2	16.6
55-64	91.4	12.6	12.5	12.8
≥ 65	157.8	21.8	18.5	24.9
Total	722.9	100.0	100.0	100.0

Population (1 000)



Resident population of foreign nationality — 1990

	1 000	% of total population
Total	20.7	2.9
of which EC countries	9.2	1.3
of which non-EC countries	11.5	1.6

Demographic account — 1980-90 (1 000)

Population 1.1.1980	737.7
Births	72.8
Deaths	100.0
Net migration	+ 13.3
Population 1.1.1990	723.8

High female activity rate and an ageing working population

The female activity rate is higher than the national average amongst those aged over 25, a consequence of the low fertility rate, the extent of agricultural activity with its large numbers of family workers, and the region's low average wages which mean that females' earnings are less dispensable than elsewhere.

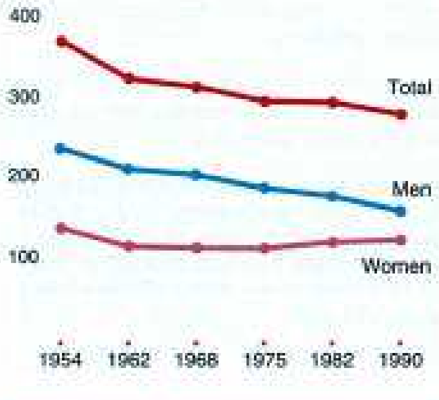
Activity is also high amongst the 50 to 70 year olds. A very high proportion of craft tradesmen are aged 50 and over (as are working farmers).

The University of Limoges has four faculties: Medicine and Pharmacy, Law and Economics, Science, and Arts, together with the University Technology Institute. To these must be added the National School of Industrial Ceramics, and the National School of Engineering, which opens shortly.

Number of pupils — 1990

	M + F 1 000	F %
Pre-school	24.4	49.1
Primary	41.3	48.1
Lower secondary	35.7	48.5
Higher secondary (technical)	10.0	41.9
Higher secondary (general)	19.9	53.0
Higher education	15.0	51.7
Total	146.3	49.0

Employment (1 000)

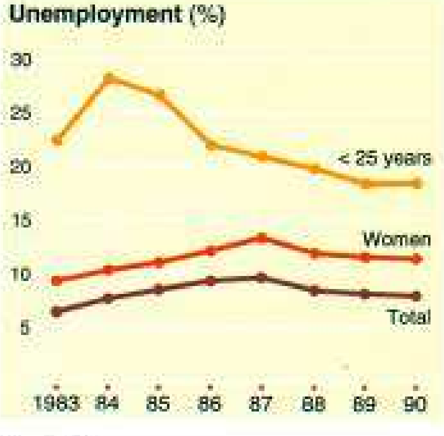


Employment structure (%)

Employment — 1990 (1 000)

Resident employment	276.3
+ Non-residents having a job in the region	7.6
− Residents having a job outside the region	8.9
= Internal employment	275.0

Unemployment (%)



Employment moving with the decline in agriculture and with fluctuating demand

Employment in agriculture is twice the national average.

The services sector is less important than the national average, particularly in the retail trade and in business services. The principal centres for services industries are the *préfectures* of the three *départements*.

The high percentage of non-wage-earners (22% compared with 15% nationally) is explained by the importance of agricultural employment.

There was a massive decline in employment between 1954 and 1975: this was the result of the slump in agriculture, which was not offset by any improvement in the non-market services sector.

In the period from 1975 to 1983, the rate of job losses in agriculture stabilized and the market services sector took off.

But 1983-84 was a very bleak time for the Limousin region's industry, which took the full force of the recession in demand, whilst job creation in the services sector came to a total halt.

Renewed interest in training for young persons, and an upturn in demand, allowed the fall in employment to be contained in 1985 and 1986.

And in 1988, 1989 and 1990, the general improvement in the economy led to an increase in non-agricultural employment.

Characteristics of resident employment (%)

	< 25 years	25-54 years	≥ 55 years	Employees	Employees: part-time		Employees: full-time temporary contract	
	1990	1990	1990	1990	1983	1990	1983	1990
Men	10	78	12	75	2	3	2	11
Women	11	77	12	82	14	22	2	7
Total	10	78	12	78	7	12	2	9

Unemployment less critical than elsewhere

One of the consequences of the limited number of young persons arriving at working age, and of the large numbers of retirements, is that Limousin has a less critical unemployment rate than the average. With the general decline in employment, the gap with the rest of France has narrowed considerably in recent years.

Looking at various aspects of unemployment, we see that the unemployed population is in fact different in nature, with a higher proportion of women aged 25 to 49, more long-term unemployed and fewer young persons (although they remain the hardest-hit). These are the effects of the implementation of job-experience schemes, and the dwindling numbers of adolescents arriving on the job market.

The gap between supply and demand for jobs for women has been widened by the relatively high numbers of women's jobs in the traditional sectors, the end of the services-sector boom and the growing general desire for employment.

Amongst the causes of new unemployment registrations, a growing proportion (almost half) is taken by the ending of a fixed-term contract of employment. Redundancies have fallen substantially in number over the past two years.

Long-term unemployment affects mainly those aged around 50, made redundant from the manufacturing and construction industries. Around 60% of all unemployed aged 50 or over have been so for two years or more.

An economic structure built on tradition and diversity

The Limousin contributes 1.0% of France's GDP, with 1.3% of the nation's population. This means that per capita GDP is substantially below the national average, and the region is last-but-one in the national ranking, ahead of Corsica. Compared with the Community average, the GDP per head of population in Limousin, expressed in PPS, is an index of 84.

Broadly speaking, the principal features of the economy are low productivity and low labour costs.

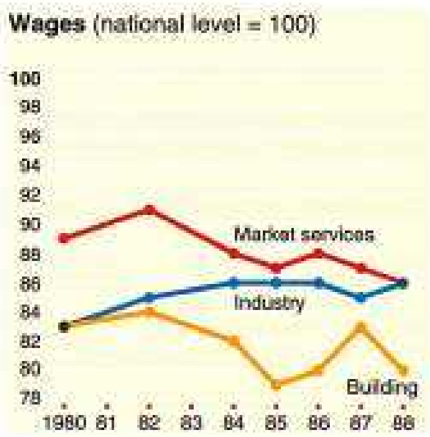
Agriculture, mainly stock-rearing, is still important. The acid soil and high-quality water resources have enabled Limousin to specialize in animal husbandry: 90% of farms are thus specialized. 51% of the agricultural land is used for beef stock-rearing, and 25% for sheep for both milk and meat. The gross income per holding is 45 (national average = 100).

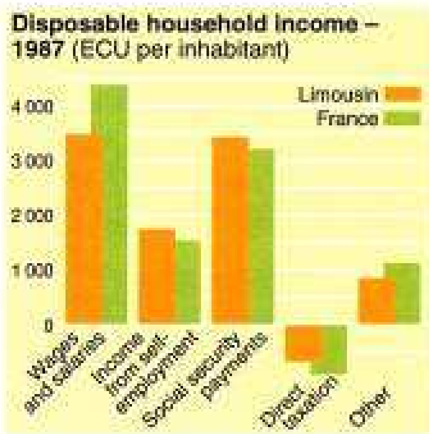
Industry is structured around a network of small and medium-sized businesses, in which the principal industries are timber and paper and board, both expanding rapidly, and the manufacture of electrical equipment. Industrial decentralization and local development policies have regenerated the nineteenth century structures of the porcelain, leather and footwear industries and others, although the gap between the Limousin and other French regions has not yet been closed.

Generally industrial strategy is built around short-series production aimed at national or even regional markets. A high ratio of value-added to turnover in most sectors is indicative of highly specialized market targeting.

Research is concentrated on new ceramic materials, opto-electronics and enzyme bio-engineering.

The economy of the Limousin is still fairly isolated from international trade, and is probably going to have to go through a period of rapid internationalization. This will represent an equal mix of threats and opportunities.





Unit wage costs close to the national average

Wages in the Limousin lag well behind the national average. This is the result partly of low productivity, itself caused by the nature of regional activities, and partly of the limited skills of the local workforce and the obsolete plant and equipment used. The overall result of this is that although local wages are low, the proportion of the region's value-added accounted for in labour costs is comparable to that observed in other regions of France.

Activities involving the production of goods for current consumption and low added-value intermediate goods, such as ceramics and textiles and clothing, are well represented. These are traditionally unlikely to be the source of high incomes.

With a wages factor in unit production costs close to the national average, the share in productivity not taken by remuneration is fairly low. This poor economic return on investment in labour is likely to affect adversely any self-financing, and consequently any investment.

Low wages offset by positive transfers

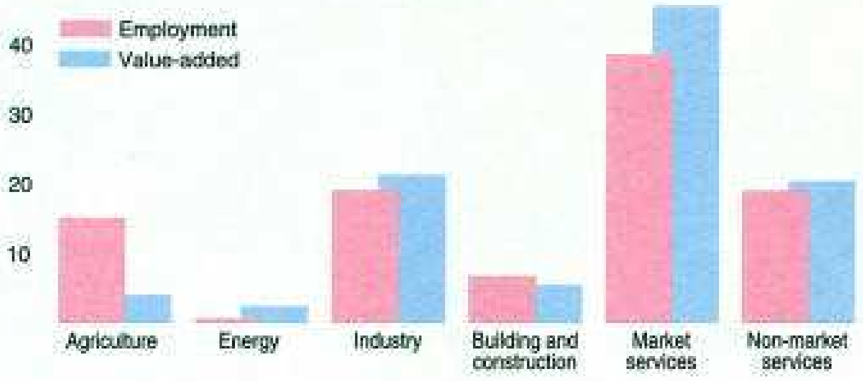
The gross primary income of the average inhabitant of the Limousin (excluding tax, contributions and allowances) is approximately 15% below the French national average.

Perhaps as important as the low level of income is the source of primary income. A quarter of incomes derive from activities in agriculture, skilled and craft trades, and self-employment (i.e. production income). The weight of wages and salaries is lower than the national average.

The allowances paid in the Limousin, and the low level of contributions, mean that the standard of living in the region is comparable with the rest of France other than the Paris region.

For every 100 paid in social protection contributions, 160 is paid out. This is essentially because of retirement pensions and the agricultural scheme, in which payments made are five times greater than contributions received.

Employment and value-added: distribution by branch – 1988 (%)



Widespread stock-raising and services sector to support

With 423 000 head of milking cattle, Limousin has the largest pedigree beef herd in the Community. Two-thirds of these are Limousine stock, producing prime meat. Agriculture takes 55% of the region's territory and produces 4% of its value-added. Forestry is, after stock-raising, the second most important activity in the primary sector.

Limousin industry has three main features:

– a substantial part of the region's industry has no obvious prospects for high growth;

– the industrial potential is more likely to see changes and innovations in production processes (the consequence of the obsolete plant and equipment) than in the products themselves;

– a third of the region's industry is involved in activities which are already international. A further half is likely to be galvanized by a rapid process of internationalization.

In the services sector, the region's main specializations are in services to households and, to a lesser extent, telecommunications.

On the other hand, it is short on market services to businesses (design, consultancy and advice bureaux) and on financial services.

The French 'Armées 2000' (Armed Forces for 2000) plan gives Limoges a role as the capital of a new military region, and this would entail the gradual creation of about 1 000 new jobs.

Agriculture

Number of holdings	28 622
Labour force	38 542 AWU
Agricultural area	899 000 ha
Livestock	797 000 LU
Gross value-added	8 000 ECU/AWU

Main products	
Cattle	52%
Pigs	11%
Milk	11%

Main enterprises

Name	Employees	Activity
Legrand	3 000	Manufacture of electrical equipment
Renault véhicules industriels	1 500	Manufacture and renovation of motors and parts for lorries, coaches, etc.
GIAT industries	1 300	Arms

Spacious, calm and unspoilt

The Limousin offers tranquil lakes, lush forests, the calm of vast open spaces, the shade of chestnut, birch, spruce and oak, the rippling of quiet streams and gentle waterfalls, the charm of hidden lakes and secluded inlets.

The region has maintained its reputation for high-quality water resources for energy, for industry and for recreation.

Its lakes, forests and countryside are ideal walking country.

Within recent years large tracts of agricultural land have been abandoned; but there does not seem to be any serious threat in large areas returning to the wild.

With a third of its area under forest, the region has substantial forestry resources: deciduous (oak and chestnut, frequently untended although heavily worked in former times by certain sectors) and coniferous (fir and spruce, more recently planted and now coming into full production).

Although the Limousin occupies 3% of the land area of France, it generates only 0.9% of the pollution, and most of that highly localized. Limousin is one of the regions least polluted by toxic and organic effluents.

Although the population is declining, the municipalities continue to satisfy community and social needs. For their size, they are particularly well provided for in essential services and equipment, although supplies to rural areas are frequently delivered only by itinerant traders. The administrative centre of each canton (district) provides most administrative services for its area.

The Limousin has preserved much of its architectural heritage, and has a duty to maintain it for future generations. It is clear that, in many respects, maintaining a clean and unspoilt environment is the challenge for the future.

FRANCE

RHÔNE-ALPES

Rhône-Alpes is France's second largest region (44 000 km²) and the second most highly populated (nearly 10% of the national population in its eight *départements*).

The region is made up of three very different geographical zones:

– to the west, the highlands of the Massif Central;

– down the middle, the Saône-Rhône corridor;

– to the east, the high Alps including Mont Blanc, the highest peak in Europe (4 807 m).

Rhône-Alpes is notable for its highly varied relief. The mountain areas (about 800 m) account for almost half the total territory of the region.

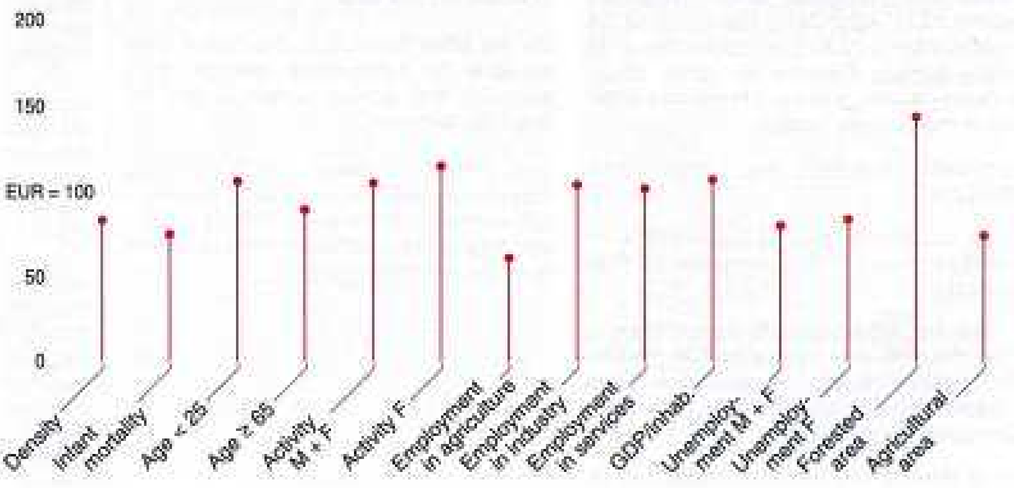
The climate changes progressively from continental in the northern part of the region to Mediterranean in the south.

Almost half the total area of the region is cultivated, and a third is covered by woods and forests.

Rhône-Alpes is in a prime geographical position, with Switzerland and northern Italy as neighbours and the Mediterranean within easy reach. The Rhône valley is in fact the main corridor of communication between the north and east of France and the Midi, and between the countries of northern Europe and the Mediterranean countries.

One of the main corridors of communication between northern and southern Europe, Rhône-Alpes has a powerful industrial base.

Rhône-Alpes in the Community



A strong and diversified economy but still in search of an identity

Rhône-Alpes has three outstanding advantages:

– a sound industrial base: Rhône-Alpes is one of France's leading industrial regions with a long-standing industrial tradition that has led to the emergence of a high-quality services sector able to provide the industrial enterprises with their needs for development;

– a dense urban network: in addition to Lyons, the second-largest city in France, with 1 260 000 inhabitants, Rhône-Alpes can boast two urban areas (Grenoble and Saint-Etienne) with over 300 000 inhabitants, another four with over 100 000 inhabitants and an impressive number of medium-sized towns. These urban areas are interlinked by a dense communication network that allows fast internal and external communications;

– an exceptional natural environment: this factor has made a large contribution to the quality of life and permitted the development of a sizeable tourist industry.

But there remain obstacles to overcome:

– the absence of a sense of identity: as in many other French regions, the areas that have been lumped together in the Rhône-Alpes region have not really had a common history, and the idea of working together to forge a common future needs to be more clearly developed;

– the problem of urban imbalances: the development and growth of the region's urban areas has been accompanied by the concentration, in certain districts, of a population struggling to fit into the economic and social framework. Measures to counteract this spatial segregation will constitute a major challenge over the next decade.

Scale 1 : 3 000 000

Which EC regions are similar to Rhône-Alpes?

Population:
5.3 million inhabitants
Danmark
West Midlands (UK)
Sicilia; Lazio (I)

Employment:
4-5% in agriculture
60% in services
West-Vlaanderen (B)
Oberbayern; Kassel (D)
Lorraine; Nord-Pas-de-Calais (F)
Limburg (NL)

Land use:
40% agriculture
Corse; Alsace (F)
Friuli-Venezia Giulia (I)

A region of striking contrasts

The population of Rhône-Alpes is very unevenly distributed, with high densities in the urban areas and along the main lines of communication and very low densities in the large underpopulated, mainly mountainous, areas. Nearly 70% of the population is concentrated in 10% of the region's territory.

This lack of balance in the population distribution is accompanied, on an economic level, by disparities in the number of jobs available in the region's different employment areas.

The oldest industrial areas, around Saint-Etienne and Roanne, have been very hard-hit by the crisis. Their population is static and their unemployment rate over 10%.

On the other hand, the areas near Switzerland are going through a very positive phase of demographic and economic expansion which is attributable to a substantial increase in cross-border employment.

In the Saône valley, around Lyons and Grenoble, and along the Alpine threshold between Chambercy and Annecy, there is a balanced pattern of activity between the industrial and services sectors.

In the southern part of the region (especially the Drôme and Ardèche *départements*) there is still a steady inflow of immigrants, but employment has failed to keep pace with the resulting increase in the working population. Agriculture plays an important role in the economy of this part of the region.

	Area	Population			Activity	Unempl.	Employment			GDP/inhab.
	1 000 km²	1 000	Inhab./km²	Change (%)	%	%	% Agricult.	% Industry	% Services	EUR (PPS) = 100
		1990	1990	1980-90	1990	1990	1990	1990	1990	1989
Ain	5.8	470	82	16.3	59	4.9	8	39	53	95
Ardèche	5.5	278	50	5.0	51	8.6	12	35	53	78
Drôme	6.5	414	63	8.9	54	10.0	8	34	58	102
Isère	7.4	1 015	137	11.3	57	7.6	3	37	60	103
Loire	4.8	747	156	0.9	53	8.6	5	39	56	86
Rhône	3.2	1 508	464	4.9	58	6.9	2	32	66	129
Savoie	6.0	348	58	9.6	57	6.5	4	28	68	111
Haute-Savoie	4.4	567	130	18.4	62	5.6	3	38	59	111
Rhône-Alpes	43.7	5 347	122	8.3	57	7.2	4	35	61	107
France (without FODs)	544.0	56 597	104	5.3	55	8.7	6	30	64	109
EUR 12	2 253.7	327 931	146	3.2	54	8.3	7	33	60	100

RHÔNE-ALPES

A steadily growing population

Over the period 1982-90, the population of the Rhône-Alpes region rose by 0.8% per annum and two-thirds of this increase was attributable to the excess of births over deaths. The fact that Rhône-Alpes is one of France's most attractive regions (almost rivalling those to the south) is evidenced by the size of the migratory balance.

The recent pattern of development has been characterized by two elements in particular:

– the development of the rural communes around the major urban centres, to which the large migratory surplus has made a substantial contribution;

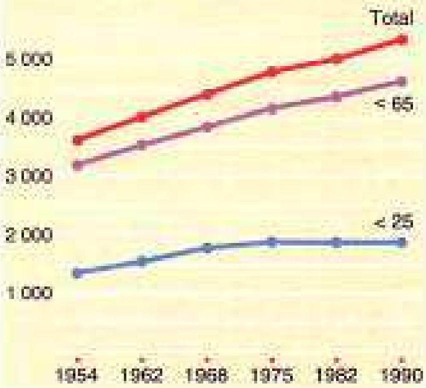
– the more dynamic development of the north-eastern part of the region in general and of the Ain and Haute-Savoie *départements* in particular.

But like every other region, Rhône-Alpes has a steadily ageing population. Although the fertility rate has borne up well, the region has suffered from the fall in the birth rate in the mid-1970s. Between 1982 and 1990 the population under the age of 20 fell by 2% while the proportion in the over-60 age group soared by 16%. The *départements* most affected are the Ardèche and, to a lesser extent, the Drôme and the Loire.

Population by age — 1990

	M + F 1 000	M + F %	M %	F %
< 15	1 046.1	19.6	20.4	18.7
15-24	819.8	15.3	16.0	14.7
25-39	1 217.6	22.7	23.3	22.2
40-54	995.3	18.6	19.3	18.0
55-64	542.5	10.1	10.0	10.2
≥ 65	731.0	13.7	11.0	16.2
Total	5 352.3	100.0	100.0	100.0

Population (1 000)



Resident population of foreign nationality — 1990

	1 000	% of total population
Total	425.3	7.9
of which EC countries	149.3	2.8
of which non-EC countries	276.0	5.1

Demographic account — 1980-90 (1 000)

Population 1.1.1980	4 935.2
Births	731.4
Deaths	454.1
Net migration	+ 134.2
Population 1.1.1990	5 346.7

An irresistibly rising level of female activity

The regional activity rate was gradually rising during the 1980s.

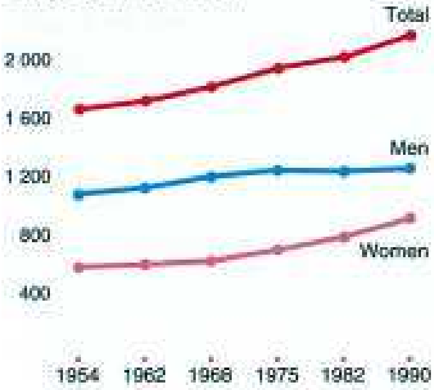
The proportion of retired persons has also risen, however, and a larger proportion of the younger generation are going on to further education. But apart from the contribution of the baby-boom, the rise in the working population is attributable to the steady uptrend of female activity. No less than 77% of women between the ages of 25 and 49 are now in the labour market, compared with only 66% eight years ago.

The region's initial training facilities are geared to the requirements of nearly 1 400 000 pupils and students in the various types of establishment, with the emphasis on technical education and training. The higher education sector is particularly well-developed in the region's eight universities and a number of other tertiary institutions (specializing in business studies, engineering, architecture, etc.). The main university centres are in Lyons, Grenoble and Saint-Etienne.

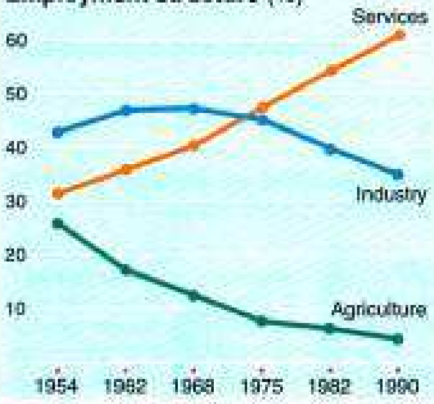
Number of pupils — 1990

	M + F 1 000	F %
Pre-school	255.7	48.6
Primary	401.0	48.4
Lower secondary	310.5	49.2
Higher secondary (technical)	69.8	48.5
Higher secondary (general)	153.4	54.2
Higher education	173.9	48.9
Total	1 364.3	50.5

Employment (1 000)



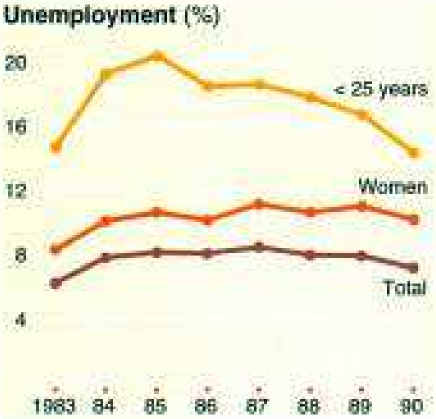
Employment structure (%)



Employment — 1990 (1 000)

Resident employment	2 208.0
+ Non-residents having a job in the region	45.9
− Residents having a job outside the region	85.6
= Internal employment	2 168.3

Unemployment (%)



One industrial job in five lost in the crisis

Between 1975 and 1987, nearly 155 000 industrial jobs were lost, i.e. more than one job in five. Every sector suffered, but the intermediate goods sector was the most seriously affected. Since 1987, the trend has been reversed and industrial employment began to rise again in 1989. One job in three is in industry (including building), but the numbers employed in this sector fell sharply in the course of the crisis.

The services sector provides employment for approximately six out of every 10 members of the working population. The number of persons employed in this sector has doubled over the past 30 years and the rate of increase was only marginally lower in the crisis years.

Employment in agriculture makes a smaller contribution to total employment than at national level and the number of jobs in this sector is only a quarter of the number recorded 30 years ago.

Levels of qualification are highest in the energy and capital goods sectors. The proportion of managers and intermediate professions is highest in insurance and financial services. The overall picture is one of steadily rising levels of qualification.

Over the period from 1982 to 1990 the proportion of the working population employed outside the commune in which they resided went up from 50 to 60%, and there was a particularly substantial increase in transborder employment. In Haute-Savoie, for example, 14% of the working population now travel to work in Switzerland, in the cantons of Geneva and Vaud.

Characteristics of resident employment (%)

	< 25 years	25-54 years	≥ 55 years	Employees	Employees: part-time		Employees: full-time, temporary contract	
	1990	1990	1990	1990	1983	1990	1983	1990
Men	13	79	8	84	3	2	3	8
Women	15	77	9	89	21	25	3	9
Total	14	78	9	86	10	12	3	9

Unemployment: striking disparities between the *départements*

The unemployment rate in Rhône-Alpes is lower than the national average. The difference has hardly changed over the past 10 years but the two rates are currently converging slightly.

This relatively satisfactory situation on the unemployment front bears witness to the dynamism of the economy of the region which has to overcome the handicap of the faster-than-average growth in its working population.

The unemployment situation has shown a modest improvement since 1987, after a substantial rise in the crisis years, but the region still has a core of long-term unemployed and in 1990 almost 37% of the unemployed had been seeking employment for more than a year.

Unemployment has affected women more than men, and the younger generation more than adults. Between 1982 and 1990 the situation deteriorated more for women than for men, but the position of the younger generation relative to adults improved.

The *départements* recording the most striking rises in unemployment since 1982 are the Ardèche and above all the Drôme.

The Loire *département* was severely affected by the industrial crisis, but the situation has stabilized in the past few years.

The three *départements* in the north-eastern part of the region, Ain, Haute-Savoie and Savoie, have been in a relatively well-off position which is partly due, in the first two cases, to the nearness of the Swiss labour market.

A diversified economy

Rhône-Alpes is one of France's leading regions for the creation of per capita wealth.

The distribution of economic activities between the different branches is well-balanced.

Industry is particularly well-represented and reflects the presence of a number of French and foreign industrial groups and a dense network of small and medium-sized enterprises (SMEs). Broadly speaking, the region has an above-average productivity record.

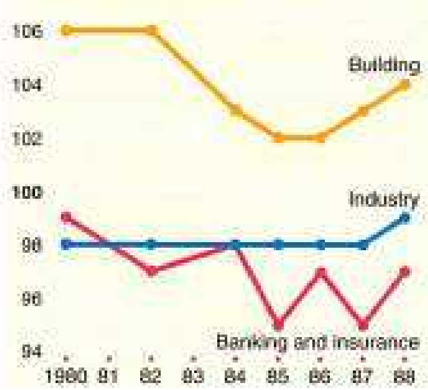
The services sector would appear to be under-represented. But if one looks more closely (and if the Île-de-France is left out of the reckoning, because of its well-known special characteristics in this domain) the figure is in fact close to the French regional average. It is furthermore relevant to emphasize the special characteristics of the services sector in the Rhône-Alpes region, where the leading role is played by market services. A particularly important feature here is the scale of development of project planning and consultancy services, which play such a crucial role in helping firms to evolve with their environment and develop their activities.

Rhône-Alpes also has an impressive R&D potential and is indeed the leading provincial region in this respect. The researchers are more or less equally divided between public establishments (research centres, universities and the prestigious *Grandes écoles*) and private firms or the technical research centres in specific sectors. Several laboratories with European or wider interests and reputations are also located in the Rhône-Alpes region.

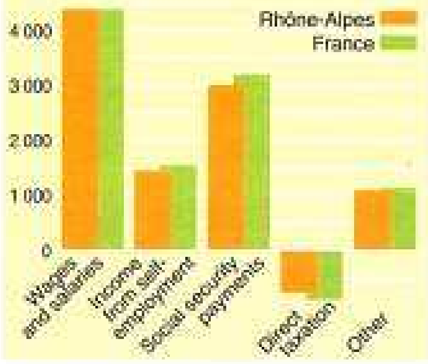
Last, but not least, there is the tourist industry, which everyone knows is highly developed in the alpine *départements* of Rhône-Alpes but is also a well-developed sector of activity in the upland areas of the Drôme and Ardèche *départements*. Few other regions can absorb so many visitors, in so many types of accommodation, in summer as well as in winter.

GDP (1980 = 100)

Wages (national level = 100)



Disposable household income – 1987 (ECU per inhabitant)

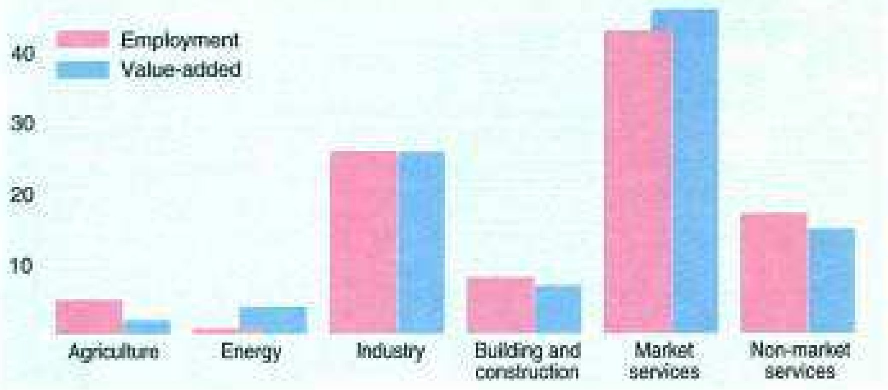


Wages: the qualification factor

Levels of pay in the Rhône-Alpes region are around the national average. Average wages are slightly lower in the industrial sector but higher in the building sector. If the comparison is restricted to the provincial regions, to eliminate the effect of the capital, where wages are significantly higher, Rhône-Alpes is in the vanguard of the French regions. This is largely due to the nature of the activities established in the region, where many of the industrial branches are in the high value-added category and employ highly qualified labour, which tends to push up the average level of remuneration. As in the other French regions, men are much better paid than women and the difference is not entirely attributable to differences in qualifications.

Wages represent the largest single element of households' disposable income, a contribution of nearly 50%, which is higher than the national average. Consequently the contributions of the income of non-wage earners and social benefits are lower than the national average. The factors to which this state of affairs is attributable are the small agricultural population and the high level of employment in the industrial and services sectors. The inhabitants of the Rhône-Alpes region make higher than average contributions to national tax revenue. The region is economically well-endowed and demographically young, and derives below-average benefit from social transfer payments.

Employment and value-added: distribution by branch – 1988 (%)



Preponderance of industry

The modesty of the Rhône-Alpes region's contribution to French agriculture is attributable to the natural handicaps imposed by its relief, the fragmentation of landholding and inefficient farming.

The industrial tradition goes back a long way and owes its origin to the region's natural resources. In the energy sector in particular, Rhône-Alpes is very well endowed with hydroelectric resources, and several nuclear power stations have also been built in the region.

The largest contribution on the industrial front is made by the intermediate goods sector, even though its share of total industrial output has slightly declined after 10 years of crisis. The chemicals sector is particularly well-developed across the whole range of products from petrochemicals to pharmaceuticals. The region also specializes in aluminium, nuclear fuels, metallurgy and metalworking, and the country's main plastics processing facilities are also located in Rhône-Alpes.

The region also specializes in the production of capital goods, with the emphasis on industrial and transport equipment, electrical engineering and the electronics sector.

The consumer goods sector is the least well-developed, although it would be wrong to underestimate the importance of the textiles/clothing and leather goods/footwear sectors and the industries serving the winter sports sector.

Agriculture

Number of holdings	85 851
Labour force	113 598 AWU
Agricultural area	1 839 000 ha
Livestock	1 008 000 LU
Gross value-added	12 696 ECU/AWU
Main products	
Milk	20%
Wine	13%
Cattle	13%

Main enterprises

Name	Employees	Activity
Renault véhicules industriels	12 500	Car manufacturing
Rhône-Poulenc chimie	12 300	Manufacture of basic chemicals
Groupement des industries d'armement terrestre	4 700	Arms
Merlin-Gerin	4 500	Electrical machinery
Atochem	3 800	Manufacture of basic chemicals
Société lyonnaise de transport en commun	3 400	Urban transport
Crédit agricole mutuel du Sud-Est	3 300	Banking and finance
Société nouvelle de roulements	3 200	Precision instruments
Sextant Avionique	3 000	Precision instruments

An exceptionally good region for skiers

Rhône-Alpes is a region with a well-endowed environment.

The region's greatest natural attraction is the Alps, where some of the world's best ski slopes are to be found. So it is hardly surprising that Rhône-Alpes has already hosted the Winter Olympics three times (Chamonix 1924, Grenoble 1968 and Albertville 1992). Every effort has been made, in developing the ski resorts, to respect the integrity of the vast, unspoilt mountain areas whose environmental protection has been guaranteed by the designation of national parks (Vanoise, Oisans, Vercors, etc.).

In summer, the same open spaces offer a wide variety of pursuits for the holiday-maker.

Rhône-Alpes can boast a number of other unspoilt areas which may be a little less spectacular but are still crammed with tourist attractions. They include not only the highlands of the southern part of the Jura and the eastern edge of the Massif Central, but also (closer to the urban centres) the ponds of La Dombes, the low-lying district to the north-east of Lyons and, last but not least the mountains of the Massif du Mont Pilat to the east of Saint-Etienne.

Urbanization and industrialization are characterized by the emission of organic and toxic waste products which are a very serious environmental hazard, especially for the region's many lakes and watercourses. An effort has been made to set up treatment plants to ensure that the region's industrial waste water is properly treated before it is released to the environment.

The vastness of this region of outstanding natural beauty must not let us forget about the atmospheric pollution that threatens the quality of life in the urban areas and especially in Lyons, due to the closeness of a number of industrial sites.

The rural exodus and neglect of the land in certain parts of the Ardèche and Drôme *départements* is yet another environmental headache for the Rhône-Alpes region.

FRANCE

AUVERGNE

Auvergne covers some 26 000 km² at the heart of the Massif Central, culminating at the Puy de Sancy (1 886 m).

More than half the municipalities in Auvergne are classed as mountain communities. The Massif Central is fairly compact, with few approach valleys, and consequently has no easy access except from the north, whence it appears as a vast amphitheatre. In the heart of the Massif a vast alluvial plain, drained by the River Allier and its tributaries, lies surrounded by the old crystalline rock and granite, while to the south-east and west the volcanic massifs provide the region with a unique landscape and a considerable tourist attraction.

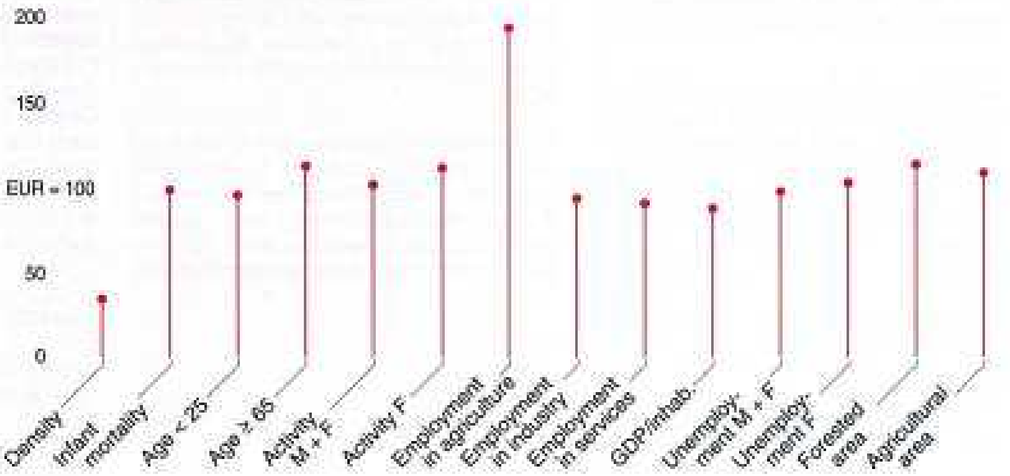
These contours help protect the central hollows from the influence of the Atlantic, but the price for this is heavy but irregular rainfall on the western and eastern ranges of hills. This contrast between the plains and the mountains of Auvergne is perfectly typical.

Auvergne is served by a dense system of watercourses. Their annual flow, some 11 000 million cubic metres, lies behind Auvergne's reputation as 'the water-tower of France'.

Auvergne is quintessentially a forest region. On higher ground the ecological conditions are ideal for conifers; lower down, deciduous forest predominates.

Just a stone's throw away from Clermont-Ferrand, the vast reserve of the Chaîne des Volcans.

Auvergne in the Community



A beautiful region, but the local population is leaving it

Strengths

Auvergne's greatest strength is its natural environment: superb scenery, an excellent environment and room to expand. These are all at a premium, and must be developed to attract business, new residents and tourists.

Its geographical position at the centre of the Community will shortly be turned to account as the road connections south and west are improved. The Paris-Montpellier motorway will offer an alternative to the almost saturated Rhône Valley motorway route.

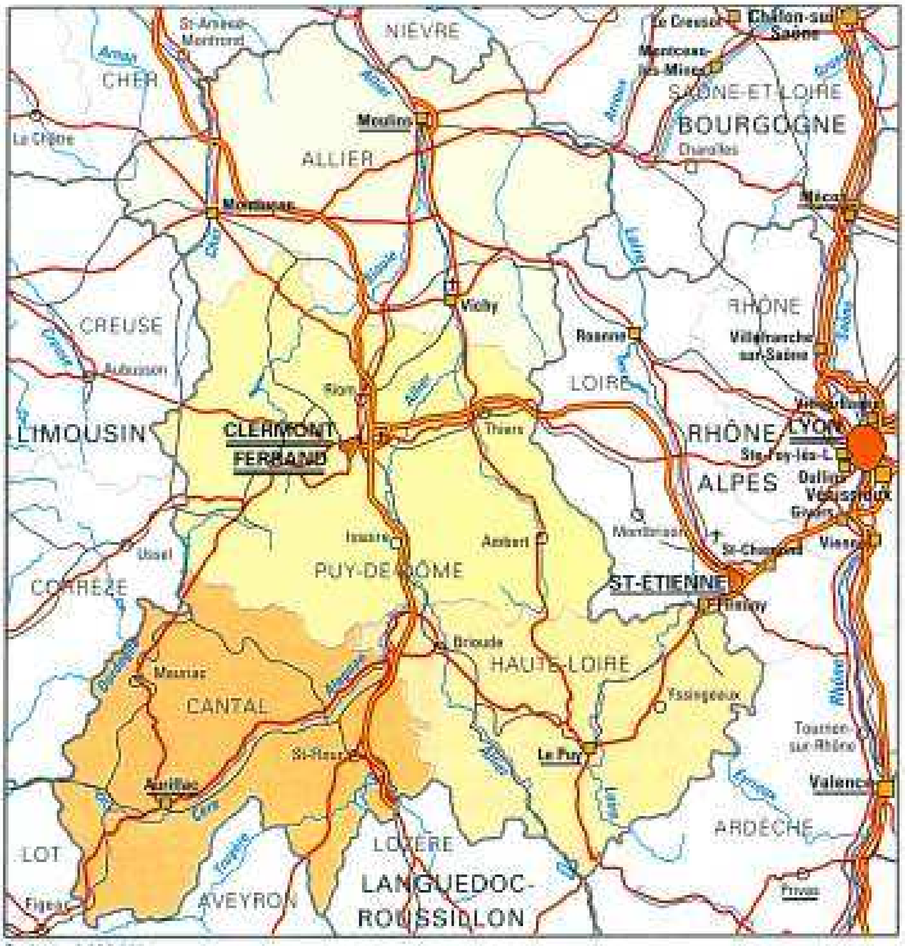
Auvergne has a reputation for a good job, done well and without fuss. The quality of many of the region's products should come as no surprise. Businessmen are right to be conscious of a strength such as this.

Weaknesses

Many of Auvergne's businesses are having trouble modernizing production equipment and in managing labour and publicity. The employment situation will not improve before there has been a general improvement in productivity.

Migration by the young and the highly-qualified is accelerating the ageing of an already old population. This is a threat to the region's future and to its present vitality.

Auvergne is best known for family agriculture and Michelin tyres, and both of these have been hard hit. The region is now having difficulty finding the necessary unity and identity on which to rebuild a public image of itself and its capital.



Scale 1 : 2 000 000

Which EC regions are similar to the Auvergne?

Population:
between 1 and 1.5 million inhabitants
± 50 inhabitants per km²
Champagne-Ardennes;
Franche-Comté (F)
Clwyd, Dyfed, Gwynedd,
Powys (UK)

Age:
1 in 6 persons over 65 years old
Bourgogne;
Provence-Alpes-Côte d'Azur (F)
Schleswig-Holstein (D)
Castilla y León; Aragón (E)
Wales; East Anglia (UK)

Employment:
15% in agriculture
Ireland
Abruzzi (I)
Basse-Normandie (F)

Towns in need of new blood

The population is centred on the plains and the Allier Valley, the only areas where a town of any size could expand. Clermont-Ferrand is the regional capital, at the foot of the mountains. As the Michelin company has expanded it has remained true to its local origins, and this lies at the root of Clermont's development into one of France's leading centres. But the city has also developed a substantial services sector; Clermont itself has 250 000 inhabitants, but directly influences more than a quarter of the region's total population.

Along the Allier Valley, three fair-sized towns have grown up: Montluçon, the industrial; Vichy, the spa; and Moulins, the administrative. In the mountainous southern part of the region, only Aurillac and Le Puy have achieved any size, essentially as a result of their administrative roles. These are two of France's handful of towns which, despite being situated at an altitude of more than 600 m, maintain a population of more than 20 000.

After a period of growth, these towns are all currently stagnating. Many of their industries have been hit by the recession, and growth in the services sector has become hesitant.

Agriculture is suffering and the rural areas declining under disadvantageous natural conditions. A very few small towns, notably Yssingeaux (Haute-Loire) and its surroundings, have shown considerable dynamism in industry or the services sector.

	Area	Population			Activity	Unempl.	Employment			GDP/inhab.
	1 000 km²	1 000	Inhab./km²	Change (%)	%	%	% Agricult.	% Industry	% Services	EUR(PPS) = 100
		1990	1990	1980-90	1990	1990	1990	1990	1990	1989
Allier	7.3	358	49	− 3.8	50	10.4	11	29	61	84
Cantal	5.7	159	28	− 3.2	51	8.4	24	21	56	79
Haute-Loire	5.0	207	42	0.5	52	7.0	16	35	49	78
Puy-de-Dôme	8.0	599	75	1.4	55	8.3	7	34	59	98
Auvergne	26.0	1 323	51	− 0.7	52	8.7	11	31	58	89
France (without FODs)	544.0	56 597	104	5.3	55	8.7	6	30	64	109
EUR 12	2 253.7	327 931	146	3.2	54	8.3	7	33	60	100

Population in the 1980s: natural deficit, migratory losses

Auvergne is a middle-sized, mountainous region with a small population. The population density is barely half the French national average. It is unevenly distributed, too: in the hills it is often as low as 15 per km². These upland areas are being abandoned by the young, particularly by younger women.

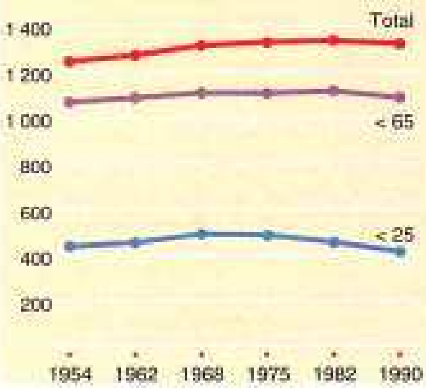
The essential characteristic of the population is its ageing, and this goes hand-in-hand with a fertility rate amongst the lowest in France.

The region has lost 10 000 inhabitants since 1980, and that loss marks the end of a 30-year period of demographic growth. From 1950 to 1975 that growth had been the result of substantial natural population increase, together with immigration on a scale to cancel out emigration. Between 1975 and 1982 a slight deficit appeared on natural population increase, though this was more or less balanced out by a surplus on migration. But the 1980s marked the turning point: the natural deficit worsened and, with the crisis in employment, the migratory balance swung the other way. This makes Auvergne the only region in France where both natural population increase and the migratory balance are in deficit. The challenge for the next few years must be to attract — and to keep — a young population.

Population by age — 1990

	M + F 1 000	M + F %	M %	F %
< 15	221.1	16.7	17.6	15.9
15-24	192.4	14.6	15.2	13.9
25-39	279.8	21.2	22.1	20.3
40-54	238.5	18.0	18.8	17.4
55-64	155.6	11.8	11.6	11.9
≥ 65	234.3	17.7	14.7	20.6
Total	1 321.7	100.0	100.0	100.0

Population (1 000)



Resident population of foreign nationality — 1990

	1 000	% of total population
Total	53.0	4.0
of which EC countries	29.5	2.2
of which non-EC countries	23.5	1.8

Demographic account — 1980-90 (1 000)

Population 1.1.1980	1 332.3
Births	152.5
Deaths	157.6
Net migration	-4.7
Population 1.1.1990	1 322.5

The challenge: to reverse the flight of youth and skills

The worrying thing about the evolution of the region's working population is that it reflects a large-scale emigration by 20- to 30-year-olds.

The University at Clermont-Ferrand has 21 000 students. This places it 15th of France's 24 provincial universities. With a further four schools of engineering, the city offers a wide range of graduate and post-graduate training, and is particularly strong in chemistry, biology and mechanical engineering, all these disciplines being closely connected to the local agri-food industries.

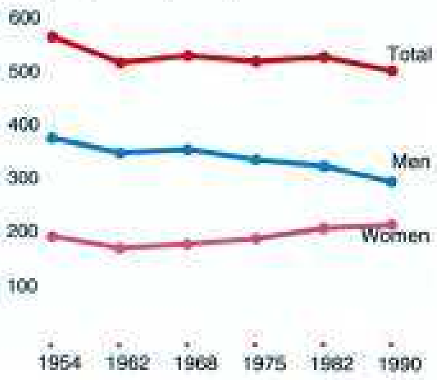
Auvergne's businesses none the less have relatively few qualified engineers and professional managers, and few qualified white-collar staff. Technical staff are plentiful, on the other hand, particularly at Michelin, in biology and in livestock production.

Blue-collar skills are generally rather low, although a few industries are notable exceptions: plastics, primary metalworking, textiles and clothing, and paper and board.

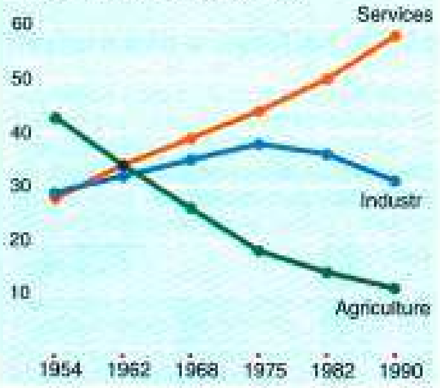
Number of pupils — 1990

	M + F 1 000	F %
Pre-school	49.9	48.8
Primary	85.4	48.9
Lower secondary	71.1	48.1
Higher secondary (technical)	16.7	50.2
Higher secondary (general)	34.1	55.4
Higher education	27.3	52.8
Total	284.5	49.9

Employment (1 000)



Employment structure (%)



Employment — 1990 (1 000)

Resident employment	505.9
+ Non-residents having a job in the region	8.6
– Residents having a job outside the region	18.4
= Internal employment	496.1

Unemployment (%)

A tough decade for employment in the 1980s

The agricultural bias in Auvergne remains clear: more than one job in ten.

Industry is also well-represented, accounting for almost one job in four. Michelin dominates this sector totally, and accounts directly for more than one job in six. Add the importance of metal and plastic products, and the reason for the preponderance of intermediate goods in production in the region is clear. At the other end of the scale, practically no energy is now produced in Auvergne, and capital goods play a modest role.

The services sector became the most important in the early 1980s, but remains less significant here than in France generally, although it continues to create jobs. Retailing, on the other hand, is not keeping up, and the number of jobs is falling.

During the 1980s, total employment in the region fell substantially, with a loss of 23 000 jobs or 4.4% between 1982 and 1990, compared with the virtual stability of the previous 20 years. This slump was the result of a sudden decline in industrial jobs (down 25 000) and the construction industry (down 8 000). The recession in the motor trade, productivity rationalization and the closure of small businesses lie at the heart of these job losses. They have come to a halt since 1988, but the region has recently been plunged into uncertainty once again by Michelin's announcement of substantial job cuts in 1991-92.

Characteristics of resident employment (%)

	< 25 years	25-54 years	≥ 55 years	Employees	Employees: part-time		Employees: full-time temporary contract	
	1990	1990	1990	1990	1983	1990	1983	1990
Men	11	77	13	71	2	3	4	9
Women	12	78	10	78	26	28	2	6
Total	11	77	11	74	12	14	3	8

Unemployment contained, but worries exist

The unemployment rate in Auvergne has risen over recent years only a little faster than the national average. Given the steep decline in regional employment, this may come as a surprise, but the reader should not be deceived: massive use of early retirement was made as industry shed labour, and the low number of jobs on offer drove large numbers to move to other regions of France.

Unemployment amongst the under-25s has been taken up for several years as a result of government measures for employment. But the rate for the under-25s in Auvergne is still above the national average. Women account for more than half of all the unemployed.

Another recent change has been the rise in long-term unemployment. In 1990, more than a third of Auvergne's unemployed had been jobless for a year or more. Even during the most recent years, when unemployment has been falling, the average period of unemployment has been lengthening, and at the end of 1990 it was 14 months. These figures reveal the problems of finding work in Auvergne, and explain why people are leaving the region.

The tyre is king, but small businesses abound

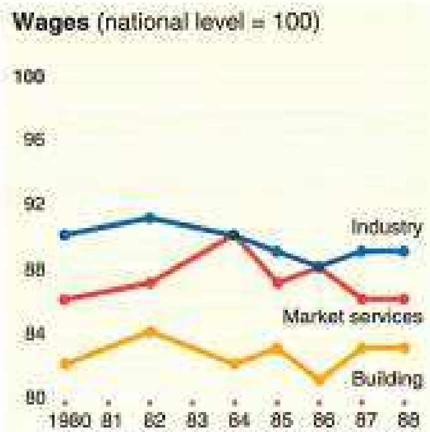
The image immediately called to mind by Auvergne's industry is the vehicle tyre. Clermont-Ferrand is the home town and still the headquarters of one of the world's leaders, Michelin. Dunlop-Sumitomo also has a major plant here, and Auvergne has half the total of France's jobs in tyre manufacturing.

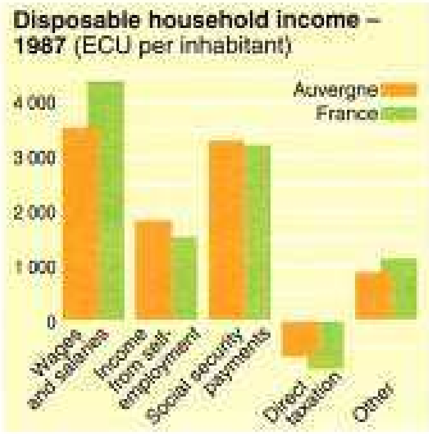
But the industrial backbone of the region is its small businesses, which account for almost half the region's industrial production across a broad range of products. Apart from local specializations such as cutlery in Thiers and (much more recently) plastic bags in the Haute-Loire, the net of small businesses is cast very wide in terms both of products and of locations. A substantial part of production is subcontracted work, notably in metalworking and clothing manufacture.

At the other end of the scale, a handful of companies or groups of national, or even international importance dominate a few sectors: electrical goods and electronics, pharmaceuticals, agri-food, aluminium products, vehicle parts.

Because of the presence of Michelin's research centre, private research is centred on the rubber industry, but pharmaceutical research also plays a major role. Finally, the Institut National de Recherche Agronomique (INRA) has opened its third research centre in Auvergne, and Clermont-Ferrand may in time become one of Europe's centres for meat technology.

Globally, exports are comparable to the national average, and although tyres naturally dominate, many of Auvergne's businesses make a substantial contribution to the region's export figures.





Relatively low salaries

Apart from a few strong industries in low value-added activities, Auvergne's industry generally does less well than its French competitors. The net result is a shortfall on value-added per employee of more than 10% compared with the French average.

Wages are also relatively low compared with the national average. This is partly — but not totally — explained by the shortage of professional management and the low-skilled labour, although the latter is improving.

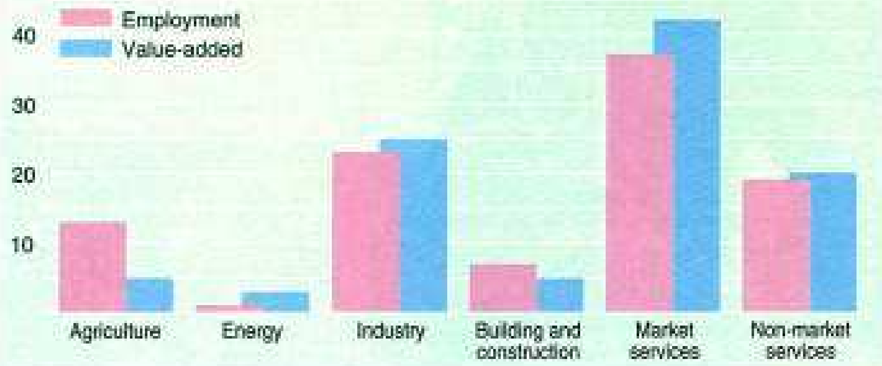
But even with these low wage costs, gross operating surplus per employee is still below the national average.

This all points to some obsolescence in the region's industry, but it also represents a limit on the investment resources which ought to be remedying that obsolescence. Although many sectors have made a real effort — small businesses in particular — the average investment per employee is some 20% short of the national average.

Low incomes compensated by transfers

The income of the average Auvergnat is some 5.5% below that of the average Frenchman, although close to the average for the provinces. Wages and salaries are relatively low, and the region has a large number of farmers, tradesmen and shopkeepers, which explains the percentage of business profits in the regional income data – those profits also being fairly modest. But on the other hand, Auvergne is one of the regions where per capita incomes are lowest, and social benefits are highest. One in six of the population is aged over 65, and old-age pensions account for 45% of all benefits paid.

Employment and value-added: distribution by branch – 1988 (%)



Nature and a tradition of quality — not modernization

Auvergne's agriculture is substantial, and 80% of produce is derived from livestock. The cattle herd of 1.4 million head is 6.4% of the national total. Cereals and oilseeds form the bulk of crop production. Mineral water and pure spring water are abundant.

Although rubber products are predominant in Auvergne's industry, the agri-food industry is not far behind, specializing in cheeses, meat and high-quality spring waters. This reputation for quality is also enjoyed by international names in cosmetics and pharmaceuticals. Foundry-work and metalworking are also well-implanted, with the cutlery tradition and a substantial order book in subcontract work. Auvergne supplies 30% of French production of plastic film and sheet. The timber and furniture trades are well-placed: a quarter of the region is under forest. Capital goods are somewhat under-represented, especially advanced technology: aeronautics, computing, nuclear technology, etc.

This specialization in farming and food inevitably means a deficit on market services, particularly business services.

Agriculture

Number of holdings	43 964
Labour force	60 697 AWU
Agricultural area	1 604 000 ha
Livestock	1 192 000 LU
Gross value-added	11 671 ECU/AWU
Main products	
Cattle	31%
Milk	29%
Cereals	12%

Main enterprises

Name	Employees	Activity
Michelin	20 100	Tyres
Banque de France	2 800	Issue and manufacture of banknotes
Aciéries Aubert et Duval	1 700	Steel
Pechiney Rhenalu	1 500	Semi-finished aluminium goods
Ateliers industriels aéronautiques	1 400	Aircraft maintenance
SAGEM	1 400	Electronics and aeronautics
Dunlop France	1 300	Tyres

Volcanoes, fresh air and spring water

Auvergne's greatest asset is its environment. First, its spaciousness: the population density is half the French average and a third of the European. And it is astonishingly varied, from the almost lunar landscapes of the high Cézallier, the woodlands of Tronçais, the barley valleys of Cantal, the rock formations at Le Puy, the forests of Livradois, to the crater lake at Le Pavin, Auvergne offers a kaleidoscope of scenery. It can be visited on foot, horseback or skis, by canoe or hang-glider, on two wheels or even on four. Auvergne is the natural place for open-air recreation.

Tourism is consequently a major activity, with an average 1 100 000 holiday-makers in the summer and 500 000 in winter. Efforts are being directed towards improving tourist advertising, particularly abroad, and improving the quality of tourist accommodation and attractions.

The spas which are the natural result of Auvergne's volcanic past attract 110 000 visitors each year. Auvergne is the second most important spa region in France and, with a modernization programme at the main spa centres, hopes to regain its leading position.

Atmospheric pollution is minimal, at 1 to 2% of emissions, compared with a national average of 5%. Clermont-Ferrand, in its sheltered hollow, is being monitored closely, but the results are satisfactory.

Watercourses are of good quality, as is demonstrated by the presence of trout in most of the system. A few black spots are found downstream of the larger towns, and of a few industries. River control measures on the course of the Allier have meant that no drastic action has been necessary during recent droughts.

Preserving the countryside is vital. The region will have to maintain its agriculture, its grazing and its forests at an adequate level, and an effort must be made to ensure that architecture, motorways and infrastructure are all matched to the quality of the landscape.

FRANCE

LANGUEDOC-ROUSSILLON

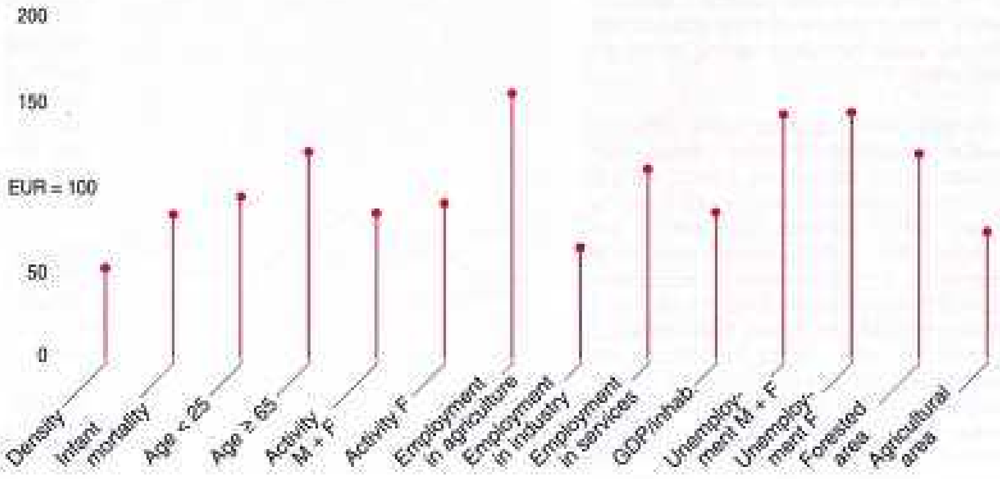
Languedoc-Roussillon comprises five *départements* (Aude, Gard, Hérault, Lozère and Pyrénées-Orientales) and has a total area of around 27 000 km^2.

A region of uplands and coastal plains, Languedoc-Roussillon is often compared to an amphitheatre opening out towards the south. The geological history of the region has shaped it into three basic types of terrain: mountainous areas of granites and schists, causses and garrigues with limestone strata which can reach depths of over 1 000 metres, and the coastal plain formed from relatively recent sediments. This relief has produced a number of small, mainly coastal, rivers whose flows are regulated by the climate, which is basically Mediterranean: rain falls mainly in the spring and autumn either side of the summer, which tends to be dry.

The areas under vines or simple forms of vegetation down near sea-level give way higher up to Aleppo pine (and occasionally cork oak) followed by chestnut trees. Above 1 000 metres the main forms of plant life are beech groves and spruce trees.

Grape harvester in action: wine production is restructuring and adopting new methods.

Languedoc-Roussillon in the Community



An active demographic situation which helps offset the weaknesses in industry

At present, Languedoc-Roussillon enjoys a number of advantages, although some of these are rather ambivalent:

– the demographic situation is currently a powerful development factor for the region;

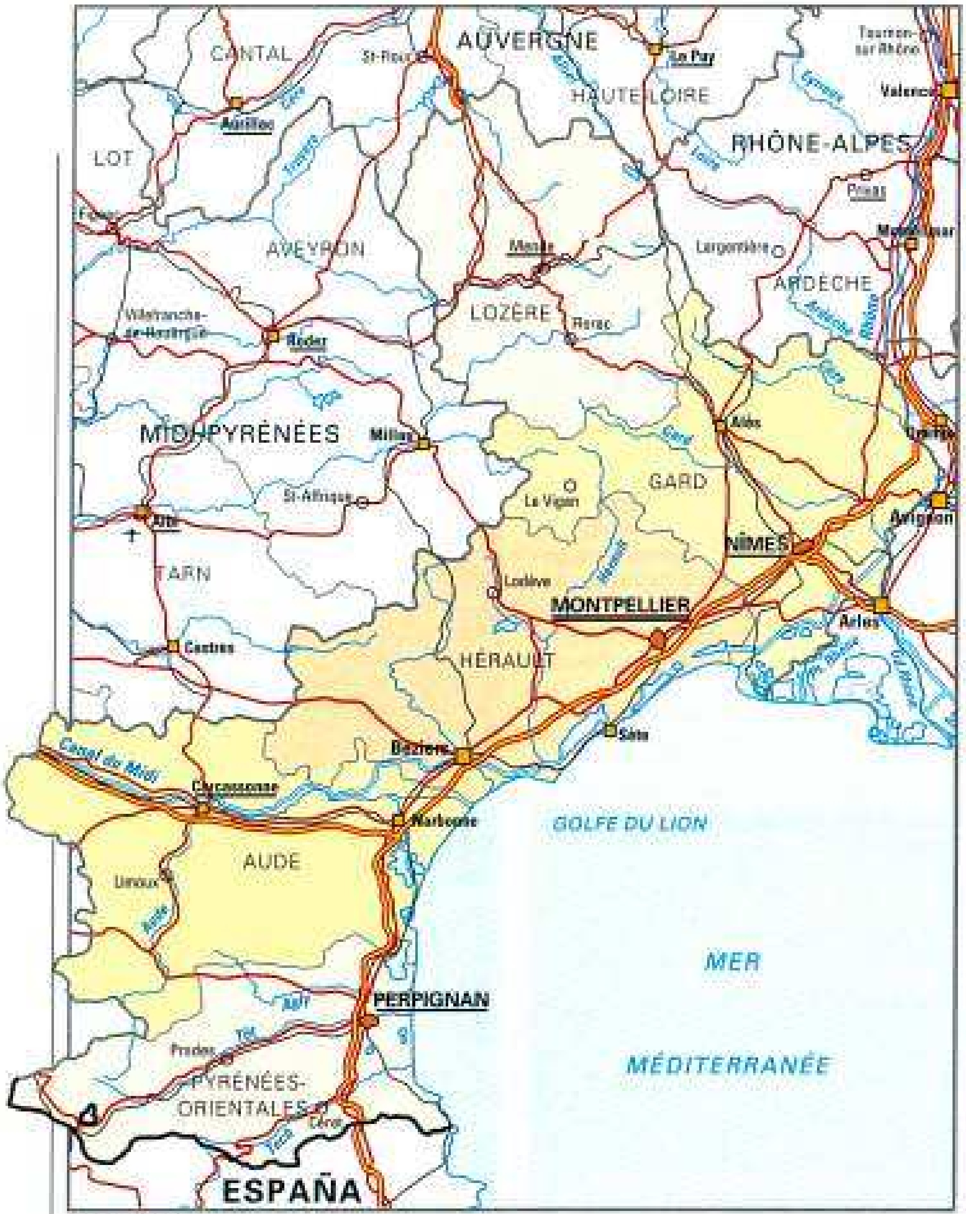
– Languedoc-Roussillon is home to relatively few of the traditional industrial activities currently in recession. As a result, economic development in the region can proceed without being saddled with restructuring costs;

– with around 3 000 researchers working in the region, Languedoc-Roussillon can boast considerable innovation potential;

– its lagoons offer various opportunities for agricultural activities, which can also be developed downstream in the form of food-processing.

Its main weakness is the ambivalence of the demographic factor: despite its current value as a driving force for economic development, there are still some adverse aspects to the regional demographic situation. The population is still elderly and has limited scope for development without the influx of migration. Furthermore, Languedoc-Roussillon has no great industrial traditions, which places a strain on the ability of the regional economy to find the right way of responding to the constraints which nowadays shape economic development. Finally, the wine-growing sector is finding that its markets are shrinking by the year.

LANGUEDOC-ROUSSILLON



Scale 1 : 2 000 000

Economic development at the cost of accentuating the imbalances between urban and rural areas

The lie of the land and its road and rail links, the disappearance of traditional industries and the growth in employment in the services sector are all factors which divide the region into two quite separate areas:

– the developing coastal and Rhône valley area;

– the declining hinterland.

The unifying factor for the first of these two areas is its topography, which has allowed the urban centres to extend their sphere of influence and continues to foster a rise in the population which has been unprecedented over the past few decades. This area contains the three major regional centres – Montpellier, Nimes and Perpignan – as well as a number of medium-sized towns such as Béziers and Narbonne. Its main advantages are a positive migratory balance, a young population and higher incomes.

The hinterland is basically made up of mountainous or piedmont regions. It covers most of Pyrénées-Orientales, Lozère, three-quarters of Aude, and the north-west of Hérault and Gard. Its agriculture-based economy is in decline, and it is also feeling the effects of the crisis in traditional industries: mining, textiles, leather and hides. This has major demographic consequences as young people move away from these areas to leave behind an ageing population and a deficit in the natural balance.

Which EC regions are similar to Languedoc-Roussillon?

Population:
± 2 million inhabitants
between 50 and 100 inhabitants/km²
Mecklenburg-Vorpommern (D)
Centro (P)

Population growth:
over 1% per year since 1980
Guadeloupe (F); Canarias (E)
East Anglia (UK)

Employment:
10% in agriculture
65-70% in services
Canarias (E)
Luxembourg (B)
Algarve (P)

	Area	Population			Activity	Unempl.	Employment			GDP/inhab.
	1 000 km²	1 000	Inhab./km²	Change (%)	%	%	% Agricult.	% Industry	% Services	EUR(PPS) = 100
		1990	1990	1980-90	1990	1990	1990	1990	1990	1989
Aude	6.1	299	49	7.5	48	11.6	13	21	66	81
Gard	5.9	584	100	12.8	51	13.1	9	29	62	86
Hérault	6.1	793	130	15.5	50	13.9	6	20	74	93
Lozère	5.2	73	14	− 2.0	50	5.0	22	20	57	92
Pyrénées-Orientales	4.1	363	88	12.5	47	13.3	10	18	73	76
Languedoc-Roussillon	27.4	2 112	77	12.4	50	12.9	9	22	69	86
France (without FODs)	544.0	56 597	104	5.3	55	8.7	6	30	64	109
EUR 12	2 253.7	327 931	146	3.2	54	8.3	7	33	60	100

An upsurge in population fuelled almost exclusively by the migratory surplus

In March 1990, the population of Languedoc-Roussillon stood at 2 115 000, which, at 77 inhabitants per km², represents a population density well below the European average.

There is no doubt that over the last 15 years the demographic development of the region has been one of particularly sustained growth. With an average annual rate of increase approaching 1.2%, Languedoc-Roussillon is right at the top of the ladder of European regions.

Over 90% of this population increase is due to the migratory surplus. The natural balance is only very slightly positive, and even this is a very recent phenomenon. In this respect, the region is faced with two handicaps:

– a fairly elderly population;

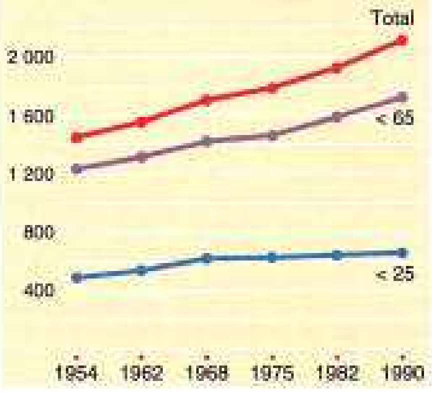
– a fertility rate below the national average.

For some years now, the effect of migration on the natural balance has been favourable, as fewer young people are leaving the region and the new arrivals include a large number of young people of working age. If these trends could be sustained for any length of time, they could, in the long term, help restimulate the natural factors of regional demographic growth.

Population by age — 1990

	M + F 1 000	M + F %	M %	F %
< 15	361.6	17.1	18.0	16.2
15-24	299.5	14.1	14.9	13.5
25-39	444.6	21.1	21.7	20.5
40-54	371.6	17.7	17.9	17.2
55-64	246.6	11.6	11.5	11.8
≥ 65	392.1	18.4	16.0	20.8
Total	2 116.0	100.0	100.0	100.0

Population (1 000)



Resident population of foreign nationality — 1990

	1 000	% of total population
Total	133.2	6.3
of which EC countries	55.5	2.6
of which non-EC countries	77.7	3.7

Demographic account — 1980-90 (1 000)

Population 1.1.1980	1 879.9
Births	240.2
Deaths	223.8
Net migration	+215.9
Population 1.1.1990	2 112.2

A particularly low activity rate

The working population grew at an annual average rate of 1.8% during the 1980s. Even with this rate of development, the regional activity rate remains low.

In terms of structure, the region's working population is characterized by a relatively large proportion of farmers, craftsmen and tradesmen. On the other hand, the number of manual workers is proportionally smaller on account of the weak industrial fabric.

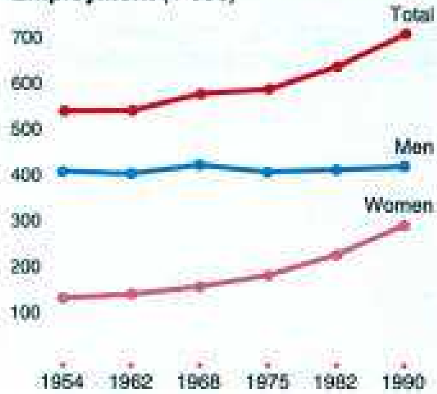
The situation in the region regarding the level of training of its working population is one of contrasts: a high proportion of workers with few or no qualifications (58%), and yet a large number of persons (24%) who have passed the *baccalauréat*.

There are currently 420 000 pupils in primary and secondary education, and 50 000 students following higher education courses in the region. This higher education is offered at universities, institutes of technology and *Grandes écoles* (institutes of higher education) for chemistry, agricultural science and mining.

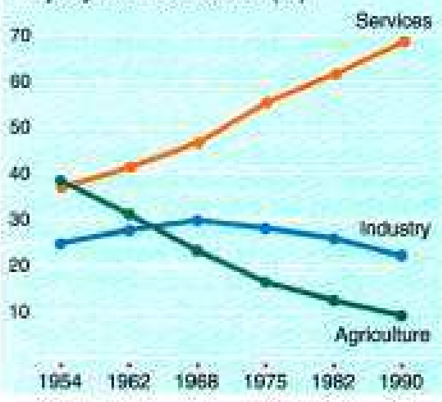
Number of pupils — 1990

	M + F 1 000	F %
Pre-school	89.1	48.5
Primary	141.6	48.5
Lower secondary	113.6	48.8
Higher secondary (technical)	20.7	47.8
Higher secondary (general)	50.7	53.8
Higher education	63.5	52.6
Total	479.2	49.7

Employment (1 000)



Employment structure (%)



Employment — 1990 (1 000)

Resident employment	724.6
+ Non-residents having a job in the region	11.9
– Residents having a job outside the region	30.5
= Internal employment	706.0

Unemployment (%)

Chronic shortage of jobs despite favourable employment trends

There are just over 700 000 jobs in Languedoc-Roussillon, 68% of which are in the services sector. This is not, however, a case of overexpansion of the services sector, since, in relation to the population, the number of jobs in the services sector is much the same as that observed in most other regions.

The major presence of the services sector is a direct consequence of the low level of employment in industry, which provides only 13% of the jobs in the region.

Since 1982, the very rapid growth in employment (1.3% a year) has been well above the national average.

In employment terms, Languedoc-Roussillon has one enormous advantage in the form of its strong demographic growth which generates activity in the sectors catering for the requirements of households (services to individuals and housing construction).

Moreover, the weakness of the industrial infrastructure has meant that the negative effects of the restructuring carried out over the last 15 years have been limited.

On the other hand, the adverse trend in agricultural employment is a real handicap for the region, with 16 000 jobs lost since 1982. In view of the prospects facing wine growing – the dominant sector of agriculture in the region – it is to be feared that this process may continue for some years to come.

Characteristics of resident employment (%)

	< 25 years	25-54 years	≥ 55 years	Employees	Employees: part-time		Employees: full-time, temporary contract	
	1990	1990	1990	1990	1983	1990	1983	1990
Men	9	80	11	72	2	4	3	8
Women	14	76	11	82	26	26	3	9
Total	11	78	11	76	11	14	3	9

A particularly critical unemployment situation

The unemployment situation in Languedoc-Roussillon is worrying on two counts:

– unemployment in the region is generally worse than elsewhere, with a rate well above the average for the Community;

– the rise in unemployment in the region over the last few years has been particularly striking, since unemployment is receding in many other regions in line with the economic recovery.

The unemployment rate in Languedoc-Roussillon is traditionally higher than the national average, as a result partly of the shortage of jobs in industry and partly of the large scale of seasonal activities.

In addition, employment has not increased as quickly as the working population over the last 15 years or so.

As it has grown, the unemployed population has also changed its composition: it now includes more women, more long-term unemployed and fewer young people.

The reasons for signing-on have also changed. Most of the people now registering have reached the end of a fixed-term contract, while there has been a drop in registrations by persons leaving their job and by those seeking their first job.

Production dominated by the small enterprise

Looking at per capita GDP, Languedoc-Roussillon is well down the table of French regions, on account of its relatively low activity rate and high rate of unemployment. When corrections are applied to offset these particular features, it does, however, move half-way up the table.

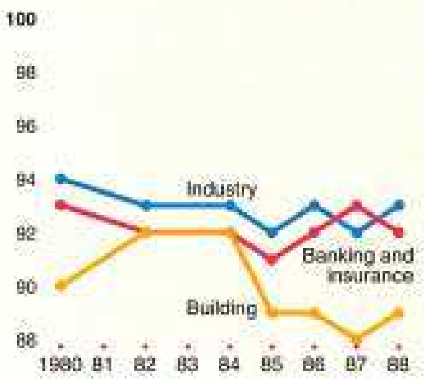
The bulk of the region's output is produced by very small enterprises, and this is associated with a production structure where industry plays a fairly minor role. Altogether, there are only 50 medium-sized and large production units (500 employees and over), and this number drops to around 10 for industry alone.

In terms of looking to the outside, regional production presents a number of contrasts. On the one hand, the relative importance of activities belonging to 'sheltered' sectors (building, services) limits the relations the region has with other areas, and yet around 40% of those working in industry depend on decision-making centres based outside the region and 20% of the production by industrial enterprises in the region is exported.

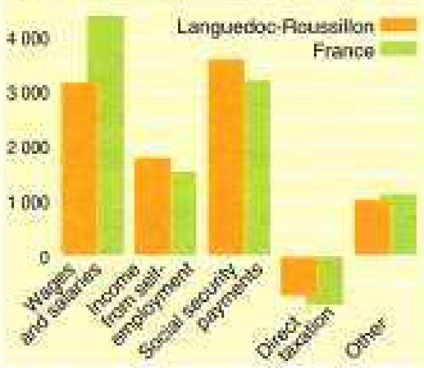
In terms of competitiveness, one major characteristic of the regional economy is the amount spent on capital equipment, which, measured by total investment expenditure per employee in industry, is comfortably above the level observed in a number of other regions. In conjunction with this, the importance of (mostly public) research puts Languedoc-Roussillon in a fairly strong position. Research activity in the region focuses on the Mediterranean and tropical agri-food sector, biomedical engineering, and water and membrane technologies.

GDP (1980 = 100)

Wages (national level = 100)



Disposable household income – 1987 (ECU per inhabitant)



Relatively high proportion of income from transfers partly makes up for lower percentage of earned income

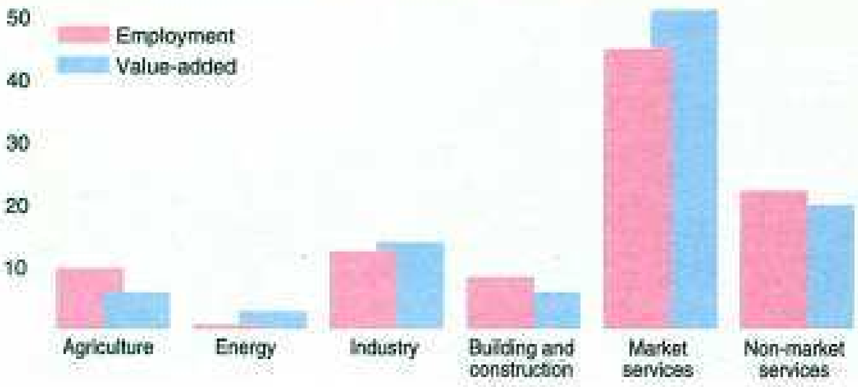
Wage levels in Languedoc-Roussillon are about average. This is due mainly to two opposing factors, the first of which is geographical: Languedoc-Roussillon lies to the west of the Le Havre-Marseilles diagonal where wage levels are traditionally lower than in the regions to the east of this line. On the other hand, compared to the situation in many other regions the production structures have a fairly positive effect. This is due not so much to the nature of the production activities carried out in the region as to the generally above-average socio-professional structures of those employed in these activities.

An income analysis carried out on persons resident in Languedoc-Roussillon highlights the relatively small proportion of earned income: less than one-third of all pre-tax income. This reflects the relatively low activity rate. The importance of income from self-employment – almost 20% of pre-tax income – also bears witness to some of the peculiarities of the Languedoc-Roussillon economy: an agricultural working population which remains high and the preponderance of services activities.

In total, the share of primary income in the regional economy is relatively low in relation to income from transfers. Social security benefits alone account for almost 40% of the pre-tax income of households in the region. This reflects the problems of regional underemployment which results in the payment of a large number of unemployment benefits. It is also caused by the ageing population structure and high number of pensions paid out.

Languedoc-Roussillon comes far down the scale of gross disposable income per head at around 8% below the national average.

Employment and value-added: distribution by branch – 1988 (%)



Dominance of services activities over agricultural and industrial sectors faced with restructuring difficulties

Agriculture in the region is characterized by the predominance of crop production, which accounts for around 90% of the value of products delivered by this sector. These deliveries are the product of three main activities: wine growing, the cultivation of vegetables and fruit production. The region's wine-growing area, which is reputed to be one of the world's largest, is currently undergoing a process of major restructuring. The areas under cultivation are being reduced considerably, at the expense of table wines.

In the field of industry, the Languedoc-Roussillon economy is rather weak, offering just under 100 000 jobs mainly in the following sectors: agri-food, textiles and clothing, woodworking industries, electrical and electronic engineering, and construction materials.

The fact that demographic growth has been the major driving force in the regional economy for about 20 years has led to a boom in those sectors linked to changes in the population. This is the case with the building industry, wholesale and retail distribution and services to individuals. Each of these sectors employs a similar number of people to industry alone. The size of the non-market services sector should also be noted, since it too has expanded in step with demographic growth.

In total, the services sector produces 70% of the region's value-added, as against only 17% for industry, 7% for construction and 6% for agriculture.

Agriculture

Number of holdings	65 430
Labour force	84 753 AWU
Agricultural area	1 135 000 ha
Livestock	169 000 LU
Gross value-added	14 312 ECU/AWU

Main products	
Wine	56%
Vegetables	15%
Fruits — citrus	10%

Main enterprises

Name	Employees	Activity
Source Perrier	3 300	Natural mineral water
IBM France	2 700	Computer equipment
Cogema	2 200	Production and transformation of nuclear materials
Montlaur	1 200	Retail distribution
Eminence	1 200	Hosiery
Cogetex	1 000	Hosiery
Salins du Midi	900	Salt production

A rich but fragile natural heritage

The variety of terrain in Languedoc-Roussillon produces a rich diversity of scenery. Over a relatively small area, the seaboard and coastal plain quickly give way to forested piedmont or mountainous areas. With one-third of its surface area covered in woods and forests, Languedoc-Roussillon comes across as a particularly wooded region and just over 10% of these are owned by the State or the local authorities. Periodically, part of this heritage is destroyed by forest fires, which each year lay waste to several thousand hectares.

The policy of environmental conservation has led to the establishment of a number of protected sites, and the region is home to the Cévennes National Park, which is part of the Haut-Languedoc Regional Park. Almost 5 000 hectares of coastal areas have also been purchased by the *Conservatoire de l'espace littoral* (coastal area conservatory) under its land purchase policy. In keeping with this policy, around 10 000 hectares of coastal areas are classified as nature reserves with a view to protecting particularly vulnerable plant and animal species. Mention should also be made of the close on 600 sites protected for their historical, aesthetic or general interest.

The density of distributive trades and services to households depends on the physical environment. There are very few mountainous areas in Languedoc-Roussillon which present major transport problems, so the average distance to amenities considered as having a bearing on the quality of life is generally relatively short. The only areas where a certain lack of service amenities is apparent are the Cévennes and the Corbières.

FRANCE

PROVENCE-ALPES-CÔTE D'AZUR

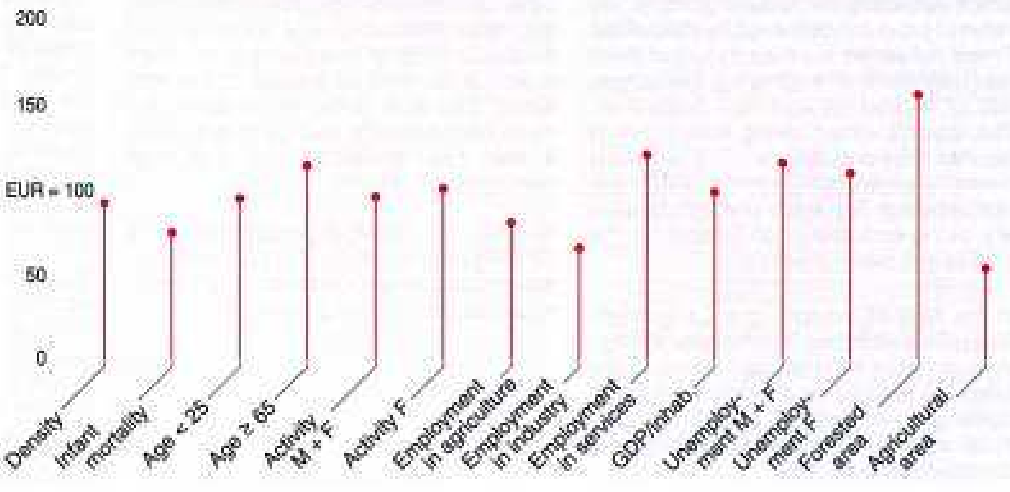
The Provence-Alpes-Côte d'Azur region comprises six *départements* (Alpes-de-Haute-Provence, Hautes-Alpes, Alpes-Maritimes, Bouches-du-Rhône, Var and Vaucluse) and is one of the country's largest regions with an area of 31 400 km².

With a Mediterranean coast that has largely fashioned its character, the region enjoys a favourable climate that is none the less notable for its contrasts. It has more sunshine than any other region and a high mean temperature (15° on the coast). The winters are very mild by the sea but harsher inland, and snowfall is frequently heavy above the 1 100-metre line. Rainfall is usually in the form of heavy precipitation over a relatively limited number of days in the year.

The relief is notable for its great diversity, for the sinuous coastline between the Rhône and the Italian frontier, the vast plains of the Rhône valley in the western part of the region, and the foothills and upland plateaux of the hinterland between the coast and the alpine summits and the mountains behind Nice.

The port of Marseilles has a big influence on this recently industrialized region.

Provence-Alpes-Côte d'Azur in the Community



An attractive region with an expanding but overspecialized economy

One of the region's most important advantages is its demographic dynamism, due to its continuing attractiveness and reflected over the period 1982-90 in a rate of population growth that was strikingly higher than the national average.

Although the region is relatively under-industrialized, its economic infrastructures are soundly based — the heavy industrial complex at Fos-Étang de Berre and the 'Technopole' at Sophia-Antipolis — and, as far as private-sector research potential is concerned, it is placed third among the French regions.

The region has good roads and motorways (soon to benefit from the extension of the high-speed train (TGV) network) and can also boast the country's second and third-ranking airports, Marseilles and Nice, and the biggest port, Marseilles.

The region's handicaps include the uneven distribution of its population, which is concentrated in the three coastal *départements* and especially in the Rhône valley and along the Mediterranean seaboard.

The region's industrial base is somewhat limited; its under-diversified economy is heavily dependent on the services sector.

Finally, the problems of organizing the metropolitan area of Marseilles are obviously hampering the economic development of the whole region.

Which EC regions are similar to Provence-Alpes-Côte d'Azur?

Population:
4 million inhabitants
density close to the EC average
Piemonte; Emilia-Romagna (I)
Comunidad Valenciana (E)

Age:
1 in 6 persons aged over 65
Wales; East Anglia (UK)
Schleswig-Holstein (D)
Aragón (E)

Employment:
70% in services
5% in agriculture
Lazio (I)
Zuid-Holland (NL); Namur (B)

Uneven distribution and growth of population

No less than 83% of the region's very unevenly distributed population live in the three *départements* (Bouches-du-Rhône, Var, Alpes-Maritimes) with a Mediterranean coastline, and especially in the areas in the Rhône valley and on the coastal fringe in which the main urban centres are located.

The uneven expansion of the region's population is characterized by a higher rate of increase in the eastern part (Var, Alpes-Maritimes) than in the western part (Vaucluse and above all Bouches-du-Rhône). Marseilles is a striking case in point. Its population declined from 874 000 in 1982 to 800 000 in 1990 and the bulk of this loss was due to migration.

In a region in which the overall growth of the population is largely due to the migration factor, the disparities clearly point to differences in employment opportunities. Industrial activity and more than 8 out of 10 jobs are in fact concentrated in the three coastal *départements* and the trend in recent years has been far more positive in the eastern part (Var, Alpes-Maritimes) than in the western part of the region (Bouches-du-Rhône). This latter *département*, which is the most highly industrialized, has suffered disproportionately from the crisis in the traditional industries.

	Area	Population			Activity	Unempl.	Employment			GDP/inhab.
	1 000 km²	1 000	Inhab./km²	Change (%)	%	%	% Agricult.	% Industry	% Services	EUR (PPS) = 100
		1990	1990	1980-90	1990	1990	1990	1990	1990	1989
Alpes-de-Haute-Provence	6.9	131	19	12.0	52	8.1	9	24	67	94
Hautes-Alpes	5.5	113	20	10.2	55	7.2	8	18	74	108
Alpes-Maritimes	4.3	971	226	12.8	51	9.2	2	22	76	104
Bouches-du-Rhône	5.1	1 760	345	3.8	52	12.1	2	22	76	104
Var	6.0	814	136	19.4	50	12.4	5	22	73	82
Vaucluse	3.6	467	130	12.4	54	10.4	10	23	67	92
Provence-Alpes-Côte d'Azur	31.4	4 255	135	9.9	52	11.0	4	22	74	99
France (without FODs)	544.0	56 597	104	5.3	55	8.7	6	30	64	109
EUR 12	2 253.7	327 931	146	3.2	54	8.3	7	33	60	100

PROVENCE-ALPES-CÔTE D'AZUR

A positive demographic trend due to a migratory influx

In Provence-Alpes-Côte d'Azur the proportion of the population aged 65 and over is well above the national average. The region's traditional popularity for retirement has been consistently reflected, until the last few years, in a lower-than-average fertility rate.

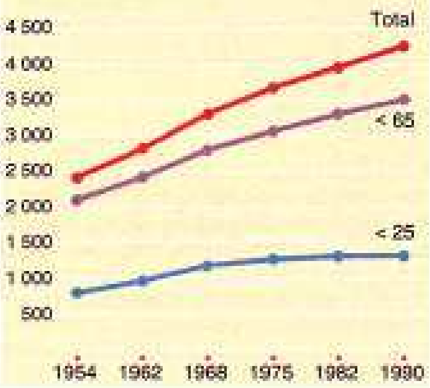
The proportion of foreign residents showed a slight decline over the period 1982-90 (to 7% of the region's total population). Because of its geographical situation, Provence-Alpes-Côte d'Azur has been swept by waves of immigration since the beginning of the century, and many of these immigrants have settled in the region. At present, the majority (slightly over two-thirds) of the region's foreign residents are from countries outside the EEC.

The region's proportion of the national population has increased steadily from 4.1% in 1876 to 5.4% in 1936 and 7.5% in 1990, and this advantageous position is largely due to the immigration factor.

Population by age — 1990

	M + F 1 000	M + F %	M %	F %
< 15	745.5	17.5	18.7	16.4
15-24	579.5	13.6	14.4	12.9
25-39	915.8	21.5	21.9	21.1
40-54	794.3	18.6	19.2	18.1
55-64	479.3	11.3	11.1	11.4
≥ 65	745.2	17.5	14.7	20.1
Total	4 259.6	100.0	100.0	100.0

Population (1 000)



Resident population of foreign nationality — 1990

	1 000	% of total population
Total	299.3	7.0
of which EC countries	92.8	2.2
of which non-EC countries	206.5	4.8

Demographic account — 1980-90 (1 000)

Population 1.1.1980	3 872.0
Births	517.4
Deaths	430.1
Net migration	+ 295.2
Population 1.1.1990	4 254.5

A rising activity rate that has still not caught up with the national average

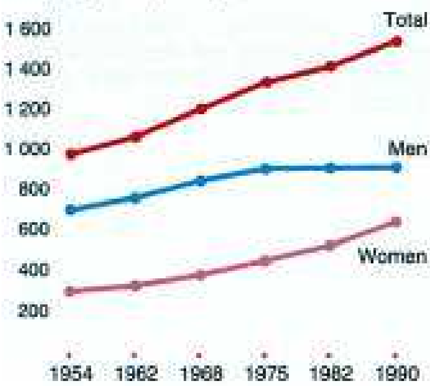
The period from 1975 to 1990 was characterized by an increase in the region's working population in general and its female working population in particular. There was a steady rise in the age at which the younger generation joined the working population, so that the under-25s not only accounted for a smaller percentage of the working population but also showed a fall in their activity rate. In the 25-60 age group (the latter being the age of qualification for retirement), 11 out of 12 men are active compared with 2 out of 3 women.

The activities of the region's two higher educational authorities (the *Académies* of Aix-Marseilles and Nice) cover the whole range of disciplines, and they are responsible for 7.7% of the national university population. However, the numbers of pupils taking the examinations for the prestigious *Grandes écoles* and especially the numbers gaining admission to the *Écoles d'Ingénieurs* still leave something to be desired.

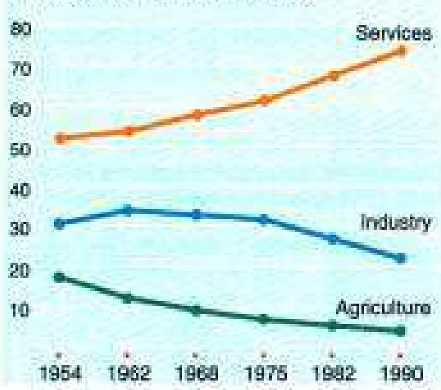
Number of pupils — 1990

	M + F 1 000	F %
Pre-school	168.7	48.7
Primary	281.5	48.4
Lower secondary	208.8	49.3
Higher secondary (technical)	39.1	47.1
Higher secondary (general)	101.5	53.9
Higher education	98.8	52.5
Total	898.4	49.7

Employment (1 000)



Employment structure (%)



Employment — 1990 (1 000)

Resident employment	1 537.9
+ Non-residents having a job in the region	29.8
− Residents having a job outside the region	42.5
= Internal employment	1 525.2

Unemployment (%)

Employment expanding more rapidly than at a national level ... but rather out of balance

In the Provence-Alpes-Côte d'Azur region the level of employment is still quite low (which strengthens the high unemployment rate and low female activity rate) despite a growth higher than in the rest of France.

This rising level of employment is primarily attributable to demographic factors, including retirement (obviously connected with the region's climate) and a steady influx of migrants of working age (many of whom are younger and more highly qualified than the resident population). The other dynamic factors at work in this context include the development of tourism and leisure activities, the relative newness of the region's economic expansion, the relatively low vulnerability of the new industrial structures and the attraction of certain poles of activity (Fos, Sophia-Antipolis).

The development of employment in the region is notable, however, for its economic and spatial imbalance. Expanding employment in the services sector (and especially in the field of market services) has been counterbalanced by the contraction of employment in the industrial sector (since 1975) and in the agricultural sector (since 1954). As a result, by 1990 the proportion of services in total employment in the region had risen to 3 jobs out of 4, compared with the national figure of 2 out of 3 jobs.

The imbalance is also spatial: the employment trend is far more favourable in Var and Alpes-Maritimes than in Bouches-du-Rhône.

Characteristics of resident employment (%)

	< 25 years	25-54 years	≥ 55 years	Employees	Employees: part-time		Employees: full-time, temporary contract	
	1990	1990	1990	1990	1983	1990	1983	1990
Men	11	78	10	80	2	4	4	7
Women	12	78	9	86	21	24	3	8
Total	12	78	10	82	10	12	3	8

Unemployment rate higher than the national average

Although the trend of employment in the Provence-Alpes-Côte d'Azur region has improved, the unemployment rate is consistently higher than the national figure. The social measures to reduce unemployment and the upward trend of the school-leaving age have resulted in a lower proportion of those under 25 years old in the unemployed total, but unemployment in this age group still remains high. Unemployment of adults in the 25 to 49 age group has risen, although not to the same level, and they are more numerous in the long-term unemployed category.

The coastal areas in Bouches-du-Rhône and Var have been harder hit than the rest of the region. The steady growth of manpower resources in these areas, as a result of the migratory influx and changes in behaviour patterns (and especially the increasing tendency of the female population to take up paid employment), has not been matched by the number of vacancies. The lack of balance has been accentuated by the declining level of activity in certain areas and the reduced mobility of workers seeking employment. These problems have been compounded, in certain relatively dynamic areas, by the fact that many local applicants do not meet the qualification requirements for the jobs on offer.

PROVENCE-ALPES-CÔTE D'AZUR

Services sector dominates

The regional economy is dominated by the services sector.

Industry is characterized by a few capital-intensive branches, concentrating employment in large establishments, many of which belong to extra-regional and foreign enterprises and are, for that reason, highly dependent on extra-regional factors. These large establishments are served by a complex web of SMEs operating as subcontractors or suppliers. Among the other activities that are well established in the region are naval repair work in Marseilles, and electrical engineering and electronics in Alpes-Maritimes (mainly around Cannes and Nice).

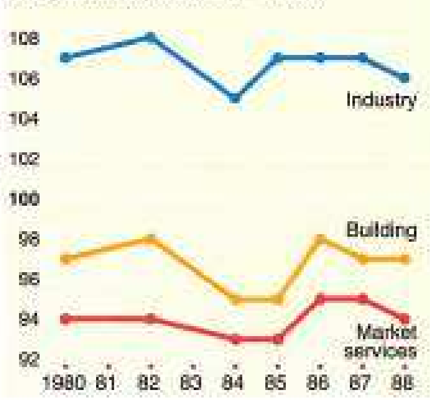
As a provider of employment in the services sector, Provence-Alpes-Côte d'Azur is the country's third-ranking region after the Île de France and Rhône-Alpes. The leading services sectors are hotels and catering, business services and services (mainly in the form of health services) to households, and employment in these is rising more rapidly than in the services sector as a whole.

Marseilles, with a goods traffic of 91.6 million tonnes in 1990, is not only by far the country's leading port but also, year by year, the second- or third-ranking port in the European Community. It occupies a privileged position in the Mediterranean world. The closeness of the industrial complex at Fos ensures that it is never really short of major clients in the steel and petro-chemical industries.

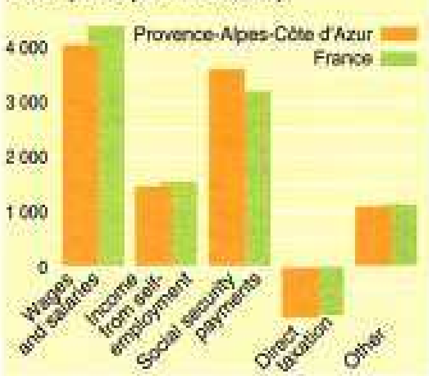
Agriculture plays only a limited role in the regional economy, but specializes in products with high value-added: fruit, vegetables and flowers.

GDP (1980 = 100)

Wages (national level = 100)



Disposable household income – 1987 (ECU per inhabitant)



A high regional average wage

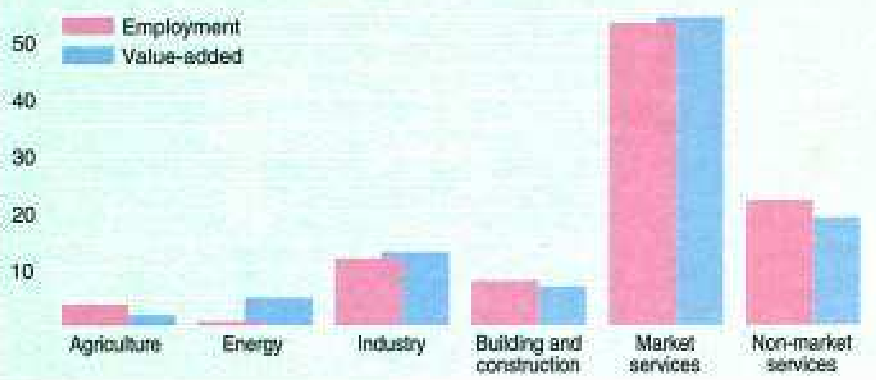
The average net annual wages offered in the private and semi-public sectors are higher in Provence-Alpes-Côte d'Azur than in any other region apart from the Île de France. This high level of remuneration can be largely attributed to the interplay of several structural factors. In the first place, several major industries in which high wages are paid (aeronautical engineering, electricity, petroleum) are well represented in the region. Provence-Alpes-Côte d'Azur is also highly urbanized, and urban wages are generally higher than those paid in rural environments. Average levels of qualification are also higher than in other provincial regions and, finally, the level of female employment in this region is still lower than the national average and therefore plays a lesser role in the determination of the overall average level of remuneration.

The region derives considerable benefit from social transfers

The contribution of social benefits to the gross disposable income of households is higher in Provence-Alpes-Côte d'Azur than in most other regions (38.9% compared with a national average of 34.2%). This is largely because the proportion of persons aged over 65 in the total regional population is very much higher than in the country as a whole. In particular, health care benefits (excluding hospitalization) per person are significantly higher than in any other region.

In spite of the very high total value of wages paid the high average level of remuneration, wages account for no more than 43.6% of gross disposable income (compared with 46.9% for the country as a whole).

Employment and value-added: distribution by branch – 1988 (%)



Specialized agricultural sector, limited industrial base and wide range of services

In an environment characterized by serious land-holding and demographic problems, agriculture occupies only a third of the total area of the region (equalling that covered by forest). But the substantial rises in productivity achieved over the past 20 or 30 years have enabled the region to maintain its position as the nation's leading producer of fruit, vegetables and flowers. The region also has 11% of France's vineyards.

The region produces only 4.7% of the nation's industrial value-added but accounts for 7% of national industrial investment. More than 60% of the region's industrial value-added is produced by six branches of activity (petroleum and natural gas refining, electricity, ferrous metals, building materials, basic chemicals, shipbuilding, aeronautics and arms production). Heavy industry is largely concentrated in the western part of Bouches-du-Rhône (in the Fos-Etang de Berre complex), while the industrial growth of the east of the region has been largely based on the high-technology sector (in and around the 'Technopole' at Sophia-Antipolis).

The impressive expansion of services in the region is attributable not only to its population size and the steady inflow of migrants, but also to its leading role in the tourist industry. This potential in household services is coupled with a high level of business and financial services, in line with the importance of its economic and administrative structures.

Agriculture

Number of holdings	42 314
Labour force	68 250 AWU
Agricultural area	965 000 ha
Livestock	155 000 LU
Gross value-added	16 998 ECU/AWU

Main products	
Vegetables	24%
Wine	24%
Fruits — citrus	16%

Main enterprises

Name	Employees	Activity
Direction des constructions navales	9 000	Shipbuilding
Aérospatiale	7 500	Aeronautics
Sollac	5 000	Steel
Crédit agricole	5 000	Banking and finance
RATVM	2 800	Urban transport
SNCM	2 500	Sea transport
IBM France	2 000	Computer equipment
Atochem	2 000	Manufacture of basic chemicals
Shell chimie	2 000	Manufacture of basic chemicals

A highly favourable but threatened environment

Provence-Alpes-Côte d'Azur owes its position as France's leading tourist region to its unbeatable combination of natural advantages, the sea, the sun and the mountains. Visitors with water sports or mountain sports in mind will find all the facilities they need, either along the region's Mediterranean coastline, between the Rhône delta and the Italian frontier, or on the ski-slopes which are less than 100 km from Nice and only 200 km from Marseilles.

Provence is rich in ancient monuments. This heritage from earlier civilizations includes, in particular, the Roman Arena in Arles, the Theatre and the Triumphal Arch in Orange and the Theatre in Vaison la Romaine. The region is renowned for its festivals, and the Music Festival at Aix-en-Provence, the Film Festival in Cannes, the Dramatic Arts Festival in Avignon and the Jazz Festivals in Antibes and Nice are among a number of events with an international reputation.

In this attractive region that is so highly dependent on tourism, the natural balance is constantly under threat. This is particularly true of the coastline, where the very high concentration of activities and population becomes even higher in the tourist season and where the protection of the environment requires constant vigilance. The same applies to the forest areas, which cover no less than 36% of the region (compared with 27% for France as a whole) but which are not very well maintained. Certain species are threatened by disease, and all are threatened by urbanization and especially by forest fires.

FRANCE

CORSE

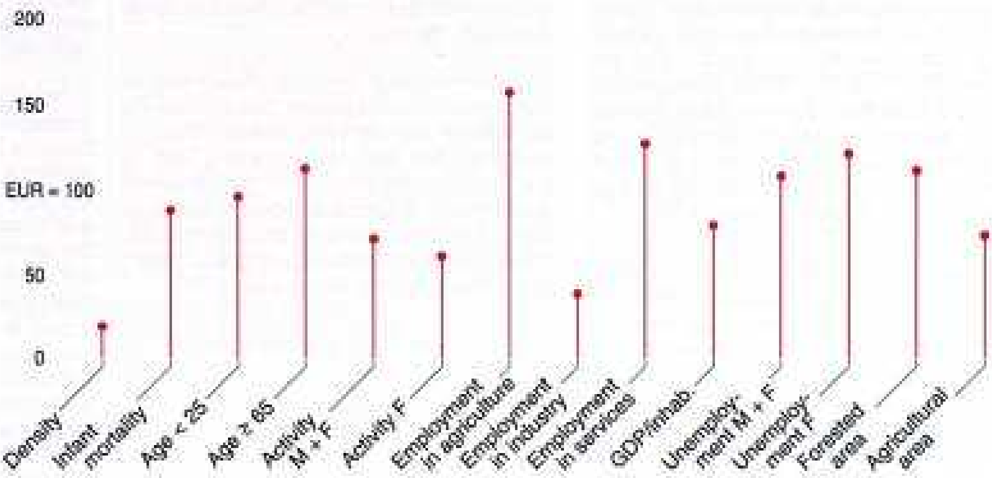
Corsica (Corse) is the smallest of the French regions, with an area of 8 681 km². The Corsican coastline (1 047 km, or 14% of the total coastline of France) is unusual in its high proportion of rocky terrain (71%).

Corsica, a mountain in the sea, rises up to 2 710 m at Monte Cinto, with an average altitude of 568 m. Part of the old, primary continent which was worn down and then sedimented up to the folded mountains of the Alps, Corsica is made up of two mountain systems, crystalline in the west and schistous in the east, separated by a central depression known as the 'sillon de Corte'. The climate is determined by altitude. There are three climatic regions: a pure Mediterranean climate over two-thirds of the island, a cooler but still Mediterranean climate at the higher altitudes and an alpine-type climate over 12% of the island.

Although it rains on only a few days in the year, the rain can be heavy and helps to feed a major network of rivers and seasonally torrential water courses.

The village of Castagniccia, like many other Corsican villages, has been affected by the rural exodus.

Corse in the Community



Is tourism the only remedy for a restricted market?

Corsica has certain assets:

– an enviable quality of life which benefits the resident population and helps to promote tourism. Its natural assets alone (climate, beauty of the landscape) have led to a fourfold increase in the number of tourists in the past 20 years, and 85% of the population increase is due to immigration;

– the lack of declining industries. Although it is still not highly developed, industry on the island has created 1 500 jobs over the past 20 years;

– vast potential for tourist development, as soon as ways can be found of extending the tourist season beyond July and August.

But there are also handicaps:

– an ageing, small population. It is difficult to set up industrial activities with such a restricted market, and these difficulties in turn lead many young people to leave the island for the mainland, which again exacerbates the problem of an ageing population;

– the numerous villages which have sprung up because of the topography of the island and the fact that transport is difficult in the interior. Instead of their complementing one another, the result is simply an excess of micro-regions too small to operate independently;

– a poorly integrated tourist industry: 44% of tourist expenditure leads to production outside the island and 44% of seasonal workers are non-resident;

– low productivity, due to the types of activity on the island, the poorly qualified workforce and the predominance of craft industries.

Scale 1 : 2 000 000

Which EC regions are similar to Corsica?

Area:
9 000 km²
Kriti (GR)
Grampian (UK)
Unterfranken; Tübingen (D)

Population:
± 250 000 inhabitants
less than 50 inhabitants/km²
Ipeiros; Dytiki Makedonia;
Notio Aigaio (GR)
La Rioja (E)

Activity rate:
± 60% inactive
Liguria (I)
Extremadura (E)

Employment:
± 10% in agriculture
more than 70% in services
Luxembourg (B)
Liguria (I)

Population drain from the interior

The population is very unevenly divided between coastal areas and interior, urban and rural settlements. Over half of the population lives around Ajaccio and Bastia, with fewer than 10% of the island's inhabitants in the interior on 44% of the land area.

Topographical constraints and the lack of an efficient communications network have resulted in communes which are isolated enclaves. The difficulties of setting up economic activities which will persuade the population to stay put have led to an exodus towards the coastline and towns, where tourism and public services provide jobs.

Four out of 10 communes now have fewer than 100 inhabitants and mortality rates exceeding 20 per 1 000 in many communes suggest a worrying trend towards an ageing population.

In many cases, this trend appears to be largely irreversible, but some communes have managed to stem the tide of depopulation by virtue of their strategic position, or by becoming administrative or tourist centres.

In contrast, the communes around Ajaccio and Bastia are expanding rapidly, as are most of those on the island's east coast, from Bastia in the north to Bonifacio in the south.

	Area	Population			Activity	Unempl.	Employment			GDP/inhab.
	1 000 km²	1 000	Inhab./km²	Change (%)	%	%	% Agricult.	% Industry	% Services	EUR (PPS) = 100
		1990	1990	1980-90	1990	1990	1990	1990	1990	1989
Corse-du-Sud	4.0	118	29	12.6	48	10.0	6	21	73	:
Haute-Corse	4.7	132	28	1.4	48	10.2	12	20	68	:
Corse	8.7	250	29	6.4	48	10.1	9	20	70	79
France (without FODs)	544.0	56 597	104	5.3	55	8.7	6	30	64	109
EUR 12	2 253.7	327 931	146	3.2	54	8.3	7	33	60	100

Immigration leads to a population increase

Corsica is sparsely populated, with 250 000 inhabitants or 29 inhabitants per km².

The last one hundred years split into two distinct periods:

– between 1884 and 1955, a demographic crisis reduced the island's population from its historical peak of 276 000 to its lowest ever figure of 170 000 inhabitants. The reason was the emigration of young people to the mainland, leaving behind an ageing population;

– since 1955, the population has increased but the rate of increase is now slowing down. Immigration has come mainly from North Africa and, more recently, mainland Europe.

New arrivals from the continent – still in large numbers – ensure that the population remains dynamic: many retired people return and jobs have been created, especially in the services sector, to attract people to the island.

The population of Corsica remains elderly. This is particularly noticeable in the rural cantons of the interior, where mortality rates are 20 per 1 000 and birth rates only 5 per 1 000.

Natural increase accounts for only 15% of the population growth. The age of the population explains the low birth rate and a high mortality rate.

Population by age — 1990

	M + F 1 000	M + F %	M %	F %
< 15	42.4	17.0	17.6	16.4
15-24	31.5	12.6	13.2	12.1
25-39	56.5	22.6	23.1	22.1
40-54	46.6	18.6	20.0	17.3
55-64	29.1	11.7	11.6	11.7
≥ 65	43.6	17.5	14.5	20.4
Total	249.7	100.0	100.0	100.0

Population (1 000)

Resident population of foreign nationality — 1990

	1 000	% of total population
Total	24.8	9.9
of which EC countries	7.5	3.0
of which non-EC countries	17.3	6.9

Demographic account — 1980-90 (1 000)

Population 1.1.1980	235.7
Births	29.1
Deaths	27.1
Net migration	+ 12.0
Population 1.1.1990	249.7

Female employment now catching up

The working population of Corsica is rising, owing to the net migration of people of working age and a rise in female activity rates.

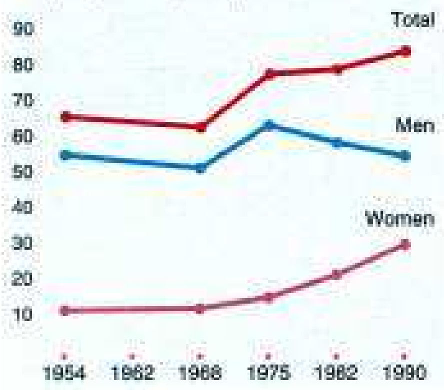
The regional activity rate is the lowest in France, that of males is slightly below the national figure, particularly in the higher age ranges, and that of females is still very low. In an insular society, which for many years clung to the idea that a woman's place was in the home, a female labour force is a fairly recent phenomenon. Women have benefited considerably from changing attitudes, backed by the expansion of the services sector, which provides 90% of jobs for women on the island.

Since 1981, when the University of Corte opened, student numbers have more than tripled. This steady increase is due to the fact that it is a new university, with new subjects (in 1989, plastic arts) and new courses (second and third levels) still being introduced.

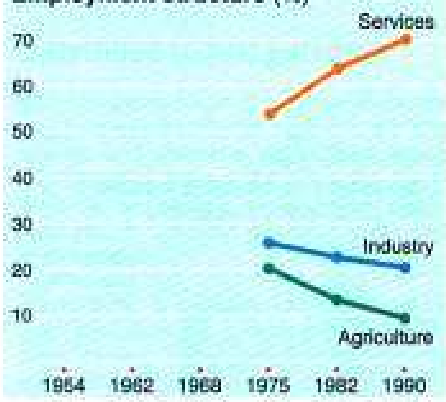
Number of pupils — 1990

	M + F 1 000	F %
Pre-school	9.1	48.2
Primary	16.8	48.7
Lower secondary	12.6	49.3
Higher secondary (technical)	2.2	46.1
Higher secondary (general)	5.9	56.5
Higher education	3.0	53.9
Total	49.6	49.9

Employment (1 000)



Employment structure (%)



Employment — 1990 (1 000)

Resident employment	84.1
+ Non-residents having a job in the region	0.4
– Residents having a job outside the region	0.9
= Internal employment	83.6

Unemployment (%)

Steady rise in employment, especially in the services sector

There was a 66% rise in employment between 1962 and 1990, the highest of any French metropolitan region. Since 1985, 6 700 new jobs have been generated in the Corsican economy.

The number of jobs has increased partly because of the growth of the services sector, both public and private, where jobs are still being created, and partly because tourism has boosted the island's economy.

The number of jobs in agriculture remained stable between 1962 and 1975, but 52% of jobs have since been shed.

Industrial employment (excluding construction) only accounts for 8% of total employment, but there has been a steady increase, with 1 500 jobs created over the past 20 years. Two sectors account for over half the industrial employment: energy and food.

Despite a fall between 1980 and 1986, construction, civil and agricultural engineering still account for 12% of employment.

Employment in the services sector has almost doubled in the past 20 years. In 1990, more than 70% of jobs are in this sector. Non-market services (administration, local government, etc.) provide most jobs with 20 200 wage- or salary-earners. Over the last three years, the sharpest rise has been in jobs in the distributive trades, the hotel trade and market services to businesses.

The high percentage of self-employed workers – 19% as against 15% for France as a whole – is due to the importance of craft businesses.

Characteristics of resident employment (%)

	< 25 years	25-54 years	≥ 55 years	Employees	Employees: part-time		Employees: full-time, temporary contract	
	1990	1990	1990	1990	1983	1990	1983	1990
Men	11	75	14	67	4	5	0	15
Women	9	69	22	72	10	34	2	6
Total	10	73	17	69	6	16	1	12

Unemployment remains a problem

The increase in employment in Corsica is running parallel with an increase in the working population. Corsica is lagging well behind mainland France as regards female employment, and the increase in the working population has been largely due to the fact that women have been catching up. The first significant fall in unemployment did not therefore occur until mid-1987. The unemployment total has stabilized over the past three years: a downward trend among men and young people and an upward trend for older women.

The rise in female employment is not enough to satisfy the rapidly increasing female workforce. There has been an 8% rise in female unemployment over the past three years. The 21% fall in the number of foreign, mainly male, non-EEC job-seekers, following an upturn in the construction sector, has led to an improvement in the unemployment situation. There has been a sharp fall in the number of unemployed manual workers.

For the sixth year running, the proportion of those aged under 25 years in the unemployment total has fallen. The setting up of the Travaux d'Utilité Collective (TUC) (useful public work) in 1985 and the Stages d'Insertion à la Vie Professionnelle (SIVP) (work preparation schemes) have been partly responsible for this decline in youth unemployment.

Low GDP — Corsica persistently lags behind the mainland

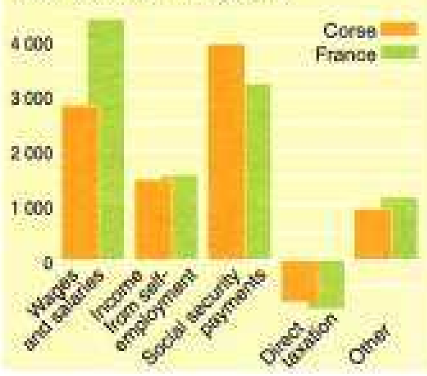
The Corsican economy is not very highly productive and is strongly dependent on outside economies, with imports running at approximately the level of market GDP and exports covering only 6% of imports. The considerable deficit on current account is financed mainly by government and social security funds.

Over the past seven years, Corsica's GDP has grown at the same rate as that of the French regions overall, owing to the nature of the island's economy – a low level of industrial development, the opposite to the services sector, where the public sector plays a more important role than in other areas.

Industry in Corsica, although modest in size, has seen a remarkable annual growth rate of 7.3% in volume terms: there has been a slight decline in the construction sector, since factors leading to a recent upturn at national level are less important in Corsica, where tourism and urbanization are no longer having the impact they once had. The services sector, accounting for 75% of GDP, is running out of steam: saturation point has been reached, development of non-market services has been put on hold, and there are virtually no business services.

GDP (1980 = 100)

Wages (national level = 100)



Disposable household income – 1987 (ECU per inhabitant)

Low wages in the private sector

Wages and salaries in Corsica (apart from in the public sector) are some 25% lower than in France as a whole. Most of this difference is due to the island's economic structure: small businesses, the predominance of less well-paid sectors (construction, distribution, etc.), the high proportion of seasonal jobs (seasonal workers earn 20% less on average than the permanent workforce), unskilled jobs and the low level of urbanization. However, the wages or salaries reported by the employer may not be those actually received by the employee (to which may be added social security benefits, or other extras not reported).

Wage and salary levels are higher in some sectors where there are large, semi-public employers such as Electricité de France, and in the transport and financial sectors.

In the public sector, Corsica has a lower percentage of managerial staff than the mainland and therefore lower average salaries.

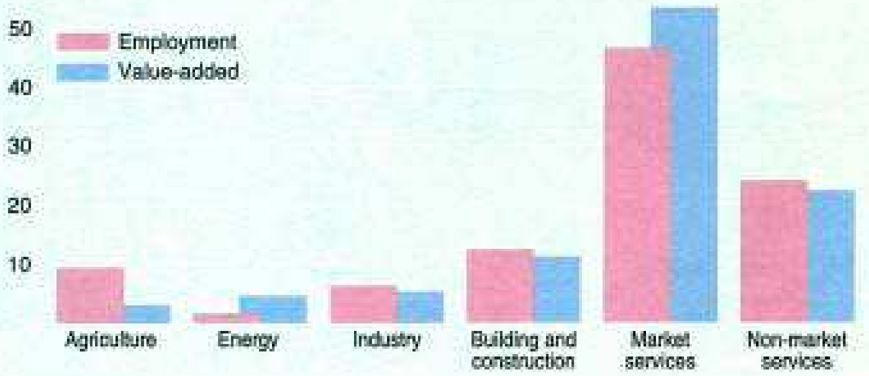
Social benefits account for over half of household incomes

The average inhabitant of the island receives a gross primary income, excluding taxes, contributions and various benefits, 28% below the national average, mainly because individual wages and salaries are low but also because the household frequently only has one wage or salary coming in (low level of female employment).

Social benefits are very important in Corsica, accounting for 47% of household incomes as against 34.2% in France as a whole. The age of the population is responsible for the substantial proportion of old-age and sickness benefits, but on the other hand, despite a higher unemployment rate, unemployment benefits are lower than on the mainland due to low wage levels.

Taking public sector wages and salaries and social benefits together, 62% of household resources come from the State.

Employment and value-added: distribution by branch – 1988 (%)



Unfulfilled tourist potential

With the exodus from the countryside, the gap between traditional agriculture in the interior and intensive agriculture along the coast is increasing. Despite grubbing, wine-growing remains the dominant sector, followed by citrus fruits and stock-farming.

Apart from subsidiary industries (agri-food and energy), industry is relatively unimportant. There is a shortage of raw materials, a restricted local market, a lack of qualified managerial staff and a population mentally geared to the services sector – all obstacles to industrialization.

Although it expanded rapidly in the years up to 1980, the construction industry has since been hit by a serious crisis: the interior of the island is empty and tourism has now peaked.

Within an overblown services sector, tourism is a real asset to Corsica. Tourist expenditure accounts for 20% of the island's total consumption, one in five consumers being a tourist. Tourism would have an even greater impact if some of the island's potential income did not seep away owing to an insufficient level of supply in related sectors (agriculture, craft industries, etc.). Tourism generates 15% of market GDP but remains a highly seasonal activity which relies to a large extent upon an outside workforce.

Agriculture

Number of holdings	4 380
Labour force	5 968 AWU
Agricultural area	359 000 ha
Livestock	83 000 LU
Gross value-added	12 583 ECU/AWU

Main products	
Wine	24%
Fruits — citrus	22%
Vegetables	20%

Main enterprises

Name	Employees	Activity
Office national des forêts d'Ajaccio	300	Forestry
Caisse régionale Crédit agricole, Ajaccio	300	Banking and finance
Centre organisation régionale des services de soins à domicile, Bastia	300	Social services
Hypermarché Corsaire, Ajaccio	200	Retail distribution
Air France	200	Air transport
Hypermarché La rocade, Escale	200	Retail distribution
Chemin de fer de la Corse	200	Railways

Natural assets virtually intact

The beauty and diversity of the Corsican landscape attract and fascinate the visitor. Magnificent scenery and vast, untamed open spaces easily accessible to the population of industrial Europe offer an exceptional variety of possibilities.

Corsica also has a wide range of flora and fauna, many of which are endemic, i.e. belonging to species unique in the world.

Wooded areas (forests and maquis) cover 57%, but the natural features and lack of easy access make it difficult to exploit these areas. Only a small percentage of the forested area is commercially viable and an even smaller percentage is actually worked (27% of the coniferous woods, 19% of the cork oak and 10% of deciduous forests).

The real natural wealth of Corsica is in its water resources and its countryside.

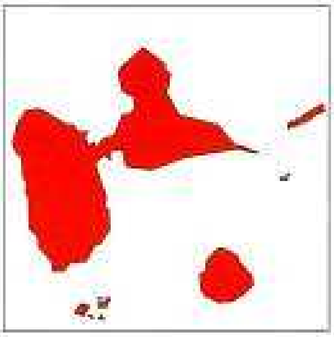
Corsica has been blessed with a high rainfall owing to its position on the Gulf of Genoa and its high mountain range. With mean annual rainfall of 950 mm, it has more water than the other Mediterranean islands and more than most mainland French regions.

Where water quality is concerned, the situation is generally favourable, most of the island's water resources being of the best quality.

The lack of pollution is due to the lack of heavy industry and of intensive agriculture in the interior of the island. Most pollution is therefore of the domestic variety, which mainly affects the coastal areas where most of the population is concentrated and where the greatest pressure comes from tourists in the summer. Thus only the lower stretches of the rivers, and the coastlines, are affected by pollution.

FRANCE

GUADELOUPE

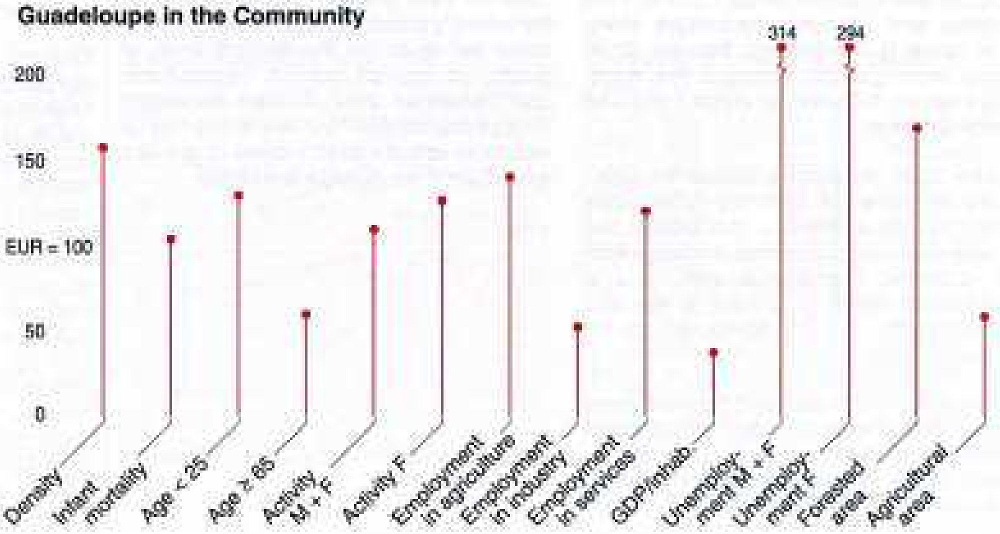


Guadeloupe, an archipelago of eight inhabited islands, is the largest of the Lesser Antilles groups (1 705 km²). The two main islands (Basse-Terre and Grande-Terre) are separated by a narrow sea channel, the Rivière Salée. Basse-Terre is mountainous and has in Soufrière (1 467 m) the highest volcano in the Antilles. Grande-Terre is formed from limestone and is generally low-lying. The other islands ('dependencies'), fall into two groups: the nearby islands of Marie-Galante, the Îles des Saintes (Terre-de-Haut and Terre-de-Bas) and La Désirade; and the Îles-du-Nord (200 km to the north/north-west): Saint-Barthélemy and Saint-Martin partly administered by the Netherlands (the southern third).

Guadeloupe has a humid, tropical climate tempered by the trade winds, with two distinct seasons: mainly dry from January to May and rainy from June to December. Cyclones can occur between the beginning of July and the end of October, the trail of the cyclone Hugo (16 September 1989) will be remembered for some time. The climate, and the precipitation in particular, is influenced by the relief and orientation of the land. Rainfall is more abundant on the windward side (Atlantic coast) than on the leeward side (Caribbean coast) and is heavier at altitude than in the limestone islands.

The cutting of sugar-cane in Guadeloupe.

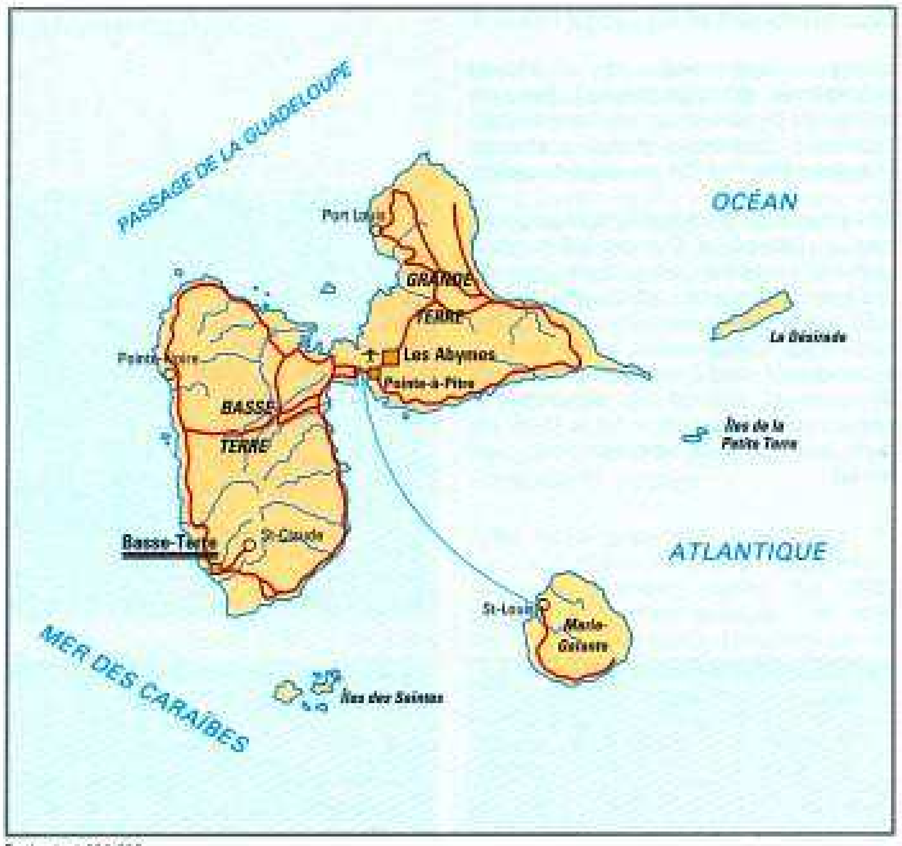
Guadeloupe in the Community



Serious problems, but future potential

As with the other French overseas departments, the image presented by Guadeloupe is first and foremost that of a region suffering from serious structural difficulties. It has an underdeveloped production structure which is very dependent on traditional crops sold to protected markets. Labour productivity is low and the level of training still unsatisfactory. The economy is having to cope with a massive surge of new arrivals on the labour market and support a worryingly high level of unemployment. It is still saddled with a stratified social structure and there are major disparities in incomes and living conditions.

There is, nevertheless, no shortage of assets to fuel harmonious development. The population includes a high proportion of young adults who wish to remain in the area, some of whom have a good level of education and the spirit of enterprise. The natural landscape of Guadeloupe is different from that of the other islands in the Caribbean, and this, coupled with its good infrastructural facilities, could lead to an expansion in the role of tourism. Finally, despite its problems, Guadeloupe is better off than most of its immediate neighbours. Regional cooperation in the Caribbean is much sought after locally and is just waiting to be developed. Despite the obstacles (transport, debts run up by many Caribbean countries, etc.), Guadeloupe could become an integral part of the region, not through competing for trade in traditional products but by selling new technologies.



Scale 1 : 1 000 000

Which EC regions are similar to Guadeloupe?

Area:
less than 2 000 km²
- South Yorkshire;
- Greater London (UK)
- Utrecht (NL)

Population:
almost 400 000 inhabitants
- Luxembourg (grand-duché)
- Algarve (P)
- Zeeland (NL)

Population growth:
more than 1% per year since 1980
- Languedoc-Roussillon (F)
- Canarias (E)
- East Anglia (UK)

A varied archipelago with two poles of activity

Guadeloupe has two main poles of activity: Basse-Terre, the administrative capital, and Pointe-à-Pitre, the economic capital. 40% of the region's population live in the area around Pointe-à-Pitre, which includes Les Abymes, the municipality with the highest population in the archipelago (62 000 inhabitants). This built-up area also embraces the industrial and commercial zone of Jarry and its sphere of influence stretches through Grande-Terre and to the north of Basse-Terre.

Sugar-cane cultivation is concentrated in the rest of Grande-Terre, although the east with its tourism and market gardening is more diversified than the less-favoured north of the island, which still relies on traditional activities. Apart from being the administrative centre, Basse-Terre also has banana plantations. The windward side is the more dynamic, with agricultural and services activities centred in Capesterre-Belle-Eau, while the leeward side is looking to open up more to the outside.

Sugar-cane cultivation characterizes the economy of the island of Marie-Galante, which is in decline and needs to be revitalized. The small dependencies (the Îles des Saintes and La Désirade) live from fishing, non-market activities or tourism, while development of the Îles-du-Nord (particularly Saint-Martin) mushroomed during the 1980s with a tourism-led building boom and associated growth in the distributive trades and services.

	Area	Population			Activity	Unempl.	Employment			GDP/inhab.
	1 000 km²	1 000	Inhab./km²	Change (%)	%	%	% Agricult.	% Industry	% Services	EUR (PPS) = 100
		1990	1990	1980-90	1990	1990	1986	1986	1986	1986
Guadeloupe	1.7	385	227	17.7	59	31.1	11	18	72	38
France (without FODs)	544.0	56 597	104	5.3	55	8.7	8	31	61	109
France (incl. FODs)	632.8	58 051	92	5.6	:	:	:	:	:	:
EUR 12 (without FODs)	2 253.7	327 931	146	3.2	54	8.3	8	34	58	100
EUR 12 (incl. FODs)	2 342.5	329 385	141	3.4	:	:	:	:	:	:

Growth in the adult population

In 1990, the population of Guadeloupe was 387 000, as against 328 400 eight years earlier. This substantial increase made up for two decades without growth. For 20 years the pattern had been simple: the birth rate in the mainly young population was high, but the lack of jobs meant that large numbers emigrated to metropolitan France. The upshot was that the natural surplus scarcely compensated for departures and there was little population growth.

In the 1980s the heavy negative net migration gave way to a very positive one. 88% of this surplus was due to the boom in the Îles-du-Nord and in particular to the population explosion in Saint-Martin (8 072 inhabitants in 1982, 28 518 in 1990). Outside the Îles-du-Nord, population growth in Guadeloupe has been mainly determined by natural movements, although the fact that new arrivals (or people returning) have slightly exceeded departures marks a change from the pattern of the previous decades.

While the population is still much younger than in France or Europe (36% aged under 20), recent demographic growth has been stronger for adults, and the 20 to 59 age group now makes up 52% of the population. This increase in the number of persons of child-bearing age and a fertility rate of around 2.5 children per woman (albeit down from 5.5 in 1965) explain how the birth rate has been sustained.

Population by age — 1990

	M + F 1 000	M + F %	M %	F %
< 15	96.3	24.9	25.7	24.0
15-24	78.0	20.2	20.7	20.0
25-39	95.1	24.6	24.7	24.2
40-54	57.8	14.9	14.7	15.1
55-64	26.7	6.9	6.6	7.2
≥ 65	33.0	8.5	7.6	9.5
Total	386.9	100.0	100.0	100.0

Population (1 000)

Resident population of foreign nationality — 1990

	1 000	% of total population
Total	25.0	6.4
of which EC countries	2.5	0.6
of which non-EC countries	22.5	5.8

Demographic account — 1980-90 (1 000)

Population 1.1.1980	327.3
Births	76.2
Deaths	24.6
Net migration	+ 6.5
Population 1.1.1990	385.4

Strong pressure on the labour market

The working population was 171 000 in 1990, as against 122 000 in 1982. In eight years, it therefore increased at twice the rate of the total population. This pressure on the labour market springs from the fact that the large school classes of the 1960s are now reaching working age (around 7 000 each year) and the numbers emigrating to work in metropolitan France have dropped. Over the same period, with more women wanting to enter employment, the female working population increased one-and-a-half times more quickly than that of males.

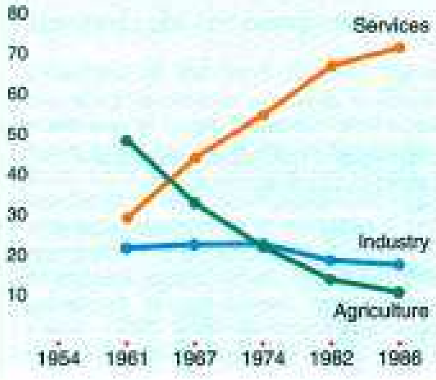
In view of the difficulties involved in finding a job, the under-20-year-olds are delaying their entry to the labour market. As in Europe, the economic situation calls for a higher level of qualification. However, despite the undoubted progress, the educational system is still inadequate. The number of those failing at school remains a cause for concern, and less than 25% of a whole generation are reaching *baccalauréat* (French school-leaving certificate) level — half the amount in the rest of France.

Number of pupils — 1990

	M + F 1 000	F %
Pre-school	20.0	49.0
Primary	39.3	48.7
Lower secondary	30.3	50.1
Higher secondary (technical)	11.5	49.2
Higher secondary (general)	10.9	59.1
Higher education	3.2	56.8
Total	115.2	50.4

Employment (1 000)

Employment structure (%)



Employment — 1990 (1 000)

Resident employment	117.5
+ Non-residents having a job in the region	0.0
– Residents having a job outside the region	0.0
= Internal employment	117.5

Unemployment (%)

Recent upsurge in the dominant services sector

Over the course of 30 years, the Guadeloupe economy has been given a face-lift, as the arrival of powerful services activities spelt the end of the traditional dominance by agriculture. Agriculture retains a presence with bananas and sugar-cane, while the building trade and public works make up the bulk of the secondary sector. The services sector, however, accounts for almost three-quarters of jobs, one-quarter in the public sector alone. This apparent overemphasis on employment in the public sector in relation to the population is mainly due to the falling number of jobs in agriculture and the weakness of industry.

After three decades during which the nature of jobs evolved while employment remained relatively stable, the 1980s brought a sudden change. The 1990 figure of 117 500 jobs in Guadeloupe was 24 000 up on the 1982 total, with one of the main beneficiaries being the Îles-du-Nord (10 000 new jobs). The spectacular development of Saint-Martin created a need for manpower in the building trade which was accompanied by new jobs in tourism, retail and wholesale distribution and the services sector. The economy seemed to take off everywhere following the introduction of tax incentives in 1986, whereas employment had previously been sustained more through special job-creation schemes for the unemployed. This stimulation of activity also led to more informal employment, particularly in the building trade. In 1989, however, there were some signs that the economy was flagging, bringing this boom to an end.

Characteristics of resident employment (%)

	< 25 years	25-54 years	≥ 55 years	Employees	Employees: part-time		Employees: full-time, temporary contract	
	1990	1990	1990	1990	1983	1990	1983	1990
Men	10	80	10	71	:	:	:	:
Women	11	80	10	87	:	:	:	:
Total	10	80	10	76	:	:	:	:

High unemployment

Guadeloupe's main problem is still a shortage of jobs. In the 1990 population census, 31% of the working population claimed to be unemployed, and with an unemployment rate of 37%, women were worse affected than men (26%). Despite the considerable growth in the number of jobs available between 1982 and 1990 (+25%), unemployment progressed more than twice as quickly. The deep-seated nature of unemployment emerges from the fact that 43% of the unemployed have been out of work for at least two years. Given that the chances of being recruited are poor, some of these have effectively given up looking. In the past, this job shortage was solved to a great extent by people emigrating to metropolitan France, but this is no longer the case and the full force of the demographic pressure applied by people seeking employment is being felt on the spot.

The vast extent of unemployment reflects, first and foremost, the difficulties young people have in finding a job, with 50% of the younger generations looking for work. The strong family spirit which still prevails in Guadeloupe helps dampen the effects of unemployment, since by remaining within the bosom of the family, those out of work can avoid marginalization and benefit from the invisible redistribution of resources which takes place within households.

Weakness of the production structure

On the whole, the regional economy is unproductive, highly dependent on other countries for its supplies, and its balance of trade is very poor. It has leapt from being a plantation economy to services activities, missing out on cottage industries and industrial production. One third of GDP is generated by non-market branches, and imports of goods and services account for one-third of total supplies. Agricultural products make up 90% of exports, and their value is less than 15% of imports. Guadeloupe is not very open to other countries in the region, as two-thirds of its trade is with metropolitan France.

Despite its decline, agricultural activity still plays an important role. Bananas are the main product, grown on 2 900 holdings over 7 300 hectares and accounting for around half of the value of exports. Sugar-cane cultivation, which is carried out by 7 600 planters on 16 700 hectares of land, was the object of several restructuring plans during the 1980s. Outside the agricultural sector, the economy is made up of 29 000 establishments, only 500 of which employ more than 20 people. The sugar trade has experienced financial difficulties, and the industry, where three factories are still in operation, only keeps going thanks to a steady stream of subsidies from the public authorities. Apart from sugar, rum and some processing activities in the agri-food sector, industry is characterized by the almost total absence of high value-added branches of activity. The company structure is characterized by the craft sector, where half the activities are in the building trades, and by repair and processing activities for the local market.

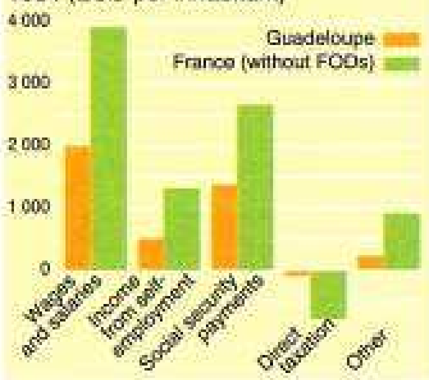
With over 300 000 visitors a year, tourism has become one of the main activities in the archipelago. However, further expansion, which could constitute an opportunity for economic development, is coming up against stiff competition in the Caribbean.

GDP (1980 = 100)

Wages

No data available

Disposable household income – 1984 (ECU per inhabitant)



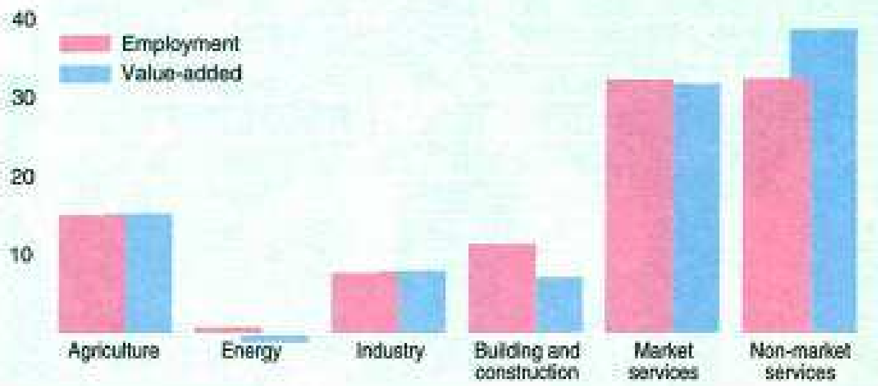
Two-tier income structure

The gaps between incomes in Guadeloupe are considerable. The salaries received by State officials are 40% higher than those earned by civil servants of exactly the same grade in metropolitan France, partly to compensate for the higher cost of living. This advantage has filtered through to the semi-public sector, national public institutions and public corporations. On the other hand, the minimum wage (SMIC) is 19% lower than for metropolitan France. Given these conditions, the public and semi-public sector is much more attractive than the private sector. Bearing in mind the fragile nature of the economy, there is still considerable under-employment and 26% of those in employment receive less than the local minimum wage. An analysis of basic wages and salaries reveals that 43% fall between the SMIC and the minimum for the civil service and 31% lie above this threshold.

Social transfers

While the average gross disposable income per household in Guadeloupe is 50% lower than in metropolitan France, this figure also, of course, conceals marked disparities. The proportion of social security benefits in gross disposable income is only slightly higher than in metropolitan France, but the difference between the benefits received and the contributions paid explains the high volume of social transfers in household income. The gross disposable income is, therefore, 12% higher than primary income. However, the benefits paid out in Guadeloupe are less generous on the whole than those in France, despite the measures being taken to close the gap.

Employment and value-added: distribution by branch – 1982 (%)



Limited role for companies

One-third of the land area of the archipelago is used for agriculture. The two main export crops (bananas and sugar-cane) bring in almost half of the revenue from agricultural production. Some attempts at diversification have been made, with varying degrees of success. Export successes were achieved with out-of-season crops, such as aubergines (although the business has slumped since 1987) and melons, where the market is still expanding.

Outside of the traditional production of sugar and rum and a few units in the agri-food sector, industry is relatively small-scale. The building trade and public works account for half of the value-added in the secondary sector.

The distributive trades sector is well developed, with the large supermarkets which have sprung up over the last 15 years existing alongside a host of small, traditional outlets. The services sector is particularly oriented towards households. The healthy situation in this sector can be ascribed not only to tourism, but also to the good performance in the trading and repair of motor vehicles. On the other hand, business services are quite clearly under-represented. The weakness of the production structure, the limited size of the companies and the lack of real demand have meant that no great inroads have been made by data processing or consultancy and design services.

Agriculture

Number of holdings	16 530
Labour force	19 750 AWU
Agricultural area	47 000 ha
Livestock	:
Gross value-added	:
Main products	
Bananas	22%
Sugar-cane	20%
Vegetables	19%

Main enterprises

Name	Employees	Activity
Établissement Reynoird	900	Retail distribution
Sogea Guadeloupe	600	Building
Air France	500	Air transport
Somacotra	400	Port storage

Wide range of attractions at risk from nature

Guadeloupe offers much more than the traditional image of the tropical island with its idyllic sun, sand and sea. As an archipelago, its diversity offers the visitor excursions around the limestone island of Grande-Terre, or to charming Saint-Barthélemy, lively Saint-Martin, alluring Terre-de-Haut, and the wilder and more mysterious dependencies of Marie-Galante, La Désirade and Terre-de-Bas. In the interior of Basse-Terre, it also has everything for the outdoor enthusiast: a large tropical forest, the Soufrière mountain range, and cascades and waterfalls.

Charm can, however, have a sting in its tail, and Guadeloupe is situated in a high-risk area. These risks can be volcanic, in the shape of Soufrière which last erupted in 1976, seismic, as when the town of Pointe-à-Pitre was destroyed in 1843, or from cyclones. Cyclones or tropical storms pose a constant threat, and on 16 September 1989 Hurricane Hugo wreaked havoc on Grande-Terre. Tropical storms are less violent but cause considerable damage to crops.

Although industrial pollution is scarcely a problem in Guadeloupe, the environment is threatened in other ways. General awareness about environmental protection is a recent phenomenon, and the population density (275 inhabitants per km^2, if the uninhabited interior of Basse-Terre is excluded) brings its own problems. Progress still needs to be made in reducing the number of polluted sites, dealing with domestic waste and waste water, and keeping the countryside clean. The boom in the construction of private housing during the 1980s also threatens the remaining natural areas.

Guadeloupe has a well-developed infrastructure, and, except in the dependencies, access to amenities, shops and services is fairly easy.

FRANCE

GUYANE

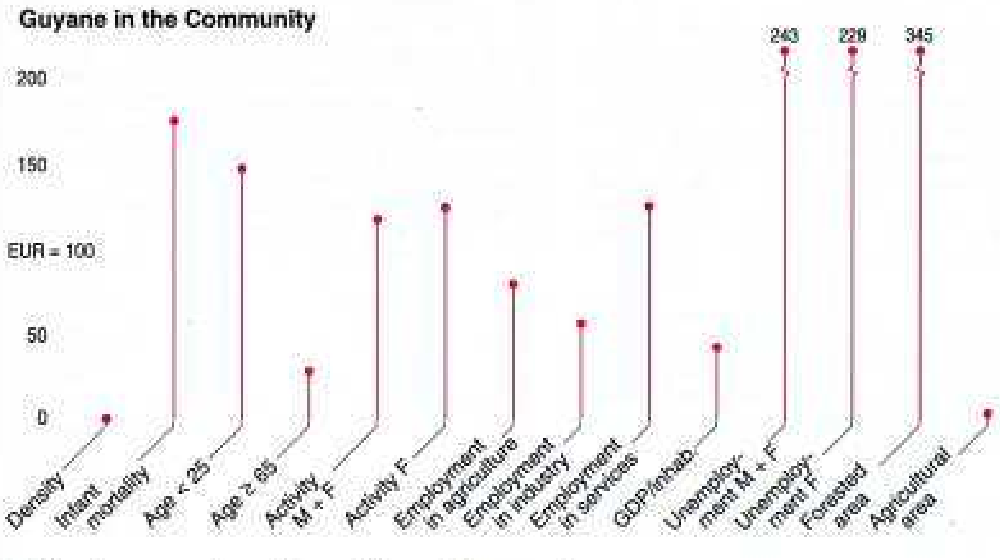
As a region, French Guiana is composed of a single *département* divided into two districts (Cayenne and Saint-Laurent) and 21 municipalities. With a surface area of 84 000 km² between the second and fifth parallels north, it is France's largest region. Situated between Brazil and Suriname in the Guyana Highlands, French Guiana's natural frontiers are the Maroni River to the west, the Oyapock River to the east, the Tumuc-Humac Mountains to the south and the Atlantic Ocean to the north.

With the exception of the alluvial coastal strip, the region comprises a series of plateaux rising towards the interior to a peak of 851 m.

Nearly the whole region is covered by dense tropical rain forest. The only means of access to the interior of the country are the rivers, which form a dense network of water courses. However, the region's stepped relief gives rise to rapids which hinder navigation.

French Guiana has a tropical climate with four seasons: the dry season from August to November, the little rainy season from December to February, the short summer in March and the rainy season proper from April to July. The temperature varies little with a daily average of 27°C. The humidity is very high, ranging between 70 and 90%.

A multiethnic society.



Difficult access, but direct links with space!

A young region, French Guiana has four handicaps to overcome:

– its distance from Europe and its almost total isolation, having few means of communication with its neighbours;

– high wages (index-linked to those in metropolitan France) and inadequate productivity, especially in traditional industries, which leaves the region lagging far behind in terms of competitiveness;

– a lack of training and an insufficient number of places in the vocational training system;

– the almost total lack of lines of communication between the coastal strip and the interior hinders the exploitation of the region's natural resources and the diversification of its agriculture.

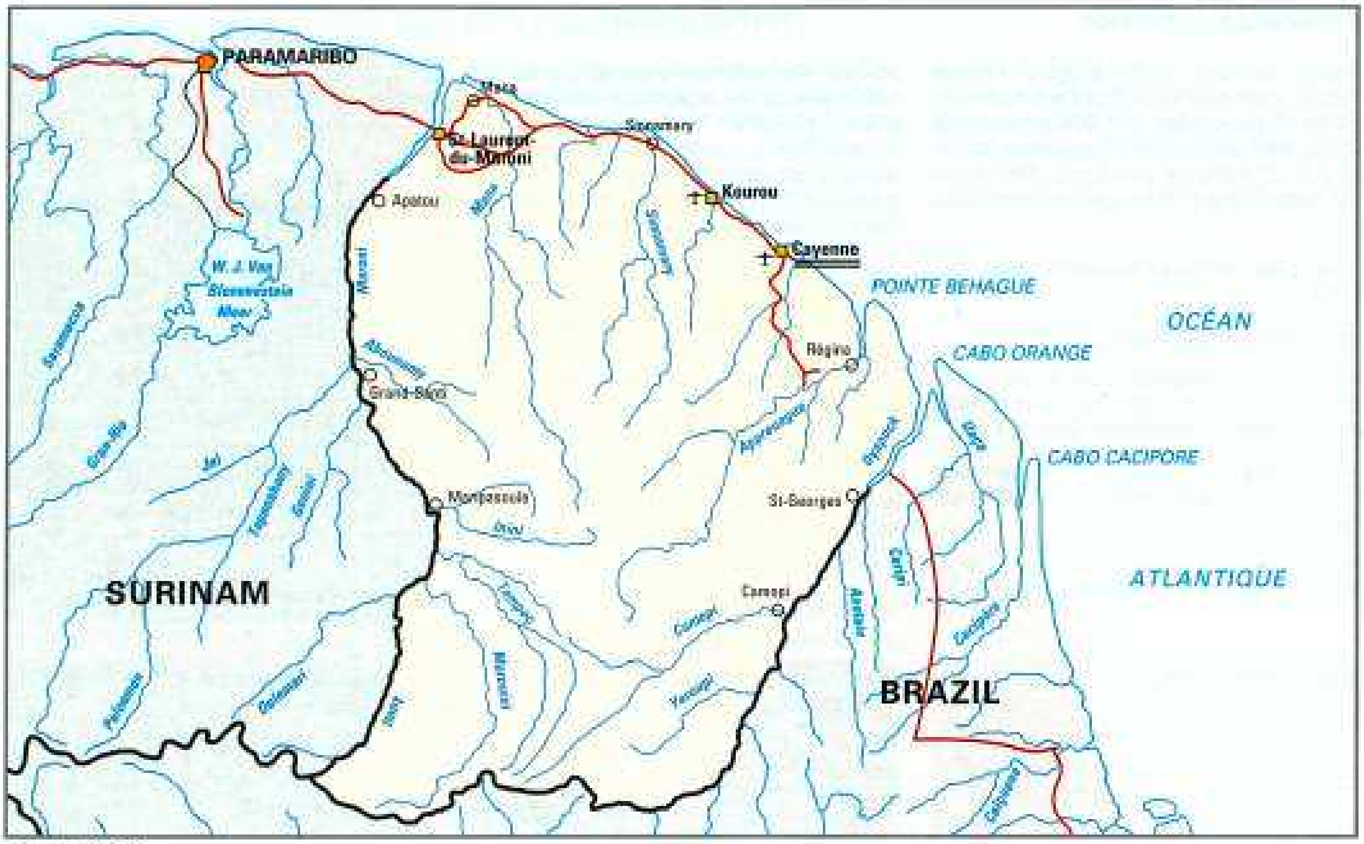
But the region also has four strong points:

– many natural resources are still to be exploited, such as timber and fisheries, both inland and offshore;

– a capacity to absorb and assimilate immigrants;

– a major focus for development is the Guiana Space Centre, which makes an important contribution to the strength of the region's economy by means of subcontracting, public works contracts and secondary employment;

– a youthful population, a good proportion of which is composed of adult immigrants of working age.



Scale 1 : 4 000 000

Which EC regions are similar to French Guiana?

Area:
nearly 100 000 km²
(and a low population density)
Castilla y León;
Castilla-La-Mancha (E)
Scotland (UK)

Population:
just over 100 000 inhabitants
Ceuta y Melilla (E)
Valle d'Aosta (I)

Age:
± 50% aged less than 25
Guadeloupe; Martinique;
Réunion (F)
Ireland
Canarias (E)

The coastal strip

The population of French Guiana is very unevenly distributed. Approximately 92% of the region's population lives on a coastal strip 15 to 20 km wide and 320 km long. What is more, 79% of the population is concentrated in three centres: the Île de Cayenne, Kourou and Saint-Laurent du Maroni. Cayenne and Saint-Laurent have always been heavily populated areas, with the regional administration centred in Cayenne and the penal colony and its administration in Saint-Laurent. The region's economy is focused in two main centres, the Île de Cayenne and Kourou, which contain 74% of the working population.

Cayenne has developed into a sizeable conurbation as a result of its position as capital and administrative centre of French Guiana. It has approximately 53 000 inhabitants, 46% of the region's population. A large number of firms have set up in Cayenne as the town is close to exit points for trade which are the ports of Larivot and Dégrad-des-Cannes and the international airport.

Kourou has benefited greatly from the development of the Guiana Space Centre, which is a pole of attraction for labour, trade and industry. The population of Kourou and the neighbouring municipality of Sinnamary practically doubled between 1982 and 1990.

	Area	Population			Activity	Unempl.	Employment			GDP/inhab.
	1 000 km²	1 000	Inhab./km²	Change (%)	%	%	% Agricult.	% Industry	% Services	EUR(PPS) = 100
		1990	1990	1980-90	1990	1990	1986	1986	1986	1986
Guyane	83.5	115	1	57.0	64	24.0	6	19	75	43
France (without FODs)	544.0	56 597	104	5.3	55	8.7	8	31	61	109
France (incl. FODs)	632.8	58 051	92	5.6	55	:	:	:	:	:
EUR 12 (without FODs)	2 253.7	327 931	146	3.2	54	8.3	8	34	58	100
EUR 12 (incl. FODs)	2 342.5	329 385	141	3.4	:	:	:	:	:	:

Population explosion

French Guiana is the biggest French region in terms of area, but the smallest in terms of population (114 808 inhabitants at the 1990 census) and population density (1.3 inhabitants per km²). The main characteristics of the region's population are:

– a huge increase between 1982 and 1990;

– a youthful population;

– heavy immigration as a result of political upheavals (Suriname and Haiti) and economic conditions (Brazil, Haiti);

– a multiracial society (Creole, mainland French, Chinese, Hmong, Caribbean, American Indian, etc.).

From the first census carried out in French Guiana in 1676 (though it only included the colonial population) to the 1990 census, the region's population has grown steadily. The opening of the Guiana Space Centre, the immigration of workers, especially from Brazil and Haiti, and the influx of refugees from Suriname have all contributed to this trend.

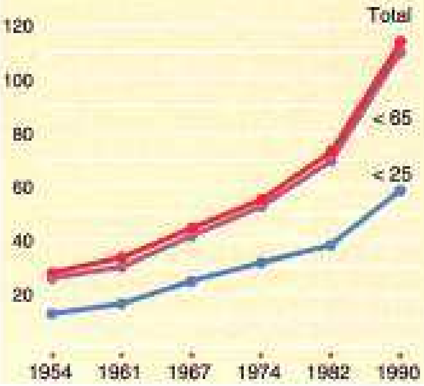
Between 1982 and 1990 there was a net immigration of 24 911 persons. The annual increase in population attributable to immigration was 0.82% between 1967 and 1974, rising to 3.46% between 1982 and 1990. The natural growth of the population over the same periods remained stable.

In 1990 some 68.9 % of the region's population over 15 years of age were unmarried.

Population by age — 1990

	M + F 1 000	M + F %	M %	F %
< 15	38.3	33.5	32.7	34.3
15-24	20.6	17.9	17.7	18.1
25-39	30.3	26.5	26.8	25.9
40-54	16.2	14.1	14.8	13.3
55-64	4.8	4.2	4.4	3.9
≥ 65	4.6	3.8	3.6	4.5
Total	114.8	100.0	100.0	100.0

Population (1 000)



Resident population of foreign nationality — 1990

	1 000	% of total population
Total	34.0	29.7
of which EC countries	1.2	1.1
of which non-EC countries	32.8	28.6

Demographic account — 1980-90 (1 000)

Population 1.1.1980	67.0
Births	24.7
Deaths	4.9
Net migration	+ 28.0
Population 1.1.1990	114.8

A youthful workforce

As a haven for immigrants, French Guiana has experienced a huge increase in its working population — more than 50% between 1982 and 1990. A high proportion of the population — almost 30% — are of non-EC origin. Though most immigrants come to work, some come to join their families — the female activity rate is very low in comparison with the French Antilles (66.4% for women between 25 and 50 years of age).

Attracted by the major infrastructure projects and by the region's high wages, this immigrant workforce is relatively unskilled.

The late starting age and linguistic problems result in an alarming failure rate at school. The pass rate for the *baccalauréat* is the lowest in the whole Antilles-Guiana school district.

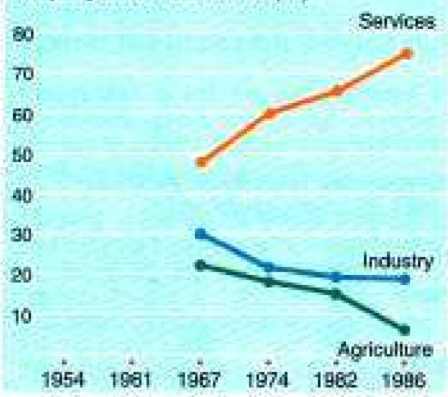
Higher education for the young people of the region is available at the institute of higher education in Cayenne, a university institute of technology at Kourou and a technical college.

Number of pupils — 1990

	M + F 1 000	F %
Pre-school	7.2	49.5
Primary	14.5	48.2
Lower secondary	7.2	50.1
Higher secondary (technical)	1.6	44.8
Higher secondary (general)	1.9	59.5
Higher education	—	—
Total	32.4	49.4

Employment (1 000)

Employment structure (%)



Employment — 1990 (1 000)

Resident employment	48.7
+ Non-residents having a job in the region	0.0
– Residents having a job outside the region	0.0
= Internal employment	48.7

Unemployment (%)

Civil engineering thrives

The region's working population has been increasing steadily at varying rates. Estimated at 20 200 in 1974, it had more than doubled by 1990.

The employment scene in French Guiana is marked by the stagnation of the agriculture and industry sectors, the steady increase in the number of wage and salary earners and the increasing number of women on the labour market. Women are in the majority in the services sector, particularly in market services to individuals and local government. Men are predominant in the more precarious sectors of farming and stock rearing and the craft industries. The only sector in which the demand for male labour is relatively buoyant is building and civil engineering.

Some 88% of those in employment work full-time. Women, who work mainly in the services sector, fill 62% of part-time jobs. For people in full-time work, the distributive trades is the sector with the highest average hours of work, followed by agriculture, agri-food, transport and telecommunications.

Characteristics of resident employment (%)

	< 25 years	25-54 years	≥ 55 years	Employees	Employees: part-time		Employees: full-time, temporary contract	
	1990	1990	1990	1990	1983	1990	1983	1990
Men	12	81	8	78	:	:	:	:
Women	13	80	7	79	:	:	:	:
Total	12	81	7	78	:	:	:	:

Rising unemployment, especially for women and foreigners

Despite the growth in the number of jobs (up 4.2% per year on average), the unemployment rate as defined by the census rose from 15.3 to 24.3%, and the number of unemployed increased by 146%.

Women are more affected by unemployment than men although, aided by the rise in school attendance, this gap appears to be closing. Yet women still experience greater difficulty than men in finding work.

The youth unemployment rate is also high.

Unemployment is more prevalent among foreign nationals.

The 1990 census also revealed a larger increase in unemployment in municipalities not linked to the road network.

An emerging economy

According to the 1989 general census of agriculture, 1 008 holdings grew food crops on a total of 739 hectares, fruit growing occupied 1 281 holdings on a total of 1 820 hectares, and traditional slash and burn agriculture was practised in 3 266 holdings covering a total of 4 847 hectares. Development programmes have led to the appearance of large-scale commercial farms producing cereals (rice) and fruit (pineapples, etc.).

The region's marine resources are worked by a commercial fishing fleet of some 80 shrimp trawlers.

Two large sectors are the distributive trades (24.3% of firms) and building and civil engineering with 23.5%. Manufacturing accounts for only 11.8% of firms. Alongside local branches of companies based in metropolitan France attracted to Guiana by the major infrastructure projects, 88% of firms in the building and civil engineering sector are one-man businesses and 98% are firms with fewer than 20 employees. Altogether, there are 1 479 firms in the distribution sector.

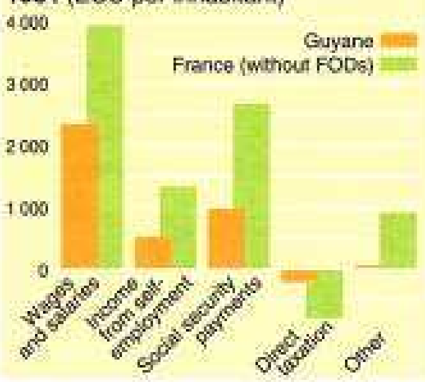
Market services account for a substantial 34.3% of firms in French Guiana. Many subcontracting firms have set up recently in connection with the development of the Space Centre. The pool of accommodation is growing, and hotels are becoming more evenly distributed along the coastal strip, though the Île de Cayenne is still a major centre. Alongside the Space Centre, the biggest employers are the public services, particularly the education and health services, which have expanded to cope with the rising population.

GDP (1980 = 100)

Wages

No data available

Disposable household income – 1984 (ECU per inhabitant)

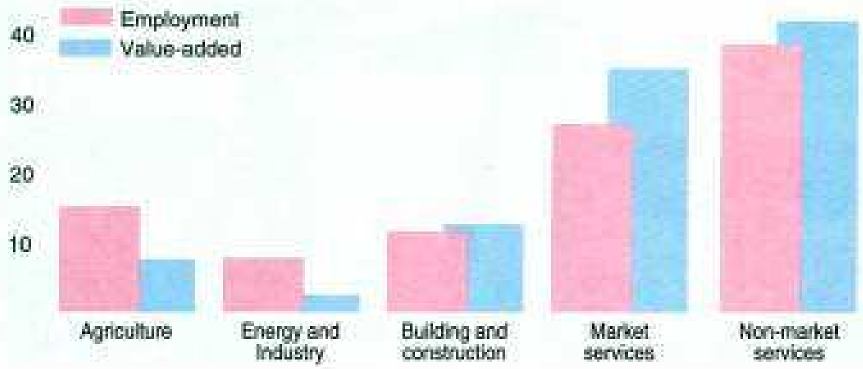


Income disparities

Civil service salaries are 40% higher in French Guiana than in metropolitan France, partly to offset the higher cost of living. In many cases this privilege has been extended to public corporations and services as well as to some private firms. In contrast, the minimum wage (SMIC) is 19% lower than in metropolitan France. The spread of income is therefore very wide in French Guiana: 26% of those in employment earn less than the local minimum wage and 51% earn less than the French minimum wage, whereas about a third earn more than the civil-service minimum. Rapid economic growth and large-scale immigration have led to the widespread use of illegal labour.

Gross disposable income per household in French Guiana is on average 50% less than in metropolitan France, though this average conceals huge disparities. With a big immigrant population and a large number of single people, French Guiana is the only overseas department where social security contributions equal benefits received. Gross disposable income is therefore practically the same as primary income. In French Guiana social benefits are generally lower than in metropolitan France, although the gap is narrowing.

Employment and value-added: distribution by branch – 1982 (%)



Space: the economic driving force

The region is not yet self-sufficient in agricultural products, though progress has led to a more regular supply of fresh produce and to rice exports.

Forestry in French Guiana is a hard and unprofitable business with low yields and an irregular level of production. As regards fishing and fish farming, shrimp and prawn production is forging ahead.

The region's industry mainly consists of small and medium-sized firms involved in gold mining and the production of building materials. Craftsmen are the main producers in the clothing, furniture and jewellery industries.

The growth of the Guiana Space Centre has led to the setting up of a Propergol factory, and to major civil engineering works such as the ELA3 site at Kourou and the Petit-Saut Dam.

While distribution is a growth area, market services form the biggest sector. The postal and telecommunications network has expanded, as has the banking system, and the growth of the services sector is closely linked to that of the Guiana Space Centre. In addition to the natural heritage and ethnic interest of French Guiana, the satellite launches are a major attraction for the growing tourist industry.

Central and local government are still the biggest employers. Non-market services generated 36% of total GDP in 1986, down on the 1981 figure of 41%.

Agriculture

Number of holdings	4 491
Labour force	4 803 AWU
Agricultural area	21 000 ha
Livestock	:
Gross value-added	:

Main products	
Fruit and vegetables	83%

Main enterprises

Name	Employees	Activity
Arispace	400	Building
CNES	300	Aeronautics
Somarig	300	Port storage

Tropical flora and fauna

The population of French Guiana is decidedly multiethnic. American Indians (Galibi, Wayana, Oyampi), Maroons, Creoles and native French all form part of a patchwork of peoples. More recent incomers are the Hmong and the refugees from Suriname. There is also a significant community of immigrant workers from Brazil, Haiti, Guyana and St Lucia.

The population explosion of recent years has to a certain degree been accompanied by widespread building of modern flats and houses. It has nevertheless led to the persistence and even growth of sub-standard housing (4 000 dwellings according to the standards of the regional planning authorities). Nearly 4 500 homes are without electricity, and 3 000 of these have no running water. A housing programme is under way, partly financed by central government.

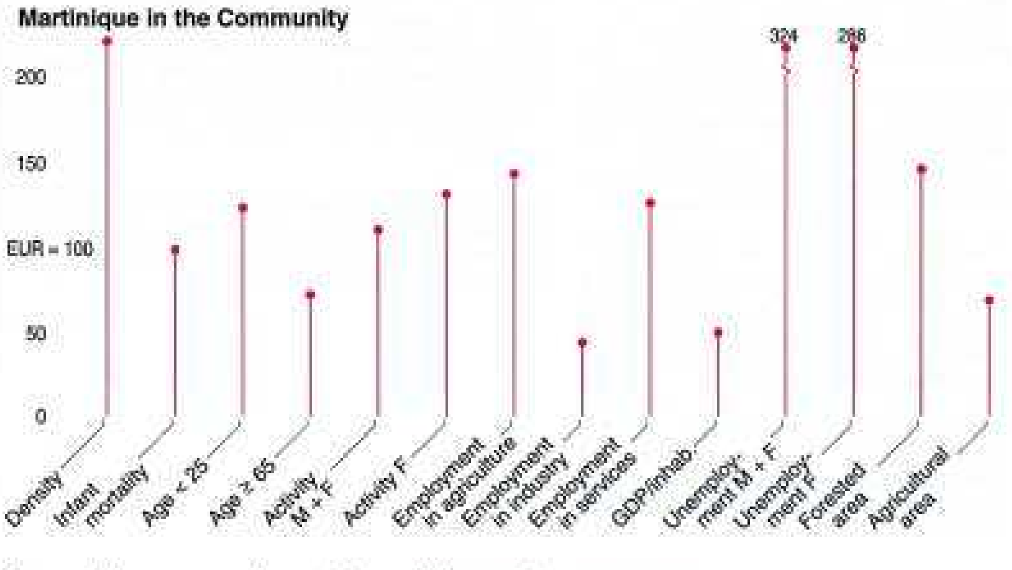
The main feature of French Guiana is of course the rain forest with its multitude of plant species (kingwood, snakewood, cannonwood, ironwood, mahogany, silk-cotton) and its abundant wildlife (morphos, jaguars, trap-door spiders, tapirs, pacas, agoutys, squirrels, armadillos, great anteaters, sloths, capybaras, etc.).

FRANCE

MARTINIQUE

Martinique lies in the middle of the arc formed by the Lesser Antilles — 7 000 km from metropolitan France and only 400 km from Venezuela. It is a mountainous island of volcanic origin, 1 100 km² in area, 60 km in length and 30 km across at its widest point. Montagne Pelée, 1 400 m, dominates in the north; in the south the highest peak is 500 m. Only about 10% of the island consists of plains, the most extensive being the Le Lamentin Plain, 75 km², in the centre of the island. The 350-km coastline is jagged in the south and protected by coral reefs on the Atlantic coast. Martinique has a tropical maritime climate with high temperatures, averaging 25° C, all year round. The eastern trade winds provide natural ventilation. Average hours of sunshine are consistently high, at approximately eight hours per day. Rainfall is abundant but very unevenly distributed — four times heavier during the rainy season (June to November) than during 'Lent' (March to May). The mountains of the north receive plenty of rain — up to five metres a year — while the south has a dry climate. There is thus a wide variety of vegetation, ranging from tropical forest in the north to dry savannah in the south.

Sunset on the beautiful island of Madinina.



Natural beauty, vulnerable and dependent economy

Martinique has a number of major assets:

– its rich climate and scenery: the climate lends itself to quality produce such as bananas, melons, flowers and rum, while the variety and beauty of the landscape and vegetation provide a tourist attraction;

– the standard of living is one of the highest in the Caribbean: the island is well provided with schools, health services, roads and ports and has an airport;

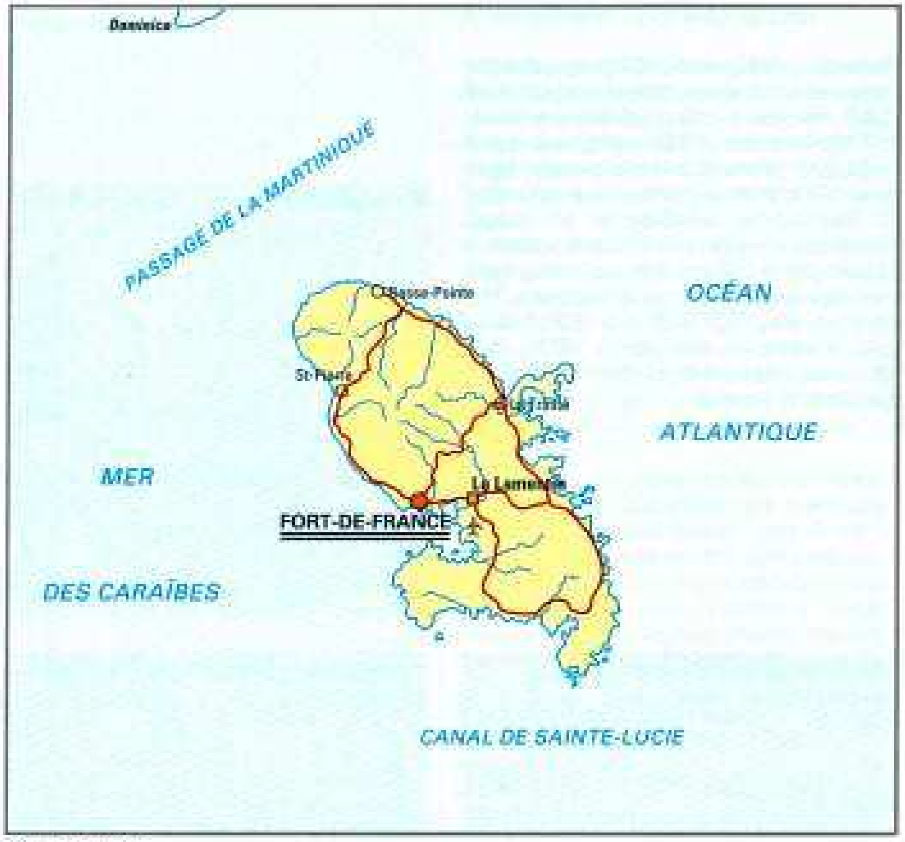
– lastly, Martinique has a tradition of dynamic entrepreneurs whose interests have extended well beyond the island (particularly to Guadeloupe and French Guiana).

It has numerous economic handicaps, however:

– lack of natural resources: all raw materials other than those produced by local agriculture have to be imported;

– insularity and isolation: the remoteness of supply and export markets increases costs and endangers stocks. In addition, the domestic market is small, so that large-scale industrial production is difficult if not impossible;

– vulnerable productivity: traditional agriculture has its protected outlets but is nevertheless prone to climatic hazards such as cyclones and to competition from the ACP countries. Similarly, the tourist trade is faced with the inherent risks of fluctuating exchange rates and numbers of visitors, and climatic or even political upheavals.



Scale 1 : 1 000 000

Which EC regions are similar to Martinique?

Area:
± 1 000 km²
Greater Manchester;
South Yorkshire (UK)
Berlin (D)
Madeira (P)

Population:
± 300 000 inhabitants
± 300 inhabitants per km²
Madeira (P)
Guadeloupe (F)

Age:
± 50 % aged less than 25
Guyane; Guadeloupe; Réunion (F)
Ireland
Canarias (E)

Unemployment rate:
± 30%
Ceuta y Melilla; Andalucía (E)
Guadeloupe; Réunion (F)

Concentration around Fort-de-France

Martinique's economy has long been linked to the exploitation of tropical produce. The north is very rural in character, with large plantations of bananas, pineapples and other fruit, vegetables and flowers. Population density is low. Because of the topography, travel to the island's centres of population is time-consuming, despite the quality of the trunk roads.

Activities and population both show an increasing tendency to be concentrated in the centre of the island. The municipalities of Fort-de-France (100 000 inhabitants), Le Lamentin, Schoelcher, Saint-Joseph and Ducos accommodate half the population of Martinique. Jobs are even more strongly concentrated: 55% of the working population is employed in Fort-de-France or Le Lamentin. Government, commercial and port activities used to be centralized in Fort-de-France but are moving gradually to neighbouring municipalities — particularly to Le Lamentin, where the airport is situated.

The climate of southern Martinique favours tourism. The activities and population of this part of the island have seen several years of growth, helped by rapid road links with the Fort-de-France region.

	Area	Population			Activity	Unempl.	Employment			GDP/inhab.
	1 000 km²	1 000	Inhab./km²	Change (%)	%	%	% Agricult.	% Industry	% Services	EUR (PPS) = 100
		1990	1990	1980-90	1990	1990	1986	1986	1986	1986
Martinique	1.1	359	319	9.9	60	32.1	11	15	74	50
France (without FODs)	544.0	56 597	104	5.3	55	8.7	8	31	61	109
France (incl. FODs)	632.8	58 051	92	5.6	:	:	:	:	:	:
EUR 12 (without FODs)	2 253.7	327 931	146	3.2	54	8.3	8	34	58	100
EUR 12 (incl. FODs)	2 342.5	329 385	141	3.4	:	:	:	:	:	:

MARTINIQUE

Rapid demographic change

Martinique has 360 000 inhabitants, largely interbred between whites of European origin and blacks of African origin.

The population is young, with the highest proportion in the 15 to 34 age range.

Martinique's birth rate rose steeply after the Second World War, with more than 9 500 births annually between 1954 and 1968. The corresponding mortality rate of approximately 2 000 per year at first meant a sharp growth in the population. Since the 1960s, however, a strong migratory flow to metropolitan France has maintained the island's population at a level of around 320 000: in 1982 more than 140 000 Martiniquais were living in mainland France.

Between 1982 and 1990 an already noticeable reverse trend established itself. Far fewer young adults now leave, but the balance in this age group is still – 15 000. More and more people aged over 30 (with their children) are returning to Martinique, resulting in an overall migratory equilibrium. The population is growing by 4 000 persons per year, which corresponds to the natural increase. The formerly very high birth rate (3.9 children per woman in the early 1970s) has dropped since 1978 to the threshold of generation renewal.

Population by age — 1990

	M + F 1 000	M + F %	M %	F %
< 15	83.0	23.1	24.3	22.0
15-24	69.8	19.4	20.2	18.6
25-39	87.0	24.2	24.2	24.3
40-54	54.4	15.1	14.7	15.5
55-64	29.1	8.1	7.8	8.3
≥ 65	36.3	10.1	8.8	11.3
Total	359.6	100.0	100.0	100.0

Population (1 000)

Resident population of foreign nationality — 1990

	1 000	% of total population
Total	3.1	0.9
of which EC countries	0.4	0.1
of which non-EC countries	2.7	0.8

Demographic account — 1980-90 (1 000)

Population 1.1.1980	326.5
Births	58.5
Deaths	21.2
Net migration	– 5.0
Population 1.1.1990	358.8

4 000 more workers per year

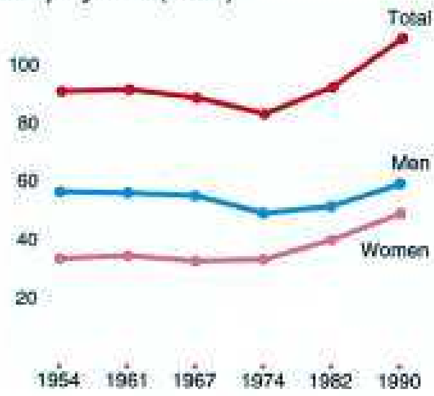
The working population of Martinique has risen by 60 000 since 1974 with the maturity of the post-war 'baby boom' generation, despite a reduced proportion of young people (extended schooling) and persons over 55 (earlier retirement) in employment. The activity rate of women is very high, almost as high as that of males.

The general level of education is still low. In 1982, two-thirds of the population aged over 15 (excluding students) had no qualifications. Younger people have a far higher level of education than their parents, with one-fifth of each age group currently gaining the *baccalauréat* (compared with two-fifths in France). There is a very clear preference for training in technology. Higher education is restricted to law, economics, the arts and the humanities; aspiring scientists are obliged to seek their education in Guadeloupe or metropolitan France.

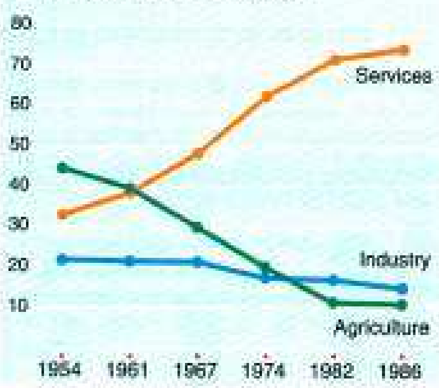
Number of pupils — 1990

	M + F 1 000	F %
Pre-school	20.1	48.7
Primary	33.5	48.0
Lower secondary	27.8	49.3
Higher secondary (technical)	9.1	52.7
Higher secondary (general)	8.6	59.2
Higher education	3.1	56.8
Total	102.2	50.2

Employment (1 000)



Employment structure (%)



Employment — 1990 (1 000)

Resident employment	110.1
+ Non-residents having a job in the region	0.0
– Residents having a job outside the region	0.0
= Internal employment	110.1

Unemployment (%)

A dominant services sector

In the Martinique economy nearly a third of employees are civil servants or local government officers. Public service, with its job security and high income (40% more than in metropolitan France), has long been a prime target for the Martiniquais. The commercial service sector predominates, with large numbers employed in the distributive trades, transport and communications, services to households, hotels, cafés and restaurants. Agriculture employs a further 10% of the island's workers. Building and civil engineering occupy a position similar to that in metropolitan France.

Industry is the least developed sector. The two main industries are electricity production and distribution, and oil refining. Apart from energy, the agri-food sector employs most workers, chiefly in rum distilleries, the one remaining sugar refinery, fruit preserving plants, dairies, breweries and biscuit factories.

From 1954 to 1986 the general level of employment remained relatively stable at around 90 000. It is only in the past four years that employment has risen sharply, particularly in the building trade, the distributive trades and commercial services.

Sadly, the employment boom has brought with it an increase in unstable jobs: part-time work, short-term contracts and undeclared labour account for several thousand jobs, chiefly in the building trade and small private firms.

Characteristics of resident employment (%)

	< 25 years	25-54 years	≥ 55 years	Employees	Employees: part-time		Employees: full-time, temporary contract	
	1990	1990	1990	1990	1983	1990	1983	1990
Men	9	80	12	78	:	:	:	:
Women	9	80	11	90	:	:	:	:
Total	9	80	11	84	:	:	:	:

One in three is unemployed

According to the International Labour Office, there were 43 000 unemployed persons in Martinique in 1986 — a very high rate of 31%. In the same year 51 000 persons described themselves as unemployed (census definition): the discrepancy consists chiefly of those who have given up hope of finding work and no longer seek it.

By 1990 the number of persons declaring themselves unemployed had scarcely changed: 53 000. Economic growth, an increase in jobs between 1986 and 1990 and measures taken to combat unemployment succeeded in holding it down to the same level. The long-term unemployment rate is also extremely high: more than 50% declare themselves to have been unemployed for over two years.

Those worst affected by the local job shortage are the young. 60% of men and 70% of women are unemployed at the age of 20. By the age of 30, however, thanks chiefly to constant emigration, only 28% of men and 42% of women remain jobless. The work problem is alleviated by family solidarity: almost 70% of unemployed persons live in households receiving at least one income from paid activity.

MARTINIQUE

A network of small firms

Despite the decline in its agriculture, Martinique still has 16 000 farm holdings. Most of these are small (10 000 have less than one hectare). The 1 000 larger ones (over five hectares) occupy two-thirds of the island's agricultural land, chiefly in large-scale holdings.

Most of the 18 000 non-agricultural businesses in the private sector are small: only 400 have over 20 employees and only one over 500. Industry and the building trade each account for just under 100 firms with over 20 employees. In addition to the agri-food sector, most industrial firms are in the construction materials, timber and furniture, and metalworking branches.

In the services sector, firms with over 20 employees are divided between the distributive trades and services. There are 50-odd medium-sized businesses in the wholesale trade, all very much involved in imports and exports. There are a similar number of retail firms with over 20 employees. Transport accounts for some 30 medium-sized firms. In the services sector, roughly 100 firms with over 20 employees are distributed among hotels, cafés and restaurants, banking and insurance, consultancies, vehicle repairs and sales, letting and hire firms, health services and social services.

However, the island's biggest employers are to be found in the public services sector: public administration, primarily education and health, and local authorities.

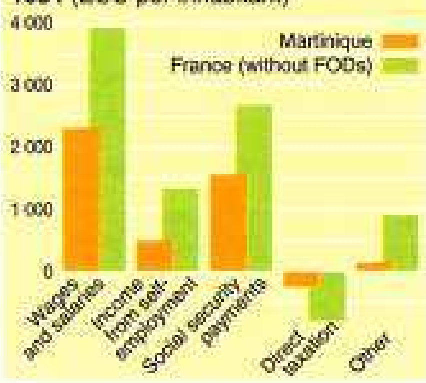
In general, non-commercial services account for a third of Martinique's GDP, with agriculture and the food industry at 12% and industries such as building and public works at only 5%. Recent schemes for promoting investment have enabled new businesses to be set up — particularly construction companies and services to firms.

GDP (1980 = 100)

Wages

No data available

Disposable household income – 1984 (ECU per inhabitant)



Gross disparities in earnings

One of the peculiarities of Martinique — and other overseas departments — is the unequal distribution of salaries and incomes.

The local minimum wage (SMIC) is less than 16% of that in metropolitan France. By contrast, civil servants and their equivalent (in banks, hospitals, etc.) receive allowances of 25 to 40% to compensate for the high cost of living. Thus 50% of workers earn less than or the equivalent of the SMIC, while 30% receive more than twice the SMIC. With 30% of unemployed persons receiving no income other than that provided by the family, the disparity between incomes is striking.

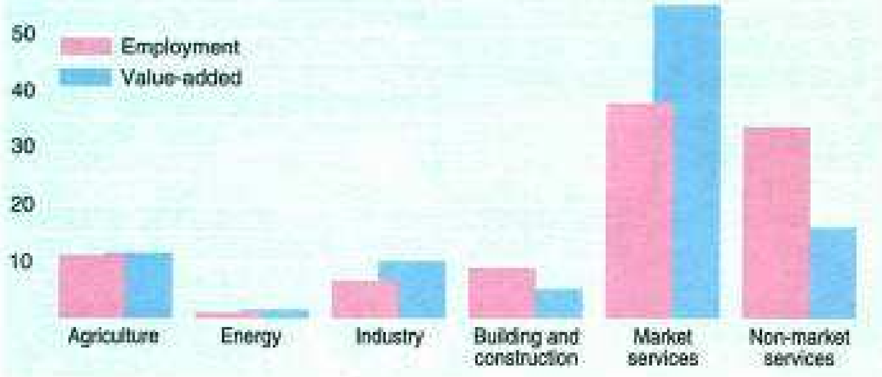
A large public sector and a high proportion of social benefits in incomes

The disposable income of households amounts to 80% of wages. 45% of earnings as a whole are paid by the government and local authorities. Social benefits are 50% higher than contributions.

A further characteristic of Martinique's economy is a small manufacturing sector, which has little exposure and is therefore uncompetitive. Exports are thus protected by statutory quotas (food products such as bananas and rum) or preferential markets (petroleum products). However, the relatively high standard of living injects purchasing power into the economy which enables the distributive trades and the services sector to grow.

A large public sector and high social benefits have promoted the growth of a somewhat consumption-based economy, with final expenditure of households corresponding to almost 120% of the commercial GDP.

Employment and value-added: distribution by branch – 1982 (%)



Farm produce and tourism

Sugar-cane used to be a traditional product of Martinique. Nowadays only one sugar refinery is still running, compared with 13 distilleries. Roughly half of the island's rum production is exported.

Bananas have been taking over from sugar-cane for a number of years and, as an export product, now account for 40% of the value of final agricultural production.

Traditional agriculture meets only 30 to 50% of food requirements, and fishing, which is done only on a small scale, a mere fifth. New products such as flowers and melons, new techniques (cultivation under glass and hydroponics) and new fish-breeding activities (lobsters and John Dory) are on the increase.

Apart from rum manufacture, a few modern processing technologies have been developed and some of their production is exported, for example fruit juices and preserves.

The other main industrial products are energy sources: an oil refinery which meets the needs of Martinique and Guadeloupe and Électricité de France power stations. Tourism is the most dynamic sector of the economy: as well as the 300 000 tourists a year, there are 400 000 visitors on cruises. In total, the number of visitors each year far exceeds the population. Martinique has built up a diversified and high-quality tourist infrastructure, particularly hotels and restaurants.

Agriculture

Number of holdings	16 038
Labour force	16 804 AWU
Agricultural area	41 000 ha
Livestock	:
Gross value-added	:
Main products	
Bananas	44%
Vegetables	26%
Cattle	11%

Main enterprises

Name	Employees	Activity
Reynoird (Mammouth, K-DIS, Prisunic)	550	Retail distribution
Caisse régionale de crédit agricole	450	Banking and finance
Crédit martiniquais	350	Banking and finance
Société d'exploitation Méridien Antilles	350	Hotels
SARA	250	Petroleum
Société coopérative agricole du Morne-Rouge	250	Food products
Air France	250	Air transport

Abundant and varied natural environment

Martinique offers huge scenic variety: tropical forests, heaths and savannah, plantations of bananas, sugar-cane, pineapples, vegetables and flowers, meadows and pastures, palm-fringed beaches of grey sand in the north and white in the south, a jagged coastline, coral reefs and mangrove swamps.

The island's flora, as abundant as it is colourful and varied, the climate and the contrasting scenery attract tourists in large numbers.

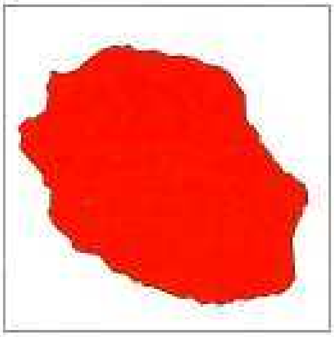
There is, however, a negative side to the natural environment: Martinique is prone to cyclones, and earthquakes are fairly frequent, if minor.

The island's exceptional beauty has not always been nurtured by its people. A high population density, extensive poor districts and a lack of concern for the environment have resulted in random waste tips, polluted rivers and even some polluted beaches.

Great efforts have been made to make people and businesses aware of the various problems. The countryside is spoilt in some areas by shanty towns or poorly maintained buildings, but schemes for cleaning up unhealthy districts are under way. In the space of 15 years the number of shanty dwellings has fallen from 53 to 12% — a sure sign of the progress made in Martinique's economic development.

FRANCE

RÉUNION



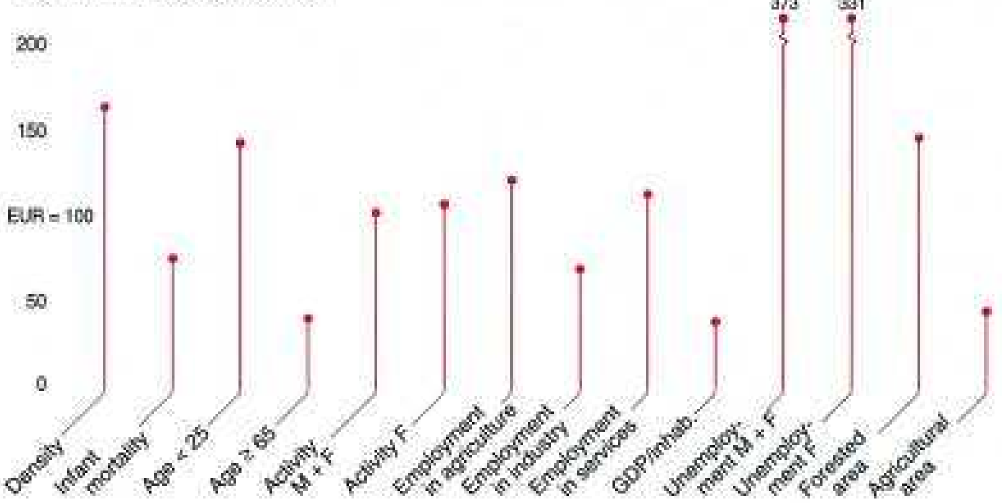
Réunion is a mountainous, volcanic island. The Piton de la Fournaise volcano, which is still active, occupies the south-eastern third of the island, rising to 2 631 metres. The Piton des Neiges massif, which forms the two north-western thirds of the island, rises to 3 069 metres; in the central area of the volcano lie the cirques of Mafate (north-west), Salazie (north-east) and Cilaos (south).

Because of its position in the south-west of the Indian Ocean, Réunion, a tropical island, comes under the influence of the trade winds for most of the year.

The mountains divide the island along a north-west/south-east line into two main regions with contrasting rainfalls. To the east of the line there is a 'windward' region with a moderate to very high annual rainfall (over 10 metres on the Eastern Highlands). To the west of the line there is a 'leeward' region with a low annual rainfall.

Over half of the island's agricultural land is devoted to sugar-cane production.

Réunion in the Community



Structural handicaps but precious advantages

Réunion does not have many natural advantages. It is a young island and has to cope above all with structural handicaps:

– its distance from developed areas entails high costs and slows down development;

– the narrowness of the territory prevents any economy of scale and its position in the south-west of the Indian Ocean, where the neighbouring countries have not achieved the same level of development, presents it with few markets;

– the population's level of education still lags behind that of developed regions, despite very rapid progress;

– finally, its geological history, which is extremely recent, makes communication difficult and explains the scarcity of exploitable soil and the acute erosion problems.

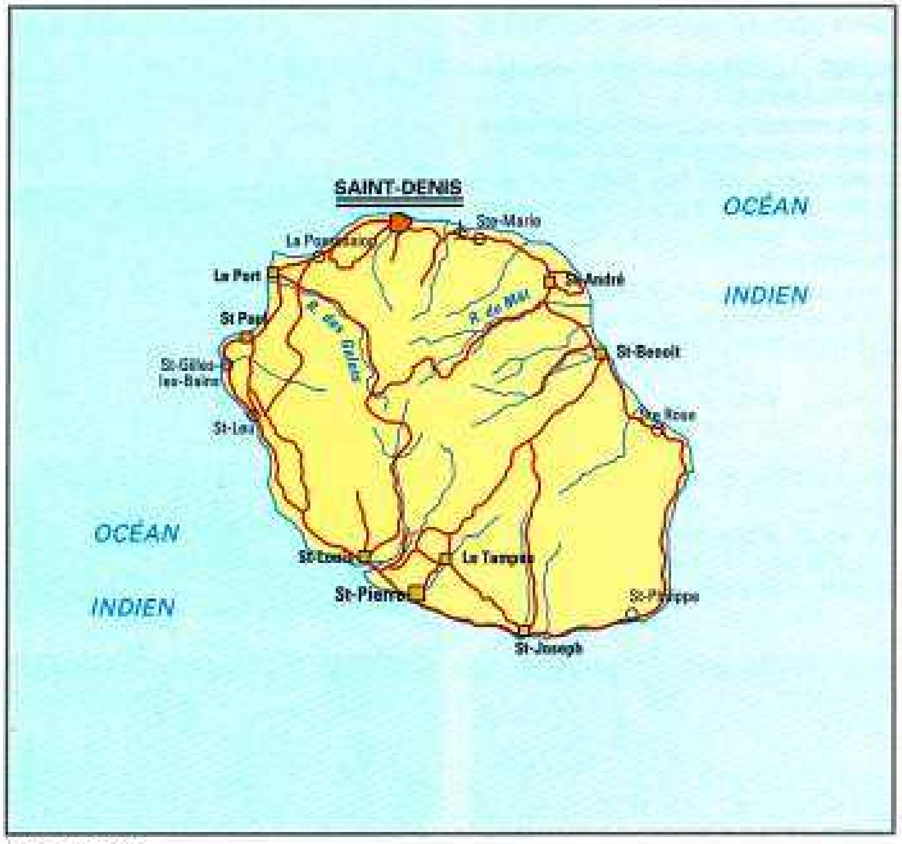
Faced with these difficulties, Réunion is trying to make the most of the few advantages it has:

– as a European outpost in the Indian Ocean, it is distinguished by the high quality of its services;

– it is rapidly expanding as a tourist destination, offering the tourist a tropical climate with exceptionally varied scenery;

– the youth of its population stimulates innovation;

– finally, Réunion has for some years been in a position to take concerted action to tackle the many challenges facing it. It has, for example, set up a single administrative department for industrialization and joint policies have been defined by the various local and national authorities. It has also resolutely accepted the risks of a policy of openness, as is demonstrated by its active participation in the Indian Ocean Commission and the deregulation of air and sea transport.



Scale 1 : 1 000 000

Which EC regions are similar to Réunion?

Area:
2 500 km²
- Luxembourg (grand-duché)
- Saarland (D)
- Ionia Nisia (GR)
- Açores (P)

Population:
0.6 million inhabitants
- Friesland (NL)
- Basilicata (I)

Unemployment rate:
higher than 30%
- Ceuta y Melilla (E)
- Martinique; Guadeloupe (F)

Land of contrasts

The island's relief, climatic diversity and communication difficulties give rise to many micro-regions, although it covers an area of only 2 512 km².

The east, which has the highest rainfall, is a region of modern culture. Here most of the population is concentrated in two towns, St-Benoit and St-André (61 200 inhabitants in 1990).

In the west (population of 147 800), which is very dry, agriculture is in severe difficulty, although it has great potential. Here too, non-agricultural activity is concentrated in two main towns: St-Paul, the *arrondissement's* principal administrative town, and Le Port, where industrial activities linked to the port take place (15th largest French port for goods imports).

Parts of the coast have been developed for tourism, thus creating new activities.

The south, with 192 500 inhabitants, is the most highly populated area. St-Pierre and Le Tampon are the administrative and commercial centres. Small industries in the agri-food sector are also based in St-Pierre.

Finally, the north is dominated by the regional capital of St-Denis (122 000 inhabitants), the centre of most administrative activity.

In the island's highlands a great effort has already been made to develop agriculture and craft industries in order to encourage the population to stay there and prevent it migrating to the coast, which is already densely populated.

	Area	Population			Activity	Unempl.	Employment			GDP/inhab.
	1 000 km²	1 000	Inhab./km²	Change (%)	%	%	% Agricult.	% Industry	% Services	EUR (PPS) = 100
		1990	1990	1980-90	1990	1990	1990	1990	1990	1986
Réunion	2.5	595	237	17.9	56	36.9	8	19	73	39
France (without FODs)	544.0	56 597	104	5.3	55	8.7	8	31	61	109
France (incl. FODs)	632.8	58 051	92	5.6	:	:	:	:	:	:
EUR 12 (without FODs)	2 253.7	327 931	146	3.2	54	8.3	8	34	58	100
EUR 12 (incl. FODs)	2 342.5	329 385	141	3.4	:	:	:	:	:	:

RÉUNION

A young, growing population

The population density is very high given the small area of usable land; most of the island is uninhabitable.

The history of the settlement of Réunion began in 1646. Apart from the settlers from metropolitan France, the population of the island was increased greatly by the arrival of people from East Africa and Madagascar, which continued until the mid-19th century. This was followed by immigration from the south and west coasts of India, which lasted until the beginning of the 20th century. Chinese immigration is a more recent phenomenon and has been on a smaller scale.

Recent history has been marked by an annual growth rate of over 2% since 1946. Between 1946 and 1990 the population more than doubled, rising from 242 000 to 598 000. There are four reasons for this:

– the mortality rate has dropped considerably, especially that of children;

– the fertility rate has fallen, but at a slower rate, from 6.4 to 2.6 (in the last five years, the fertility rate has stabilized at this high level);

– the number of women of child-bearing age is continuing to grow, as a result of the high number of births in the 1960s and 1970s;

– finally, emigration to metropolitan France, which had amounted to an annual average of 4 500 people between 1974 and 1982, stopped completely after that date.

The youth of the population poses difficult problems, in particular as regards housing, education and employment.

Population by age — 1990

	M + F 1 000	M + F %	M %	F %
< 15	177.0	29.6	30.3	28.8
15-24	121.0	20.2	20.4	20.0
25-39	145.0	24.4	24.6	24.4
40-54	84.0	14.0	14.2	13.8
55-64	36.0	6.0	5.8	6.1
≥ 65	35.0	5.8	4.7	6.9
Total	598.0	100.0	100.0	100.0

Population (1 000)

Resident population of foreign nationality — 1990

	1 000	% of total population
Total	2.0	0.4
of which EC countries	:	:
of which non-EC countries	:	:

Demographic account — 1980-90 (1 000)

Population 1.1.1980	505.0
Births	127.0
Deaths	32.0
Net migration	−5.0
Population 1.1.1990	595.0

An increasingly qualified working population

The working population (244 000 in 1991) is increasing at a rate of 3% a year because the number of young people entering the labour market is far greater than the number of people retiring. This trend has been heightened by the gradual increase in the female activity rate, which accounts for about one-third of the increase since 1982.

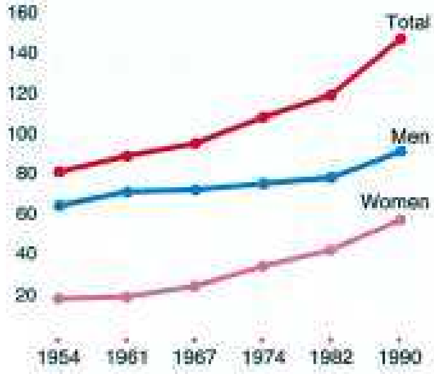
A large number of courses funded by the European Social Fund, the State and the region have also been organized in an effort to provide the working population with new qualifications.

The level of education is improving. The lack of schooling prior to the 1970s left a large proportion of the population illiterate. An energetic education campaign has been carried out and the number of places and teaching posts increased. Of the generation born in 1971, 30% obtained the *baccalauréat*, compared with only 15% of the 1963 generation. The number of students in higher education is now almost three times higher than in 1975, with over 6 000 students at university and colleges of higher technology.

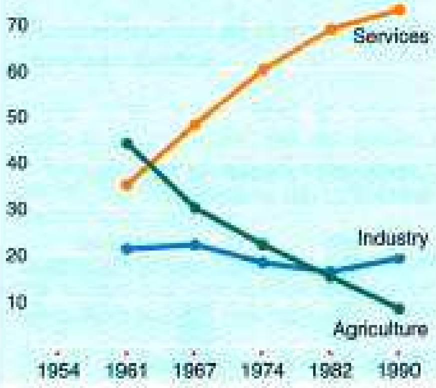
Number of pupils — 1990

	M + F 1 000	F %
Pre-school	41.0	49.4
Primary	74.0	47.8
Lower secondary	50.0	50.2
Higher secondary (technical)	14.0	48.0
Higher secondary (general)	16.0	58.5
Higher education	6.0	59.0
Total	201.0	50.0

Employment (1 000)



Employment structure (%)



Employment — 1990 (1 000)

Resident employment	146.0
+ Non-residents having a job in the region	0.0
− Residents having a job outside the region	0.0
= Internal employment	146.0

Unemployment (%)

Dominant services sector; industrial activities developing

The number of jobs available rose by an annual average of 2.4% between 1982 and 1990. The increase was not a steady one: there was a big boom in 1986, mainly due to tax relief measures on private and company investments. The effects of this have now begun to fade and since 1989 the growth in employment has slowed down.

The number of people employed in agriculture has steadily declined over the years: it fell by more than half in the space of 15 years.

The services sector is continuing to expand and accounts for three-quarters of existing jobs. More new jobs can be expected in this sector: the youth of the population gives rise to many needs, for instance new teachers, while efforts continue to bring the level of services up to metropolitan French standards. Market services to individuals and businesses are reaping the benefits of the sustained increase in household incomes; despite the increases in productivity resulting from the emergence of modern distribution structures, new jobs are still being created in this sector. Finally, the provision of business services is an area of rapid expansion.

The industrial sector consists mainly of construction and public works. Highly dependent on the economic situation, it provides between 9 000 and 15 000 jobs. Since 1986 there has been a period of high activity, with the creation of over 1 000 craft enterprises.

Characteristics of resident employment (%)

	< 25 years	25-54 years	≥ 55 years	Employees	Employees: part-time		Employees: full-time, temporary contract	
	1990	1990	1990	1990	1983	1990	1983	1990
Men	12	81	6	79	:	:	:	:
Women	16	79	5	90	:	:	:	:
Total	14	81	6	83	:	:	:	:

Unemployment: a critical situation

The sustained increase in employment is not enough to absorb the annual surplus in the working population. Consequently, unemployment reached new heights in the last decade.

The notion of unemployment was virtually non-existent at the beginning of the 1960s, when it was concealed by chronic under-employment and strong family ties. Unemployment hit the population of Réunion on the introduction of a modern economy, when the features of traditional activities faded. Increased mobility and the relative ease of access for people with no qualifications to jobs in metropolitan France in the 1970s enabled the burgeoning unemployment to be checked by a strong wave of emigration. The number of unemployed more than doubled between 1974 and 1982. Between 1986 and 1988 the level of unemployment stabilized at around 75 000, but the return in 1989 to a slower growth rate led to an increase in unemployment, with the result that in 1990 it stood at 86 000, that is, an unemployment rate of 37% according to census figures. The situation improved at the end of 1990 as a result of the increase in the number of 'emploi — solidarité' contracts (25 000).

Unemployment is a major problem for those without qualifications (77% of the under-25-year-olds registered as unemployed at the national employment office). The unemployed often remain registered for long periods (an average of 439 days for those registered in 1991).

RÉUNION

An economy in the process of regeneration

Per capita GDP is still much lower than the average for metropolitan France (in 1989 it stood at 44% of the level in metropolitan France). Expressed in terms of PPS, Réunion's per capita GDP stood at the index of 44 compared with the Community average; moreover (on the basis of an equivalent consumption pattern), it should be reduced by the difference in prices between metropolitan France and Réunion, which is estimated at 19% to the detriment of Réunion.

However, the long-term growth rate is high. In the last 15 years the average annual growth rate in terms of volume has been 5.4%.

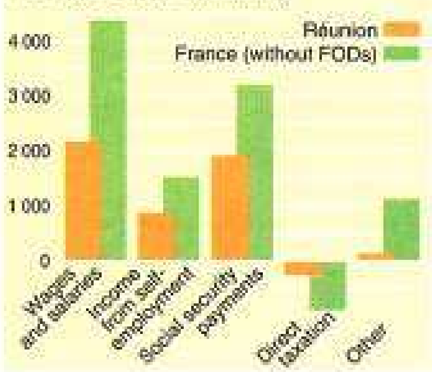
Réunion's economy receives substantial transfers of funds from metropolitan France. Wages and productivity in the private sector are still lower than the national average, but a definite dynamism offsets a large part of the difficulties created by the restructuring of agriculture.

This dynamism is largely based on the development of household consumption. Local production, especially in agriculture, is increasing at the same rate as consumption, whilst diversifying widely. However, it is still insufficient to cover all Réunion's needs. Exports are limited to the traditional products (sugar and derived products, vanilla, geraniums, etc.). Many companies are being set up in the craft, distribution and services sectors. The industrial sector is still relatively unimportant but is enjoying steady development. Tourism, a recent phenomenon, is booming and providing new jobs.

GDP (1980 = 100)

Wages (national level = 100)

Disposable household income – 1987 (ECU per inhabitant)



Substantial surplus on net transfers

The economy of Réunion is largely dependent on transfers of funds from metropolitan France, which are mainly used to supplement primary household incomes. Net of tax and social security contributions, these transfers increase household income by 20%, bringing the gross monthly disposable income per household to ECU 1 640. This level is still lower than that of the metropolitan regions, especially as the average size of households is significantly higher in Réunion (3.9 persons compared with 2.6 in metropolitan France).

Social security contributions and tax are low because of the relatively small scale of economic activity. However, they have increased considerably over the last 10 years. The level of social security contributions paid per person is far from equal to that paid in metropolitan France (ECU 2 000 compared with ECU 3 400). This is due both to differences in the system and to the youth of the population.

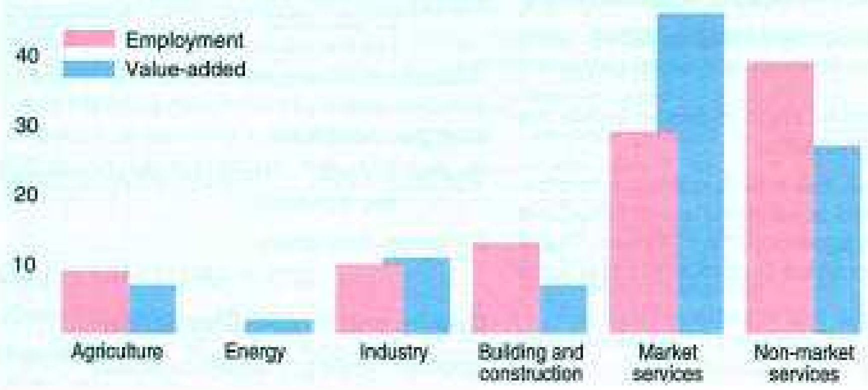
The development of infrastructures and the functioning of Réunion's public services are also funded to a large extent from abroad: in 1988, operating transfers and investments amounted to ECU 640 million.

On the whole, this imbalance is reflected in Réunion's trade deficit: in 1989, 9% of imports were covered by exports.

Private sector: pay and productivity low but improving

At 1 January 1991, the minimum net monthly wage (SMIC) in Réunion was, at ECU 500, still 20.4% lower than that of metropolitan France. Average pay is 70% of that of metropolitan France. This is to a large extent due to the differences in qualifications. For those with higher qualifications the difference is in the opposite direction (+ 13% for executives); the same is also true for the civil service (+ 48% on average).

Employment and value-added: distribution by branch – 1988 (%)



Diversification of crop production and vitality of the market services sector

Some 25% of the land is used for agricultural purposes; the remainder is not arable. Agriculture provides at least partial employment for 10% of households.

In addition to the physical constraints of the terrain and the rainfall of Réunion, agriculture has to cope with:

– the generally very small size of holdings,

– the inadequacy of agricultural training,

– the indebtedness of many farmers.

The traditional cash crops are intended for export (sugar cane and, to a lesser extent, vanilla, vetiver and geraniums). The level of self-sufficiency in food is high for pork and poultry and quite respectable for beef, fruit and vegetables.

The prospects for the construction industry and civil and agricultural engineering are good because of the population's growing needs and subsidies for the construction of public utilities currently on order.

The growing strength of the intermediate, capital and consumer goods industries is encouraging.

The services sector is less important than in metropolitan France. It appears oversize only when compared with the industrial sector, which is still very small.

The market services sector is growing at a very respectable rate, with tourism as the driving force.

The gradual alignment of social security benefits with those in metropolitan France should lead to higher incomes and a revival in distribution activities. These have already benefited from the introduction of the 'revenu minimum d'insertion' (a type of income support).

Agriculture

Number of holdings	15 198
Labour force	18 088 AWU
Agricultural area	63 000 ha
Livestock	25 000 LU
Gross value-added	11 700 ECU/AWU

Main products	
Sugar-cane	28%
Vegetables	18%
Fruits	18%

Main enterprises

Name	Employees	Activity
SBTPC	800	Building and public works
GTOI	700	Building and public works
Société d'exploitation des magasins Score	700	Retail distribution
GPA	600	Port storage
Crédit agricole	500	Banking and finance

A volcano in the sea

A mountain rising from the sea, the island of Réunion does not correspond to the traditional cliché of a paradise island with golden sands and coconut palms. It has a different kind of beauty. In fact, its fairly inhospitable coastline can boast only about 40 kilometres of beach. These are exposed to the open sea or sheltered by coral reefs (about 25 kilometres on the western side). An island of contrasts, its riches lie in its natural beauty and its diversity. In the highlands of the ever-present mountains, there is open country and forest. The coastline, bordered with sugar-cane fields, is quite different. The island's grandiose scenery and lush vegetation make it ideal for hiking. The volcano, despite (or because of) its fairly frequent eruptions, is still the island's most sensational tourist destination. Réunion enjoys a tropical climate which is cooled down by the trade winds and its altitude (le Piton des Neiges rises to 3 069 metres at less than 20 kilometres from the sea).

In an area of little more than 2 500 km², Réunion is the meeting point of the three continents of the Old World. With its diversity of ethnic populations it is a model example of cohabitation between races and religions. Its population is a unique mosaic of races: people of European, Asian, African and Creole descent live together in harmony.

Through its status as a French *département*, Réunion has been part of Europe since 1957. Consequently, it reaps the full benefit of national and European solidarity. This explains its high standard of living compared with its neighbours. However, regional cooperation with the other countries in the area is increasingly proving essential for the island's economic development.

Explanatory notes — France

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 Member States cannot always be guaranteed.

In addition, the date at which the data were sent varied between Member States so that the Community totals may not always correspond exactly with the sum of the national totals.

Graph: The region in the Community

Source: Eurostat — regional databank, Regio

Reference period: 1988 (1989 for GDP)

Definitions:

– Infant mortality: Ratio of deaths before the age of one to live births.

– Activity rates: The activity rate is the ratio between the active population (labour force) and the population aged more than 14 years. These data are based on the Community labour force sample survey.

– Employment: Employment structure by sector of activity is measured at the place of residence.

– Gross domestic product: The GDPs are converted to purchasing power standards (PPS) and related to average population.

– Unemployment rates: 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.

Unit: The indicators are expressed as indices related to the Community average (this excludes the five *new Länder* of Germany and the French overseas departments).

Table: The subregions

Population

Source: 1980 — Insee (National Statistical Institute) population censuses

Activity rates

The figures for the State and the regions are calculated on the basis of the results of the Community labour force sample survey.

The figures for the *départements* are calculated on the basis of data from the 1990 population census.

Unemployment rates

Source: Eurostat — Regio (Insee for overseas departments)

Definition: See above

Employment

Source: Insee annual estimates
Employment survey for Guadeloupe, Martinique and Reunion

GDP per inhabitant

Source: Eurostat — Regio (Insee for overseas departments)

Definition: See above

Graphs and tables: Population

Sources: Insee population censuses

Table: Demographic account

Sources: Insee estimates of population and marital status

Table: Number of pupils

Sources: Regional educational authorities

Graphs: Employment — Employment structure

Sources: Insee population censuses
Estimate of population on 1 January 1990
1987 family budgets for the overseas departments

Note: The figures relate to employment at place of work.

Table: Employment in 1990

Source: Insee population census

Graph: Unemployment

Source: Eurostat — Regio (Insee for overseas departments)

Definition: See above

Table: Characteristics of resident employment

Source: Community labour force sample survey

Definitions:

– Employees are defined as persons who work for a public or private employer and who receive compensation; non-conscript members of the armed forces are also included.

– The distinction between full-time and part-time work is generally made on the basis of a spontaneous answer given by the person interviewed.

– 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.

Graph: GDP (1980 = 100)

Source: Eurostat — Regio

Statistical note: Regional GDPs at current prices were deflated using the national GDP deflator.

Graph: Wages

Source: Insee annual declaration of social data

Note: Current values of average net annual wages/salaries. For certain regions the 'market services' sector was used instead of the 'insurance and financial bodies' sector, which was considered too small to provide reliable data. No sources are currently being used for statistical purposes in the case of the overseas departments.

Graph: Disposable household income

Source: Insee regional accounts

Data for the Antilles and Guiana are available only for 1984 rather than 1987, and the aggregate 'net salaries/wages' is underestimated compared to the aggregate for metropolitan France (insufficient breakdown of social contributions).

Graph: Employment and value-added: distribution by branch

Source: Eurostat — Regio

Table: Agriculture

Sources: Survey on structure of agricultural holdings, 1987
Regional accounts for agriculture, 1987
Livestock surveys, 1989
Agricultural census, 1989, for the overseas departments

Table: Main enterprises

Source: Sirene and large establishments file

Note: All the establishments in a given region belonging to one and the same enterprise have been grouped on a single line.

The field covered is the commercial sector excluding:

– hospitals;
– the postal services;
– France-Télécom;
– la SNCF (railways);
– EDF-GDF (electricity and gas).

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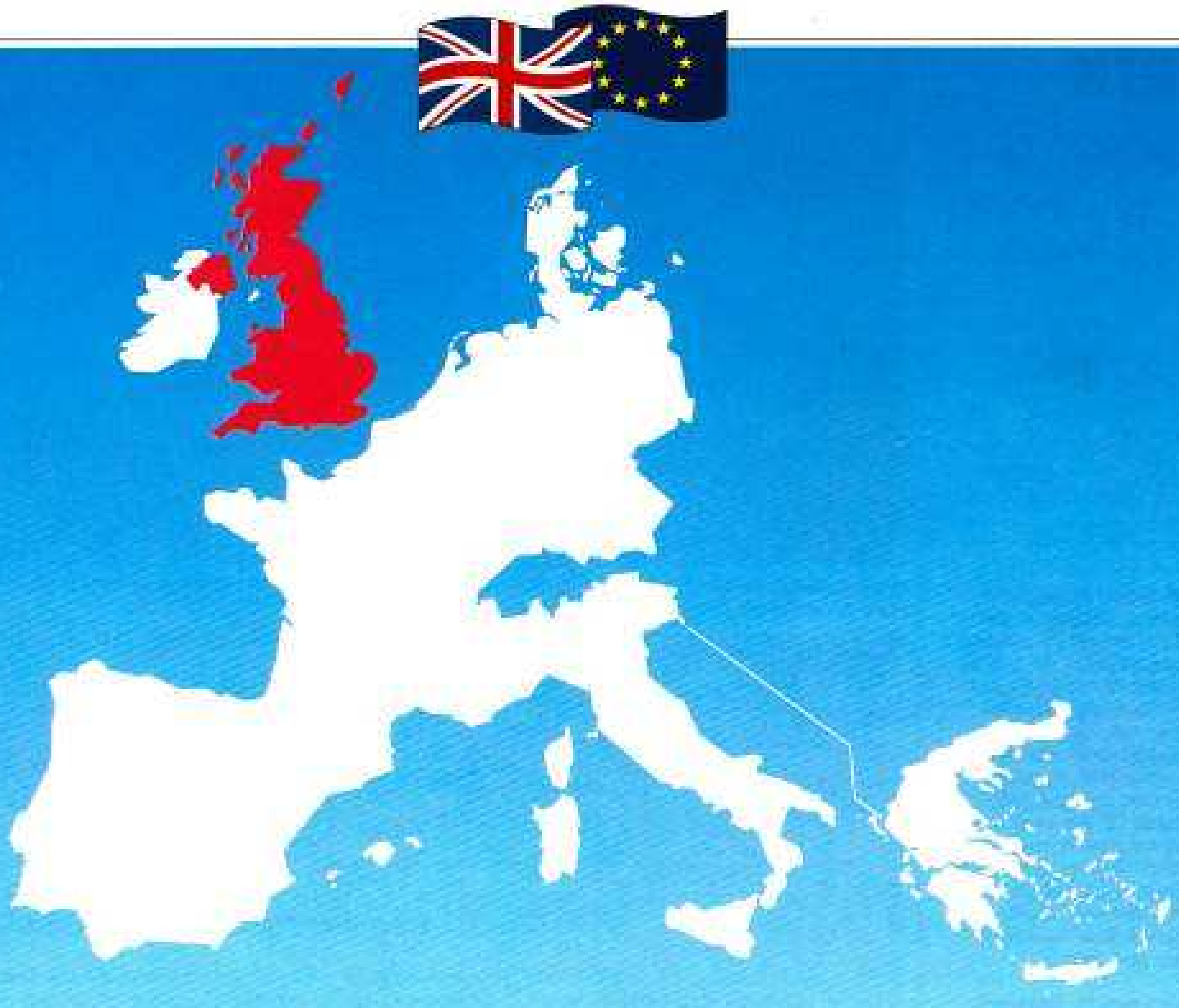
UNITED KINGDOM



The United Kingdom comprises the three countries of Great Britain — England, Scotland and Wales — together with Northern Ireland. The total area is 244 100 km², and the population of 57.5 million gives a population density well above the Community average. Although the United Kingdom is responsible for the defence and foreign relations of the Isle of Man and the Channel Islands, these territories are not part of the United Kingdom and for most purposes, they remain outside the European Community.

Government is unitary, although there are ministers with specific responsibility for the affairs of Scotland, Wales and Northern Ireland. Unlike these territories, the eight English standard regions have no administrative functions, and exist mainly as statistical units.

Since the reorganization of boundaries in 1974, the United Kingdom's local government is administered chiefly by the 64 county councils and 484 district councils, although there is a great variation between areas, both in the structure of local government and in the functions of the specific authorities. Most notably, for Greater London and the metropolitan areas of England, and for the Island areas of Scotland, single tier local authorities administer most functions of local government.

UNITED KINGDOM

NORTH

The North region of England stretches from the east to west coasts of the country, bordered by Scotland to the north and by Yorkshire and Humberside and the North-West regions to the south. The region is predominantly rural with the North Pennine hills, running north to south, creating two distinct areas. To the west are the Cumbrian mountains and the Lake District. To the east are the moorlands and coastal plains of Northumberland and Durham, through which flow the rivers Tyne, Wear and Tees.

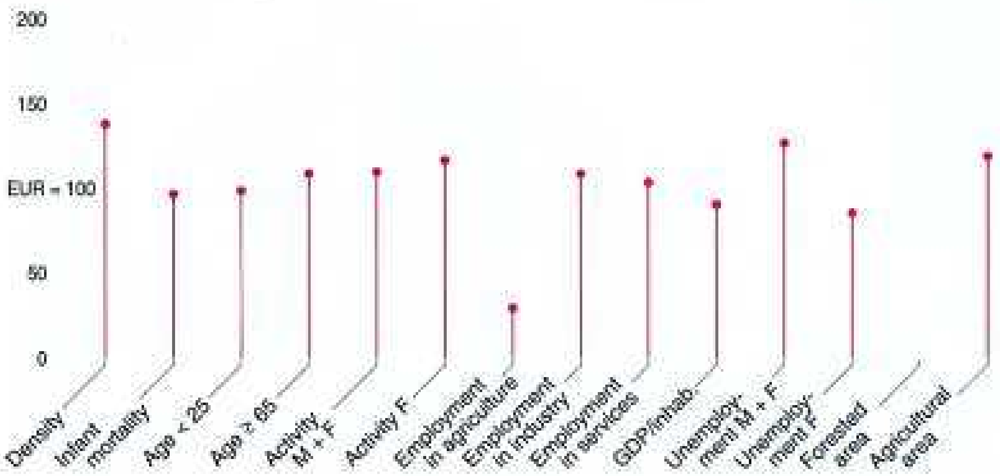
Past mining activity, especially coal-mining, led to concentrations of population in south Northumberland, east Durham and west Cumbria. Today however, the main conurbations and industrial centres lie along the estuaries of the Tyne, Wear and Tees. Newcastle upon Tyne is the main regional and commercial centre.

The most important communication links run north-south and include the A1 and A19 trunk roads and two motorways, the M6 through Cumbria and the A1(M) through Durham. The east coast main line provides a fast inter-city rail service connecting Newcastle with London and Edinburgh. Similarly, the west coast main line links Carlisle with London and Glasgow.

Newcastle and Teesside airports provide domestic and European scheduled services. Main seaports include Tees, Hartlepool and the Port of Tyne.

Hadrian's Wall: built for the Roman Emperor Hadrian in AD 122, it was intended to keep out the Caledonian tribes from the difficult province of Britain.

North in the Community



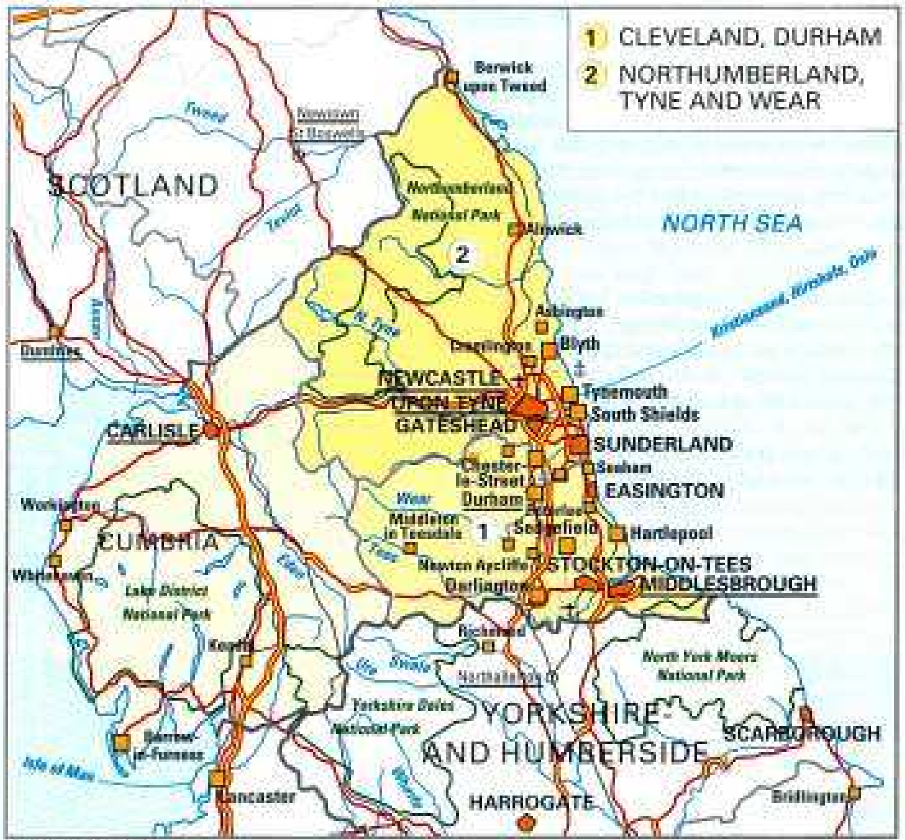
A mineral-rich area suffering high unemployment

As a region which became an industrial force at an early stage, the North retains the legacy of this today. The region's resources include significant mineral deposits, notably coal, and a wide range of industrial development land and sites. A number of specialist sites such as Belasis Hall Technology Park on Teesside and the Mountjoy Research Centre at Durham are designed for high technology industry. Although the manufacturing base of the region has diversified to include a wider range of industries (including electronic component manufacture, offshore engineering, pharmaceuticals and food processing), the long-term decline in the importance of the older industries has contributed to persistently high levels of unemployment.

The five major higher education establishments in the North — the Universities of Durham and Newcastle upon Tyne and the polytechnics at Sunderland, Teesside and Newcastle upon Tyne are an important regional resource, offering a wide variety of courses. Authorities in the North are actively engaged in building up links between industry and the academic sector.

As the northernmost area in England, the North is generally perceived to be largely peripheral in both national and European terms. The region is, however, well placed to take advantage of trading links with Scandinavia, the Baltic and Germany through Hamburg and other northern European ports.

NORTH



Scale 1 : 2 000 000

Which EC regions are similar to North?

Area:
± 15 000 km²
Peloponnisos (GR)
Calabria (I)
Yorkshire and Humberside (UK)

Population:
more than 3 million inhabitants
± 200 inhabitants per km²
Région wallonne (B)

Employment:
2% in agriculture
35 to 40% in industry
Yorkshire and Humberside (UK)
Saarland (D)

Industrialized east, rural north and west

The major distinction in the character of areas within the North region is that between the industrialized zones, principally to the east, and the more sparsely populated and rural areas to the north and west. Only in Northumberland to the north and in Cumbria to the west is agriculture, forestry and fishing a significant industry, accounting for over 10% of employment in the district of Eden in Cumbria.

Although most areas of very high unemployment are found in the counties of Tyne and Wear and Cleveland in the east — the areas which have been particularly affected by the decline in the steel, shipbuilding, coal-mining and heavy engineering sectors — the industrial centres in the west such as Workington also suffer high unemployment. Cumbria whose economy is largely service based, has a level of unemployment below the national average as do the rural areas of north and west Northumberland.

The population of the region as a whole is falling, but this reflects, to a large extent, local economic conditions with most of the relatively prosperous rural districts of Cumbria and Northumberland registering population growth over the 1980s.

	Area	Population			Activity	Unempl.	Employment			GDP/Inhab.
	1 000 km²	1 000	Inhab./km²	Change (%)	%	%	% Agricult.	% Industry	% Services	EUR(PPS) = 100
		1990	1990	1980-90	1988	1990	1989	1989	1989	1989
Cleveland, Durham	3.0	1 152	381	−2.9	61	9.6	1	38	61	85
Cumbria	6.8	492	72	2.3	60	5.1	3	40	57	116
Northumberland, Tyne and Wear	5.6	1 432	257	−2.0	60	10.0	1	30	69	87
North	15.4	3 075	200	−1.7	60	9.0	1	35	64	91
United Kingdom	242.5	57 411	237	2.0	62	6.3	1	30	69	107
EUR 12	2 253.7	327 931	146	3.2	54	8.3	7	33	60	100

NORTH

Fewer arrivals, more departures

The population of the North rose slightly in the 1960s, but from the middle of the 1970s onwards, it has been declining at an annual average rate of 0.2%. Whilst the 1960s saw the North's birth rate at or slightly above the national average, it has fallen sharply since then and is now well below the UK figure. Although changes in death rates over time are much less marked, they have increased slightly over this period, and by the late 1980s were the highest in England. The result of these movements is that the rate of natural increase of the population — that is births minus deaths — has declined significantly.

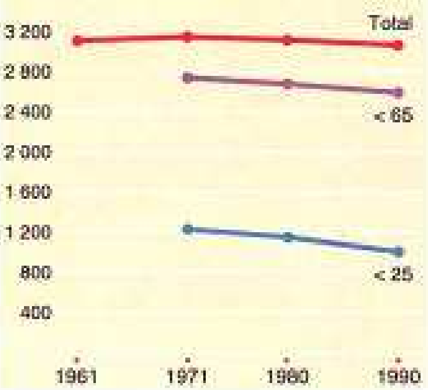
Now, however, the natural change is a much less significant factor in changes in the overall population than is the number of people moving into and out of the North. The majority of migration occurs between regions of the United Kingdom, and in recent years there have generally been more people moving out of the region than moving in, so that there has been net emigration and the population of the region has fallen. This trend is likely to continue.

Areas showing the greatest fall in population include Hartlepool and Middlesbrough on Teesside and Easington in County Durham. In line with the trends for the United Kingdom as a whole, children make up a smaller proportion of the population, whilst a growing proportion of people are above retirement age.

Population by age — 1990

	M + F 1 000	M + F %	M %	F %
< 15	579.0	18.8	19.8	17.9
15-24	435.0	14.2	14.6	13.7
25-39	672.0	21.9	22.7	21.1
40-54	577.0	18.7	19.3	18.2
55-64	330.0	10.7	10.7	10.7
≥ 65	482.0	15.7	12.9	18.4
Total	3 075.4	100.0	100.0	100.0

Population (1 000)



Resident population of foreign nationality — 1988-90

	1 000	% of total population
Total	24.0	0.8
of which EC countries	7.3	0.2
of which non-EC countries	16.7	0.6
Ireland	5.0	0.2
Bangladesh	2.4	0.1
India	1.6	0.1
Malaysia	1.4	0.0
Iran	1.4	0.0
Pakistan	1.4	0.0

Demographic account — 1980-90 (1 000)

Population 30.6.1980	3 128
Births	399
Deaths	381
Net migration	−71
Population 30.6.1990	3 075

Training and education for a more qualified workforce

The North has a highly developed and wide-ranging industrial training infrastructure, provided through local education authorities and training agencies.

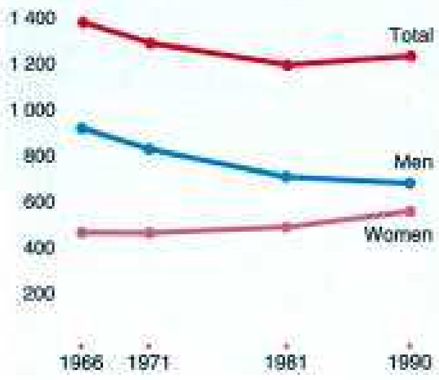
The proportion of pupils staying at school past the statutory leaving age of 16 years has increased over the last decade, and only one in 10 boys and one in 14 girls leaving school in 1988/89 did so without any graded qualification. This compares well with the North's workforce as a whole since over a quarter of the workforce in 1990 had no recognized qualification, whilst the proportion educated to degree standard, at only one in 16 of the workforce, is the lowest in the country.

On the other hand, over a 10th of the North's workforce have undertaken apprenticeships, which is the highest proportion in the United Kingdom except for Northern Ireland. Over 20 000 young people started government supported Youth Training Schemes for the first time in 1989/90, and of those completing schemes in this year, three-quarters went on to employment or further training or education.

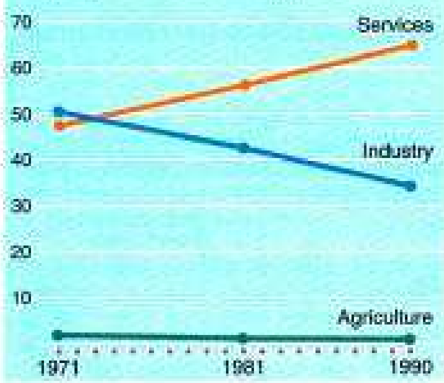
Number of pupils — 1990

	M + F 1 000	F %
Pre-school	58	48
Primary	235	49
Lower secondary	117	49
Higher secondary (technical)	105	54
Higher secondary (general)	97	49
Higher education	48	41
Total	660	49

Employment (1 000)



Employment structure (%)



Employment — 1981 (1 000)

Resident employment	1 239.9
+ Non-residents having a job in the region	18.9
- Residents having a job outside the region	25.9
= Internal employment	1 232.9

Unemployment (%)

From the steam age to the nuclear age

During the 19th and early 20th century, the North was the birthplace of a number of the world's 'firsts'. The world's first railway utilizing steam-powered locomotion was constructed between Stockton and Darlington, while both the first turbine-powered ship and the first power station were built on Teesside. First coal-mining and iron and steel, and later shipbuilding and manufacturing, made the North very significant to the British economy, and the 1960s saw the construction by ICI of Europe's biggest petrochemical complex on Teesside.

However, in the last two decades, declining fortunes and rationalization within most of these industries has seen the loss of some 200 000 jobs. However, there remain localized areas which are heavily dependent on specific industries: at Sellafield, British Nuclear Fuels accounts for 28% of West Cumbrian employment and in Barrow, over 40% of the district's workforce is employed by the shipbuilding concern VSEL.

For the most part, the large-scale job losses have not been replaced by the new industries, which have tended to be small to medium-sized enterprises. Notable exceptions include the Nissan car plant in Sunderland, the Fujitsu semi-conductor plant at Aycliffe and the Metrocentre at Gateshead. Former 'one industry towns' such as Consett have shown some growth, resulting in the formation of 200 new firms and the creation of 4 000 jobs since the closure of the local steelworks a decade ago.

Characteristics of resident employment (%)

	< 25 years	25-54 years	≥ 55 years	Employees	Employees: part-time		Employees: full-time, temporary contract	
	1990	1990	1990	1990	1983	1990	1983	1990
Men	17	71	12	86	3	5	5	4
Women	21	69	10	93	44	50	3	2
Total	19	70	11	89	20	25	4	3

Unemployment rises as main industries decline

Unemployment rates in the North in 1990 were higher than the national average, as they have been over the last 20 years. Much of this unemployment is structural reflecting the decline of the region's traditional main employers — coal-mining, iron and steel, and shipbuilding.

Although these industries are being partially replaced by newer industries sometimes resulting from new inward investment, the unemployment problem remains. Nearly one-third of the persons unemployed in the North have been out of work for over a year, one of the highest levels in England. Because of the past reliance on traditional industries, unemployment is higher in areas which were dominated by these industries. In the counties of Cleveland and Tyne and Wear there are pockets of higher unemployment of over 10% whilst in areas where the declining industries have been less important, unemployment rates are lower. Cumbria, whose economy is largely services based has a level of unemployment below the national average.

Large employers still dominate

The post-war history of the North has been characterized by a comparatively low level of small and medium-sized enterprises. By 1989, however, there were 62 000 businesses in the North large enough to be registered for VAT — an increase of almost 20% over the previous decade. Although this number has been increasing steadily, it is still lower than in any other region. There is a similar pattern for self-employment, where although there has been a 50% increase over the last decade, the proportion of the self-employed remains the lowest in any United Kingdom region.

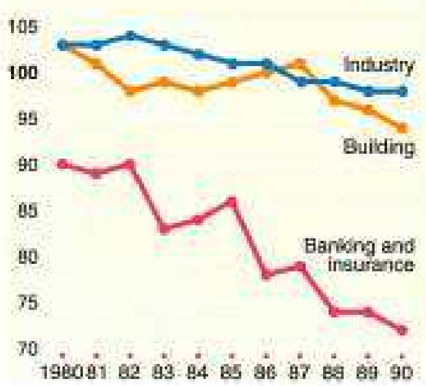
The North is still dependent on large enterprises: in the manufacturing industry nearly a quarter of the workforce are employed in local units of over 1 000 people.

Although the workforce in the coal-mining industry fell by nearly two-thirds during the 1980s, productivity nearly doubled over the same period.

The concentration of Japanese investment in the North is greater than in any other region of comparable size in Europe. The Urban Development Corporations based on Tyneside and Teesside have been successful in attracting major investment projects including the new British Airways National Flight Reservation Centre. Additional measures to encourage investment are the Enterprise Zones at Hartlepool, Tyneside, Middlesbrough, Workington and Sunderland, where businesses enjoy tax benefits and streamlined planning and administrative procedures for a period of 10 years.

GDP (1980 = 100)

Wages (national level = 100)



Disposable household income (1980 = 100)

Long hours, low incomes

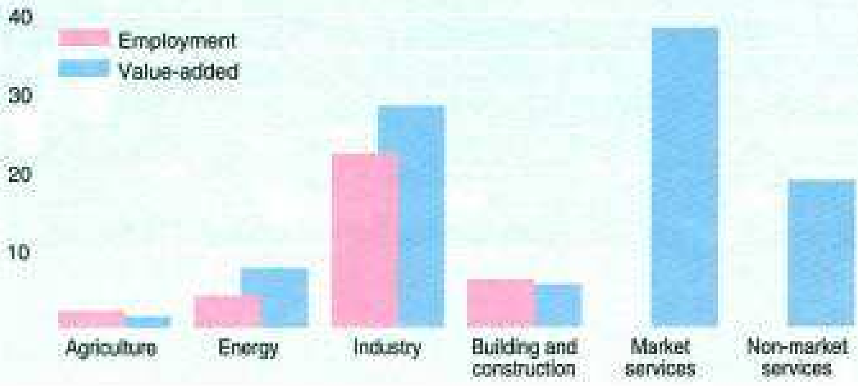
Labour costs in the North are amongst the lowest in the United Kingdom: overall only Wales and Northern Ireland had lower wage rates in 1990. There is however, considerable variation between industries; the lowest wage rates are in the transport and communications industry whilst the highest are in manufacturing and energy. Within manufacturing, earnings in metals, minerals and chemical products are above the national average, reflecting the high productivity of the remaining coal and steel industry.

Workers in the North work an average of nearly 43 hours a week including over four hours overtime, both figures slightly above the national averages reflecting to some extent the importance of the manufacturing industry.

Household income stood at ECU 8 740 for 1988 which is about 12% below the national average. Within the region, only Cumbria has a figure above the average. As with other regions of the country, income from employment makes up the major part — three-fifths — of total income. The relative lack of self-employment within the region, means that this source of income is relatively less important in the North as is income from investments.

Due partly to the high levels of unemployment in the region, the proportion of income from social security benefits is amongst the highest in the country.

Employment and value-added: distribution by branch – 1986 (%)



Manufacturing dominance fuelled by heavy foreign investment

Agriculture is not significant to the economy of the region as a whole. Only in parts of Cumbria and Northumberland is more than 2% of the workforce employed in agriculture and forestry.

Despite the decline in importance of energy and water supply and manufacturing, these industries still make up a larger proportion of the region's GDP than the national average. Recent manufacturing investment in the region includes the Nissan car plant at Sunderland, which has stimulated further investment from suppliers such as Hashimoto Formings on South Tyneside, the German based TRW Group on Wearside and Durham and Ikeda Hoover in Washington. New investment in the chemicals industry includes a major modernization programme at the Glaxo drug plant in County Durham and major investment by ICI on Teesside.

The service sector, whilst having grown significantly in recent years, is still less important in the North than in the country as a whole. Major developments in the banking and insurance sectors include the establishment of the Automobile Association's Insurance Services Headquarters. Major retail distribution developments include the Retail Park on Team Valley Trading Estate in Gateshead, the Eldon Square Shopping Centre in Newcastle and the Lanes Centre in Carlisle.

Agriculture

Number of holdings	11 870
Labour force	25 490 AWU
Agricultural area	1 025 000 ha
Livestock	664 000 LU
Gross value-added	14 881 ECU/AWU

Main products	
Milk	33%
Cattle	21%
Cereals	13%

Main enterprises

Name	Activity
Procter & Gamble Ltd	Manufacture of detergents, toilet preparations
Barratt Developments plc	Real estate activities
VSEL Consortium plc	Shipbuilding
T Cowie plc	Maintenance and repair of motor vehicles
Nissan Motor Manufacturing (UK) Ltd	Car manufacturing
Vaux Group plc	Manufacture of beer
Fenwick Ltd	Retail distribution
Hydro Polymers Ltd	Manufacture of plastics
Brent Walker Breweries Ltd	Manufacture of beer; hotels
Bellway plc	Real estate activities

Industrial development or nature conservation?

The scenic quality of the region is renowned, with three national parks and extensive areas of outstanding natural beauty. Hadrian's Wall and Durham Cathedral are designated World Heritage sites. In addition, the Open Air Museum at Beamish was designated European Museum of the Year in 1987.

Changes in agricultural policies place increasing development pressures on sensitive landscapes and other specially designated areas. The unique wetland habitats for migrating birds at Teesmouth and Lindisfarne are of international importance.

Challenges remain in reconciling the needs of development and industry with the needs of conservation. In Cleveland, for instance, the first Industry and Conservation Association (INCA) was set up in 1989 with the overall aim of ensuring that industry and nature conservation grow in harmony. Mineral extraction, especially opencast coal, makes demands on the region's environment. Disposal of colliery waste on to beaches in Durham and Northumberland is also a particular regional issue. Coastal water pollution generally requires significant improvements and investment.

Regional companies such as ICI are heavily involved in measures to tackle air and water pollution through the reduction of harmful emissions and waste. New plants are built to ever higher standards to reduce harmful wastes and emissions while a rolling programme of investment is reducing pollution from existing plants. The problems arising from the disposal of plastic waste are also being addressed through the development of biodegradable plastics at ICI Teesside.

UNITED KINGDOM

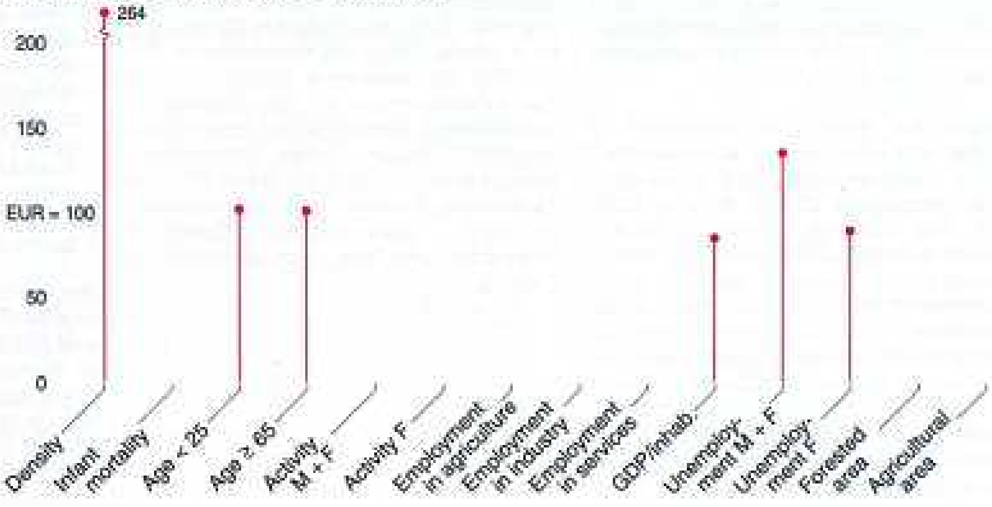
CLEVELAND, DURHAM

Saltburn-by-the-Sea, Cleveland (originally meaning 'Cliffland'): dramatic cliffs combine with acres of moorland.

The counties of Cleveland and Durham cover a combined area of 3 000 km² in the south-east of the North region. Durham is much the greater in extent and contains the eastern edge of the Pennine hills and the Durham plateau. These upland areas are bisected east to west by the rivers Tees and Wear. Cleveland, to the west, comprises chiefly the flatter coastal plain around the estuary of the Tees, where the centres of population are located.
The south-east of the county, bordering the North Yorkshire dales, is sparsely populated.

The centres of industry have developed alongside the rivers Tees and Wear and the principal towns are Darlington, Stockton on Tees, Middlesborough, the city of Durham and the port of Hartlepool. Communication links run chiefly north to south. The A1(M) trunk road traverses Durham whilst the A19 runs through Cleveland, with the two linked by the A66. The main railway lines also run north to south. Cleveland's ports comprise Hartlepool and Redcar, with more recent development of container facilities at Teesport. Teesside airport, located east of Darlington, provides scheduled services to European cities.

Cleveland, Durham in the Community



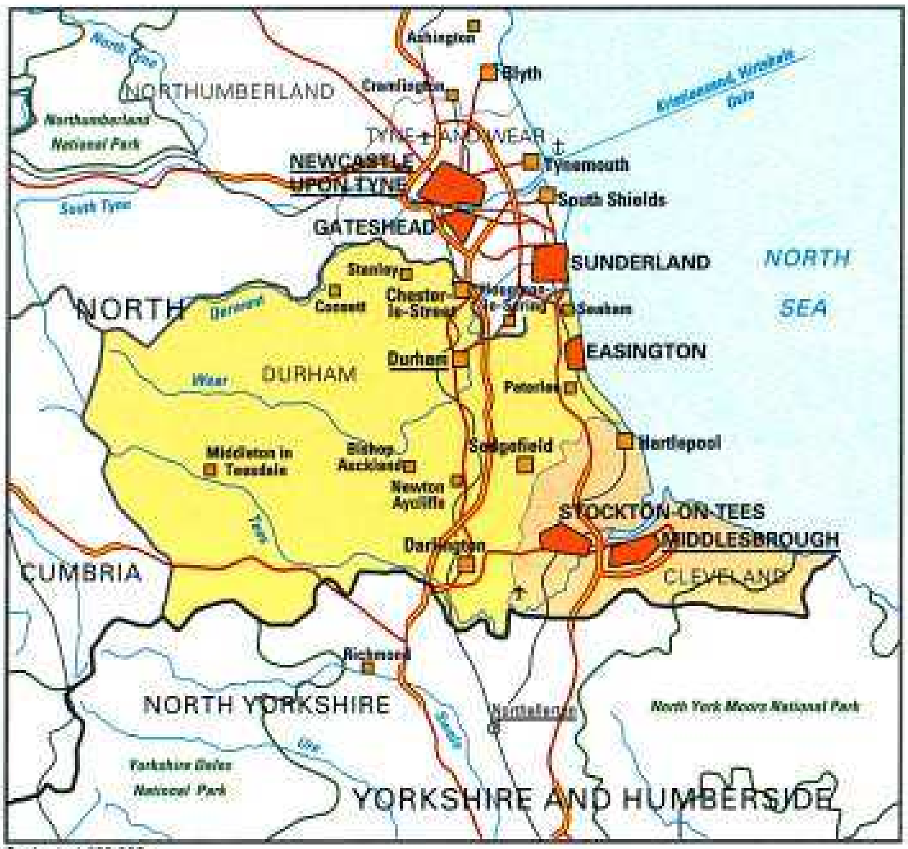
Excellent communications — so far, but yet so near

The existence of significant deposits of coal, iron ore and limestone led to the early industrial development of these counties with growth of iron and steel and associated industries based on these strengths. Similarly, in the twentieth century there has been development of chemical and latterly petrochemical industries following the exploitation of salt and other mineral deposits around Hartlepool and south Durham. Imperial Chemical Industries (ICI) developments at Billingham on the Tees, and at Wilton near Middlesbrough constitute the largest petrochemical complex in Europe.

Other traditional industries have however declined in recent years. Only in the district of Easington in Durham does any significant coal-mining activity continue. Other industries previously associated with coal-mining have also declined sharply, notably iron and steel, shipbuilding and heavy engineering. Unemployment is thus a problem. Cleveland has one of the highest unemployment rates in Great Britain, and whilst it is lower in Durham, the rate is still above the national average.

Both rail and road communications with the rest of the country are good. Teesport located to the north of Middlesbrough, has been developed as a container port and is now the third largest port in Britain. Despite this, the location of the area, away from major British and European markets, can be seen as a disadvantage.

CLEVELAND, DURHAM



Scale 1 : 1 000 000

Which EC regions are similar to Cleveland, Durham?

Area:
± 3 000 km²
Zeeland; Groningen (NL)
Oost-Vlaanderen (B)

Population:
± 1.2 million inhabitants
± 400 inhabitants per km²
West-Vlaanderen (B)
Saarland (D)

Unemployment:
± 12%
Nord-Pas-de-Calais (F)
Hainaut (B)

Busy towns and desolate uplands

Geographically, the counties of Cleveland and Durham are quite dissimilar with Cleveland a compact, principally urban county, and Durham much larger and more rural. Population density varies from over 2 500 persons per km² in Middlesbrough, to less than 30 persons per km² for Teesdale in Durham — making it one of the most sparsely populated areas in England.

Patterns of agriculture vary with the relief of the area. In the uplands of the Pennines and Cleveland hills sheep farming predominates, whilst on the flatter eastern parts of Durham, arable and dairy farming are practised. Teesdale has the highest proportion of its workforce in agriculture, at 8%.

Although formerly important throughout Durham, the district of Easington is now the only area with any substantial coal mining, with the workings extending out beneath the North Sea. Nearly a fifth of this district's employment is in the energy and water supply industries.

Both Cleveland and Durham have been losing population throughout the 1980s, by as much as 6% in the districts of Hartlepool and Easington. Some individual districts however have seen increases, the most marked being just under 2% in Chester-le-Street.

	Area	Population			Activity	Unempl.	Employment			GDP/inhab.
	1 000 km²	1 000	Inhab./km²	Change (%)	%	%	% Agricult.	% Industry	% Services	EUR (PPS) = 100
		1990	1990	1980-90	1988	1990	1989	1989	1989	1989
Cleveland	0.6	552	947	−3.8	61	11.4	0	37	62	93
Durham	2.4	599	246	−2.3	60	7.8	1	39	60	78
Cleveland, Durham	3.0	1 152	381	−2.9	61	9.6	1	38	61	85
United Kingdom	242.5	57 411	237	2.0	62	6.3	1	30	69	107
EUR 12	2 253.7	327 931	146	3.2	54	8.3	7	33	60	100

UNITED KINGDOM

CUMBRIA

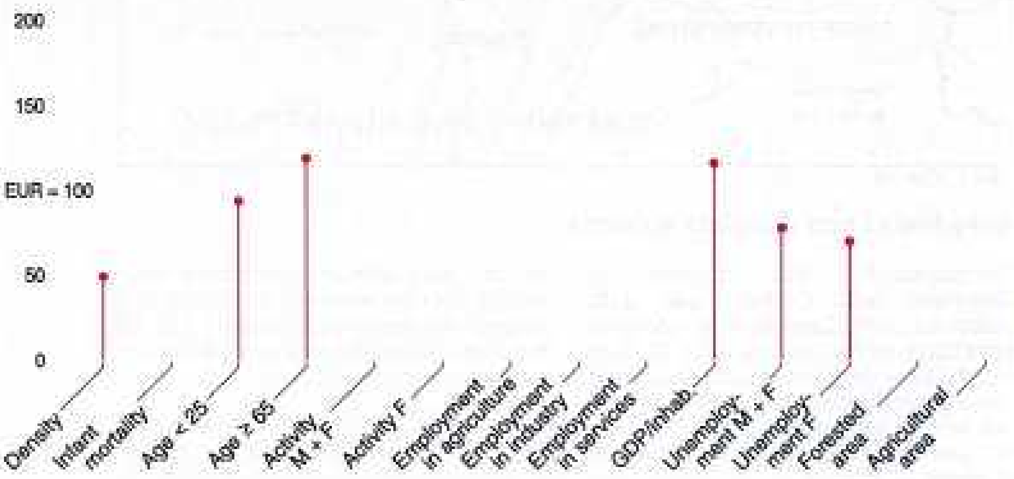
At 6 800 km², Cumbria covers the second largest area of any county in England, while a total of a little less than half a million people makes it one of the most sparsely populated. The main centres of population lie in the valleys of the rivers Eden and Derwent, and in the west along the coastal plain. Major towns are Carlisle, the administrative centre, Kendal and Keswick together with the ports of Barrow, Whitehaven and Workington.

Much of the county is hilly with the county containing the northern end of the Pennine range and the Cumbrian mountains. The famous Lake District is located in Cumbria with the Lake District National Park covering around a third of the county.
The park includes spectacular scenery including the highest mountains and largest lakes in England. A small section of the Yorkshire Dales National Park is also located in the county.

Primary road routes run north to south. The M6 motorway connects Carlisle with Birmingham in the Midlands and the A74/M74 and A7 continue north to Glasgow and Edinburgh in Scotland. Rail communications are served by the west coast main line to Glasgow which passes through Carlisle and Penrith.

The natural beauty of Cumbria's Lake District, a National Park since 1951.

Cumbria in the Community

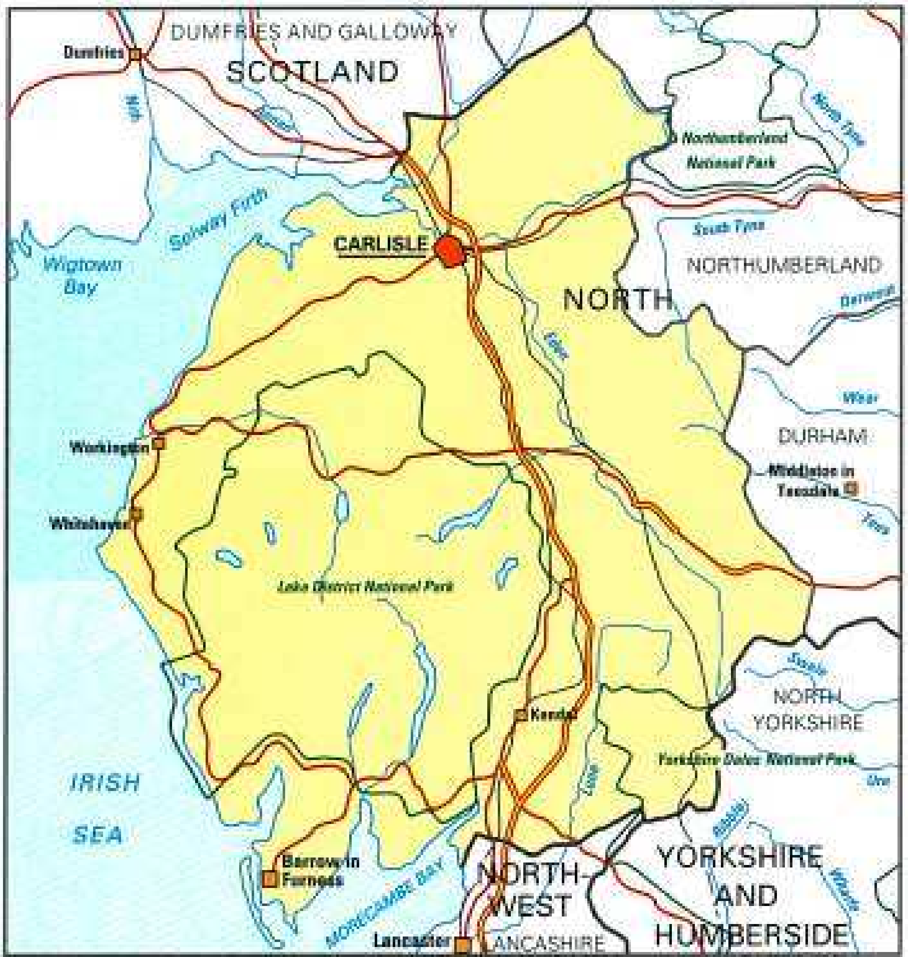


Tourism thriving but a declining industrial base

Historically, the county's strengths lay in its mineral wealth; coal, iron, lead and silver have all been mined although only relatively small-scale coal-mining now remains. Quarrying of stone and other minerals such as gypsum has continued up to the present, and remains a significant industry. Agriculture is much more important to the county than it is nationally, but it is limited by the rugged topography of much of the land and therefore consists principally of sheep farming, with some arable farming on the lower ground.

The growth industry in recent years has been tourism, which has provided new employment to counter the decline in mining, engineering and shipbuilding industries. However there is a mismatch of employment with the older towns notably Barrow-in-Furness and Workington on the coast experiencing high levels of unemployment, whereas the growth in tourism has occurred around the Lake District towns such as Kendal and Keswick.

The Lake District is an asset to the county not only directly in stimulating tourism, but also indirectly as an attractive place for people to live and work and improved communications have increased the access to the county. This ease of access brings its own problems however, and to maintain the unspoilt nature of the Lake District, industrial and residential development is tightly restricted in the National Park.



Scale 1 : 1 000 000

Population densities differ markedly

There are no large centres of population in Cumbria and the county is generally sparsely populated: the district of Eden which has only 22 persons per km², has the lowest density in England. As a predominantly rural area, the proportion of employment in agriculture, forestry and fishing is, overall, twice the national average and the district of Eden has one 10th of its workforce in this industry. Copeland district, which contains the Sellafield nuclear plant has nearly a quarter of its workforce employed in energy and water supply.

Unemployment is relatively low in most districts but the decline of mining and traditional industries have created pockets of high unemployment throughout the county. To encourage new employment in Allerdale district, an Enterprise Zone has been established in Workington since 1983.

Population trends largely follow the economic performance of areas, and against the general trend of population growth, population has fallen over the 1980s in Barrow-in-Furness and Copeland. Despite strict constraints on building in the National Park area, people, particularly retired people wish to live in the scenic rural lakeland areas. Population has grown by over 6% in Eden and South Lakeland, and in South Lakeland nearly a quarter of the population is over retirement age.

Which EC regions are similar to Cumbria?

Area:
± 6 800 km²
Rheinhessen-Pfalz (D)

Population:
0.5 million inhabitants
Kriti (GR)
Trier (D)
Grampian (UK)
Cantabria; Navarra (E)

Population density:
± 75 inhabitants per km²
Molise (I)
Centro (P)

	Area	Population			Activity	Unempl.	Employment			GDP/inhab.
	1 000 km²	1 000	Inhab./km²	Change (%)	%	%	% Agricult.	% Industry	% Services	EUR (PPS) = 100
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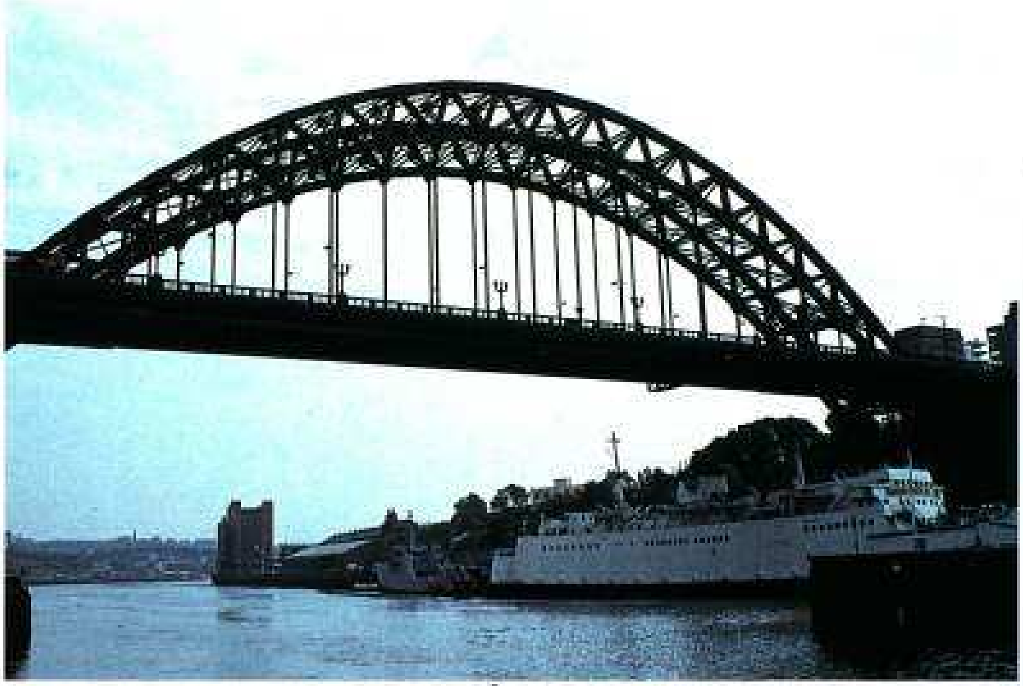
UNITED KINGDOM

NORTHUMBERLAND, TYNE AND WEAR

Northumberland is the northernmost county in England. It is chiefly rural and is England's least densely populated county. By contrast, Tyne and Wear to the south of Northumberland has a population of over one million, the bulk of whom live in the Newcastle-Gateshead conurbation. Northumberland's largest towns are Morpeth, Ashington, Alnwick and Berwick upon Tweed.

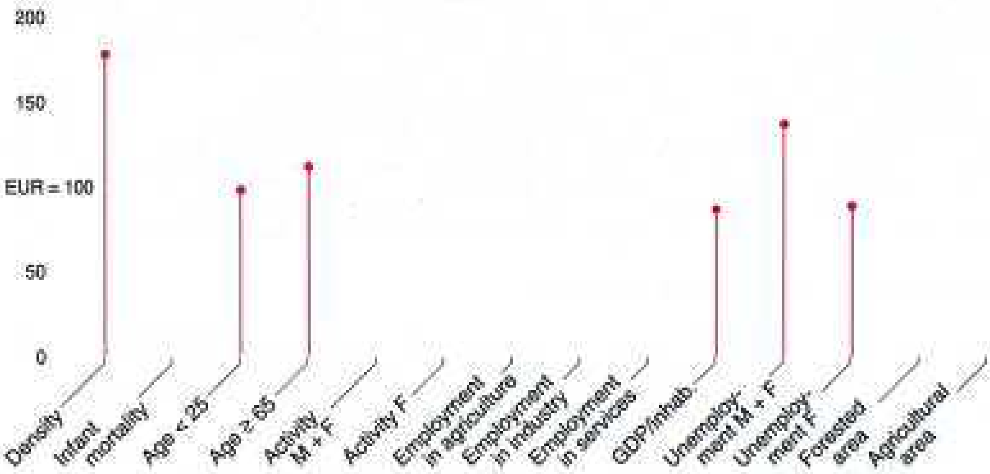
Much of the west of Northumberland consists of mountains and forested upland and is particularly sparsely populated. To the north-west, the border with Scotland is marked by the Cheviot hills which rise to over 700 m. To the south and west are the Cumbrian and Durham moors. Tyne and Wear and the east of Northumberland lie in a flatter coastal plain through the south of which flow the rivers Tyne and Wear.

The coastal A1(M) trunk road links Newcastle with the Midlands and as the A1 continues north through Northumberland and links the counties with Edinburgh. The principal east to west route is the A69 trunk road. The area is served by the west coast main-line railway running from London to Edinburgh. Newcastle international airport is located to the north-west of the city, while the port of Tyne and Wear provides regular ferry services to Scandinavia.



The Tyne Bridge at Newcastle upon Tyne, which is a fascinating mixture of old and new.

Northumberland, Tyne and Wear in the Community



Traditional industries in decline, potential for new investment

The traditional industries of Northumberland and Tyne and Wear include mining, construction and shipbuilding and heavy engineering so that many of the area's industrial strengths are in areas which have been in decline in recent years and there has been a need to develop new industries. The Newcastle-Gateshead conurbation with a population of over three-quarters of a million people acts as a regional centre and has promoted the growth of service industries in the city to compensate to some extent for the decline in manufacturing and construction.

Agriculture remains important in much of Northumberland, sheep farming is practised on the higher ground, beef cattle and arable farming on the better lowland soils. Extensive forests, notably Keilder and Wark, cover much of the west of Northumberland, so that forestry too is important in these areas, with nearly 10% of the workforce engaged in agriculture, forestry and fishing in Berwick upon Tweed. Mineral extraction is another industry traditionally important to the economy of Northumberland, although employment has decreased in recent years.

As a result of the shifts away from the traditional industries, unemployment is a problem. The unemployment rate in Tyne and Wear is one of the highest in the United Kingdom, and it is also above the national average in Northumberland. However, there have been notable successes in attracting industry to the area (the Nissan car assembly plant in Sunderland).

NORTHUMBERLAND, TYNE AND WEAR

Scale 1: 1 000 000

Which EC regions are similar to Northumberland, Tyne and Wear?

Area:
± 5 500 km²
Surrey, East-West Sussex (UK)
Liguria (I)

Population:
± 1.5 million inhabitants
± 250 inhabitants per km²
Shropshire, Staffordshire (UK)
Mittelfranken (D)

Unemployment rate:
± 12%
Nord-Pas-de-Calais (F)
Hainaut (B)

Busy cities and large forest areas

The counties of Tyne and Wear and Northumberland are very dissimilar and most of the imbalances in the area reflect this. Tyne and Wear is a small, densely populated county whilst Northumberland is largely rural and, particularly in the north and east, extremely sparsely populated. Tynedale, Berwick upon Tweed and Alnwick each have less than 30 persons per km²; Tyne and Wear averages over 2 000 persons per km².

As the regional centre for the north-east, Newcastle has a high proportion of service industries, over half of employment being in the 'other services' category. Manufacturing areas include shipbuilding and marine engineering centred on Gateshead in Tyne and Wear, and electrical and heavy engineering along the Blyth valley in Northumberland but in contrast, the south-east of Northumberland retains some significant mining activity and many of the more rural parts of the county are heavily dependent on agriculture and forestry.

In common with other conurbations, Tyne and Wear has experienced a fall in population throughout the 1980s as people move out from the cities to outlying areas. The corollary of this trend can be seen in Northumberland as the rural districts of Alnwick and Tynedale have seen their populations increase sharply over this period, up by 7 and 6% respectively. Wansbeck by contrast experienced a drop of nearly 6%.

	Area	Population			Activity	Unempl.	Employment			GDP/inhab.
	1 000 km²	1 000	Inhab./km²	Change (%)	%	%	% Agricult.	% Industry	% Services	EUR (PPS) = 100
		1990	1990	1980-90	1988	1990	1989	1989	1989	1989
Northumberland	5.0	305	61	2.0	59	6.9	4	33	64	77
Tyne and Wear	0.5	1 127	2 086	−3.0	61	10.7	0	30	70	90
Northumberland, Tyne and Wear	5.6	1 432	257	−2.0	60	10.0	1	30	69	87
United Kingdom	242.5	57 411	237	2.0	62	6.3	1	30	69	107
EUR 12	2 253.7	327 931	146	3.2	54	8.3	7	33	60	100

UNITED KINGDOM

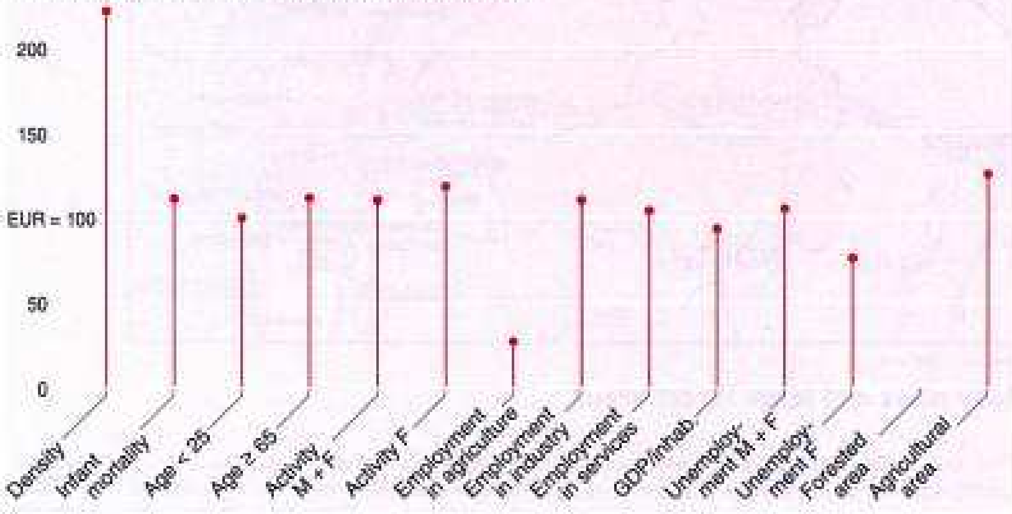
YORKSHIRE AND HUMBERSIDE

Yorkshire and Humberside is bordered by the regions of North, North-West and East Midlands, and by the North Sea coastline. The region straddles the divide between the English uplands and lowlands, with the western part of the region being a mainly hilly area forming part of the Pennine range. To the south of the North York moors, the eastern part of the region is mainly flat and low-lying.

In the main, there are few forests in Yorkshire and Humberside, although there are areas of forest in the North York moors. The moors are a national park and there are two other parks: the Yorkshire dales and the peak district, within the region. There are parts of the region which are very rural, but there is a concentration of urban development centred on Leeds and Sheffield. The region is well served by major north-south and east-west road and rail transport. All of the major urban areas are served by motorways, the M1 running north-south and the M62, M18/M180 running east-west. The other main north-south route, the A1 is to be upgraded to motorway status in the future. Hull, Immingham, Goole and Grimsby are important and developing ports on the Humber serving continental Europe and there are also two airports, Leeds/Bradford and Humberside, providing domestic and European services.

Denby Grange Colliery, Yorkshire has provided employment for successive generations of local families.

Yorkshire and Humberside in the Community



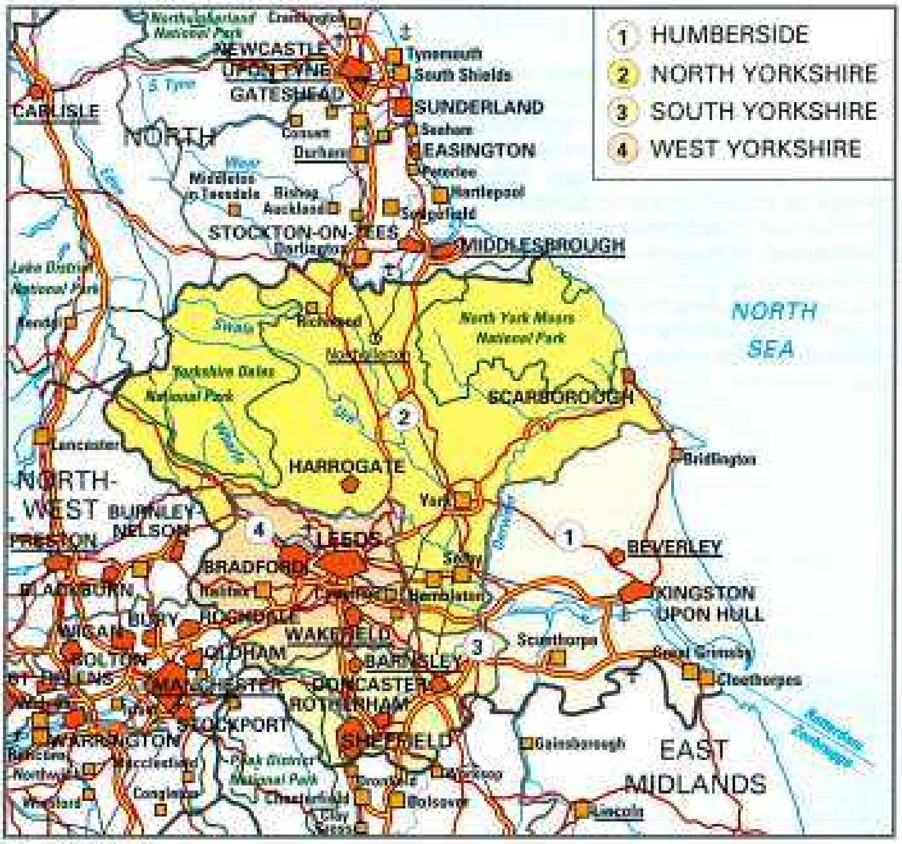
Declining industries but some specialized skills

During the period of major industrialization, Yorkshire and Humberside had a number of strengths. The easy availability of coal and iron ore meant that a powerful and economically important steel industry could flourish. Similarly the fast-flowing rivers coming off the Pennines in the west of the region meant that the important textile industries could develop.

Even when supplies and markets changed, the region was well served by the commercial ports on the river Humber, which provided ready access to raw materials and to new markets. Specialist labour skills meant that the economy of the region could continue to grow.

However, these strengths were also factors why the industries of the region had a difficulty in diversifying — with dwindling coal reserves in some areas and with greater competition, unemployment and economic decline became more of a problem. The region has suffered less than it might have done because of some of the specialist skills which had developed. Sheffield became a centre for specialist steels, which were less affected by foreign imports. Away from the industrialized centres, agriculture formed the basis of local economies — with arable crops being particularly suited to the fertile lowlands and rearing of livestock being important in the more inhospitable areas in the north of the region. More recently, the natural beauty of the coastline and the Yorkshire moors and dales and the historic importance of York have meant that a thriving tourist industry has grown up.

YORKSHIRE AND HUMBERSIDE



Scale 1 : 2 000 000

Which EC regions are similar to Yorkshire and Humberside?

Area:
15 000 km²
- Peloponnisos (GR)
- Calabria (I)
- North (UK)

Population:
± 5 million inhabitants
± 300 inhabitants per km²
- Sachsen (D)
- Lazio (I)

Employment:
2% in agriculture
35-40% in industry
- Antwerpen (B)
- Saarland (D)
- North (UK)

Urbanized south and west, rural north and east

South and West Yorkshire are largely urbanized, commercialized and industrialized whilst North Yorkshire and parts of Humberside are predominantly rural. The abolition of the Dock Labour Scheme in 1989 has resulted in Hull, Grimsby and Immingham developing into major ports for not only the region, but the whole of northern England. The agricultural and industrial revolutions of the seventeenth to nineteenth centuries brought major expansion of existing industries, and development of the engineering industry, together with a dramatic increase in population and reversal of the balance of population from the land to the growing industrial and commercial towns.

Improvement in communication also brought development of more isolated settlements and of tourism both inland and along the coast. In more recent times, particularly during the 1980s, there has been a population drift away from the more urban centres — with Leeds, Sheffield and Barnsley having decreasing populations. The traditional dominance of the coal industry in the mining towns of South Yorkshire, and the subsequent decline and closure of some of the less productive fields, has meant that this county has suffered the most serious unemployment problems.

	Area	Population			Activity	Unempl.	Employment			GDP/Inhab.
	1 000 km²	1 000	Inhab./km²	Change (%)	%	%	% Agricult.	% Industry	% Services	EUR (PPS) = 100
		1990	1990	1980-90	1988	1990	1989	1989	1989	1989
Humberside	3.5	859	245	0.0	59	8.3	3	33	64	96
North Yorkshire	8.3	726	87	7.1	60	4.1	5	28	68	96
South Yorkshire	1.6	1 296	831	1.5	60	9.3	0	38	62	83
West Yorkshire	2.0	2 070	1 015	0.1	62	6.8	0	36	64	96
Yorkshire and Humberside	15.4	4 952	321	0.6	61	7.3	1	35	64	93
United Kingdom	242.5	57 411	237	2.0	62	6.3	1	30	69	107
EUR 12	2 253.7	327 931	146	3.2	54	8.3	7	33	60	100

YORKSHIRE AND HUMBERSIDE

Population change in line with national trends

Since 1961, the population of Yorkshire and Humberside has grown by around 0.5% per year during the 1960s, a relatively static population during the 1970s and very slight growth in the 1980s.

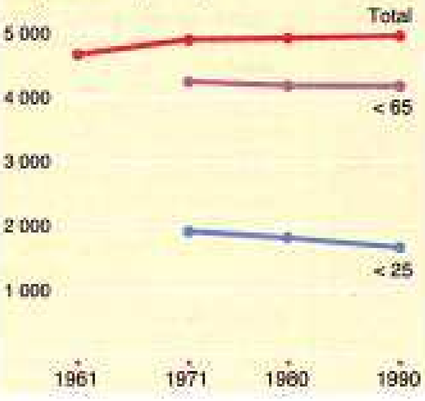
Birth rates fell substantially between the early 1960s and the early 1980s, but have since recovered slightly, roughly in line with national trends. Death rates have remained fairly static since 1971, at slightly above average. These trends of falling birth rates and static death rates have meant that the natural increase (i.e. births minus deaths) has become less and less of a factor in overall population growth, although with increasing birth rates in the second half of the 1980s, population is now growing through natural increase.

In 1989, it was estimated that 4 300 people moved from the other countries of the European Community to Yorkshire and Humberside, with around 1 600 going the other way. Since the early 1960s the age structure of the population of Yorkshire and Humberside has changed almost exactly in line with national trends: an ageing population, smaller proportions of younger people and growing proportions over retirement age. This shift reinforces the trend towards falling birth rates.

Population by age — 1990

	M + F 1 000	M + F %	M %	F %
< 15	943.0	19.0	20.0	18.2
15-24	726.0	14.7	15.2	14.2
25-39	1 084.0	21.9	22.7	21.1
40-54	917.0	18.5	19.1	18.0
55-64	506.0	10.2	10.2	10.2
≥ 65	776.0	15.7	12.8	18.4
Total	4 951.9	100.0	100.0	100.0

Population (1 000)



Resident population of foreign nationality — 1990

	1 000	% of total population
Total	92.3	1.9
of which EC countries	33.1	0.7
of which non-EC countries	59.1	1.2
Ireland	25.0	0.5
Pakistan	11.9	0.2
India	11.3	0.2
USA	5.2	0.1
Jamaica	3.6	0.1
Poland	3.4	0.1

Demographic account — 1980-90 (1 000)

Population 30.6.1980	4 923
Births	646
Deaths	587
Net migration	– 30
Population 30.6.1990	4 952

A third of the workforce with no qualification

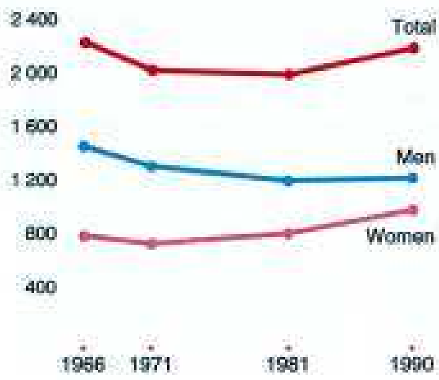
Nearly one-third of the Yorkshire and Humberside workforce have no recognized qualification, well above the national average and the second highest proportion in the country. Compulsory education ends at age 16 in England, and over 60% of 16-year-old pupils in Yorkshire and Humberside stay on at school or enter some kind of further education — this is slightly below the national average. Yorkshire and Humberside has one of the worst educational achievement records in England. Around one in 10 boys and one in 12 girls leave school without any recognized qualification.

There are a number of universities and polytechnics in the region, including universities in Leeds, Bradford, Sheffield (which recently hosted the World Student Games) Hull and York. In 1989-90, close to two-thirds of youngsters completing a Youth Training Scheme went on to find either full or part-time employment.

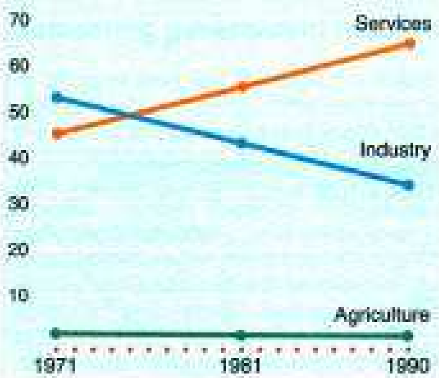
Number of pupils — 1990

	M + F 1 000	F %
Pre-school	78	49
Primary	367	49
Lower secondary	190	49
Higher secondary (technical)	212	59
Higher secondary (general)	158	49
Higher education	95	46
Total	1 101	50

Employment (1 000)



Employment structure (%)



Employment — 1981 (1 000)

Resident employment	2 008.8
+ Non-residents having a job in the region	47.9
– Residents having a job outside the region	49.7
= Internal employment	2 007.0

Unemployment (%)

Baking the cake and eating it — from food processing to cutlery

As in many other parts of the United Kingdom, the geography and geology of Yorkshire and Humberside has largely determined the development of employment. The outline of the pattern of land use (and hence the pattern of employment) today was established in the late Middle Ages with agriculture centred on the rich lowland areas for arable crops, and sheep farming on the uplands. Industry was concentrated on the woollen industry in the valleys of West Yorkshire and coal-mining and metalworking in South Yorkshire, which is traditionally the centre of the United Kingdom cutlery manufacturing industry. To the east, the ports of the river Humber provided a base for substantial commerce and a thriving fishing industry. The agricultural and industrial revolutions of the seventeenth to nineteenth centuries brought major expansion of existing industries and a further development of the engineering industry.

The twentieth century has brought new industries such as food processing, many of which are based in Humberside as a direct result of the diversification from deep-sea fishing. The region as a whole has an above average proportion of employees in energy and water supply and in manufacturing. Because of the historical development of the region, there are parts where these industries are particularly important — in Scunthorpe, a major steel-making centre, as many as four in every 10 employees are in manufacturing and in Selby, in the centre of one of the richest coalfields in the country, one in four employees work in energy and water supply. In the flatter areas in the south-eastern parts of the region, agriculture becomes more important as an employer.

Characteristics of resident employment (%)

	< 25 years	25-54 years	≥ 55 years	Employees	Employees: part-time		Employees: full-time, temporary contract	
	1990	1990	1990	1990	1983	1990	1983	1990
Men	20	69	12	82	3	4	3	2
Women	21	70	10	92	47	47	2	1
Total	20	69	11	87	22	24	3	1

Several unemployment blackspots

The general industrial prosperity of Yorkshire and Humberside until the late 1960s tended not to encourage diversification, and meant that the region was badly hit when its main industries were faced with decline and the need to remain competitive. Since the later 1970s, the unemployment rate has remained above the national average, although moving roughly in line with national trends. However, since the mid-1970s, the region has suffered from successive, often localized problems in a number of traditional sources of employment.

Unemployment is highest in South Yorkshire, a traditional coal-mining and steel-making centre. Sheffield in South Yorkshire is famed for cutlery manufacture, and because of the diversification into special steels for this and other industries, suffered less than it might have done during the general decline of the steel industry. Unemployment rates in the more rural county of North Yorkshire are actually below the national average — the coalfields around Selby are amongst the most productive in the country and have suffered less through closure than pits in other areas. However, the region also has several blackspots, for example Rotherham.

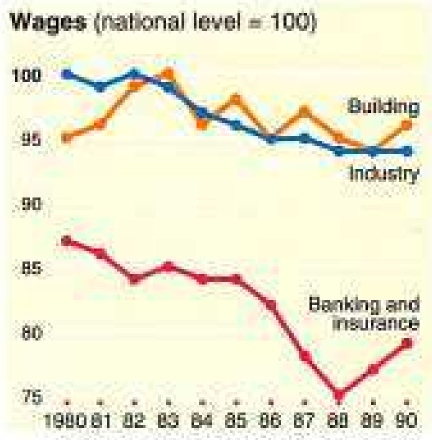
YORKSHIRE AND HUMBERSIDE

The UK's most efficient collieries

There are over 123 000 businesses in Yorkshire and Humberside whose turnover is large enough for them to be registered for VAT. Coal has dominated the economies of small pockets of the region and the life of the villages and towns which have grown up around pitheads. Social and welfare activities relating to the colliery, the trade unions and other associations are an important part of life in some of these villages. The highly productive coalfields in North Yorkshire help to contribute to the 6% which the energy and water supply industries make to GDP. During the 1980s, Yorkshire and Humberside overtook the East Midlands as the largest coal-producing region of the United Kingdom, despite the fact that output in Yorkshire and Humberside fell by 5% during the 1980s. By 1988/89, a third of saleable coal produced in the United Kingdom was produced in Yorkshire and Humberside. As well as producing more coal than any other region, Yorkshire and Humberside also has the most efficient collieries in the country — output per manshift has nearly doubled during the 1980s.

Over a quarter of GDP comes from manufacturing, highlighting the importance of the remaining steel and textile industries to the economy of the region. There has also been significant growth in the services sector since the 1980s with Leeds taking an ever more important role as a financial and legal centre. The contribution which foreign-owned businesses make to gross value-added in these manufacturing industries has fallen slightly during the 1980s, to stand at around 9% in 1988.

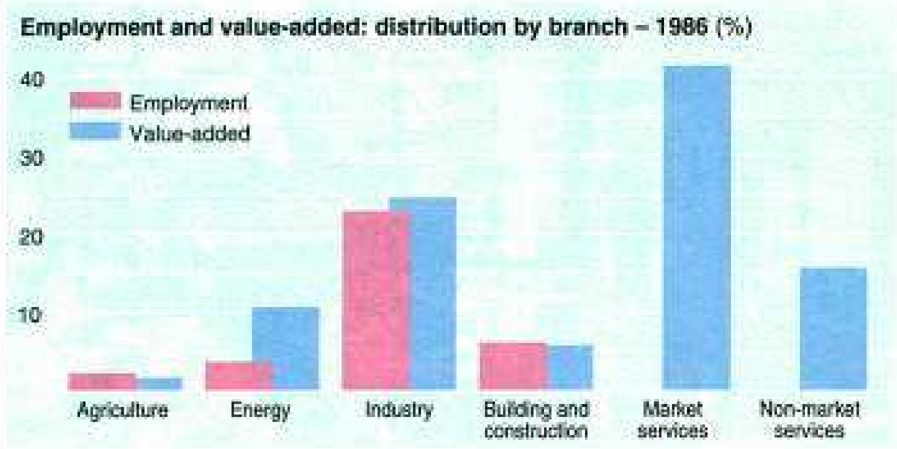
Enterprise Zones provide financial and other benefits over a 10-year-period to new and existing businesses within the Zones — these include exemptions from certain rates, tax concessions and simpler procedures for planning permission. Within the region, there are nine assisted areas and eight Urban Programme Areas in the region in which a variety of help is available to businesses.



Low labour costs

Labour costs are low in Yorkshire and Humberside — average earnings are among the lowest in the United Kingdom. In April 1990, average earnings for men on full-time rates were ECU 374 per week, the figure for women was ECU 254. Both men and women work slightly above average hours per week, in part related to the importance of manufacturing industries to the economy of the region. Historically in the United Kingdom, earnings have been lowest in the agriculture, forestry and fisheries sector — male earnings in this sector in Yorkshire and Humberside in April 1990 were less than ECU 280 per week (although this was still above the national average for the sector). Reflecting the importance of the coal industry, the highest paid sector for men is the energy and water supply sector (ECU 439 per week) — women working in this sector are also among the highest paid in the region, but the services sector competes with it for the highest paid women employees.

Average weekly household income is lower than anywhere else in the United Kingdom outside Wales and Northern Ireland, and social security benefits make up a higher proportion of income in the region than the UK average (though the distribution of these benefits between one type of benefit and another is similar to the national pattern). Share ownership is relatively low and therefore income from this source is less significant than in most other regions. Expenditure on housing absorbs a smaller proportion of household income than anywhere in the United Kingdom except Northern Ireland; house prices have risen relatively slowly in the region during the last decade.



Relocating government departments

In terms of land use the region is mainly agricultural, with most of the lowlands to the east of the Pennines and south of the North York moors of good to high quality with a growing season of seven to eight months. Though there is considerable agricultural diversity, land given over to crops is the predominant use of the good quality lowlands with hill farming on the uplands and stock rearing on the upland/lowland boundaries. Over 15% of agricultural land is given over to barley and the region has the highest barley yields in the United Kingdom. The region has the largest stock of pigs in the United Kingdom.

The traditional dominance of the energy and water supply industries, textile manufacturing and steel manufacturing can still be seen today, although their importance has declined over recent periods.

The financial and business services sector accounts for 13% of regional GDP. The region has attracted a number of relocating government departments, including parts of the Employment Group which is already based in Sheffield and parts of the Department of Health which are in the process of moving to Leeds.

Large stock of derelict land

Yorkshire and Humberside suffers from environmental problems usually related to areas of industrial activity and subsequent decline. Of all the English regions it has the largest stock of derelict land — it was also the only region which had a net increase in the amount of derelict land since the 1982 Derelict Land Survey in spite of an above average rate of reclamation. The increase largely reflects the accelerated decline of industrial activity in South Yorkshire. Of the total of derelict land in the region over 80% is concentrated in the metropolitan districts of South and West Yorkshire. Some 60% of the current Regional Derelict Land Programme resources are concentrated in the South Yorkshire area, particularly Rotherham. Substantial resources are also available for the reclamation of the Wath Manvers site which is expected to act as a catalyst for the regeneration of the Dearne valley.

The combination of high population densities and the concentration of industry has created major river pollution problems in South and West Yorkshire and parts of Humberside. The river Aire carries waste from almost two million people and 80% of the region's industries after it merges with the river Calder. Nearly 30% of the length of river and tributaries in the Aire valley is of poor or bad quality. The river Don and its tributaries serve a population of almost 1.4 million and some 44% of the length of water in the river Don system is of poor or bad quality. The Yorkshire Water Company plans substantial programmes of investment to improve poor or bad quality river and tributary lengths in the Aire valley, as well as some 180 kilometres of the river Don system, including construction of new sewage treatment works, improvement of existing plants, and upgrading of sewerage systems. The National Rivers Authority is seeking corresponding improvements by other industries that discharge to these river systems.

Agriculture

Number of holdings	17 260
Labour force	39 200 AWU
Agricultural area	1 081 000 ha
Livestock	867 000 LU
Gross value-added	19 281 ECU/AWU
Main products	
Cereals	22%
Pigs	18%
Main crops	13%

Main enterprises

Name	Activity
Asda Group plc	Retail trade
Rowntree Ltd	Manufacture of confectionary products
FKI plc	Electronic equipment
Northern Foods plc	Food products
BBA Group plc	Manufacture of aircraft
United Engineering Steels Ltd	Manufacture of steel
Wm Morrison Supermarkets Ltd	Retail trade
Hepworth plc	Manufacture of builders' ware of plastic
British Fuels Ltd	Sale of fuels

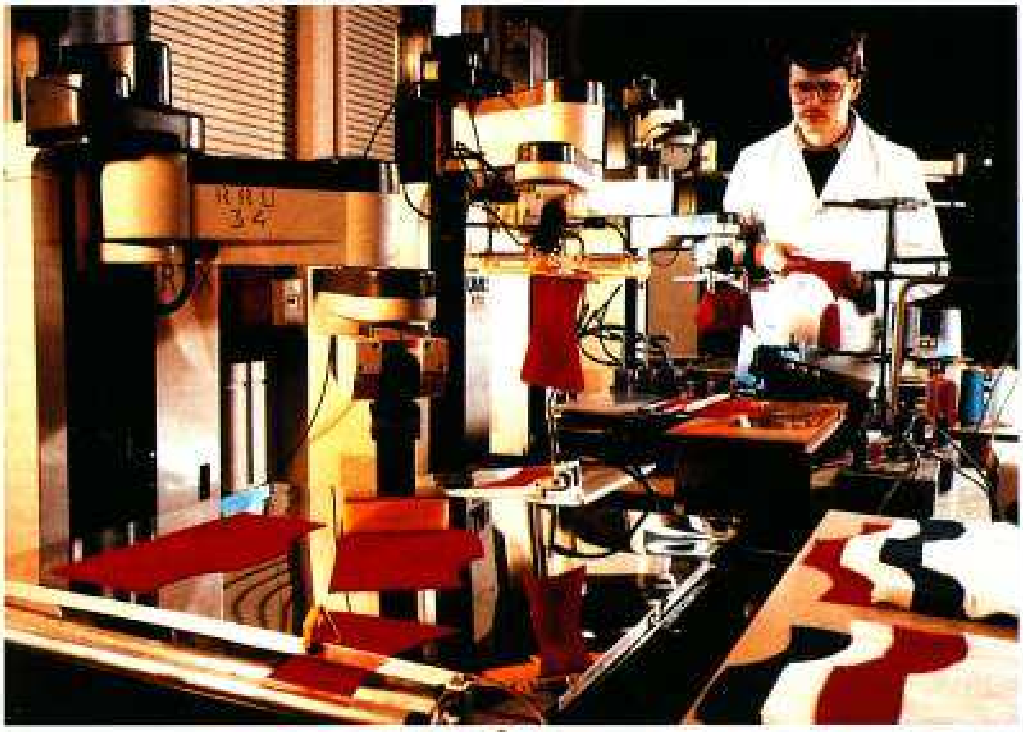
UNITED KINGDOM

HUMBERSIDE

The county of Humberside covers an area of 3 500 km² straddling the Humber estuary facing on to the North Sea. It is mainly low lying although the northern and southern borders, with North Yorkshire and Lincolnshire respectively, consist of higher ground, known as the 'Wolds'. The main centre is the port of Kingston-upon-Hull on the north bank of the Humber which has a population of around a third of a million. Other important towns are the ports of Immingham and Grimsby on the south of the Humber, and inland the town of Scunthorpe.

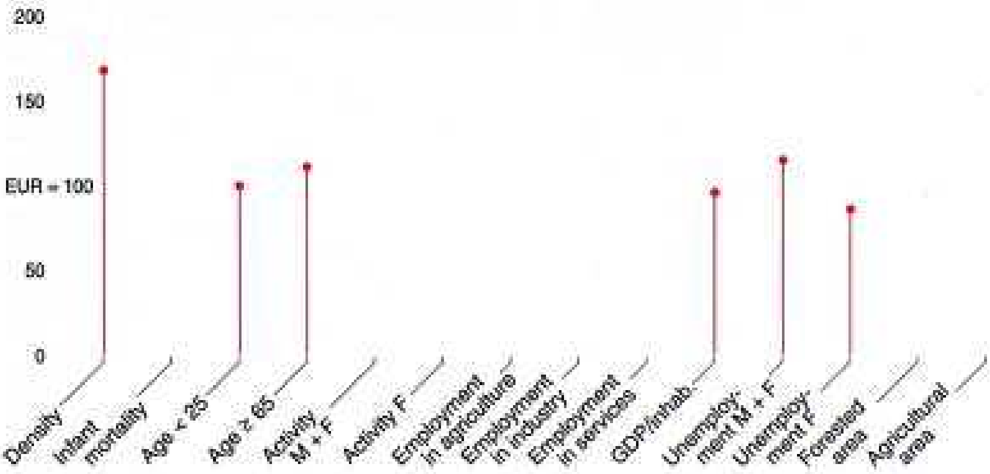
The majority of the county's land is used for intensive agriculture with arable crops and grains being grown, and the contribution of agriculture to the economy of the county outside of the major towns is considerable.

The main road routes run east to west. The M62 motorway north of the river connects with Hull, while the M180 runs from Grimsby. As the M62, this route connects with Leeds and intersects with the A1 and M1 routes running north to south. The county also possesses an international airport east of Scunthorpe, while scheduled passenger ferry services run from Hull to European destinations.



The Department of Engineering in the University of Hull, where the emphasis is on research for the future.

Humberside in the Community



Industrial development from the ports

The county's location at the mouth of the river Humber facilitated the establishment of industrial ports. In recent decades, Britain's trade with Europe has grown rapidly, and the largest port, at Grimsby-Immingham now constitutes the fourth busiest port complex in Britain, handling both bulk and roll-on roll-off traffic. In addition, Grimsby is also a centre for Britain's fishing fleet.

The industries have developed largely from port activities, while transport and communication, chemicals, and food processing are all important. Another natural resource is the good agricultural land covering much of the county, and outside of the industrial towns, agriculture is important. Coastal towns such as Cleethorpes and Bridlington have developed as tourist resorts serving the East Midlands and Yorkshire. Despite this wide industrial base, unemployment in Humberside remains significantly above the average for the United Kingdom.

The county boundary of Humberside was formed in 1974 from parts of eastern Yorkshire to the north of the Humber, and north Lincolnshire to the south. The existence of the river as a natural barrier between these parts of the county poses problems in terms of integrating the economy and communications within the county. The most obvious example of action designed to combat these problems is the physical linking of Hull with Barton-on-Humber on the south bank via the Humber Suspension Bridge which was opened in 1979. With a central span of 1 400 m this bridge has the longest single span of any bridge in the world.

HUMBERSIDE

Scale 1 : 1 000 000

Which EC regions are similar to Humberside?

Area:
± 3 500 km²
Overijssel (NL)

Population:
0.9 million inhabitants
Trentino-Alto Adige (I)

Population density:
± 240 inhabitants per km²
Veneto (I)

Agriculture, ports and manufacturing

The nature of Humberside varies considerably between the industrial areas, chiefly located on the coast, and the mainly rural areas to the north and west. In the districts of Kingston-upon-Hull and Great Grimsby, the population density is over 3 000 persons per km², while at the other extreme, East Yorkshire and Holderness each have less than 100 persons per km².

The rural districts are, of course most reliant on agriculture with over one in 10 of the employees in Holderness working in agriculture. In Scunthorpe, manufacturing accounts for over two-fifths of employees, more than twice the level in the rural areas. Cleethorpes, Glanford and Great Grimsby each have more than two-fifths of their employees in the construction, transport and communication, and distribution industries.

As throughout Britain generally, urban districts have experienced generally declining populations over the last few years, while rural districts' populations have increased. Although the county's overall population growth over the 1980s has been broadly static, the population of East Yorkshire increased by more than a sixth and those of Kingston-upon-Hull and Scunthorpe each fell by a 10th.

	Area	Population			Activity	Unempl.	Employment			GDP/inhab.
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Humberside	3.5	859	245	0.0	59	8.3	2	33	65	96
United Kingdom	242.5	57 411	237	2.0	62	6.3	1	30	69	107
EUR 12	2 253.7	327 931	146	3.2	54	8.3	7	33	60	100

UNITED KINGDOM

NORTH YORKSHIRE

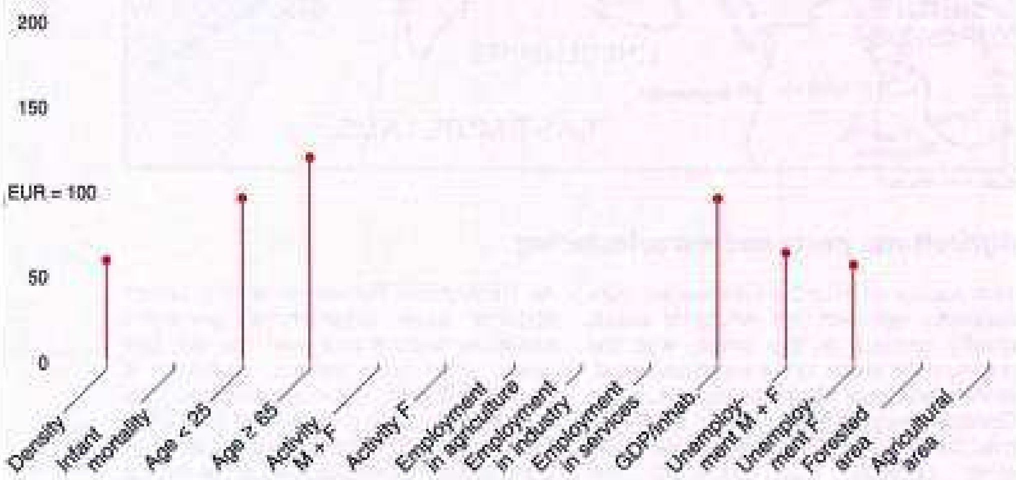
North Yorkshire is the largest county in England and Wales, and one of the least densely populated in England. Much of the north and west of the county is mountainous and remote, the Pennine hills in the west rising, in places, to over 700 m in height. To the north-east are the Cleveland hills and the North Yorkshire moors. The two upland areas are separated by the vale of York which runs north to south through the middle of the county.

The largest towns are all situated on the flatter, lower ground to the south: Harrogate in the west is located on the edge of the Pennines; York is located in the centre of the county, and Scarborough on the east coast.

The main east coast railway line connecting London to Edinburgh runs through the county via the vale of York, and the city of York thus became an important railway junction in the nineteenth century. From York, railway lines also run eastwards to Scarborough and Hull on the east coast, and westward to Harrogate and West Yorkshire. The main road route through North Yorkshire is the A1 trunk road which also runs from London to Edinburgh. It passes close by Harrogate, and is linked to York and Scarborough by the A64 trunk road.

York Minster, the largest medieval church in northern Europe, is just one of the many historical buildings in York.

North Yorkshire in the Community



Agriculture, coal and tourists

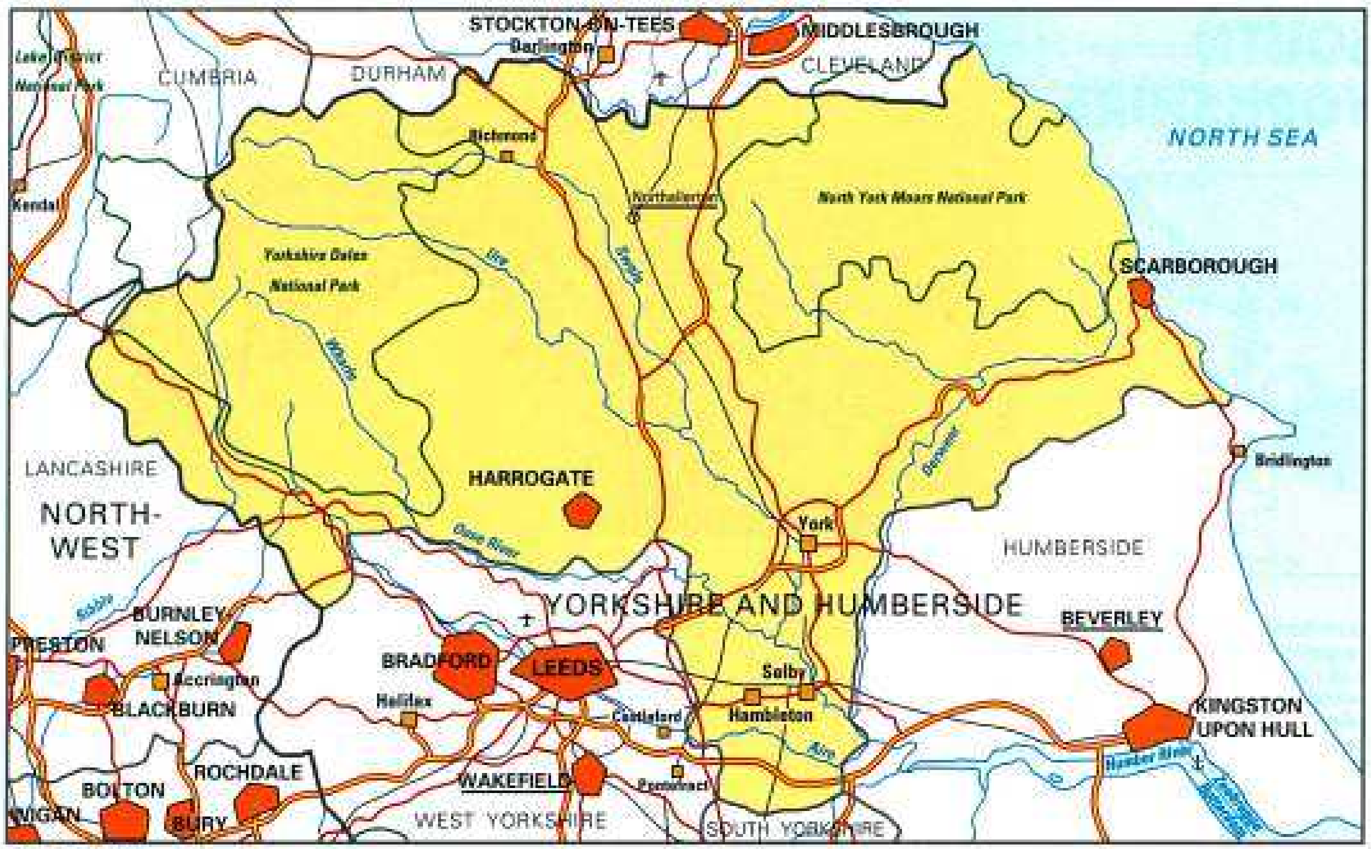
As a large predominantly rural county, North Yorkshire's natural resources play an important part in its economy. Most notable is agriculture which plays an important role in the economy of much of the county. Cereals are grown in the vale of York, while dairy farming is practised in the Yorkshire dales, and sheep farming on the higher ground. The land is also important as a recreational resource and there are two national parks based in the county (covering about a quarter of the county's total area): the Yorkshire Dales National Park for the Pennine region, and the North York Moors National Park, in the east. Tourism is thus an important and growing sector of the economy in these areas. It is also an important industry in York, and in Scarborough and coastal resorts.

Another resource which is being exploited is the North Yorkshire coalfield. One of the country's largest and most modern coal-mines has been established in the south of the county at Selby.

Although the county does not possess a history of large-scale manufacturing industry, there are centres of activity, most notably the food and drink processing industry based around the city of York.

Good national communications together with large-scale investment in facilities have lead to both Harrogate and Scarborough becoming important as venues for conferences and conventions.

NORTH YORKSHIRE



Scale 1 : 1 000 000

Which EC regions are similar to North Yorkshire?

Area:
8 300 km²
Kriti (GR)
Kassel (D)

Population:
0.7 million inhabitants
Limousin (F)
Thessalia (GR)
Baleares (E)

Age:
1 in 6 persons over 65
Braunschweig (D)
Midi-Pyrénées (F)

A sharp increase in population

In common with other rural area of Britain, North Yorkshire has experienced a sharp increase in population in recent years as people choose to move out of inner cities and from more urban areas to suburban and rural locations. Hence the district in North Yorkshire with the fastest growing population over the 1980s was Richmondshire, which at 40 persons per km² is one of the most sparsely populated districts in the country. Over this period, its population rose by a fifth. By contrast, the most densely populated district, York, saw its population fall slightly over this period.

Richmondshire again stands out as most dependent on agriculture for employment: nearly one in 10 of the workforce is so employed. Selby has an only slightly lower proportion employed in agriculture, but employment is dominated by the energy and water supply industry, due to the presence of the Selby coal-mining complex and the associated Drax power station which is the largest power station in the country.

Manufacturing is most important to the economies of Craven and Ryedale. Both employ a quarter of all employees in manufacturing. The city of York is the home of the confectionery firms Terry's and Rowntree's, and has a substantial food processing industry, and is also the administrative centre for the county.

	Area	Population			Activity	Unempl.	Employment			GDP/Inhab.
	1 000 km²	1 000	Inhab./km²	Change (%)	%	%	% Agricult.	% Industry	% Services	EUR (PPS) = 100
		1990	1990	1980-90	1988	1990	1989	1989	1989	1989
North Yorkshire	8.3	726	87	7.1	60	4.1	5	28	68	96
United Kingdom	242.5	57 411	237	2.0	62	6.3	1	30	69	107
EUR 12	2 253.7	327 931	146	3.2	54	8.3	7	33	60	100

UNITED KINGDOM

SOUTH YORKSHIRE

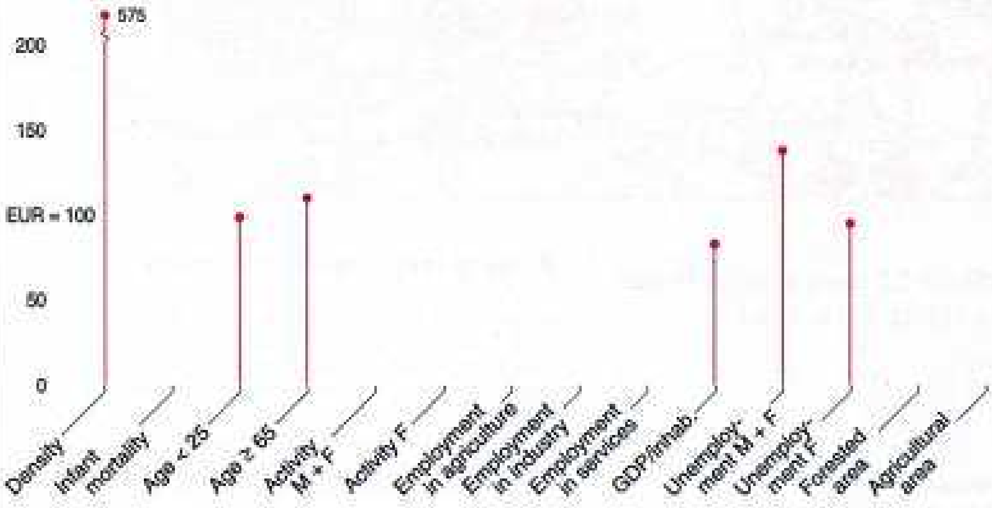
South Yorkshire is a predominantly urban county. At its centre lies Sheffield with a population of two-thirds of a million people. Contiguous with the Sheffield urban area is Rotherham to the east, while further east is Doncaster, and to the north, Barnsley. To the west lie the Pennine hills and a small part of the Peak District National Park is included within the county's border. The far east of the county is less densely populated and here agriculture is practised, principally dairy farming and some arable crops.

Historically the county is dominated by coal-mining and by iron and steel-making — Sheffield is famous for specialist steels manufacturing — and despite job losses in recent years, these industries remain the basis of the local economy.

Sheffield and Rotherham lie close to the M1 motorway, which is the principal road route from London to Scotland and the A1(M) motorway also traverses the county, passing close by Doncaster. These two roads are joined east to west by the M18 which continues east as the M180 to Scunthorpe and the east coast. Doncaster is linked to London by electric inter-city rail services, and the route continues north via the east coast main line to Edinburgh, and there are connections to Sheffield and across the Pennines to Manchester and Merseyside.

The 1991 World Student Games in Sheffield. The stadium, built for the Games, was paid for by the city's residents.

South Yorkshire in the Community

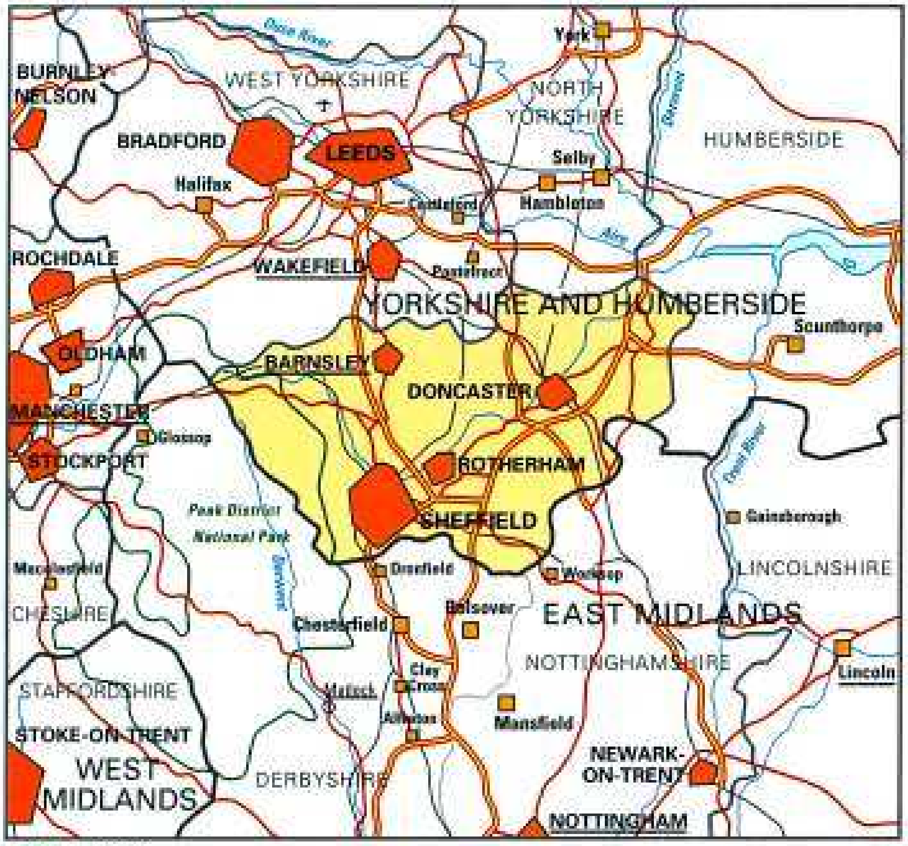


Decline in industry lessened by specialization

South Yorkshire lies at the heart of the most productive coalfield in Britain. Mining of coal was at the base of the county's industrial development and continues to be important to its economy today. Similarly, the steel industry located around Sheffield underpinned the manufacturing base of the local economy. Due to Sheffield's traditional expertise in special steels, most notably the manufacture of cutlery, the industry is probably less prone to cyclical downturns than other areas but as a corollary, the strength of both the coal-mining and steel-making industries has not encouraged industry to diversify. As both these industries have shed labour in recent years — partly due to increases in productivity — unemployment has increasingly become a problem throughout the county with rates now amongst the highest in the region and well above the national average.

Due to its position as the regional centre, Sheffield has also expanded significantly in financial and other services industries; overall throughout the county industries that have expanded in the region in recent years include non-metals manufacturing, glass and food processing.

SOUTH YORKSHIRE



Scale 1 : 1 000 000

Sheffield, a densely populated regional centre

South Yorkshire is administratively divided into only four districts, centred on Sheffield, Doncaster, Rotherham and Barnsley. Sheffield has the largest population and also the highest population density, but variations between the districts are not very great. Each district has a population of over 200 000, and Doncaster which is the least densely populated still has over 500 persons per km². At a more localized level, the variations are of course greater, so that for example the extreme west of the county, part of the Peak District, is virtually uninhabited.

Even though Sheffield's population fell over the 1980s by over 20 000 people, this was a decline of less than 4%. Doncaster and Rotherham slightly increased their populations over this period.

The proportion employed in energy and water supply is around four times the national average in Doncaster, Rotherham and Barnsley, due to the importance of coal-mining to the county. In Sheffield, this figure is below the national average. Sheffield however, has the highest proportion, over two-fifths, employed in other services, reflecting its status as the regional centre.

Which EC regions are similar to South Yorkshire?

Area:
± 1 600 km²
Greater London (UK)
Guadeloupe (F)

Population:
1.3 million inhabitants
Oost-Vlaanderen; Hainaut (B)

Population density:
over 800 inhabitants per km²
Île-de-France (F)
North-West (UK)

	Area	Population			Activity	Unempl.	Employment			GDP/inhab.
	1 000 km²	1 000	Inhab./km²	Change (%)	%	%	% Agricult.	% Industry	% Services	EUR(PPS) = 100
		1990	1990	1980-90	1988	1990	1989	1989	1989	1989
South Yorkshire	1.6	1 296	831	– 1.5	60	9.3	0	37	62	83
United Kingdom	242.5	57 411	237	2.0	62	6.3	1	30	69	107
EUR 12	2 253.7	327 931	146	3.2	54	8.3	7	33	60	100

UNITED KINGDOM

WEST YORKSHIRE

West Yorkshire is a county of contrasts, containing both remote, unpopulated sections of the Pennine hills and, in the valley of the river Aire that cuts through the Pennines, the West Yorkshire conurbation. Nearly three-quarters of the county's total population live in the West Yorkshire conurbation based on Leeds and Bradford. Other towns are Huddersfield and Halifax to the west of Leeds, and Wakefield to the east.

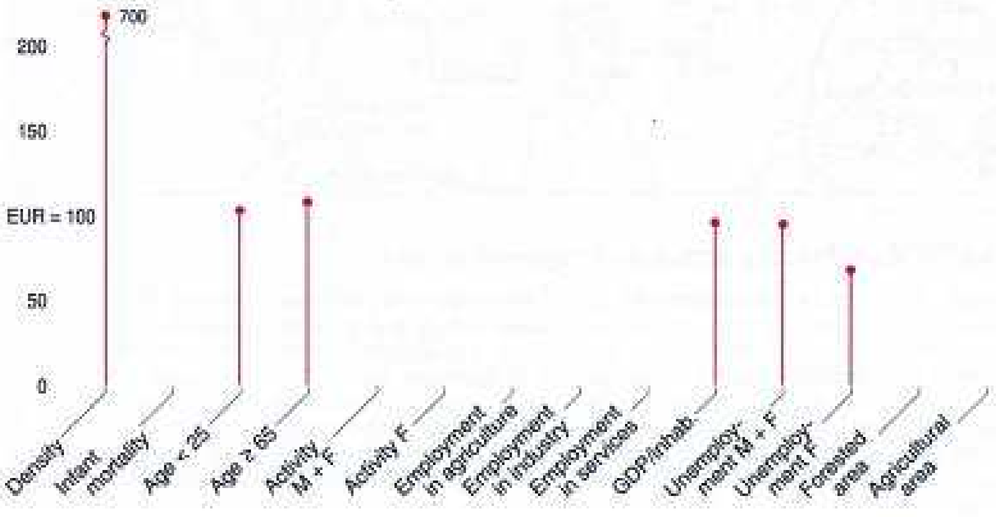
The West Yorkshire coalfield extends into the county, and coal-mining continues to be an important industry in the east, particularly around Wakefield and Castleford. Another traditional industry which remains important is textiles and most notably the concentration of clothing manufacture around Bradford.

West Yorkshire is connected to London in the south by the M1 motorway, which terminates at Leeds. The A1 trunk road also passes through the county, and continues north to Scotland. The main east to west road is the M62 which connects to Manchester in the west, and continues east via the M180 to Scunthorpe and the east coast.

Leeds is linked to London by electric inter-city rail services, and other routes connect the county to Manchester and Merseyside in the west and York to the north-east.

The Yorkshire Mining Museum at Wakefield, West Yorkshire. Now in decline, the coal industry was traditionally one of Yorkshire's main industries.

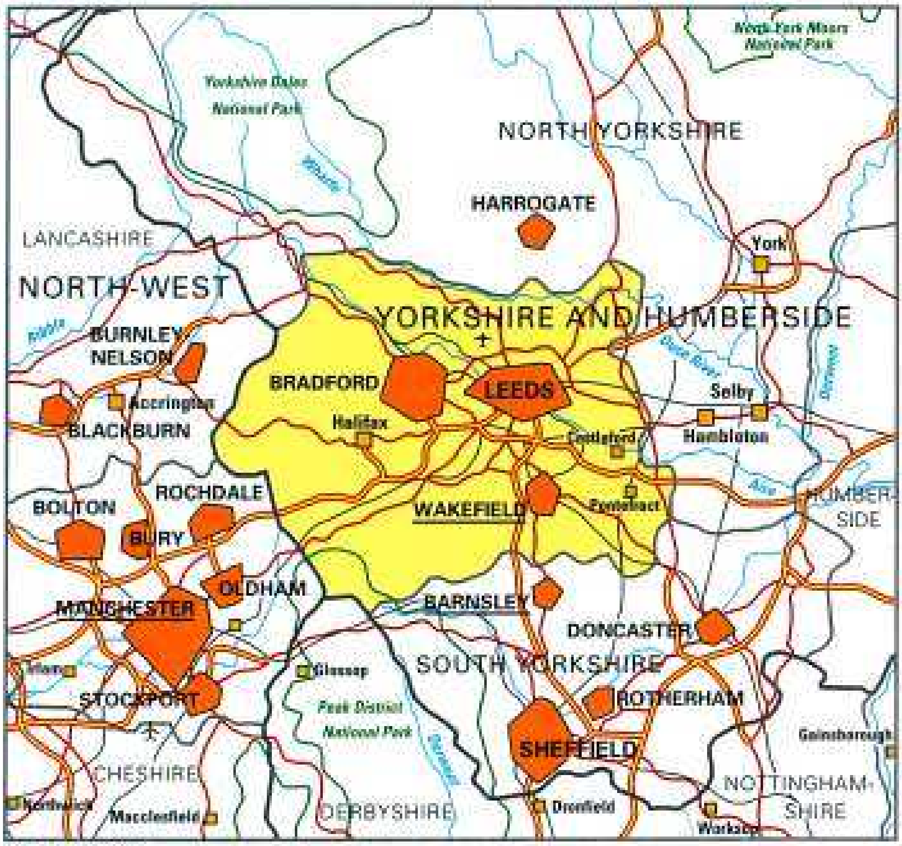
West Yorkshire in the Community



Leeds has developed a wide industrial base

Traditional industries that are still important include coal-mining and woollen textiles, where West Yorkshire is the main production centre in Britain. Both these industries have however seen steep falls in employment over recent decades and so unemployment has become a problem in areas where they were predominant: Bradford and Halifax in the case of woollen textiles and Wakefield and Castleford in the case of coal-mining. Leeds as the centre of the region has developed a wider industrial base, including financial services and retailing and so has not been as severely affected.

The county's unemployment is a little higher than the United Kingdom average, but below average for the Yorkshire and Humberside region.



Scale 1 : 1 000 000

Which EC regions are similar to West Yorkshire?

Area:
± 2 000 km²
Flevoland (NL)

Population:
2.1 million inhabitants
Languedoc-Roussillon (F)
País Vasco (E)
Weser-Ems (D)

Density:
± 1 000 inhabitants per km²
Düsseldorf (D)
Zuid-Holland (NL)

Energy in Wakefield, services in Leeds

West Yorkshire consists of five districts. The district of Leeds has a population of over 700 000 people, a little over a third of the county's total, which makes it, after Birmingham in the West Midlands, the second most populous district in Britain. Leeds is also, along with Bradford, the most densely populated district in the county, both have over 1 200 persons per km², although none of the districts of South Yorkshire are sparsely populated: Calderdale, the least densely settled still has over 500 persons per km².

Significant variations occur in the patterns of employment between the districts of the county. Wakefield, at the heart of the coal-mining industry has three times the national proportion of employment in energy and water supply, while in the other districts this is negligible. Manufacturing is the biggest sector in Calderdale and Kirklees where two-fifths of the workforce is so employed while in Leeds over two-fifths work in the 'other services' sector, reflecting the importance of Leeds as an administrative centre for the region.

	Area	Population			Activity	Unempl.	Employment			GDP/inhab.
	1 000 km²	1 000	Inhab./km²	Change (%)	%	%	% Agricult.	% Industry	% Services	EUR (PPS) = 100
		1990	1990	1980-90	1988	1990	1989	1989	1989	1989
West Yorkshire	2.0	2 070	1 015	0.1	62	6.8	0	36	64	96
United Kingdom	242.5	57 411	237	2.0	62	6.3	1	30	69	107
EUR 12	2 253.7	327 931	146	3.2	54	8.3	7	33	60	100

UNITED KINGDOM

EAST MIDLANDS

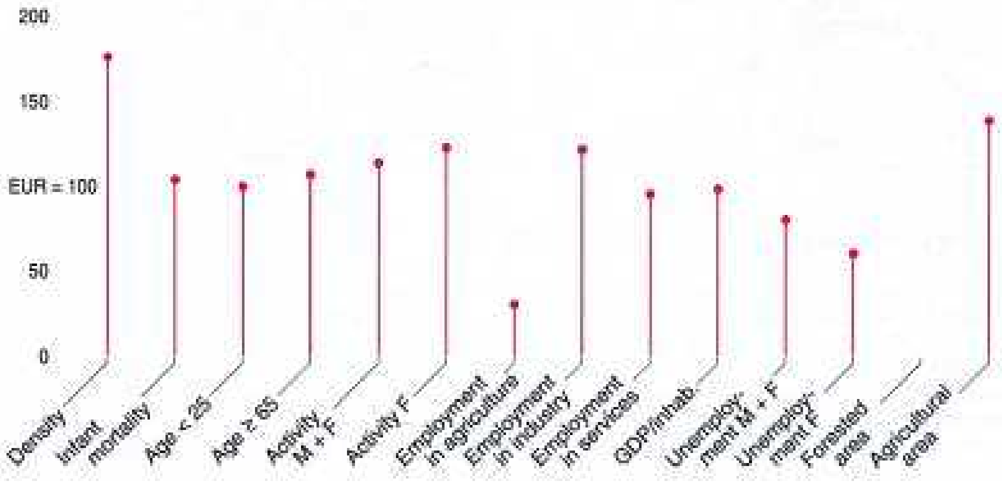
The East Midlands is bordered by Yorkshire and Humberside, the North-West, the West Midlands, the South-East and East Anglia and by a lengthy stretch of North Sea coastline to the east. The north-west of the region is dominated by the southern part of the Pennines which form the Derbyshire Peak District National Park. In contrast, the south and east is much flatter, characterized by rolling lowlands.

The region is also notable for its forests: Sherwood forest the legendary home of Robin Hood in Nottinghamshire, and a new national forest is to be located in Leicestershire. The landscape is predominantly rural, but there are major urban centres in the cities of Derby, Leicester, Lincoln and Nottingham, and the town of Northampton.

The East Midlands is well served by both road and rail transport, notably north-south routes such as the M1 motorway and Midland main-line railway in the west and to the east, the A1 trunk road and East Coast main-line railway. A major east-west link road connecting the M1 and A1 is under construction, and the M1 itself is to be widened throughout its length in the region. The principal airport in the region is the East Midlands airport, near Derby and close to the M1.

The recently improved East Midlands airport has links with destinations in Britain and mainland Europe.

East Midlands in the Community



A rich and diverse industrial base

The East Midlands has an abundance of natural strengths, with major coal deposits and major rivers such as the Trent making it an ideal area for energy supply and manufacturing. The fertile land in the east of the region has also permitted the development of a prosperous agricultural industry. When the United Kingdom began to industrialize, the East Midlands developed into a region with a diverse industrial base. This base acted as a stabilizing factor against the worst of the recession, although the traditional production industries of energy supply, textiles and hosiery have suffered a long-term decline. With its specialist labour skills, the area around Derby for example, is still a centre for engineering, particularly in the aerospace and rail industries.

Although badly hit by the recent recession, engineering in the region has been more resilient to long-term decline than in the country as a whole. The importance of tourism in the region's economy has increased steadily, notably along the east coast and in the Derbyshire Peak District National Park.

The work-force, particularly those youngsters entering the labour market for the first time, is becoming more qualified. School pupils in the East Midlands outperform pupils in most other parts of the United Kingdom, with nearly two-thirds of 16-year-olds continuing in education. Unemployment remains a problem, but is below the national average. There are pockets of higher unemployment in those areas which have suffered as a result of the decline of the coal and textile industries.

EAST MIDLANDS

Scale 1 : 2 000 000

Which EC regions are similar to East Midlands?

Area:
16 000 km²
Schleswig-Holstein (D)
Franche-Comté (F)

Population:
4 million inhabitants
250 inhabitants per km²
Veneto (I)

Employment:
2% in agriculture
40% in industry
Saarland (D)
West Midlands (UK)

Coal in the north, agriculture in the east

The major differences within the region are related to geography and to mineral and coal deposits. The importance of the coalfields in the north of the region means that the energy and water supply industries are important employers in pockets of the region. However, as the coal industry declined these were also the areas likely to suffer from higher unemployment rates — the region's highest unemployment is in Nottinghamshire, which also has one of the highest percentages of employees in the energy supply sector in the United Kingdom. The areas around the river Trent, with their ready supply of water, are important manufacturing and electricity producing centres.

In contrast, agriculture is more important on the flat and fertile plains of Lincolnshire — only a few of the rural parts of Scotland and Wales have a greater percentage in agriculture.

During the 1980s, population has fallen, albeit sightly, in the major urban centres of Derby, Leicester, and Nottingham, while a handful of more rural districts have grown by over 10%. The exception is Northampton in the south, which despite being one of the most densely populated districts had the fastest growing population in the region during the 1980s, because of the completion of planned overspill developments serving the South-East.

	Area	Population			Activity	Unempl.	Employment			GDP/inhab.
	1 000 km²	1 000	Inhab./km²	Change (%)	%	%	% Agricult.	% Industry	% Services	EUR (PPS) = 100
		1990	1990	1980-90	1988	1990	1989	1989	1989	1989
Derbyshire, Nottinghamshire	4.8	1 950	406	2.3	64	6.1	1	40	59	96
Leicestershire, Northamptonshire	5.0	1 478	300	6.8	65	4.0	1	40	59	109
Lincolnshire	5.9	591	100	7.5	60	5.7	8	28	64	87
East Midlands	15.6	4 019	258	4.7	63	5.3	2	39	59	99
United Kingdom	242.5	57 411	237	2.0	62	6.3	1	30	69	107
EUR 12	2 253.7	327 931	146	3.2	54	8.3	7	33	60	100

EAST MIDLANDS

One of the fastest growing populations in the UK

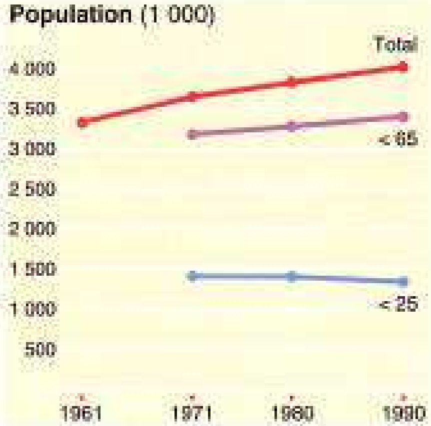
Since 1961, the East Midlands has had one of the fastest growing populations in the United Kingdom (annual growth rate 0.7%). Birth rates in the East Midlands fell substantially between the early 1960s and the mid-1980s, but have since recovered slightly — roughly in line with national trends though they remain below the United Kingdom average. On the other hand, death rates have remained fairly static and again below the national average. These trends have meant that the natural increase in population (i.e. births minus deaths) has become less and less of a factor in overall population growth.

The number of people moving to the East Midlands from elsewhere has therefore been the major source of growth. In 1989, 4 300 people moved from the other countries of the European Community to the East Midlands with a much smaller number (around 300) going the other way. Since the early 1960s, the age structure of the East Midlands population has changed very much in line with national trends: ageing population, smaller proportions of younger people and growing proportions over retirement age (the East Midlands has the second largest influx of people over pensionable age). This shift is of course one reason why birth rates have fallen.

Population by age — 1990

	M + F 1 000	M + F %	M %	F %
< 15	761.0	18.9	19.7	18.2
15-24	587.0	14.6	15.2	14.1
25-39	893.0	22.2	22.8	21.7
40-54	758.0	18.9	19.3	18.4
55-64	406.0	10.1	10.2	10.1
≥ 65	614.0	15.3	12.8	17.7
Total	4 018.7	100.0	100.0	100.0

Population (1 000)



Resident population of foreign nationality — 1988-90

	1 000	% of total population
Total	76.0	1.9
of which EC countries	30.7	0.8
of which non-EC countries	45.3	1.1
Ireland	21.8	0.6
India	13.3	0.3
Italy	3.4	0.1
Poland	3.3	0.1
USA	3.3	0.1
Jamaica	2.9	0.1

Demographic account — 1980-90 (1 000)

Population 30.6.1980	3 838
Births	507
Deaths	432
Net migration	+ 106
Population 30.6.1990	4 019

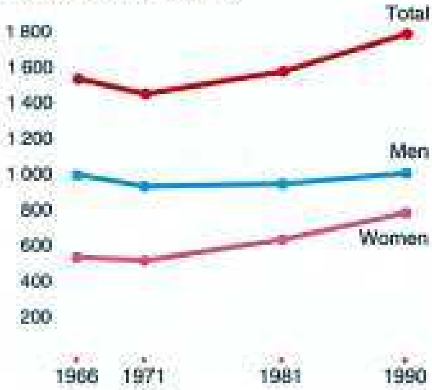
Improving educational performance

Over a quarter of the East Midlands workforce have no recognized qualification. However, recent educational performance in the East Midlands suggests that this situation may be improving. Compulsory education ends at age 16 in England, but nearly two-thirds of 16-year-old pupils in the East Midlands stay on at school or enter some kind of further education. Only Scotland, which has a slightly different education system, has a higher percentage of pupils continuing in education. Similarly the performance of pupils in the East Midlands compares favourably with that elsewhere in the country — only around one in 12 boys and one in 20 girls leave without any recognized qualification. The region has both traditional and newer city universities and polytechnics in Nottingham, Leicester and Loughborough, which offer the full range of disciplines. There are also higher education colleges in Derby, Northampton and Lincoln. In 1989-90, seven out of 10 of those who completed Youth Training Schemes went on to find employment.

Number of pupils — 1990

	M + F 1 000	F %
Pre-school	54	49
Primary	307	49
Lower secondary	144	49
Higher secondary (technical)	142	55
Higher secondary (general)	130	49
Higher education	57	42
Total	834	49

Employment (1 000)



Employment structure (%)

Employment — 1981 (1 000)

Resident employment	1 643.0
+ Non-residents having a job in the region	51.0
− Residents having a job outside the region	103.8
= Internal employment	1 590.2

Unemployment (%)

From tights to Toyotas

In medieval times distinctive trades grew up in the East Midlands based on silk, lace, hosiery and footwear manufacture. The region prospered in the nineteenth century and developed a strong industrial base. As the region contains the largest part of one of the most productive British coalfields, energy supply has been an important sector. However, the more recent decline of the coal industry has seen this position change, although there are vast differences within the region with nearly a quarter of employees in the district of Bolsover still working in this sector.

Manufacturing remains an important sector. Important employers such as British Rail Engineering in the Derby area, Rolls Royce in Derby and Royal Ordnance, GEC Plessey Telecommunications and Boots Pharmaceuticals all in Nottingham are continuing the manufacturing tradition. The Japanese car manufacturing firm Toyota has chosen Derby as the centre of their European car manufacturing plant. In recent years, the knitwear and textile industry has been badly affected by competition from cheaper foreign imports, high interest rates and warm winters.

Services sector employment has grown faster than the national average and now accounts for over 60% of all employees. The region is becoming a major centre for business and administration as many firms relocate from the South-East.

In the eastern part of the region, based around the fertile lands in the Fens and around the Wash, agriculture becomes more important, employing nearly one in five of the work-force in some districts.

Self-employment has risen since the 1980s and now accounts for over 12% of the work-force.

Characteristics of resident employment (%)

	< 25 years	25-54 years	≥ 55 years	Employees	Employees: part-time		Employees: full-time, temporary contract	
	1990	1990	1990	1990	1983	1990	1983	1990
Men	19	68	13	82	3	5	2	1
Women	20	69	11	93	41	47	2	2
Total	20	69	12	87	19	24	2	2

High unemployment in coal-mining areas

Since the 1960s, unemployment in the region has been below the United Kingdom average and has reflected national trends. Areas of higher unemployment do exist, both in the urban centres and in the economically weaker rural areas. Nottinghamshire has an unemployment rate which is above the national average. Much of the present unemployment is structural, stemming from the decline of the region's traditional industries. The decline of the old coal-mining and textile industries in Derbyshire, Nottinghamshire and Leicestershire have lead to pockets of higher unemployment. Similarly the decline in the importance of agriculture has lead to some rural unemployment. This is particularly the case in the coastal parts of Lincolnshire which also suffer because of their weak economic base. The predominantly urban local authority areas of Derby, Leicester and Nottingham account for over 30% of the region's unemployment, but less than 20% of the region's population.

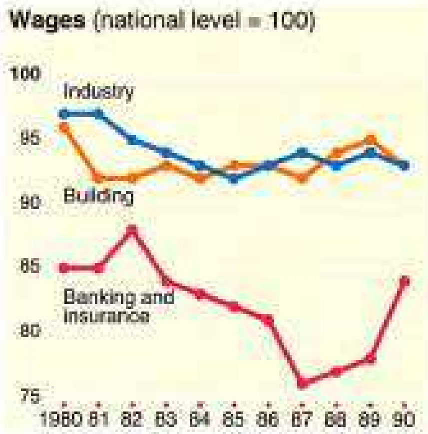
Long-term unemployment is below the United Kingdom average in the region — with less than a quarter of the unemployed having been out of work for more than a year. Again however, there are differences within the region.

EAST MIDLANDS

A quarter of the UK clothing and footwear capacity

There are over 113 000 businesses in the East Midlands whose turnover is large enough for them to be registered for VAT. Despite its continuing importance to the economy in parts of the region, agriculture contributes just 2% to gross domestic product. Although declining in terms of numbers of people employed, the highly productive coalfields of the region contribute nearly 3.5% to GDP, and the extraction and processing of other minerals particularly limestone and aggregates are also significant. In the early 1980s, the East Midlands produced more coal than any other region — nearly a third of the United Kingdom total. However, output fell during the 1980s and by the end of the decade Yorkshire and Humberside had overtaken the East Midlands as the largest coal-producing region. Manufacturing remains the largest sector in the regional economy accounting for just over 30% of total GDP. Historically, the clothing and footwear industries have been important and the region now contains around a quarter of the United Kingdom's capacity in these industries. The economic development of Northamptonshire in the south of the region has been affected by its proximity to the South-East region. The contribution which foreign-owned businesses make to gross value-added in manufacturing has declined during the 1980s to reach only 10% by 1988. Although the region as a whole has relatively few newer industries, there are important exceptions: Derby and Loughborough are important research centres for transport and aerospace-related engineering industries. Major growth has also occurred in the services sector across the region.

The two Enterprise Zones in the region (Corby and Wellingborough) provide financial and other benefits over a 10-year period to new and existing businesses within the zones — these include exemptions from certain rates, tax concessions and simpler procedures for planning permission.

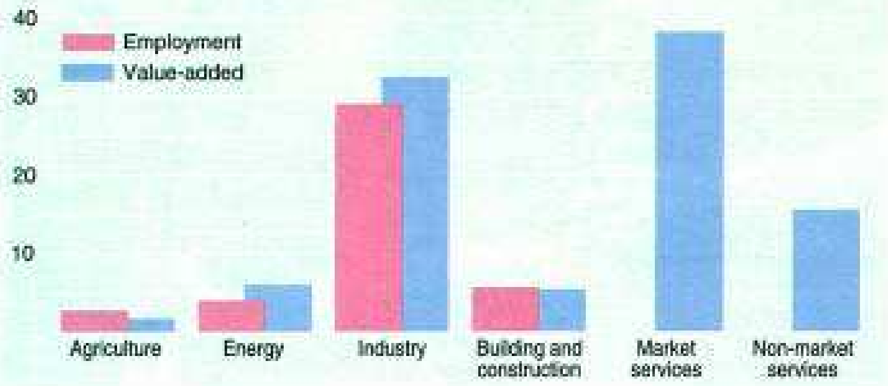


Above average working hours

Average weekly earnings in the East Midlands are around 90% of the national average with full-time men earning ECU 378 and women ECU 254 per week in 1990. Men working full-time in the East Midlands also worked nearly one hour per week more than the United Kingdom average (42.2 hours per week in 1990), due at least in part to the greater proportion of employees in manufacturing industry in the region. Women work fewer hours than men, but still above the national average.

The highest rates of pay are earned in the banking and business-services sector. In 1989 the average household income in the East Midlands totalled ECU 10 400 per person. Income from employment is by far the major part of household income, accounting for around three-fifths of the total; other sources include the earnings of self-employed persons (10%), incomes from pensions and social security benefits (18%), and income from investment (9%). Taxes, social security contributions and other deductions from income accounted for 20% of the total. Patterns in consumers' expenditure are much in line with the picture for the United Kingdom as a whole: expenditure on food and clothing, for example, makes up a substantial but falling proportion of the total. In 1989 people in the East Midlands spent 18% of the total on food and clothing whereas this proportion was as high as 28% in the early 1970s. In contrast, expenditure on transport and communication which made up 13% in the early 1970s was 17% in 1989.

Employment and value-added: distribution by branch – 1986 (%)



Declining importance of traditional industries

Despite the importance of agriculture in certain parts of the region, the sector contributes just 2% to regional GDP. A third of agricultural land is given over to wheat and the region is the second biggest wheat producer after the South-East with one of the highest yields in the country.

Given the traditional importance of the energy and water-supply sector based on coal and electricity production and on the diverse manufacturing base, it is still the case that these sectors provide a large share of regional GDP, although their importance has declined over recent years. Overreliance on a few traditional industries is declining, and the region is home to a number of nationally and internationally known engineering companies. The region has attracted much inward investment, with the Toyota car production plant being the largest single investment by a Japanese company in Europe to date.

The services sector which accounts for only 12% of regional GDP is significantly below the national average, but the growth in financial services in the late 1980s should resume once the economic position improves. The region is becoming a destination for government departments relocating from the more expensive South-East, with 2 000 Inland Revenue and 600 English Heritage posts planned for Nottingham and 1 900 Home Office jobs transferring to Derby.

Agriculture

Number of holdings	17 080
Labour force	43 860 AWU
Agricultural area	1 218 000 ha
Livestock	613 000 LU
Gross value-added	22 557 ECU/AWU
Main products	
Cereals	25%
Main crops	16%
Poultry, eggs	12%

Main enterprises

Name	Activity
Boots Company PLC	Manufacture of pharmaceuticals; retail trade
Next PLC	Retail trade
Booker Belmont Wholesale Ltd	Wholesale of food
AAH Holdings PLC	Mixed activities
Williams Holdings PLC	Mixed activities
British Shoe Corporation Ltd	Manufacture and sale of footwear
Coalite Products PLC	Mixed activities
Linpac Group PLC	Manufacture of plastic packing
Geest PLC	Retail sale of food
Courtaulds Clothing Brands Ltd	Manufacture of wearing apparel

Beautiful and picturesque landscape

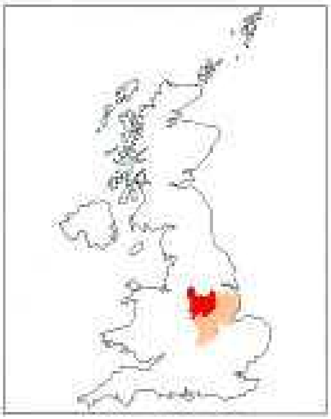
Much of the region has beautiful and picturesque landscape, some of which including the Peak District National Park attracts large numbers of tourists. Mineral extraction is a major activity in many parts of the region. Limestone quarrying has caused environmental controversy in the Peak District National Park, while aggregates and opencast coal-mining create problems in other areas. Given the fact that sulphur emissions are an international problem, the rate at which desulphurization takes place in the major coalfield power stations along the river Trent is a matter of wide interest. Involving as it does a demand for limestone, this interacts with pressures for quarrying.

River water quality is being improved under a big investment programme but there are some bad patches — particularly in the north of the region. Hedgerow removal in the reasonably intensive agricultural areas in the east of the region has also been harmful, and there has been pressure from time to time to reclaim important wetlands on the east coast. There are areas in east Nottinghamshire and Lincolnshire where nitrogen levels in the domestic water supply have caused concern and control schemes have recently been introduced.

Waste disposal is still mainly on landfill sites particularly in the eastern part of the region where such sites are still plentiful. Nottinghamshire incinerates a significant part of its waste and now faces substantial costs in upgrading its equipment to EC standards. Industrial recycling is well developed, but for domestic waste it is still not widely used, although a number of experiments are in operation at present. Initiatives of special interest include two new amenity forests, and the nomination of Leicester as Britain's first Environment City.

UNITED KINGDOM

DERBYSHIRE, NOTTINGHAMSHIRE

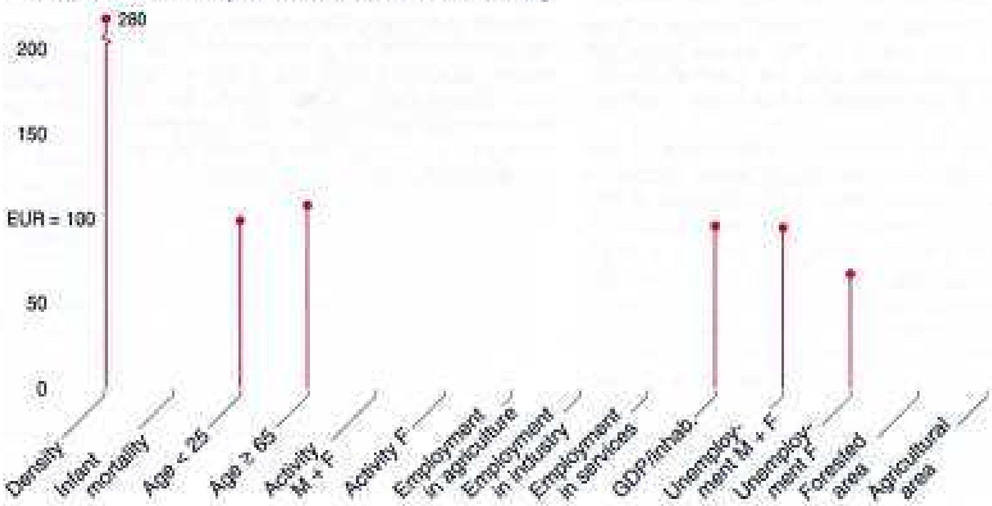


The statue of Robin Hood, legendary English outlaw and champion of the poor against the rich.

Derbyshire and Nottinghamshire are located to the north of the English Midlands. Both counties are landlocked. The north of Derbyshire contains the southern end of the Pennine hills, in an area known as the Peak District which is noted for its rugged scenery. The Derbyshire Peak District National Park borders partially on the north of Nottinghamshire. Most of the centres of population and industry are in the lower-lying southern and eastern parts of the counties, in the valleys of the rivers Trent and Derwent. By far the largest is the Nottingham urban area with a population of over half a million, making it the largest conurbation in the East Midlands. Other main centres are Derby to the west and Chesterfield and Mansfield to the north.

The area is traversed by the M1 motorway, which is the principal north-south road route through England. Nottingham, Derby and Chesterfield are all located close to this motorway, as is the East Midlands international airport to the south. The A52 trunk road runs east to west and links Derby with Nottingham and the east coast. Main-line rail services are available linking the area with London to the south and Yorkshire to the north.

Derbyshire, Nottinghamshire in the Community



High productivity coal-mines

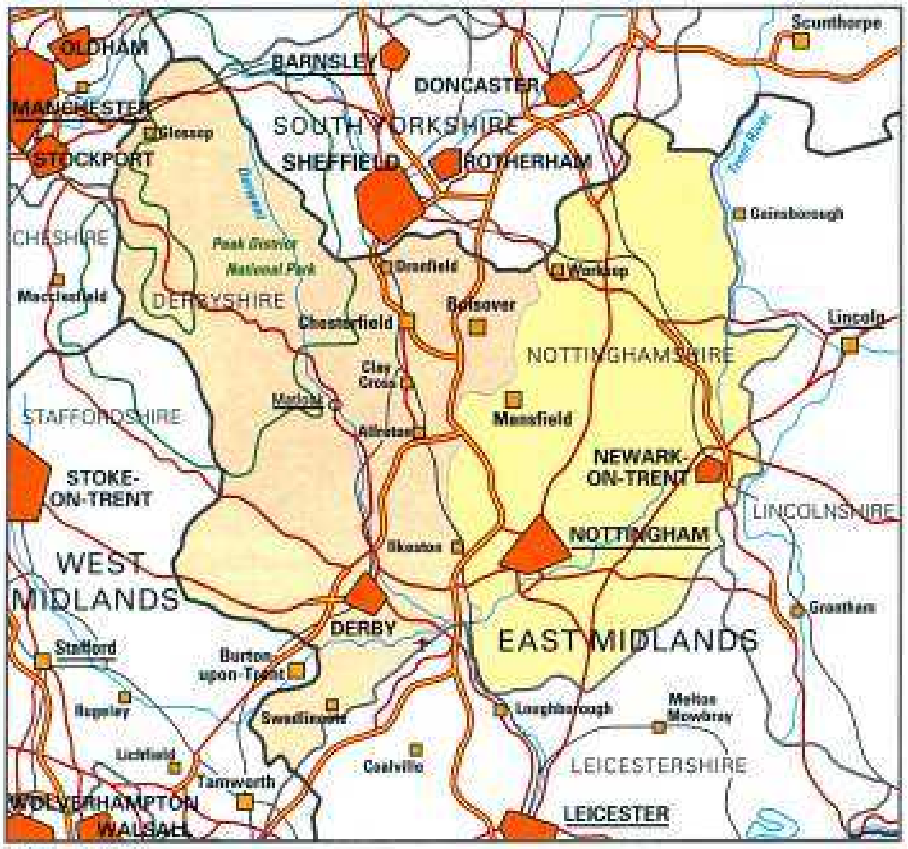
Historically, the two counties lay at the heart of the East Midlands coalfield, which was until recently the most productive coalfield in the country. Rationalization of the coal-mining industry over the last few years has reduced employment significantly, but the remaining pits now have amongst the highest productivity in the country and so coal-mining continues to be an important sector in the economy of both counties.

Another traditional industry that continues to be important is textiles and clothing, but unfortunately, this industry too has generally shed labour in recent years contributing to unemployment in both counties.

The engineering strength of Derby has meant that this industry still has potential for growth, and Derby has been chosen as the site of the Japanese Toyota car company's European assembly plant, which will join the Rolls Royce and British Rail engineering works in the Derby area.

Nottinghamshire, by contrast has a wider industrial base which includes pharmaceuticals, food processing and electronics in addition to engineering.

DERBYSHIRE, NOTTINGHAMSHIRE



Scale 1 : 1 000 000

Which EC regions are similar to Derbyshire, Nottinghamshire?

Area:
nearly 5 000 km²
- Algarve (P)
- Trier (D)
- Leicestershire, Northamptonshire (UK)

Population:
1.9 million inhabitants
- Freiburg (D)
- Berkshire, Buckinghamshire, Oxfordshire (UK)

Population density:
400-430 inhabitants per km²
- Saarland (D)
- Noord-Brabant (NL)
- Cheshire; Essex (UK)

Nottingham, the regional centre

Differences in industrial structure and settlement patterns throughout Derbyshire and Nottinghamshire counties are basically derived from the geography underlying the region. Thus the north is generally more sparsely inhabited, with communities which grew up in mining areas still highly dependent on the coal-mining industry. In the district of Bolsover in northern Derbyshire nearly a quarter of all employment is in the energy and water supply industry; similarly in Newark in Nottinghamshire, this proportion is one in five.

The city of Nottingham has an economy depending much more on services, reflecting its role as the regional centre — here, nearly a half of all employment is in 'other services'.

Recent movements in population broadly follow the national patterns, that is to say there has been a fall in population in most urban areas, and corresponding increases in more rural areas. The fastest increase in population over the 1980s has been over 8% in Rushcliffe in Nottinghamshire. The decline in urban areas population has however been much less pronounced than is the case nationally. The biggest fall in population over the 1980s was in Nottingham city which was down nearly 2% over this period.

	Area	Population			Activity	Unempl.	Employment			GDP/inhab.
	1 000 km²	1 000	Inhab./km²	Change (%)	%	%	% Agricult.	% Industry	% Services	EUR (PPS) = 100
		1990	1990	1980-90	1988	1990	1989	1989	1989	1989
Derbyshire	2.6	933	359	2.2	62	5.5	1	44	55	91
Nottinghamshire	2.2	1 017	462	2.5	63	6.6	1	38	61	101
Derbyshire, Nottinghamshire	4.8	1 950	406	2.3	64	6.1	1	41	58	96
United Kingdom	242.5	57 411	237	2.0	62	6.3	1	30	69	107
EUR 12	2 253.7	327 931	146	3.2	54	8.3	7	33	60	100

UNITED KINGDOM

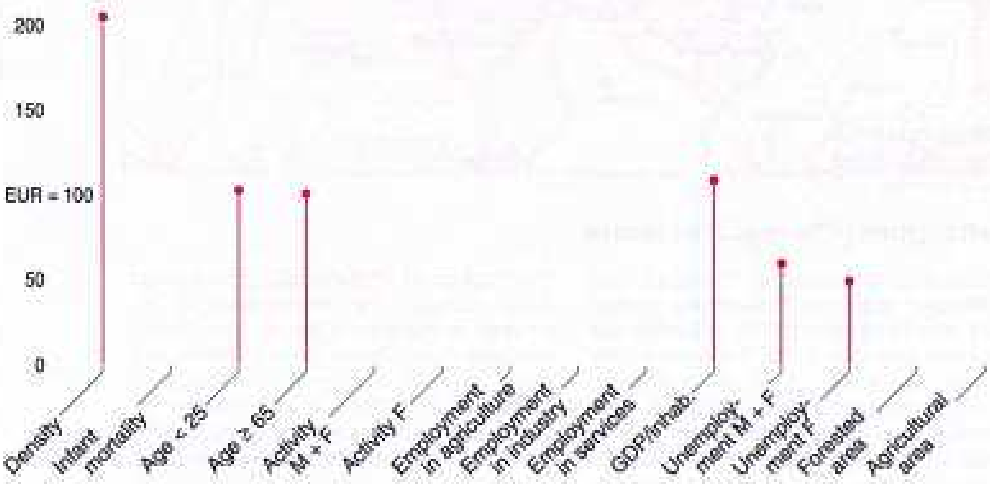
LEICESTERSHIRE, NORTHAMPTONSHIRE

These two counties, situated at the southern end of the Midlands, benefit from their central location in the country. The largest city is Leicester with a population of a quarter of a million, although the urban area based on Leicester is significantly larger, with a population of 400 000. Other urban centres are Loughborough, Northampton, Corby and Wellingborough. Some parts particularly in the north of Leicestershire are afforested, most notably Charnwood forest in the north-west, but much of the land is used for agriculture, principally arable farming and stock rearing in Northamptonshire, while there is more dairy farming in Leicestershire.

Due to their central location, Northamptonshire and Leicestershire have good communications with all parts of the country. The main north to south road route is the M1 motorway from London in the south to Yorkshire and the north. Both Leicester and Northampton are situated close to this motorway. Birmingham to the west is connected by another motorway, the M6, which affords access, via the M5, to the south-west and Wales. The East Midlands international airport is located in the extreme north of Leicestershire. It serves the entire East Midlands region providing scheduled services to Europe.

The city of Leicester was famous in the nineteenth century for the manufacture of footwear.

Leicestershire, Northamptonshire in the Community



Central location and good communications

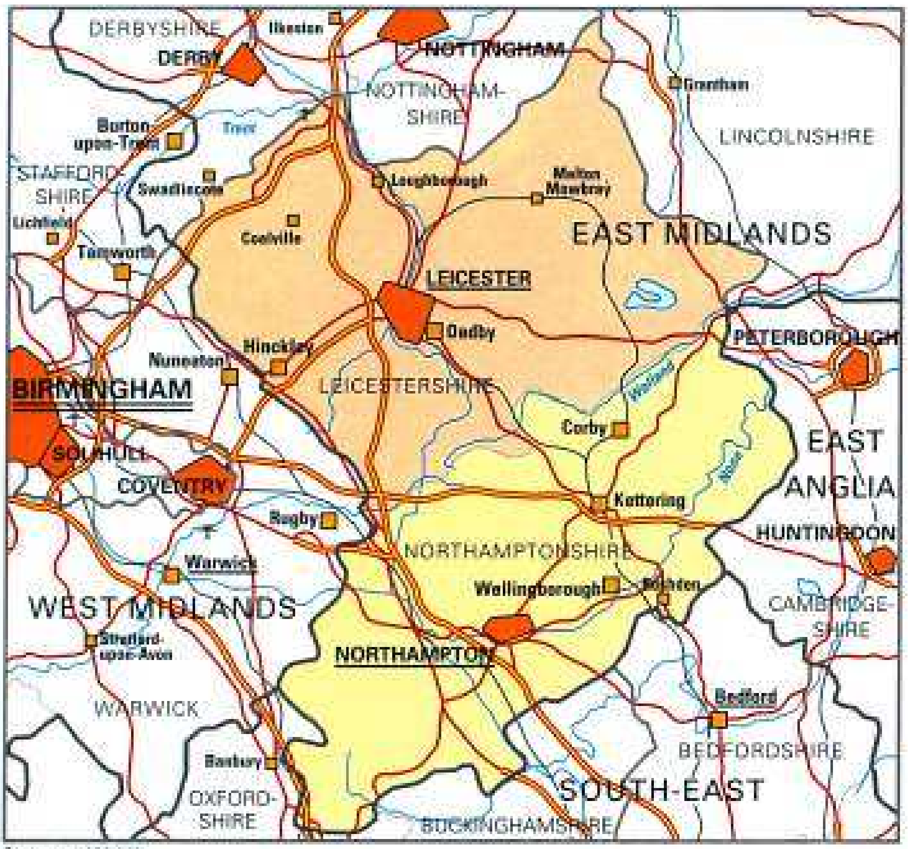
The counties' central location and good communications have allowed them to establish a wide economic base, particularly in manufacturing and distribution, and both counties have unemployment rates well below the national average.

Traditionally important industries in Leicestershire are footwear and clothing which have been joined by manufacturing, particularly plastic manufactures, and electronic engineering. Footwear and clothing manufacture is also important in Northamptonshire, as is food processing. However, recent years have seen particular growth in packaging and distribution, due to the advantageous location of the county and the availability of land for commercial use.

Nearly 40 % of the work-force of Daventry in Northampton works in the construction, distribution, transport and communcation sector. In many districts elsewhere, manufacturing is the largest sector — employing over half the total in Corby.

Northamptonshire has two so-called new towns: Corby new town, established in 1950, and Northampton new town, established in 1968. The closure of the steelworks at Corby in the mid-1980s led to severe unemployment, and measures to combat this include the establishment of an Enterprise Zone to stimulate the local economy. An Enterprise Zone has also been established in Wellingborough.

LEICESTERSHIRE, NORTHAMPTONSHIRE



Scale 1 : 1 000 000

Which EC regions are similar to Leicestershire, Northamptonshire?

Area:
nearly 5 000 km²
- Algarve (P)
- Trier (D)

Population:
1.5 million inhabitants
- Lüneburg (D)
- Canarias (E)
- Cornwall, Devon (UK)

Population density:
290-300 inhabitants per km²
- Overijssel (NL)
- País Vasco (E)
- Lazio (I)
- Lisboa e Vale do Tejo (P)

Sparsely populated rural areas, densely populated cities

Much of Leicestershire and Northamptonshire is rural, and is settled relatively lightly, although neither county contains any very sparsely populated areas. The city of Leicester is the most densely populated district, with over 3 800 persons per km². At the other extreme, Melton and Rutland in Leicestershire and Daventry in Northamptonshire each have less than 100 persons per km².

In Britain generally, inner city and more urban districts have experienced generally declining populations over the last few years, while more rural districts' populations have increased. Hence for Leicestershire, the district of Oadby and Wigston, a suburb of Leicester, together with Leicester city have seen their populations fall over the 1980s whilst that of Rutland increased by over 11%.

In Northamptonshire, the pattern is more unusual because the district containing the largest town Northampton, also contains a rapidly expanding new town. The population of Northampton district thus increased by nearly a sixth over the 1980s. By contrast, the depressed economy of the other new town, Corby, led to its population falling during this period.

	Area	Population			Activity	Unempl.	Employment			GDP/inhab.
	1 000 km²	1 000	Inhab./km²	Change (%)	%	%	% Agricult.	% Industry	% Services	EUR (PPS) = 100
		1990	1990	1980-90	1988	1990	1989	1989	1989	1989
Leicestershire	2.6	898	352	5.2	66	4.4	1	42	57	110
Northamptonshire	2.4	580	245	9.5	65	3.4	1	38	61	107
Leicestershire, Northamptonshire	4.9	1 478	300	6.8	65	4.0	1	40	59	109
United Kingdom	242.5	57 411	237	2.0	62	6.3	1	30	69	107
EUR 12	2 253.7	327 931	146	3.2	54	8.3	7	33	60	100

UNITED KINGDOM

LINCOLNSHIRE

Lincolnshire is the largest county in the Midlands, and is the fourth largest county in England. It is predominantly low-lying although two ranges of rolling hills cross the county from north to south. On the western border with Nottinghamshire is the Lincolnshire Edge, whilst in the centre of the county lie the Lincolnshire Wolds. Eastward from the wolds to the east coast lie the fens, a low-lying marshy area surrounding the inlet known as 'the Wash'.

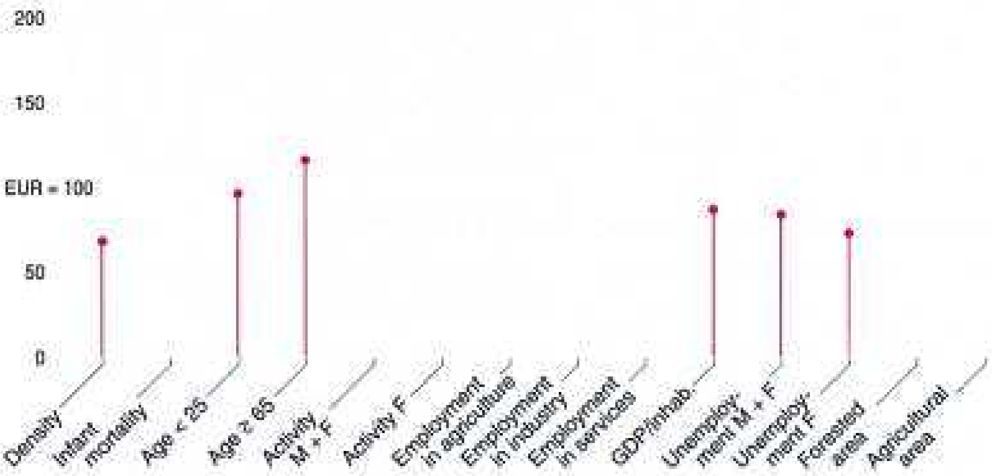
The county has long been one of England's foremost agricultural areas with the fens having been subject to extensive drainage for land reclamation since medieval times. Over four-fifths of the county's area is now given over to agriculture.

The county's population is widely dispersed. Many settlements grew up from market towns, the main centres being Lincoln, Spalding and Boston, and the coastal town of Skegness. The importance of agriculture has largely determined the industries that have developed in these towns: food processing, agricultural machinery and distribution being examples.

Two trunk roads cross the county north to south, the A15 links Lincoln with Hull to the north, while the A16 joins Spalding and Boston with Grimsby. The A1 trunk road passes through the south-west of the county.

Lincoln Cathedral: the city owes its prosperity to local heavy industry, but retains its ancient character.

Lincolnshire in the Community



High productivity agricultural land but poor communications

Lincolnshire's principal natural assets are its very productive agricultural land and its coastal scenery. The importance of agriculture has had both advantages and disadvantages for the county. Arable farming on large mechanized farms predominates, with grain and root crops being most important although horticulture and stock rearing are also practised. While this means that the county's agriculture is highly efficient, the high degree of mechanization means that the industry is unlikely to provide new jobs, and employment in agriculture is more likely to fall in the medium term. Industries serving agriculture, or integrated with it such as agricultural engineering and food processing provide a somewhat wider economic base. However, the preponderance of agriculture is a factor in keeping average earnings in Lincolnshire amongst the lowest in England. The county's unemployment rates are around the national average.

The relatively sparse population together with a rather peripheral location have meant that the county historically has had poor communications with the rest of the country. Development of transport infrastructure on the fens is further hampered by the inherent problems of building on the low-lying marshy ground, however improved communications have encouraged the growth of tourism in the county. The coastal resorts of Skegness and Mablethorpe in particular attract visitors from the East Midlands principally from the conurbations.

LINCOLNSHIRE

Scale 1 : 1 000 000

Which EC regions are similar to Lincolnshire?

Area:
5 900 km²
Hereford-Worcestershire, Warwickshire (UK)

Population:
0.6 million inhabitants
Anatoliki Makedonia, Thraki (GR)
Friesland (NL)
Alentejo (P)

Population density:
100 inhabitants per km²
Niederbayern; Oberpfalz; Trier (D)
Cantabria (E)
Umbria (I)
Flevoland (NL)

Agriculture in rural areas, services in the cities

The largest towns in Lincolnshire are Lincoln, the county town and administrative centre, and the coastal resort of Skegness. Much of the county is agricultural: more than one-tenth of the work-force in the districts of East Lindsey and North Kesteven are engaged in agriculture, while South Holland has one of the highest proportions so employed in the country: more than one in seven of the work-force. The city of Lincoln is the county's administrative centre with the result that it has a high proportion of employment, nearly half, in the 'other services' sector. Manufacturing is most important in West Lindsey and South Kesteven.

Population density is by far the highest in the city of Lincoln. At over 2 000 persons per km², this is 15 times as high as any of the other districts. East and West Lindsey have the sparsest populations — the density of settlement in these districts is less than 70 persons per km².

As with many of Britain's rural areas, the population of Lincolnshire is increasing rapidly as people choose to move from urban to rural locations. For the county as a whole, the population rose by 6% over the period 1981 to 1989 whilst for the district of East Lindsey, growth was over twice as rapid.

	Area	Population			Activity	Unempl.	Employment			GDP/inhab.
	1 000 km²	1 000	Inhab./km²	Change (%)	%	%	% Agricult.	% Industry	% Services	EUR (PPS) = 100
		1990	1990	1980-90	1988	1990	1989	1989	1989	1989
Lincolnshire	5.9	591	100	7.5	60	5.7	8	28	64	87
United Kingdom	242.5	57 411	237	2.0	62	6.3	1	30	69	107
EUR 12	2 253.7	327 931	146	3.2	54	8.3	7	33	60	100

UNITED KINGDOM

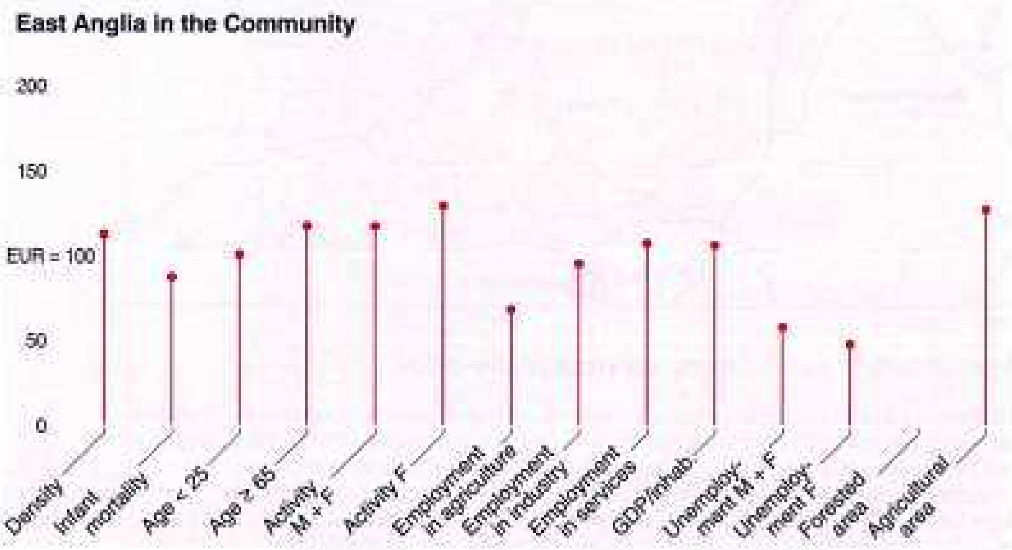
EAST ANGLIA

East Anglia is the smallest and least densely populated of the English regions. It is bordered by the South-East and East Midlands regions and to the east by the North Sea, with about 240 km of coast and estuary. The region is generally low lying and flat, and with significant areas below sea level (the Fens) extensive drainage is required to maintain the land in agricultural use.

The Breckland, an area of sandy heathland and forest in the centre of the region, and the Broads, large scale medieval peat workings subsequently flooded, have become tourist attractions. The four main urban centres (Cambridge, Ipswich, Norwich and Peterborough) contain around a third of the region's population.

The major rail and road corridors linking East Anglia with London to the south are generally better than the east-to-west routes across the region and linking to the Midlands and the North. There are three regional airports, with Norwich providing scheduled services to the continent. Felixstowe is the largest container port in the United Kingdom, and Great Yarmouth and Lowestoft play significant roles in servicing the gasfields of the North Sea.

In a tranquil setting by a river and gardens, Trinity College, Cambridge, houses a magnificent library.



Fastest growing region but poor communications

A lack of significant mineral deposits contributed to the region's slow industrialization. Conversely, the good quality of farm land and the proximity of East Anglia to the large markets of the South-East have long favoured farming in the region. These features remain dominant in the characteristics of the region; despite being close to the South-East, road and rail links are relatively poor (although improvements are being made all the time), and the rural nature of the region means that communications within East Anglia are less well developed than in some other parts of the United Kingdom.

The proximity of the South-East and the lack of legacy of traditional heavy industry has enabled the region to diversify into new industries, particularly services. The region has much lower wage rates than to the South-East, which is another attraction for firms considering relocation.

East Anglia is the fastest growing of any United Kingdom region and major improvements are being made to the transport infrastructure. Its relatively low population density and closeness to the prosperous but heavily populated South-East region have made it attractive to new industries, to people of working age from other regions, and for retired people who want to live in rural areas.

EAST ANGLIA

Scale 1 : 2 000 000

Which EC regions are similar to East Anglia?

Area:
12 500 km²
Nord-Pas-de-Calais (F)

Population:
2 million inhabitants
Hannover (D)

Activity rate:
over 60%
South-East (UK)
Île-de-France (F)

Employment:
5% in agriculture
over 60% in services
Friuli-Venezia Giulia (I)
Limburg (NL)
Schleswig-Holstein (D)

Unemployment in coastal areas

The chief distinction within the region is that between urban industrialized centres and the rural, agricultural areas. The region overall is, despite the recent rapid increases in population, still sparsely populated but the cities of Norwich, Ipswich and Cambridge each have population densities of over 2 000 persons per square kilometre. In these cities, population has actually been falling — by nearly 7% over the period 1981 to 1989. This is in marked contrast to the remainder of the region; in Huntingdon district in Cambridgeshire, the population growth over this period was nearly 20%.

The importance of employment in agriculture varies across the region from over a 10th of the labour force in parts of Suffolk and Norfolk, to virtually none in the cities. Equally dramatically, the proportion engaged in manufacturing varies from less than a fifth in some rural areas to over a third in parts of Cambridgeshire. Although unemployment is well below the national average in the region it is a problem in some areas, particularly in coastal areas like Clacton and Great Yarmouth. In Ipswich for example, a quarter of the unemployed have been so for over a year.

	Area	Population			Activity	Unempl.	Employment			GDP/inhab.
	1 000 km²	1 000	Inhab./km²	Change (%)	%	%	% Agricult.	% Industry	% Services	EUR (PPS) = 100
		1990	1990	1980-90	1988	1990	1989	1989	1989	1989
Cambridgeshire	3.4	665	195	13.5	66	3.3	3	29	68	114
Norfolk	5.4	751	140	7.7	61	4.9	5	28	67	100
Suffolk	3.8	644	170	7.5	63	3.4	4	30	66	104
East Anglia	12.6	2 059	164	9.4	63	3.9	4	29	67	106
United Kingdom	242.5	57 411	237	2.0	62	6.3	1	30	69	107
EUR 12	2 253.7	327 931	146	3.2	54	8.3	7	33	60	100

EAST ANGLIA

Fastest growing population in the UK

The population increased by 1% a year during the 1980s, the highest rate of growth in the United Kingdom but still less than the region's rates of growth during the 1960s and 1970s. Both birth and death rates have remained below the United Kingdom averages over this period. As is the case elsewhere in the country, birth rates fell since the 1960s until the mid-1980s but have since recovered slightly. Similarly, death rates in East Anglia have fallen since the 1960s, although much more gradually than births, and in 1989 the rate was the lowest in the United Kingdom.

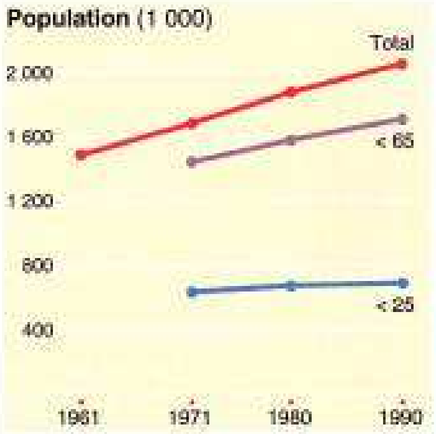
Another cause of population change is migration. East Anglia has generally experienced net immigration in recent years. In the same year, there was a net increase of around 7 000 from people moving into the region from other parts of the United Kingdom. Around 90% of this net inward movement comes from the neighbouring South-East.

As well as increasing, the population of East Anglia has also changed in structure. The proportion of the population over pension age has increased more rapidly in East Anglia over the 1980s than in any other region, and by 1989 stood at nearly a fifth of the total.

Population by age — 1989

	M + F 1 000	M + F %	M %	F %
< 15	389.0	18.9	19.7	18.1
15-24	302.0	14.7	15.7	13.7
25-39	438.0	21.3	21.5	21.1
40-54	374.0	18.2	18.5	17.8
55-64	211.0	10.2	10.2	10.3
≥ 65	346.0	16.8	14.4	19.1
Total	2 059.0	100.0	100.0	100.0

Population (1 000)



Resident population of foreign nationality — 1988-90

	1 000	% of total population
Total	64.4	3.2
of which EC countries	16.9	0.8
of which non-EC countries	47.5	2.3
USA	31.6	1.6
Ireland	9.2	0.5
Italy	4.2	0.2
Pakistan	1.9	0.1
India	1.7	0.1
Bangladesh	1.4	0.1

Demographic account — 1980-90 (1 000)

Population 30.6.1980	1 882
Births	246
Deaths	217
Net migration	+ 148
Population 30.6.1990	2 059

Cambridge University and highly qualified workforce

East Anglia's workforce is amongst the most highly qualified in the country. More than one in 12 persons have degrees, the highest proportion outside the South-East, while the proportion with no qualification is below average. However, reflecting the relative lack of manufacturing in the region, there are relatively fewer apprenticeships in East Anglia than elsewhere.

The number of pupils staying on in full-time education (about three-fifths) past age 16 is the joint smallest proportion in the country. However of those leaving school in 1988/89, a quarter had a qualification in design and technology, the highest proportion in the country.

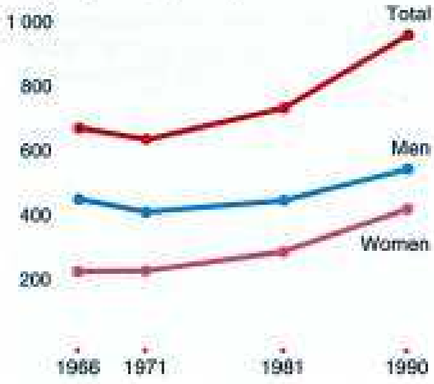
The town of Cambridge, with its ancient university and many other educational establishments, is an important national centre of education and research which has encouraged the development of high-technology industries in the area.

Number of pupils — 1990

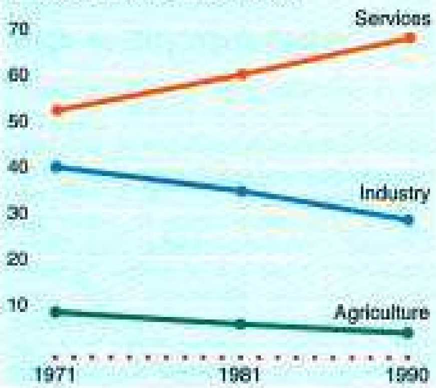
	M + F 1 000	F %
Pre-school	20	49
Primary	150	49
Lower secondary	74	49
Higher secondary (technical)	62	56
Higher secondary (general)	67	49
Higher education	28	42
Total	401	49

EAST ANGLIA

Employment (1 000)



Employment structure (%)



Employment — 1981 (1 000)

Resident employment	789.5
+ Non-residents having a job in the region	27.6
– Residents having a job outside the region	31.2
= Internal employment	785.9

Unemployment (%)

From woollen cloth to microchips

In the Middle Ages, East Anglia was among the most prosperous and densely populated parts of England, being famed throughout Europe for its fine woollen cloths. With the Industrial Revolution, the region declined in importance. It was largely bypassed by main railway routes, and agricultural depression in the late nineteenth century led to outward migration.

The prosperity of the region began to revive in the 1930s based on agriculture and tourism. By 1990, a higher proportion of the workforce was employed in agriculture in East Anglia than in any other region except Northern Ireland, and agriculture continues to be important particularly in the more rural parts of the region. In recent years however, employment in agriculture has declined, and other sectors, particularly services, have become more important.

Cambridgeshire, and in particular the area around the university town of Cambridge, has developed into an important area for employment in education, research and high-technology manufacturing. Thus employment in the 'other services' sector represents about 60% of employment in the Cambridge district.

Characteristics of resident employment (%)

	< 25 years	25-54 years	≥ 55 years	Employees	Employees: part-time		Employees: full-time, temporary contract	
	1990	1990	1990	1990	1983	1990	1983	1990
Men	20	65	15	80	4	6	3	3
Women	22	66	12	90	48	47	2	1
Total	21	66	14	85	23	25	3	2

Unemployment below the national average

Since the 1970s, East Anglia has maintained unemployment levels below the national average and by the late 1980s enjoyed the lowest unemployment rate of any region in the country. However, when the recent recession began to bite, East Anglia was one of the first regions to experience an increase in unemployment.

The generally good picture on unemployment is reflected in the characteristics of the employed; only around a sixth of the unemployed have been so for more than a year, this low proportion of long-term unemployed compares to the national average of just under a quarter. Conversely, the proportion of persons unemployed for short periods — up to eight weeks — is, with the South-West, the lowest in the country. This suggests that much of the unemployment, either people moving between jobs or, bearing in mind the importance of agriculture and tourism to the region, is due to seasonal factors.

East Anglia has been unaffected by the decline in heavy industry, which has contributed to unemployment in other, more industrialized, regions. Unemployment levels have also been kept down by the importance of education and other relatively stable sectors as well as by the development of new, high-technology industries.

EAST ANGLIA

Agriculture — declining but still important

About 7% of the region's land is in urban use, and over 80% is agricultural, mainly for intensive arable farming. The area's rural environment and proximity to London have made it an attractive relocation area for firms. Banking and financial services industries have benefited particularly from this trend and have grown particularly rapidly, by 1989 producing a sixth of the region's GDP.

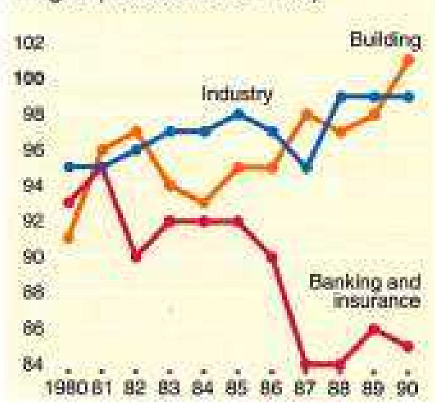
Although manufacturing is declining in relative importance in the region, and is less important in East Anglia than in many other regions, it still contributes more than a fifth of the region's GDP. The industry is characterized by small firms; nearly a fifth of manufacturing output is produced by units employing less than 50 persons, whilst less than a sixth comes from units employing over 1 000 persons.

Agriculture is more important to the economy than in any region in Great Britain. The proportion of agriculture in GDP has however been falling steadily as other industries, particularly services, become more important. By 1989, agriculture made up only 4% of the region's GDP — half the proportion of fifteen years earlier.

The attractions of the region for tourism, have long meant that the distribution, hotels and catering industry is significant, and continues to contribute over one-seventh of the region's GDP. Other important services activities include education and research, especially surrounding the university town of Cambridge. The research facilities and the high reputation of the university, have also attracted research-based high-technology industries to the area. These new industries have added to the predominantly small-scale enterprises in the region, which has never attracted the heavier industries.

GDP (1980 = 100)

Wages (national level = 100)



Disposable household income (1980 = 100)

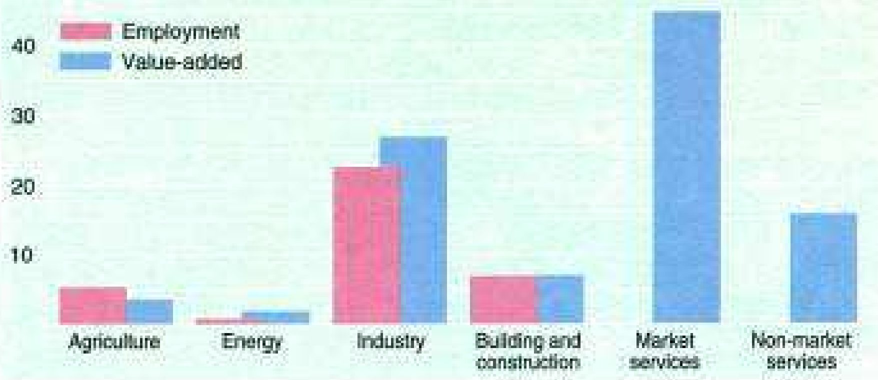
High earnings

Average male earnings in East Anglia in 1990, were, at ECU 392 per week, the highest in the country outside the South-East. However average rates of pay vary considerably between industries. Banking and financial services have the highest paid men, close to ECU 476 per week on average, whilst in the distribution, hotels and catering industry, average pay is less than ECU 350 per week. Female rates of pay are generally much lower, and vary rather less between industries. For men, both the total hours worked — over 43 per week — and length of overtime are amongst the highest in the country; for non-manual men overtime averages over 6 1/2 hours a week.

In 1989 the average household income in East Anglia was ECU 10 467 per person, the South-West was slightly higher but only the South-East had a significantly higher level. The structure of industry in the region, particularly the importance of agriculture, means that income from employment is relatively less important than average in East Anglia (55% of household income). The proportion of income from investment too is above average, and accounts for a ninth of household income. Due mainly to the high gross levels, the deductions from income are relatively high at 20% and leave an average of ECU 8 335 per person.

The pattern of consumers' expenditure in East Anglia closely follows the profile and trends of the United Kingdom as a whole. The proportions of income spent on housing and on transport and communication have both increased over time, and in East Anglia the proportion of expenditure on transport and communication is greater than for any other region in Great Britain — nearly a fifth of the total.

Employment and value-added: distribution by branch – 1986 (%)



High quality agricultural land, expanding services sector

The contribution of agriculture to the economy of East Anglia is more significant than in any other region of Great Britain. The high quality of agricultural land means that farming can be intensive — five-sixths of agricultural land in East Anglia is used for arable crops. Despite its relative decline as the region diversifies into other industries, agriculture still made up over 4% of GDP in 1989, and in some of the more rural districts, over a 10th of the workforce is engaged in agriculture.
Manufacturing makes up 22% of GDP. A particular feature in recent years has been the growth of research and development in the west of the region, which has been encouraged both by the attractive environment and the outstanding reputation for scientific research of Cambridge University. The growth in research and development has led, in turn, to the emergence of new electronics and other manufacturing industries which depend on the availability of such services. This rapid high-tech growth has become known as 'the Cambridge phenomenon'.

Services continue to increase in importance in the region, with banking and financial services alone contributing a sixth of total GDP.

Agriculture

Number of holdings	12 860
Labour force	35 130 AWU
Agricultural area	964 000 ha
Livestock	452 000 LU
Gross value-added	27 679 ECU/AWU

Main products	
Cereals	23%
Main crops	20%
Poultry — eggs	15%

Main enterprises

Name	Activity
Fisons plc	Manufacture of pharmaceuticals
British Sugar plc	Manufacture of sugar
Mann Egerton & Company Ltd	Manufacture of motors
Schering Ltd	Manufacture of agro-chemical products
Pauls Agriculture Ltd	Manufacture of animal feeds
Marshall of Cambridge (Holdings) Ltd	Engineering activities
Cambridge Electronic Industries plc	Electronic equipment
Hydro Fertilizers	Manufacture of fertilizers
Anglian Windows Ltd	Manufacture and sale of windows and doors
Robert Horne Paper Co. Ltd	Wholesale of paper

Rich legacy of historic architecture

East Anglia has attracted manufacturing and service industries, by the favourable environment it offers. In the post-war period, East Anglia has experienced rapid growth in people and jobs, while retaining much of its rural character. Care in reconciling growth, and the prosperity it brings, with the preservation of the environment and character of East Anglia is a major concern.

The medieval period has left a rich legacy of historic architecture, with 800 sites scheduled as ancient monuments, 400 conservation areas in the towns and villages, and 35 000 buildings are listed as having architectural and historic importance. In landscape terms, the Broads Authority was set up in 1989 to operate essentially as a National Park over an area of 285 km², and there are three officially designated Areas of Outstanding Natural Beauty covering over 900 km² in total.

For nature conservation 22 National Nature Reserves have been declared, over 400 sites have been designated as Sites of Special Scientific Interest (SSSIs). Three of those SSSIs have been designated as Special Protection Areas under the European Community Wild Birds Directive, and six have been designated as Wetlands of International Importance under the Ramsar Convention of 1971.

The intensity of arable farming and the use of inorganic fertilizers, combined with the use of chalk aquifers for part of the drinking water supply, has lead to concern over the long-term penetration of nitrates into the soil and groundwaters. This may lead to the designation of nitrate sensitive areas for control over use of nitrates. The Broads Authority was established to deal with the effects of both agricultural fertilizers and pesticides on the water and wildlife, and the erosion caused by holiday-makers enjoying boating pursuits.

UNITED KINGDOM

SOUTH-EAST

Almost a third of the population of the United Kingdom live in, and half of all employees in employment work in, the South-East region. It is the most populous region and is the largest in area outside Scotland.

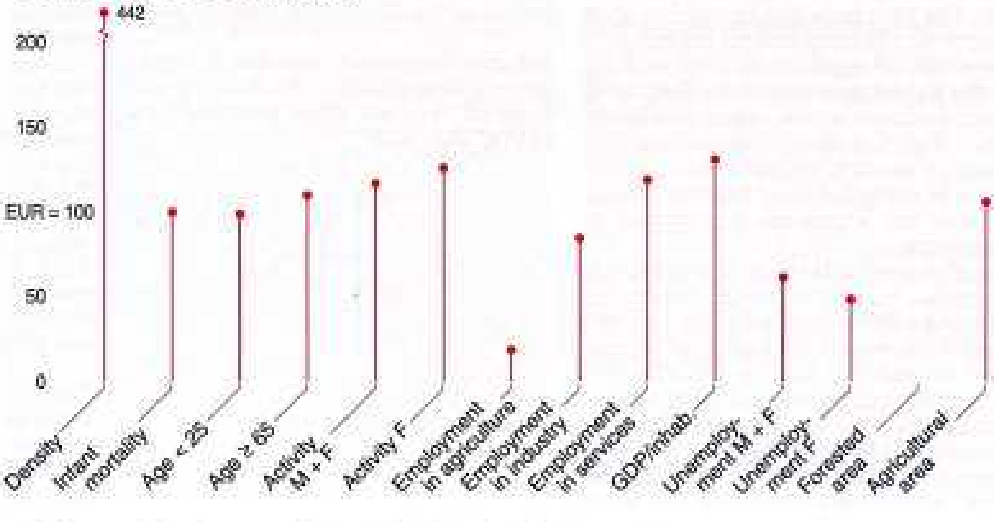
It is bounded by the sea to the south and to the east. The river Thames and its estuary bisect the region from west to east.

The South-East region is dominated by London, but in recent years other areas have become increasingly important. London docklands in east London have more recently provided a focus for new development. Despite including the capital city and other important towns, the region has significant rural areas.

Transport is centred on London which is a hub of the Inter-city rail network and from which motorways link the capital with the regions and with Scotland and Wales. The M25 orbital motorway encircles London and is about 195 km in length — it is said to be the busiest road in the country. The region's airports include the three international airports of Heathrow, Gatwick and Stansted. Heathrow and Gatwick are among the busiest airports in the world.

London, the bright lights of the capital city. Established in Roman times, it became England's main city by the eleventh century.

South-East in the Community



Highly qualified work-force but high labour costs

With London at its centre the region includes the seat of national government and the head offices of many national and international corporations. London is one of the world's three major international financial centres. It has excellent communications by road, rail and air, both nationally and internationally.

Although London has an extensive public transport system, it is very overcrowded. Similarly, the metropolitan areas suffer from traffic congestion especially during peak periods. The concentration of traffic and people in the London area inevitably gives rise to pollution and other environmental problems but the preservation of green belt areas ensures that the countryside is never far away.

Many of the most highly qualified people in the country live and work in the South-East region, and labour costs are generally higher than in other regions. Unemployment levels remain generally lower than in other parts of the country and there are many opportunities for individuals. Housing and certain other costs are normally higher than in other parts of the country.

With the political and commercial hub of the country at its centre, the South-East is a magnet for those seeking work. Average incomes are the highest in the country, but, for those on lower than average incomes, the cost of living in the South-East can be prohibitive, even if they live outside the capital and pay the cost of commuting.

SOUTH-EAST

Scale 1 : 2 000 000

Which EC regions are similar to South-East?

Area:
27 000 km²
Bretagne (F)
Alentejo (P)

Population:
17 million inhabitants
Nordrhein-Westfalen (D)

Employment:
1% in agriculture
70% in services
Ile-de-France (F)
Hamburg (D)

Dominated by London, but some differences

In general incomes are higher in the South-East than in other parts of the country and unemployment is amongst the lowest but there is considerable variability across the region. Wages are higher for example in the county of West Sussex than in East Sussex and there is a similar contrast in the levels of unemployment. The unemployment rate in the Isle of Wight was three times that of West Sussex at the beginning of 1991.

The decline in the coal industry across the country has led to the closure of the coalfields of East Kent. The historic naval dockyard at Chatham was closed in 1985 as part of a restructuring programme, but significant steps are being taken towards recovery.

Even within London itself there is considerable variation. The most densely populated areas of Islington, Kensington and Chelsea with over 10 000 people per km² have high levels of long-term unemployment. On the other hand long-term unemployment is particularly low in the much less densely populated areas of Kingston upon Thames and in Havering. Hackney has high unemployment and low literacy, yet adjoining areas including Waltham Forest and Redbridge are more affluent with low unemployment and excellent schools performance.

	Area	Population			Activity	Unempl.	Employment			GDP/inhab.
	1 000 km²	1 000	Inhab./km²	Change (%)	%	%	% Agricult.	% Industry	% Services	EUR(PPS) = 100
		1990	1990	1980-90	1988	1990	1989	1989	1989	1989
Bedfordshire, Hertfordshire	2.9	1 524	531	4.0	68	2.7	1	32	67	113
Berkshire, Buckinghamshire, Oxfordshire	5.8	1 984	345	10.9	69	2.2	1	27	72	118
Surrey, East-West Sussex	5.5	2 420	443	3.4	61	2.4	2	22	76	108
Essex	3.7	1 534	418	4.0	64	3.7	2	29	69	97
Greater London	1.6	6 794	4 303	−0.8	63	6.3	0	18	82	168
Hampshire, Isle of Wight	4.2	1 677	403	5.3	65	3.7	1	28	71	110
Kent	3.7	1 526	409	3.2	63	3.9	3	27	70	98
South-East	27.2	17 458	641	2.7	64	4.3	1	23	76	131
United Kingdom	242.5	57 411	237	2.0	62	6.3	1	30	69	107
EUR 12	2 253.7	327 931	146	3.2	54	8.3	7	33	60	100

SOUTH-EAST

UK's highest concentration of ethnic minorities

At 17 million, the population of the region is almost a third of the national total. After several years of decline in common with many other metropolitan areas, the population of London is now relatively stable although the rest of the region is continuing to grow slightly mainly because middle-aged and older people are moving out to other parts of the region from the capital.

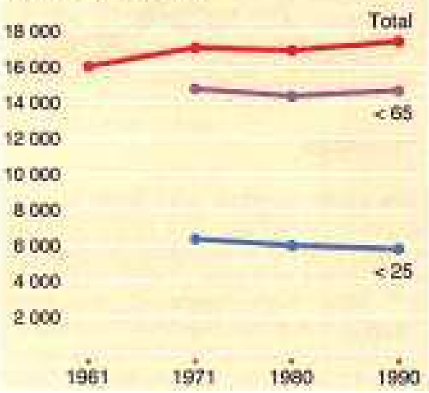
There is also a noticeable population drift from the South-East to the South-West. In 1989, over 70 000 people moved from the South-East to the South-West whilst only 50 000 moved in the opposite direction. The highest concentration of ethnic minorities is also in the South-East. Around 8% of the population are from ethnic minorities.

The age structure of the population varies considerably across the South-East region. There are particularly high proportions of older people in East and West Sussex and in the Isle of Wight whilst in Berkshire, Buckinghamshire and Bedfordshire the proportion of the population over retirement age is particularly low.

Population by age — 1990

	M + F 1 000	M + F %	M %	F %
< 15	3 263.0	18.7	19.6	17.8
15-24	2 606.0	14.9	15.7	14.2
25-39	3 900.0	22.3	22.9	21.8
40-54	3 257.0	18.7	19.0	18.3
55-64	1 718.0	9.8	9.9	9.8
≥ 65	2 714.0	15.5	12.8	18.2
Total	17 458.0	100.0	100.0	100.0

Population (1 000)



Resident population of foreign nationality — 1988-90

	1 000	% of total population
Total	1 043.3	6.1
of which EC countries	463.3	2.7
of which non-EC countries	580.0	3.4
Ireland	280.0	1.6
India	74.2	0.4
Italy	53.4	0.3
USA	48.8	0.3
Jamaica	33.7	0.2
Australia	27.8	0.2

Demographic account — 1980-90 (1 000)

Population 30.6.1980	16 993
Births	2 296
Deaths	1 868
Net migration	+37
Population 30.6.1990	17 458

Highly qualified work-force

The South-East region has the most highly qualified work-force in the United Kingdom. Over one in eight of the work-force has a university degree or equivalent. In contrast, there is a tendency for fewer pupils to stay on at school past the minimum compulsory school leaving age perhaps because employment opportunities attract many of them. This pattern is similar to that which exists in the growing East Anglian region. On the other hand, a relatively high proportion of school-leavers go on to degree-level courses and the examination achievements of school-leavers in the South-East are as high or higher than in the country generally.

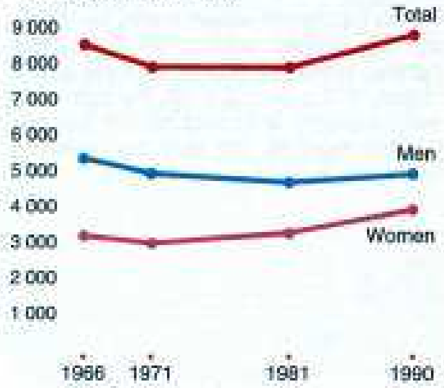
The proportion of the work-force who have undertaken apprenticeships is lower in the South-East than anywhere else in the United Kingdom, reflecting the smaller scale of manufacturing compared with the services sector which employs some 80% of workers in the region.

Trainees emerging from the Youth Training Schemes have a better chance of finding employment in the South-East than in any other region.

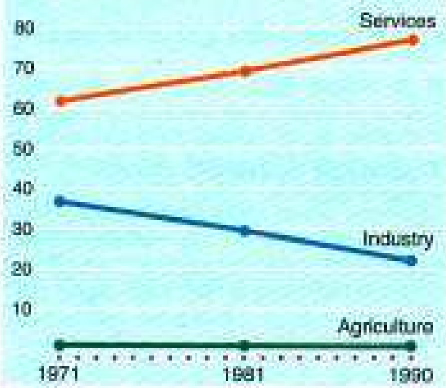
Number of pupils — 1990

	M + F 1 000	F %
Pre-school	180	49
Primary	1 323	49
Lower secondary	554	49
Higher secondary (technical)	573	56
Higher secondary (general)	555	49
Higher education	322	45
Total	3 507	51

Employment (1 000)



Employment structure (%)



Employment — 1981 (1 000)

Resident employment	7 503.8
+ Non-residents having a job in the region	135.8
– Residents having a job outside the region	55.5
= Internal employment	7 584.0

Unemployment (%)

Decline of the port, growth of services sector

In the eighteenth century the area around London, as a major port and mercantile centre, was one of the most populous and prosperous regions. The economy of the rest of the South-East, with some exceptions, was mostly based on agriculture and primary industry. Manufacturing employment expanded in the nineteenth century and in the early twentieth century. London and its surrounding counties benefited from newer more mobile industries including chemicals, vehicle manufacture and the manufacture of a wide range of consumer goods. For example, Ford started making motor cars in Dagenham in 1930 and Mars started making their famous chocolate bar in Slough in the 1920s.

More recently there has been a steady decline in manufacturing in the South-East as in other areas of the country whilst the services sector has grown dramatically in the South-East so that it now accounts for four out of five employees. London is one of the world's major banking, insurance and financial services centres, and decentralization has encouraged employment in these industries, and in high technology, in the rest of the South-East and in adjacent regions.

The so-called sunrise industries (computers and electronics) have established themselves along the M4 corridor to the west. Self-employment has grown in the South-East as in other areas but is only slightly higher than the national average. The number of people with second jobs has more than doubled during the 1980s, to reach around 350 000.

Characteristics of resident employment (%)

	< 25 years	25-54 years	≥ 55 years	Employees	Employees: part-time		Employees: full-time, temporary contract	
	1990	1990	1990	1990	1983	1990	1983	1990
Men	18	67	15	79	4	6	2	2
Women	21	67	12	92	38	39	2	2
Total	20	67	14	85	18	21	2	2

Among the lowest unemployment rates in the country

The average unemployment rate in the South-East has for many years been lower than that in any other region apart from East Anglia. However, it has risen at a faster rate than in most other regions in the last year or two. The rates still vary considerably across the region. Low rates are found in Berkshire, Buckinghamshire, Hertfordshire, Oxfordshire and West Sussex while higher rates are found in Kent, East Sussex, Essex, Greater London, and the Isle of Wight.

Because the South-East had little heavy industry it has not suffered from the decline of those industries in the way that other regions have. The region has however been affected by the decline in coal-mining in Kent, and by the restructuring of dock work where containerization reduced the demand for labour in Southampton, east London and Essex and in part of the east coast. The lowest rates of unemployment are in the counties directly south of London (Surrey and West Sussex) and also in those to the west and north (Berkshire, Oxfordshire, Buckinghamshire, Bedfordshire and Hertfordshire).

For the region as a whole, unemployment rates are particularly low for those under 20 years of age, but nearer the national average in other age ranges.

Dominated by services sector

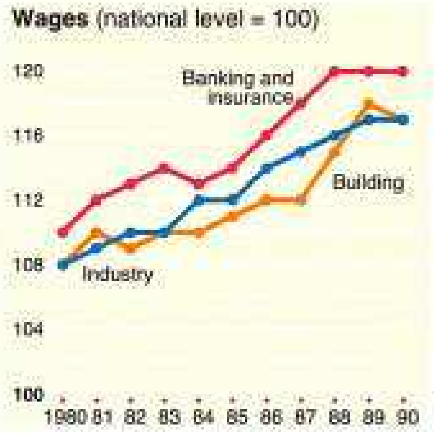
The number of businesses registered for VAT grew in all regions in the l980s but grew most quickly in the South-East where the increase between 1981 and 1989 was around 35%. There are now around 600 000 such businesses registered in the South-East region.

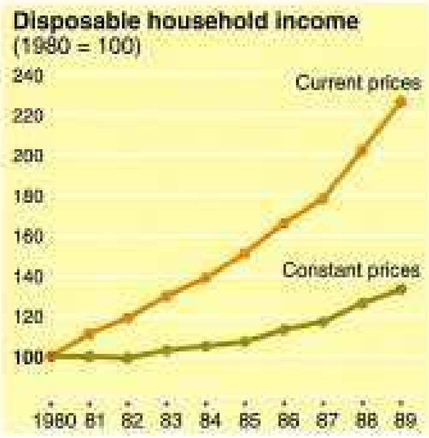
The economy of the South-East region is dominated by the services sector which employs some 80% of the work-force. London is a major world centre for finance, insurance and commodity broking, for example, and recent moves towards decentralization have moved some jobs in these industries outside the capital to other parts of the South-East.

The proportions of the gross domestic product of the region derived from manufacturing and from agriculture are both low. Nevertheless, because the region is so large more particularly in terms of population, its contribution to the output of manufacturing and agriculture is relatively high in absolute terms.

The capital itself has many small manufacturing companies in light industries, but the region also includes large manufacturers. For example, in the area of Essex and Kent either side of the Thames to the east of London, the Ford Motor Company at Dagenham is of very long standing, as are the Unilever detergent companies and the cement factories on both sides of the river. Paper manufacturing is similarly important in the same areas.

On the south and east coasts of the region, on the other hand, tourism is very important. Some inland areas too, such as Canterbury and other important historic sites, also attract tourists to the region. In the capital itself, the entertainment industry is important, not just the London theatres, but also the cinemas, museums and other exhibitions.





Highest labour costs in the UK

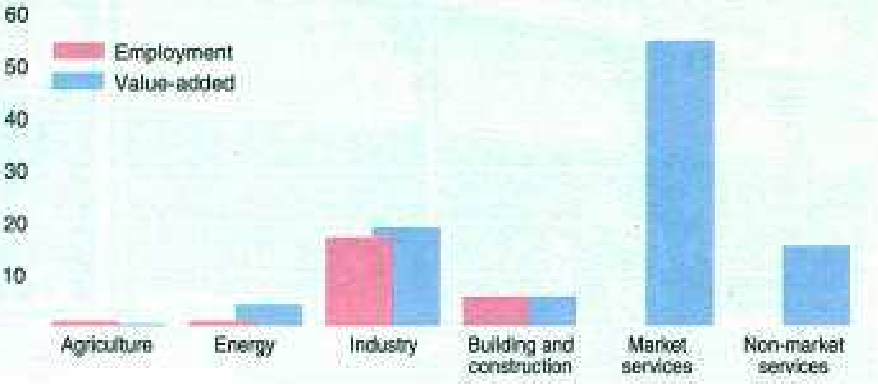
Labour costs are higher in the South-East than in any other United Kingdom region. The highest costs are in the London area but most counties too are at or above the national average with the exceptions of parts of Kent, East Sussex and the Isle of Wight. Average earnings in the South-East are well above average for both men and for women, though the rates for women are only about 70% of those for men. Wages and salaries form about 70% of the income of households in the South-East, which is very similar to the national average, while social security benefits form less than 10% of income and therefore less than in any other region.

The income from investments represents a relatively high proportion of household income in the South-East where one in three adults owns shares or mutual funds (unit trusts). For the country as a whole the average is one in four adults.

With high levels of employment, earned income also represents a relatively high proportion of household income. Accommodation is relatively expensive in the South-East and a higher proportion of household income is spent on housing in the South-East than in any other region.

Expenditure on travel is high in the South-East, where many employees work in the capital, but live outside it and commute daily to work. The higher than average incomes in the South-East nevertheless enable many households to spend a relatively high proportion of their income on entertainment and goods and services other than necessities.

Employment and value-added: distribution by branch – 1986 (%)



Manufacturing still important, but services dominate

Because the South-East region is so populous it inevitably makes a very significant contribution to all sectors of the economy. For example, around a quarter of both gross value-added and net capital expenditure in the manufacturing sector are in the South-East. Similarly, the output of cereals is higher in the South-East than in any other region of the United Kingdom.

The economy of the South-East is dominated by the services sector. Finance and business services alone contribute almost a third of the gross domestic product of the region. In Greater London finance and business services contribute about ECU 35 billion to the gross domestic product and this is almost doubled when the rest of the South-East region is added. The decline in the manufacturing industries in the South-East has been greater than the decline in the United Kingdom as a whole, but this has been more than counterbalanced by the growth in service industries.

In addition to finance and business services, other services including those associated with tourism are important, especially in the capital and on the coasts. Transport is also an extremely important service in a very heavily populated region which is the hub for travel both within the United Kingdom and for international travel and transit.

Agriculture

Number of holdings	26 490
Labour force	72 840 AWU
Agricultural area	1 614 000 ha
Livestock	817 000 LU
Gross value-added	18 304 ECU/AWU
Main products	
Cereals	23%
Vegetables	14%
Flowers	11%

Main enterprises

Name	Activity
British Petroleum Company PLC	Petroleum industry
Imperial Chemical Industries PLC	Chemical industry
BAT Industries PLC	Mixed activities
British Telecommunications PLC	Telecommunications
Grand Metropolitan PLC	Recreation
Shell International Petroleum Co Ltd	Petroleum industry
British Gas PLC	Production and distribution of energy
Hanson PLC	Management holding company
Ford Motor Company Ltd	Car manufacturing
J. Sainsbury PLC	Retail trade

Overcrowding and congestion

The main environmental problems of the region stem from various forms of congestion, mainly in the London area. The 5 800 km² of London's green belt and its numerous parks provide welcome open spaces. The concentration of road traffic places London amongst other European cities in terms of vehicle-derived pollutants. Unleaded motor fuels are now becoming more widely used but leaded fuels remain a problem.

There is less derelict land than in other regions where heavy industries have been in decline. It is becoming increasingly difficult to permit licences or to obtain permission for suitable landfill space. London's decline as a major port meant that large areas of docklands became derelict and blighted.

The London Docklands Development Corporation was established in 1981 with the remit of regenerating the area. The Corporation has reclaimed nearly 600 hectares of derelict land as part of the wider task of transforming the local environment and economy. Major developments such as St Katherine's Dock and Canary Wharf have redressed the balance between east and west London.

The tidal stretches of the river Thames through London have been transformed from a badly polluted state to what is now considered one of the cleanest metropolitan estuaries in the world. There are almost no grossly polluted stretches of river in the South-East. There are some 41 designated bathing waters along the south coast and, in 1990, three-quarters of these met the coliform standards of the EC Bathing Water Directive. All are expected to be up to standard by 1995.

UNITED KINGDOM

BEDFORDSHIRE, HERTFORDSHIRE

On the outskirts of London, Luton airport caters mainly for holiday-makers travelling to Europe.

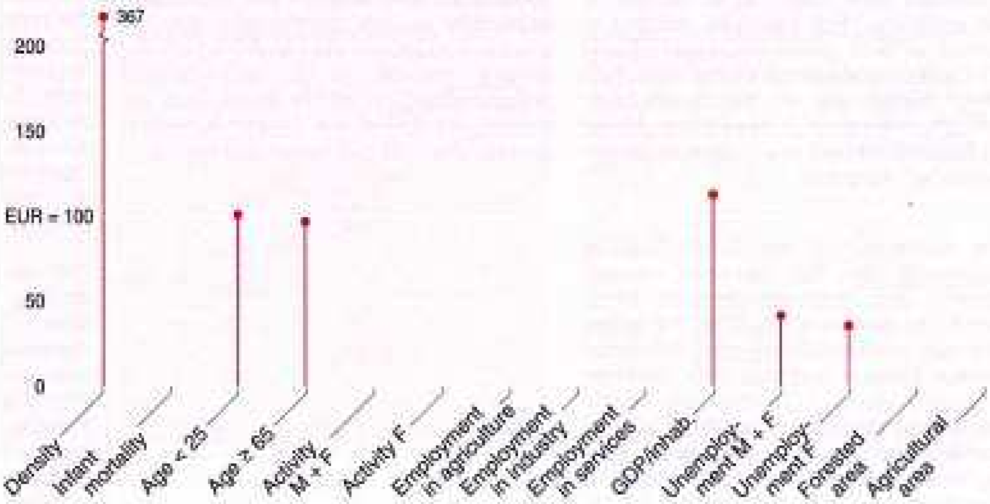
Bedfordshire is the most northerly county in the South-East region, and is separated from Greater London by the county of Hertfordshire. Bedfordshire's population is just over half a million and it has an area of 1 200 km². Hertfordshire, which is closer to Greater London, is more densely populated with almost a million people in 1 600 km².

The most densely populated areas in Bedfordshire are the county town of Bedford which is fairly centrally situated, and the town of Luton to the south of the county near the Hertfordshire border. Hertfordshire is more densely populated in general with a number of new towns and conurbations which border on Greater London itself..

Although manufacturing is important especially in and around the towns of Bedford and Luton, nevertheless about half of Bedfordshire's land area is devoted to agriculture. Although agriculture has declined in its relative importance the county is still a significant wheat-growing area and supplier of milk and vegetables to the Greater London area.

The first British Agricultural Research Station was founded at Rothamsted Manor near Harpenden in 1843.

Bedfordshire, Hertfordshire in the Community



Vauxhall vehicles and vegetables

The counties of Bedfordshire and Hertfordshire have the advantages and disadvantages which accompany close proximity to the political and administrative centre of the country in Greater London.

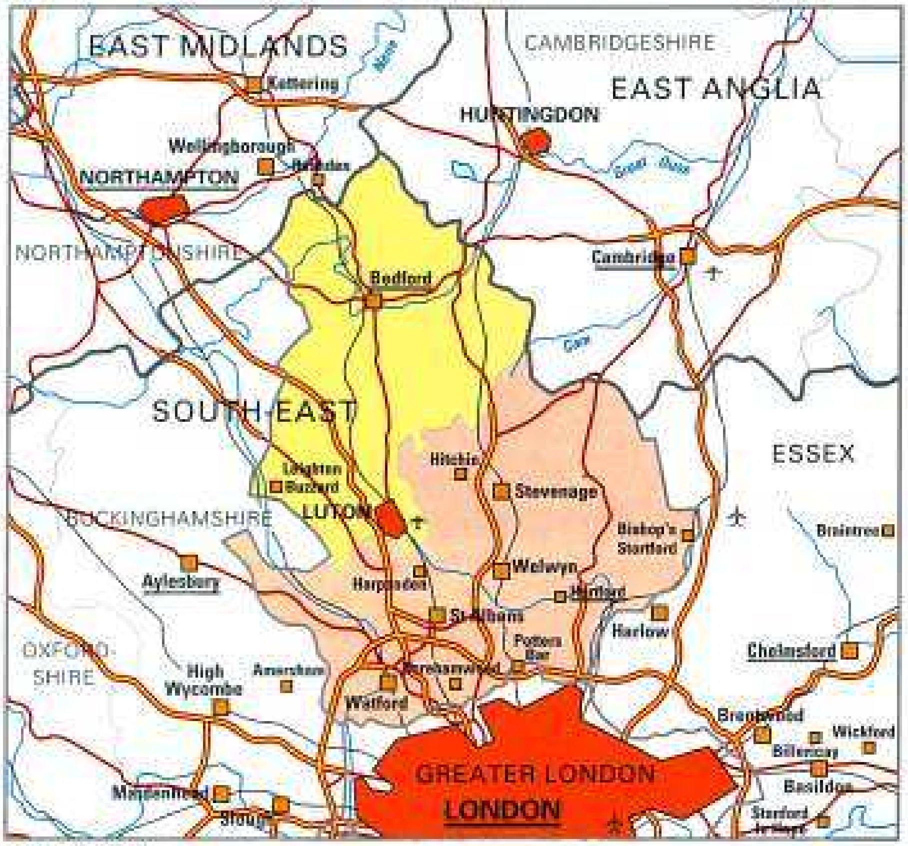
Bedfordshire also has the advantage of a mixed economy with important manufacturing industries as well as arable and dairy farming. The Vauxhall Motor Works with their 'Bedford' trucks are an important source of employment and is the hub of a range of industries associated with motor manufacture.

Luton airport, on the southern border of the county of Bedfordshire, and close to Hertfordshire, is an important international transit point, especially for charter flights. The county has however been affected by the relative decline in manufacturing and has a higher unemployment rate and lower wage rate than the neighbouring counties of Hertfordshire and Buckinghamshire.

Higher educational institutions in Bedfordshire include the National Institute of Agricultural Engineering at Wrest Park near Silsoe and the Post Graduate College of Aeronautics at Cranfield.

Hertfordshire has a wide variety of towns from the old Roman town of St Albans (Verulamium) to four new towns at Hemel Hempstead, Hatfield, Stevenage and Welwyn Garden City. Welwyn Garden City was also one of the pioneer planned garden cities (with Letchworth) in the first decades of this century.

BEDFORDSHIRE, HERTFORDSHIRE



Scale 1 : 1 000 000

Which EC regions are similar to Bedfordshire, Hertfordshire?

Area:
2 900 km²
Antwerpen (B)
Groningen (NL)

Population:
1.5 million inhabitants
500 inhabitants per km²
Antwerpen (B)

The pull of the capital

This regional area consists of just two counties one of which is fairly heavily populated and borders on Greater London (Hertfordshire) and the other (Bedfordshire) which is more sparsely populated and borders on Cambridgeshire and Northamptonshire to the north.

Both counties have significant areas of land devoted to farming but the proportion is greater in Bedfordshire where about half of the county's land area is devoted to agriculture. There are also important grain-growing areas in the north and east of Hertfordshire, where the malting and brewing of local barley are long established, but to the south of the county on the border of Greater London manufacturing is also important. The paper and printing industry, now centred in Watford, is the most notable manufacturing industry in the county, but there are also many light engineering establishments especially in the new towns.

It is possible to commute to work in London from both Hertfordshire and Bedfordshire but Hertfordshire is much closer to London and is therefore much more popular with commuters.

Unemployment is higher in Bedfordshire, which is further from London, and wages are lower.

	Area	Population			Activity	Unempl.	Employment			GDP/inhab.
	1 000 km²	1 000	Inhab./km²	Change (%)	%	%	% Agricult.	% Industry	% Services	EUR (PPS) = 100
		1990	1990	1980-90	1988	1990	1989	1989	1989	1989
Bedfordshire	1.2	536	434	6.2	69	3.4	1	35	64	106
Hertfordshire	1.6	989	605	2.8	68	2.3	1	31	69	116
Bedfordshire, Hertfordshire	2.9	1 524	531	4.0	68	2.7	1	32	67	113
United Kingdom	242.5	57 411	237	2.0	62	6.3	1	30	69	107
EUR 12	2 253.7	327 931	146	3.2	54	8.3	7	33	60	100

UNITED KINGDOM

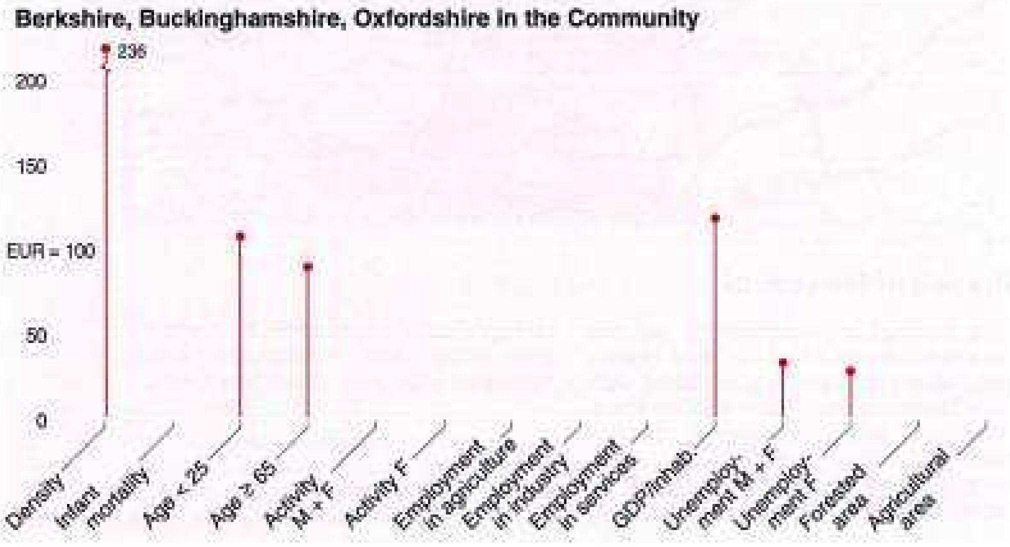
BERKSHIRE, BUCKINGHAMSHIRE, OXFORDSHIRE

These three counties form the north-west quadrant of the South-East region. Berkshire, the smallest of the three with an area of 1 259 km², has the highest population. It is a long narrow county which follows the Thames valley from its border with Greater London westwards. Oxfordshire, which borders it to the north is the largest of the three and has the smallest population. Buckinghamshire, to the east of Oxfordshire, is only some 30 kilometres wide and about 70 kilometres from north to south.

English local government reorganization in 1974 shifted some territory from Berkshire to Oxfordshire including the towns of Abingdon, Wallingford, Wantage and Farringdon and their surrounding areas north of the downs. The most densely populated part of Berkshire is in and around its county town of Reading. Oxfordshire, which is still largely rural, lies almost entirely within the Thames basin. The most densely populated area is in and around the county town of Oxford itself.

The most densely populated areas of Buckinghamshire are in and around the new town of Milton Keynes in the north and High Wycombe and Slough in the south.

Majestic Windsor Castle. William the Conqueror was the first to note its strategic position.



Sound economic base

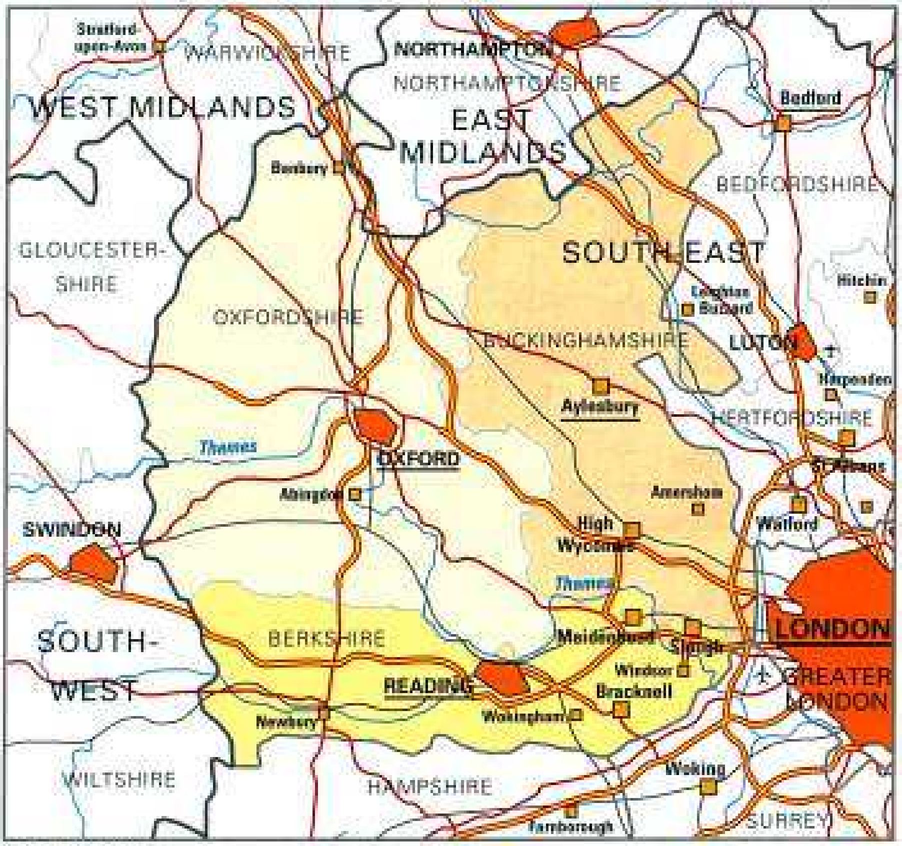
Berkshire and Buckinghamshire share a small part of their borders with Greater London and radiate outwards from it. Oxfordshire is only 50 kilometres from the centre of London with good road and rail links. These three counties, which have fertile soils and mixed economies, have the advantages and disadvantages which flow from close proximity with the administrative and economic centre of the country.

Many residents of the eastern towns of Berkshire nearer to London including Reading, Slough, Windsor, Maidenhead and Workingham are employed in London. Incomes are therefore among the highest in the country but so are land and house prices.

Oxford is famous for its ancient university but the town has also attracted a wide range of institutions of further and higher education both in the public and private sectors. Cowley, a suburb of Oxford, is a major industrial centre (motor vehicles and pressed steel mainly for the Rover group). The economy of modern Oxfordshire is nevertheless basically agricultural. The North Oxfordshire heights are important for livestock farming, especially sheep, mostly on large farms.

There is no heavy industry in Buckinghamshire but High Wycombe still has a reputation for furniture manufacture and there are important factories at Aylesbury and Bletchley.

BERKSHIRE, BUCKINGHAMSHIRE, OXFORDSHIRE



Scale 1 : 1 000 000

Which EC regions are similar to Berkshire, Buckinghamshire, Oxfordshire?

Area:
5 to 6 000 km²
Liguria (I)
Giessen (D)

Population:
2 million inhabitants
300 inhabitants per km²
País Vasco (E)
Avon, Gloucestershire, Wiltshire (UK)
Rheinhessen-Pfalz (D)

Age:
37% aged less than 25
País Vasco (E)

Differences reduced by good communications

The towns nearest to the metropolis have grown naturally in terms of both industry and population. Further from the capital the region is more sparsely populated and is more rural in character. This is particularly true of Oxfordshire both to the west in the Vale of the White Horse and to the north in the area of Chipping Norton.

The imbalances are nevertheless reduced by good communications particularly the M1 motorway, which passes close to Milton Keynes. Similarly the M4 runs through the Thames valley linking London to Wales and the west of England. The much newer M40 motorway to the Midlands runs through the county of Oxfordshire and has therefore tended to reduce the remoteness of parts of that county.

The most notable building in Berkshire is the very large Royal Castle at Windsor with the famous race course at Ascot close by. Chequers, the Prime Minister's official country residence since 1921, is in Buckinghamshire, also close to London.

New towns at Milton Keynes in the north of Buckinghamshire and at Bracknell in Berkshire have gone some way to reducing the imbalances in economic development in the various 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
		1990	1990	1980-90	1988	1990	1989	1989	1989	1989
Berkshire	1.3	756	600	9.7	71	2.1	1	26	74	132
Buckinghamshire	1.9	642	341	14.1	69	2.1	1	29	70	112
Oxfordshire	2.6	587	225	9.0	68	2.2	2	25	73	107
Berkshire, Buckinghamshire, Oxfordshire	5.8	1 984	345	10.9	69	2.2	1	27	72	118
United Kingdom	242.5	57 411	237	2.0	62	6.3	1	30	69	107
EUR 12	2 253.7	327 931	146	3.2	54	8.3	7	33	60	100

UNITED KINGDOM

SURREY, EAST-WEST SUSSEX

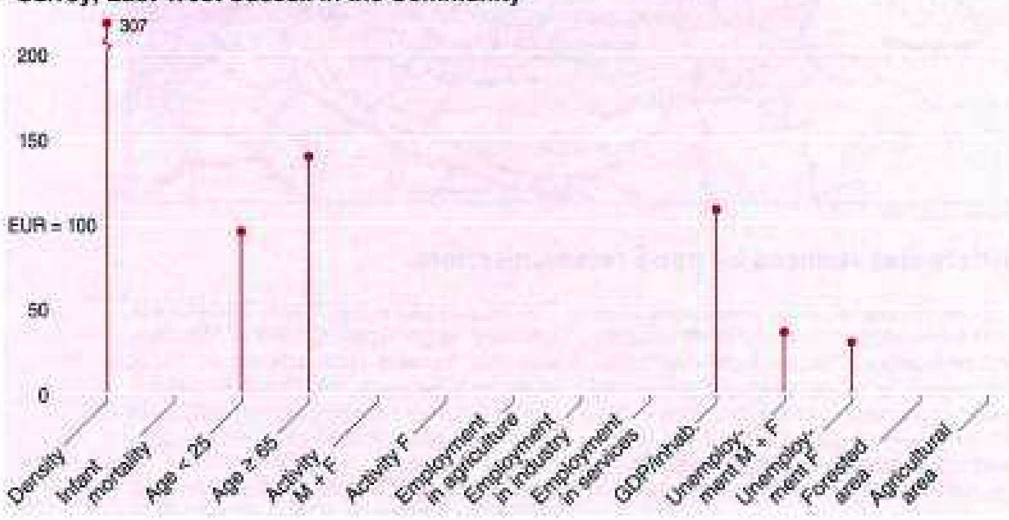
Surrey lies to the south of London and has surrendered some of its territory to the metropolis over the years. Surrey, with its county town of Guildford, is mainly low-lying: across the middle of the county from east to west run the chalk North Downs (uplands) narrowing in the west to the Hogs Back.

West Sussex is one of the most wooded counties in Britain with the chalk hills of the South Downs running west to south-east across the county to the East Sussex border at Brighton and Hove. The larger towns in the county include Crawley to the north near the Surrey border and Worthing and Bognor Regis on the south coast which attract many tourists.

The chalk ridge of the South Downs runs south-eastwards across the county from West Sussex to East Sussex forming imposing cliffs between the resorts of Brighton and Eastbourne, notably at Beachy Head. Arable lands are found on the coastal plain while the area around Worthing, which has attracted relocated offices from London in recent years, is still a centre for market gardening.

The Regency architecture of Brighton, the largest seaside resort in the South-East.

Surrey, East-West Sussex in the Community



Low unemployment, but high labour costs

Surrey is an expensive and popular area from which residents commute across the county boundary into London. West Sussex is further south but there are also good train services from the larger towns to London which enable many residents also to commute to London for work.

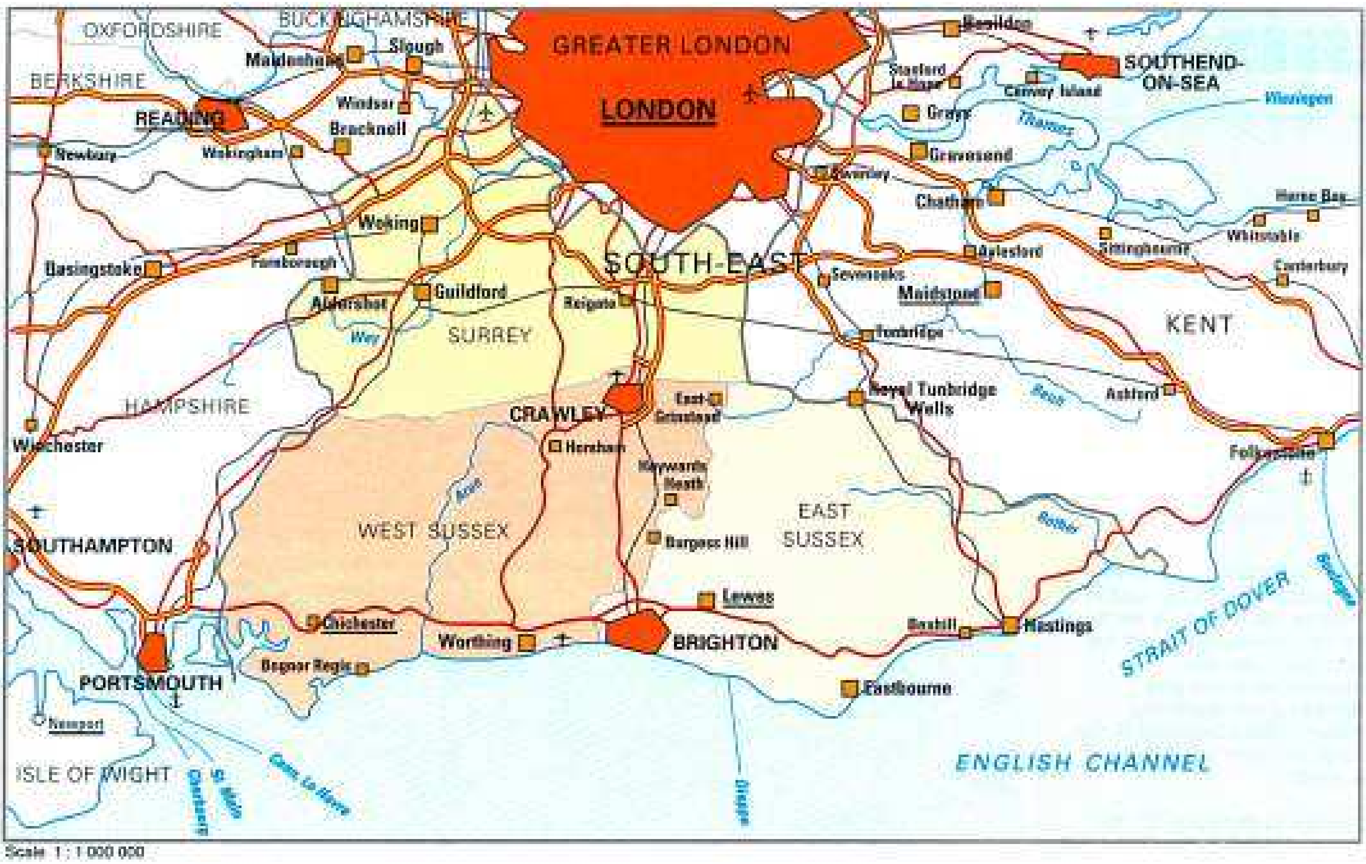
There are many courses for horse-racing in the area including Epsom race course where the world famous Derby is run each year.

The M25 London orbital motorway which runs east to west through Surrey has improved communications and eased congestion on the A25 trunk road but has also put pressure on property and services in the area. The M23 links the M25 to Gatwick airport near Crawley which is London's second airport and has served to increase economic activity in the area still further.

Labour costs are relatively high especially in Surrey and West Sussex and unemployment in those counties is low by UK standards. The popularity of Surrey and parts of West Sussex, together with some of the coastal resorts, has made property very expensive in those areas.

East Sussex is in general less prosperous than the other two counties but its attractions for tourists include some historic sites.

SURREY, EAST-WEST SUSSEX



Scale 1 : 1 000 000

Which EC regions are similar to Surrey, East-West Sussex?

Area:
5 to 6 000 km²
Liguria (I)
Giessen (D)

Population:
2.4 million inhabitants
Karlsruhe; Münster (D)
Noord-Holland (NL)

Age:
1 in 5 persons aged over 65
Limousin (F)
Liguria (I)

The pull of London versus the pull of the coast

Although all three counties are relatively prosperous by UK national standards there are considerable differences from one area to another. In Surrey, earnings are high and unemployment is low even by the standards of the South-East. A similarly favourable picture applies to West Sussex. In East Sussex however, which is largely rural and has very few high-technology industries, earnings are lower and unemployment is near the UK average.

Imbalances among the three counties are related in part to their proximity to London. Surrey has a denser population than the other counties and is popular with London commuters. The coastal areas of East and West Sussex and the more rural areas inland offer relatively lower-paid jobs in the tourist industry and a smaller number in farming and horticulture.

	Area	Population			Activity	Unempl.	Employment			GDP/inhab.
	1 000 km²	1 000	Inhab./km²	Change (%)	%	%	% Agricult.	% Industry	% Services	EUR (PPS) = 100
		1990	1990	1980-90	1988	1990	1989	1989	1989	1989
East Sussex	1.8	712	397	7.4	58	4.6	2	19	79	85
Surrey	1.7	1 003	597	−1.4	65	1.4	1	22	77	124
West Sussex	2.0	705	354	6.7	60	1.8	3	24	74	110
Surrey, East-West Sussex	5.5	2 420	443	3.4	61	2.4	2	22	76	108
United Kingdom	242.5	57 411	237	2.0	62	6.3	1	30	69	107
EUR 12	2 253.7	327 931	146	3.2	54	8.3	7	33	60	100

UNITED KINGDOM

ESSEX

Essex, historically 'land of the East Saxons', is mainly rural in character but not wholly so. It also has several resorts on the North Sea coast and industrialized urban and suburban areas bordering London to the south-west of the county and the river Thames to the south.

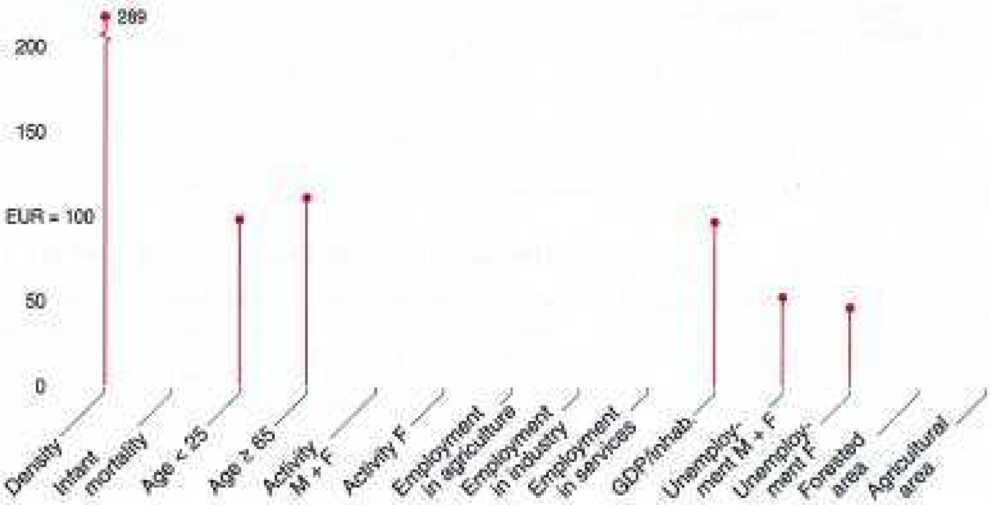
Its terrain is generally flat, the chalk highlands in the north-west slope gradually south and east towards the low alluvial coast with its many inlets and coastal islands. Much of what used to be marshland has now been reclaimed. The rivers Lea and Roding flow into the Thames, and the Crouch, Blackwater and Stour flow into the North Sea.

Geologically, Essex is part of the structural downwarp known as the London basin; and deposits of London clay cover a large part of the surface of the county (in the west, at Epping and Hainault forests). Much of the surface is also covered by a variety of rich soils deposited by 'glacial drift' which has always supported agriculture in much of the county including areas such as historic Maldon, Tendring and Uttlesford.

Its coastline, though still consisting of marshland in parts, also provides important port facilities, for example for oil tankers in the Thames estuary and for passenger ferries and freighters at the port of Harwich on the east coast.

The new Stansted airport, built to ease congestion at London's two largest airports at Gatwick and Heathrow.

Essex in the Community



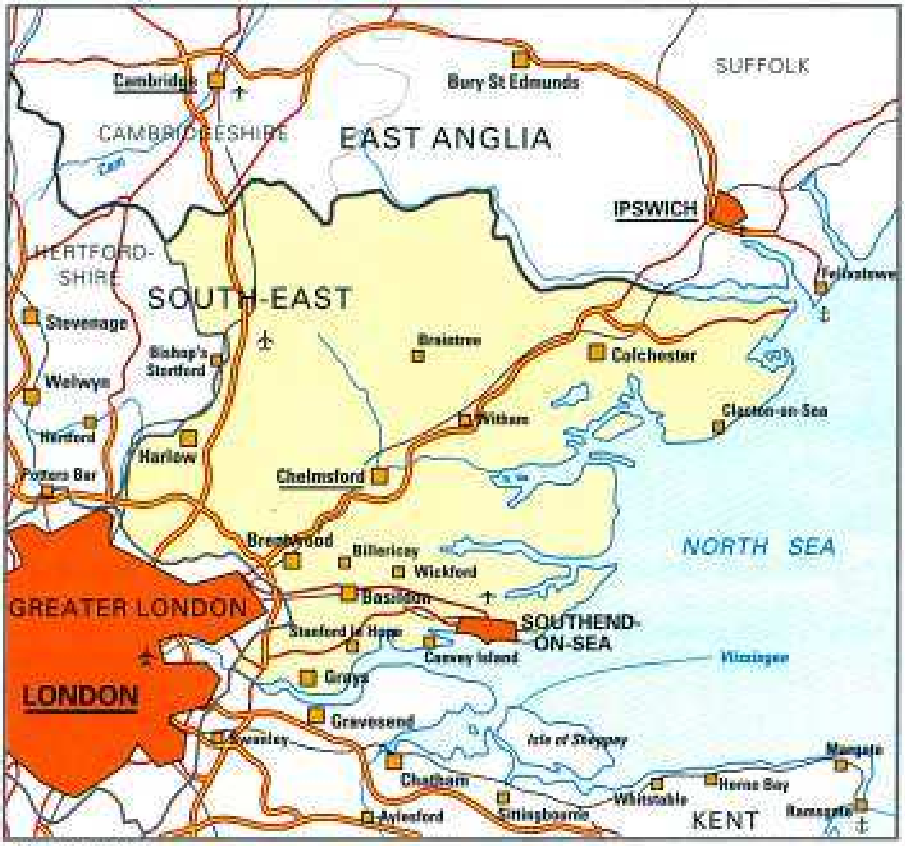
Excellent road, rail and sea communications

Among the strengths of the county of Essex are its proximity to London and direct access to the river Thames and to the North Sea. Thriving industries along the Thames include paper making and cement manufacture, motor manufacturing (Ford), detergent and margarine manufacture (Unilever), and large oil refineries. In the centre and north of the county agriculture has always been important with a variety of crops grown on fertile soils. Wheat and barley are the chief crops but sugar beet and potatoes are also grown mainly for the London market.

The port of Tilbury which is the furthest downriver of the string of London docks has decreased in importance with containerization but the port of Harwich has benefited from the increase in sea-borne container traffic.

The road and rail network in Essex is good and includes the M25 motorway which encircles Greater London and crosses the Thames from Purfleet in Essex to Dartford in Kent. The river crossing has always represented a bottleneck but a new bridge, which has been built to supplement the two existing tunnels, began to take traffic in October 1991 and is expected to ease congestion considerably.

Quarrying for sand and chalk (for cement manufacture) has scarred the landscape especially near the Thames but many of the workings have recently been reclaimed. The very large shopping mall called 'Lakeside' at Purfleet near the river crossing was built in 1990 on what was derelict land.



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Industrialization in the south, rural areas elsewhere

Imbalances in the county of Essex stem mainly from industrialization in the south and its proximity to Greater London on the one hand and the mainly rural character of the rest of the county.

Manufacturing is also important in the new town areas of Basildon and Harlow but much less in the older large towns of Colchester and Chelmsford (the county town).

The county has two airports. The airport at Stansted in the north-west of the county close to the M11 is already an international airport and is growing quite quickly. In common with two of London's other major airports at Heathrow to the west and Gatwick to the south it is likely that Stansted (to the north of London) will attract further economic activity as it develops. The airport at Southend-on-Sea is small with little international traffic.

A large number of Essex residents commute to offices in London for work. Commuting is easiest in the south-west of the county where manufacturing is also important and therefore incomes and house prices are much higher in that part of the county than in the more rural areas to the north and east.

The age structure of the population is fairly well balanced except in the seaside resort of Southend and neighbouring areas on the Thames estuary where almost a third of the population is over pension age.

Which EC regions are similar to Essex?

Area:
3 700 km²
Namur (B)
Noord-Holland (NL)
Kent (UK)

Population:
1.5 million inhabitants
Antwerpen (B)
Kent (UK)
Mittelfranken (D)

Population density:
410 inhabitants per km²
Saarland (D)
Kent; Cheshire (UK)

	Area	Population			Activity	Unempl.	Employment			GDP/inhab.
	1 000 km²	1 000	Inhab./km²	Change (%)	%	%	% Agricult.	% Industry	% Services	EUR (PPS) = 100
		1990	1990	1980-90	1988	1990	1989	1989	1989	1989
Essex	3.7	1 534	418	4.0	64	3.7	2	29	69	97
United Kingdom	242.5	57 411	237	2.0	62	6.3	1	30	69	107
EUR 12	2 253.7	327 931	146	3.2	54	8.3	7	33	60	100

UNITED KINGDOM

GREATER LONDON

With its present boundaries, Greater London has a population of about six and a half million people in area of 1 579 km². The population density is over 4 000 persons per square kilometre, varying from around 2 000 in the boroughs of Bromley and Havering on the periphery of London to around 11 000 in the more central boroughs of Islington and Kensington/Chelsea.

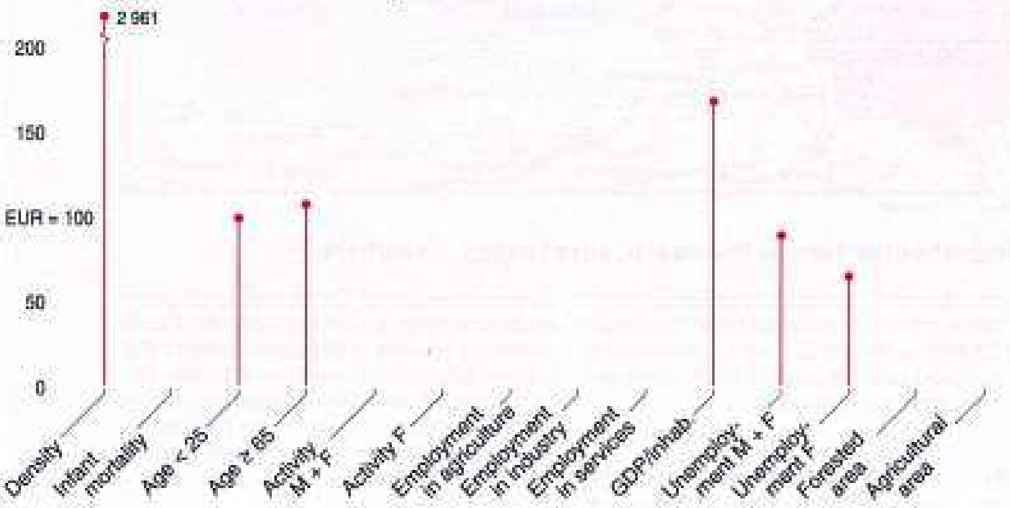
London is the seat of government, but it is also the commercial centre of the nation and is several times larger than any other city in the United Kingdom. It is also a world centre of banking, insurance and financial services.

London was administered by the Greater London Council until it was abolished in April 1986. Local administration is now mainly the responsibility of 32 London boroughs plus the City of London. The City of London is in fact a relatively small area at the heart of the banking, insurance and finance industries sometimes known as 'the Square Mile'.

London is served by two of the world's busiest international airports at Heathrow and Gatwick to the west and south of the capital, but also by Luton to the north and Stansted to the east. The smaller City airport on the Thames close to the commercial centre now also serves a number of destinations in Europe.

The Houses of Parliament on the banks of the river Thames.

Greater London in the Community

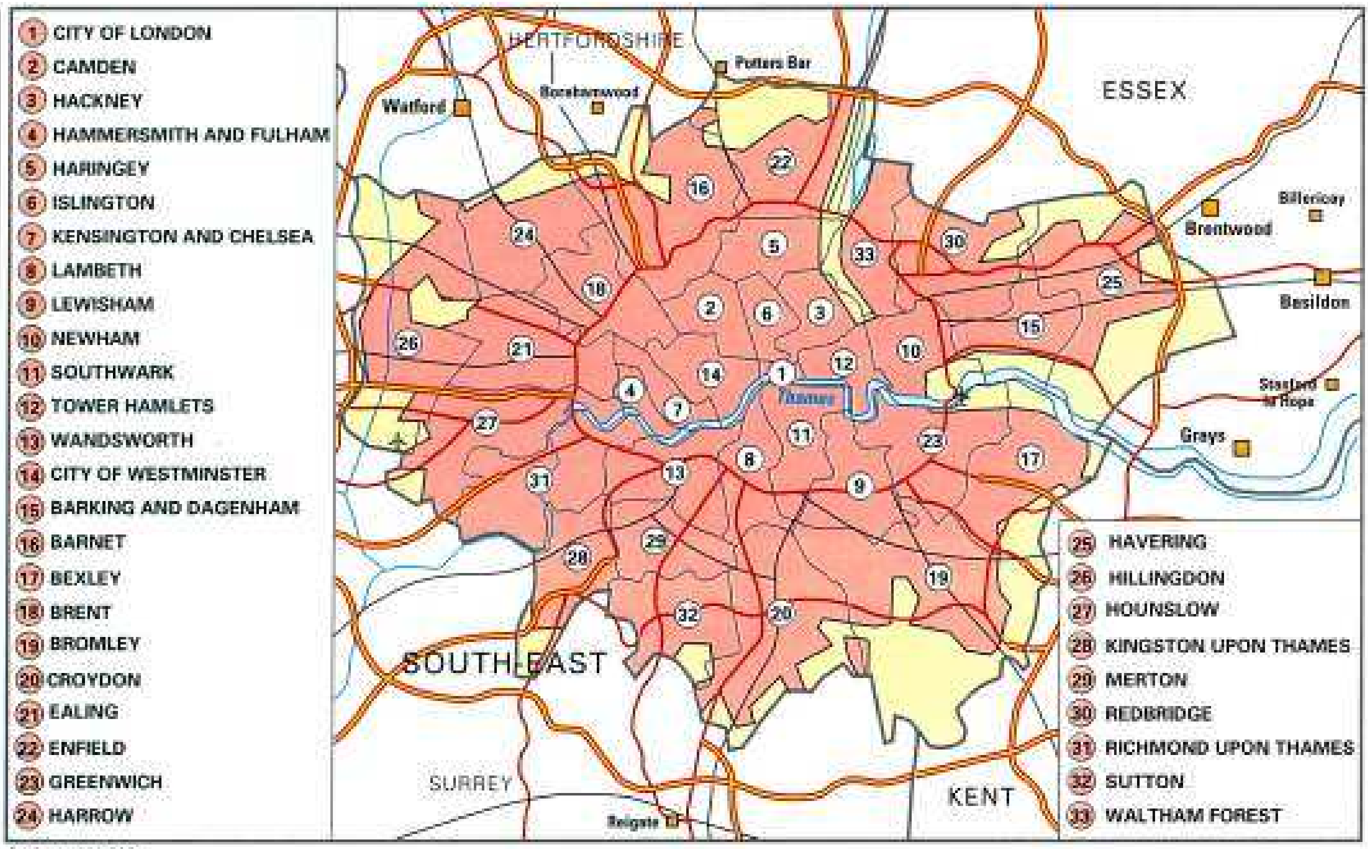


A hive of activity, but high costs

As the political and administrative centre of the country, London attracts the head offices of both national and international companies. There is also a wide variety of manufacturing industries including food and drink (particularly brewing), instrument engineering, electrical and electronic engineering, clothing, furniture and printing. The tourism industry is also important; some two-thirds of all income from overseas tourists is generated in London. The facilities of a great metropolis, including theatres and museums, are attractive to residents and visitors alike.

Despite a well-established infrastructure of road and rail (including underground) transport, in common with many other cities London suffers from traffic congestion particularly during peak periods. The delays caused by the density of traffic add to costs both for business and for households.

High rents, high labour costs and some government incentives, have encouraged some decentralization of offices outside the capital in recent years. For the three and a half million people employed in London the opportunities are greater than elsewhere in the country but the cost of living is high and most have to commute to work from outside the centre with an average travelling time of around an hour in each direction.



Scale 1 : 500 000

Which EC regions are similar to Greater London?

Area:
1 600 km²
Guadeloupe (F)
South Yorkshire (UK)

Population:
7 million inhabitants
Andalucía (E)
Niedersachsen (D)

Population density:
4 000 inhabitants per km²
Berlin (D)
Ceuta y Melilla (E)

Per capita GDP:
more than 150% of the EC average
Île-de-France (F)
Bruxelles (B)

Inner and outer London

The tendency in recent years for some migration out of cities and large towns has been reflected in London where the inner-city boroughs in particular have seen declines in population. Nevertheless there remain large differences between the outer London and inner London boroughs. The inner London boroughs are mainly very densely populated with high levels of long-term unemployment in some areas. The outer London boroughs, on the other hand, are much less densely populated with lower levels of unemployment. Housing costs are nevertheless high across the whole of the Greater London area and in the dormitory towns and villages outside the capital.

Despite the predominance of banking, insurance and financial services the economic structure of Greater London is nevertheless diverse, with many other service and manufacturing industries although there has been a shift in recent years away from manufacturing towards service industries. The most obvious decline however has been in the port of London with much reduced shipping traffic in the Thames and the transfer of freight traffic to containerization at the coastal ports, for example at Felixstowe and Harwich. Much effort has gone into restoring derelict docklands sites including the Isle of Dogs (covering 147 hectares of land) which was designated an Enterprise Zone in April 1982.

	Area	Population			Activity	Unempl.	Employment			GDP/inhab.
	1 000 km²	1 000	Inhab./km²	Change (%)	%	%	% Agricult.	% Industry	% Services	EUR (PPS) = 100
		1990	1990	1980-90	1988	1990	1989	1989	1989	1989
Greater London	1.6	6 794	4 303	−0.8	63	6.3	0	18	82	168
United Kingdom	242.5	57 411	237	2.0	62	6.3	1	30	69	107
EUR 12	2 253.7	327 931	146	3.2	54	8.3	7	33	60	100

UNITED KINGDOM

HAMPSHIRE, ISLE OF WIGHT

Hampshire is the most central of the English counties on the south coast. The Isle of Wight is a small diamond shaped island of only 36 km from east to west and 22 km from north to south. It is separated from the mainland by a strait, known as the Solent, and by Spithead.

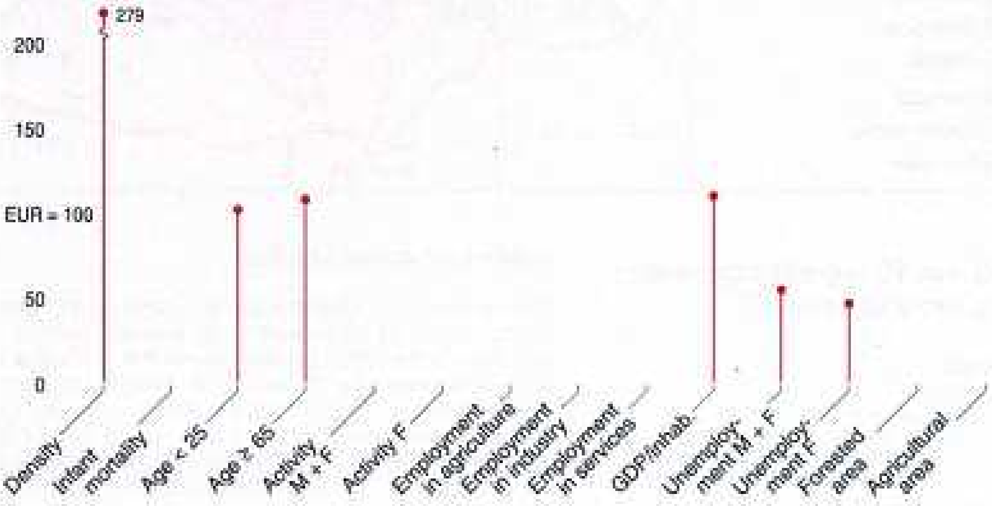
Hampshire is bounded by Dorset and Wiltshire to the west, Berkshire to the north and Surrey and Sussex to the east. Although Hampshire and more particularly the Isle of Wight are both largely rural, the south coast towns of Bournemouth, Southampton and Portsmouth are quite large and the town of Basingstoke to the north of the county is in the centre of a developing area.

The county of Hampshire has always been essentially agricultural, its main agricultural concerns now being dairying and the production of corn, and there is still a large area of woodland — for instance in the New Forest, a former royal hunting ground.

Hampshire is quite hilly with a broad belt of rolling chalk downland running across the county from east to west. On the Isle of Wight, the geology and, therefore, the scenery is more varied. The island is largely rural with popular holiday resorts on its south-east coast at Sandown, Shanklin and Ventnor which enjoy some of the highest sunshine records in the United Kingdom.

Winchester Cathedral, second largest in Europe. The city was capital of England in Anglo-Saxon times.

Hampshire, Isle of Wight in the Community



The tugboat and the tug of London

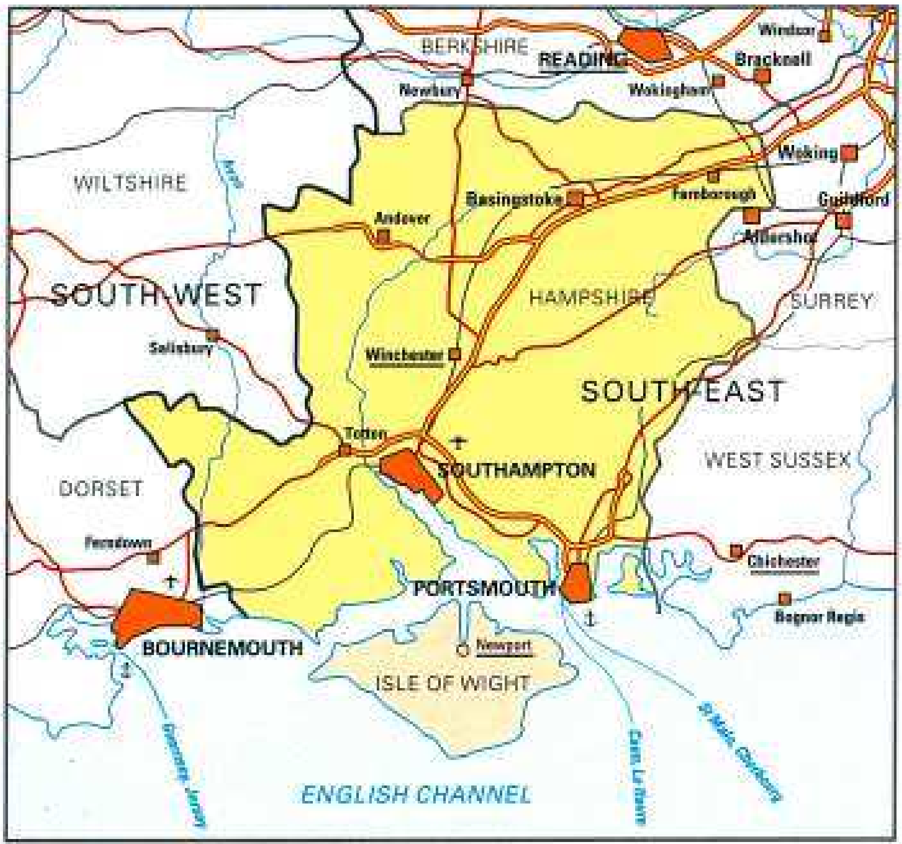
Although Hampshire is on the south coast, at its north-east tip it is only some 50 km from the centre of London and so residents in that area, for example in Farnborough, can readily commute to London. At the other end of the county, on the south coast, the major settlements and most of the industrial developments are around Portsmouth and Southampton, which are also key commercial deep-sea and ferry ports. Economic growth has also been encouraged around Andover and around Basingstoke, and to a lesser extent Farnborough where new office and industrial development has been concentrated.

On the other hand, the area in the centre of the county, in the region of the cathedral city of Winchester, employment growth is restricted.

In Hampshire average earnings are well up to the average of the South-East which puts it well above the average for the UK as a whole, and unemployment rates are low, but in contrast, in the Isle of Wight which is only about one-tenth of the size of Hampshire, earnings are lower and unemployment is higher than in any other county in the South-East. The relative remoteness of the island has enabled it to preserve its rural character and to attract tourists. The weather, too, has played its part in that the island often enjoys more sunshine than the mainland.

Although only relatively small with a population of around 130 000, the Isle of Wight nevertheless has frequent ferry, hovercraft, hydrofoil and air services to the mainland.

HAMPSHIRE, ISLE OF WIGHT



Scale 1 : 1 000 000

Which EC regions are similar to Hampshire, Isle of Wight?

Area:
4 000 km²
Molise (I)
Liège (B)

Population:
1.7 million inhabitants
Liguria (I)
Haute-Normandie (F)

Population density:
400 inhabitants per km²
Saarland (D)
Derbyshire, Nottinghamshire (UK)

Mainland versus the Island

The most obvious imbalance within the region is between the county of Hampshire on the mainland and the Isle of Wight. Hampshire is a prosperous county with important growth areas particularly around Basingstoke and Farnborough to the north and Southampton and Portsmouth to the south. In contrast the Isle of Wight is one of the least prosperous areas of the South-East with relatively few employment opportunities and, despite quite frequent and varied means of crossing the Solent to the mainland, it nevertheless suffers from its relative inaccessibility.

Southampton is a very important passenger port and perhaps the most successful of the seven free ports which have been established in the United Kingdom in the last few years. Further down Southampton water, at Portsmouth and Gosport, is one of Britain's principal Royal Navy centres and there is a large important oil refinery at Fawley on the western shore.

On the Isle of Wight agriculture, shipbuilding and aircraft construction offer some employment but tourism, notably at Freshwater, Yarmouth, Ryde, Sandown-Shanklin and Ventnor are more important to the economy.

	Area	Population			Activity	Unempl.	Employment			GDP/inhab.
	1 000 km²	1 000	Inhab./km²	Change (%)	%	%	% Agricult.	% Industry	% Services	EUR(PPS) = 100
		1990	1990	1980-90	1988	1990	1989	1989	1989	1989
Hampshire	3.8	1 547	410	4.9	66	3.5	1	28	71	112
Isle of Wight	0.4	130	341	10.2	56	7.1	2	25	73	82
Hampshire, Isle of Wight	4.2	1 677	403	5.3	65	3.7	1	28	71	110
United Kingdom	242.5	57 411	237	2.0	62	6.3	1	30	69	107
EUR 12	2 253.7	327 931	146	3.2	54	8.3	7	33	60	100

UNITED KINGDOM
KENT

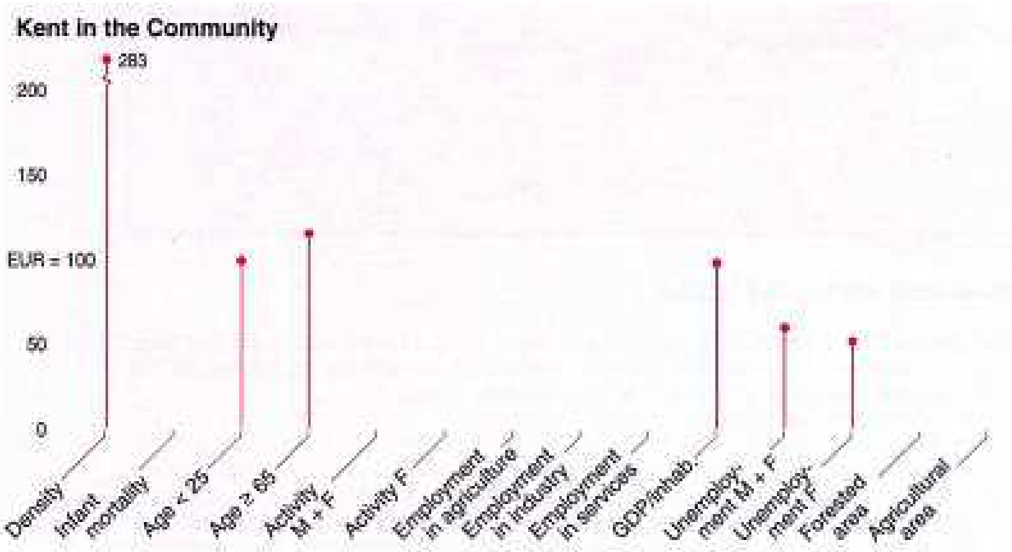
Kent, sometimes called 'the Garden of England', is on the south-eastern tip of England only 30 or so kilometres from the coast of northern France. It has a long coastline, with the Thames estuary to the north and strait of Dover to the south and east. The river Thames divides it from the county of Essex and it shares borders with Greater London and East Sussex. The North Downs which run broadly through the centre of the county from west to east are gently rolling chalk hills that end at the white cliffs of Dover.

Kent gets its title 'the Garden of England' mainly because of fruit growing, especially apples and cherries, and hop growing which is largely in the Medway valley and north Kent. Further upriver the area is more industrial and paper making is an important activity.

About half the agricultural land is under grass, on which both cattle and sheep are raised particularly in the east of the region around and beyond Canterbury.

The M2 motorway carries traffic from the Channel port at Dover (the busiest passenger port in the Community) and the M20 serves the same purpose for Folkestone. The Channel Tunnel, which is due to open in 1993, is expected to increase the traffic with mainland Europe. Economic activity in Kent will therefore increase but the developments in infrastructure will pose environmental problems.

Canterbury Cathedral was a centre of pilgrimage for many centuries but today the visitors are mostly tourists.



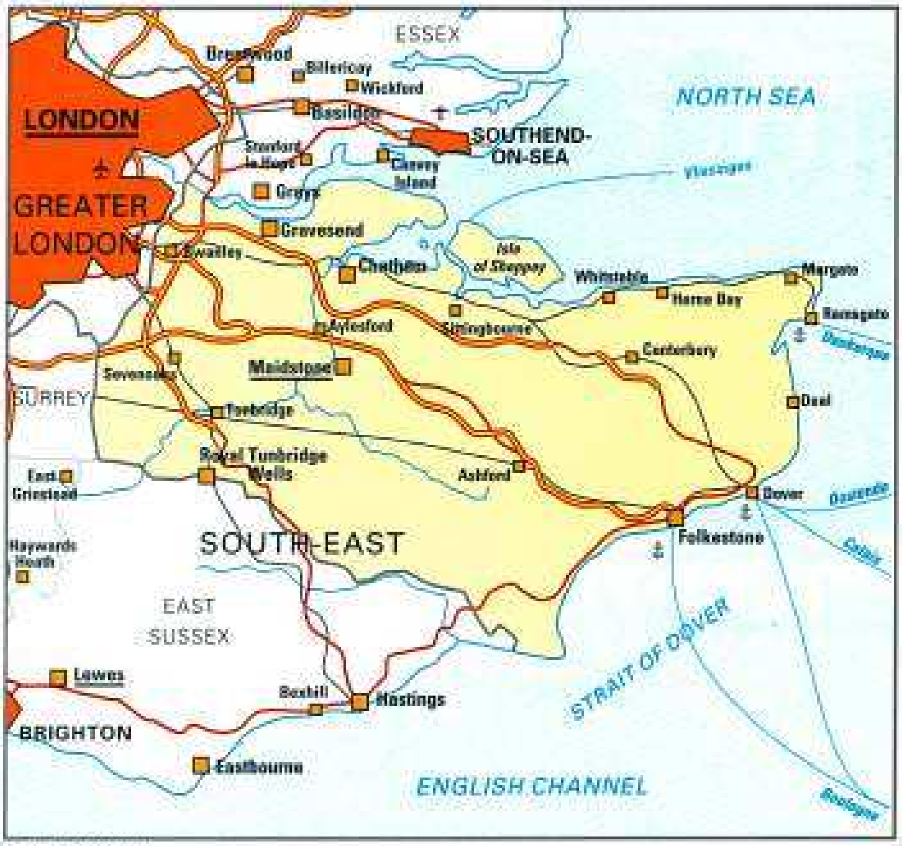
The link to continental Europe

Among the important strengths of the county of Kent are its proximity both to London, and to France via the Channel ports and the impending tunnel link. The importance of the links with mainland Europe is expected to increase still further as trade and communications continue to develop.

The industrialized areas of the county to the north-west near London and along the rivers Thames and Medway have brought wealth and employment to those areas but at the eastern end of the county and along the more remote coastline which does not have direct links with the continental mainland incomes are lower and unemployment is higher.

The county is attractive to tourists not only because of the beautiful old cathedral town of Canterbury but also because of the prettiness of the countryside including for example its picturesque oast houses (for drying hops) and old fashioned lap-board façades. Tourists are also attracted to Norman castles such as those at Dover and Rochester and to Elizabethan mansions such as Knole House near Sevenoaks. Some of the small coastal towns such as historic Deal, Sandwich and Broadstairs are more remote but nevertheless benefit from tourism in the summer season.

Among its weaknesses is the high cost of land and housing particularly in the west of the county from where it is convenient to travel to work in London.



Scale 1 : 1 000 000

Which EC regions are similar to Kent?

Area:
3 700 km²
Namur (B)
Noord-Holland (NL)
Essex (UK)

Population:
1.5 million inhabitants
Antwerpen (B)
Mittelfranken (D)
Essex (UK)

Population density:
410 inhabitants per km²
Saarland (D)
Essex; Cheshire (UK)

Agriculture still important, but the Channel beckons

The imbalances in the county of Kent stem mainly from its proximity to London and the river Thames and to France on the one hand, and the relative remoteness of the north-east of the county around Margate and Ramsgate and the rural south-western area in the vale of Kent.

Employment opportunities vary considerably across the county. In Tunbridge Wells, for example, where many residents commute to London the proportion of the unemployed who have been without a job for more than a year is only one in 10 whereas in Thanet at the extreme eastern end of the county the long-term rate is one in five. Similarly employment opportunities are much greater near the Channel ports and in the industrial areas in the north-west of the county than they are in the rural areas and elsewhere along the coast.

Agriculture is more important in Kent than for the UK as a whole, but it varies from around 6% in the Ashford and Swale areas to only 1% in the Medway area.

Population densities vary considerably too. They are much higher in the industrialized areas near the rivers Thames and Medway and near London, although the 'green belt' policy has tended to keep the population density down. In the rural areas and in the coastal areas excluding the main Channel ports, the population density is much lower.

	Area	Population			Activity	Unempl.	Employment			GDP/inhab.
	1 000 km²	1 000	Inhab./km²	Change (%)	%	%	% Agricult.	% Industry	% Services	EUR (PPS) = 100
		1990	1990	1980-90	1988	1990	1989	1989	1989	1989
Kent	3.7	1 526	409	3.2	63	3.9	3	27	70	98
United Kingdom	242.5	57 411	237	2.0	62	6.3	1	30	69	107
EUR 12	2 253.7	327 931	146	3.2	54	8.3	7	33	60	100

UNITED KINGDOM

SOUTH-WEST

The South-West region, which forms the extreme south-western part of England, is colloquially known as 'the West Country'. The bulk of the region is formed by a peninsula, some 270 km in length, west of Avon.

Major conurbations are: Bristol in Avon with a population of around half of a million, Plymouth in Devon with a population of around a quarter of a million, and the area formed by Bournemouth, Poole and Christchurch in Dorset which also adds about a quarter of a million.

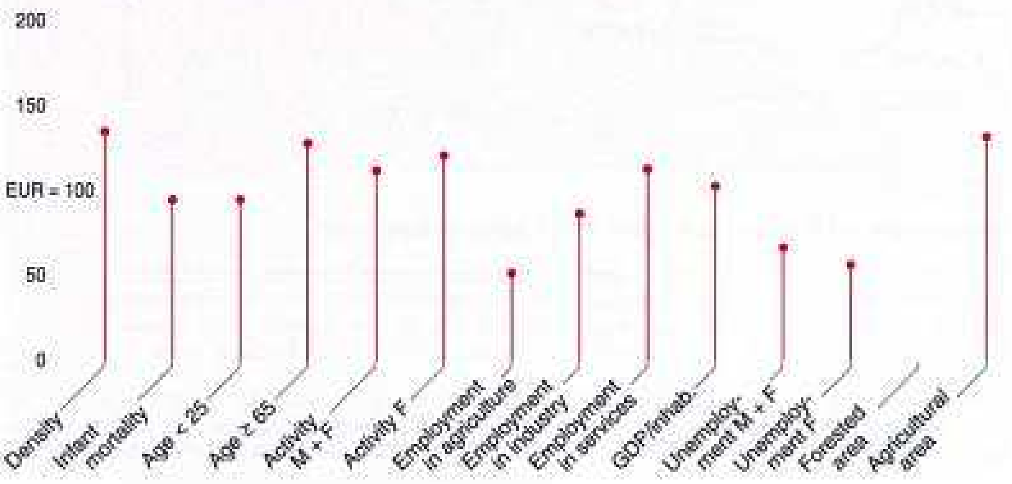
The region is well served by two important motorways. The M4 forms the link with London and the South-East, while the M5 forms the link with the Midlands and North. Rail links are also good — with fast Inter-city services connecting with London, the rest of the South-East and the Midlands and North.

The peninsula has over 1 000 km of largely unspoilt coastline. In the east of the region are the Cotswold hills, the rolling chalk downs of Wiltshire and Dorset and the lowland heaths of East Dorset.

The upland areas of the region are rich in archaeological remains, of which the most famous are Stonehenge and Avebury, a World Heritage site. The city of Bath in the county of Avon is also recognized as a World Heritage site because of its Roman and Georgian buildings.

The awe-inspiring site of Stonehenge, assembled centuries ago with only primitive tools.

South-West in the Community



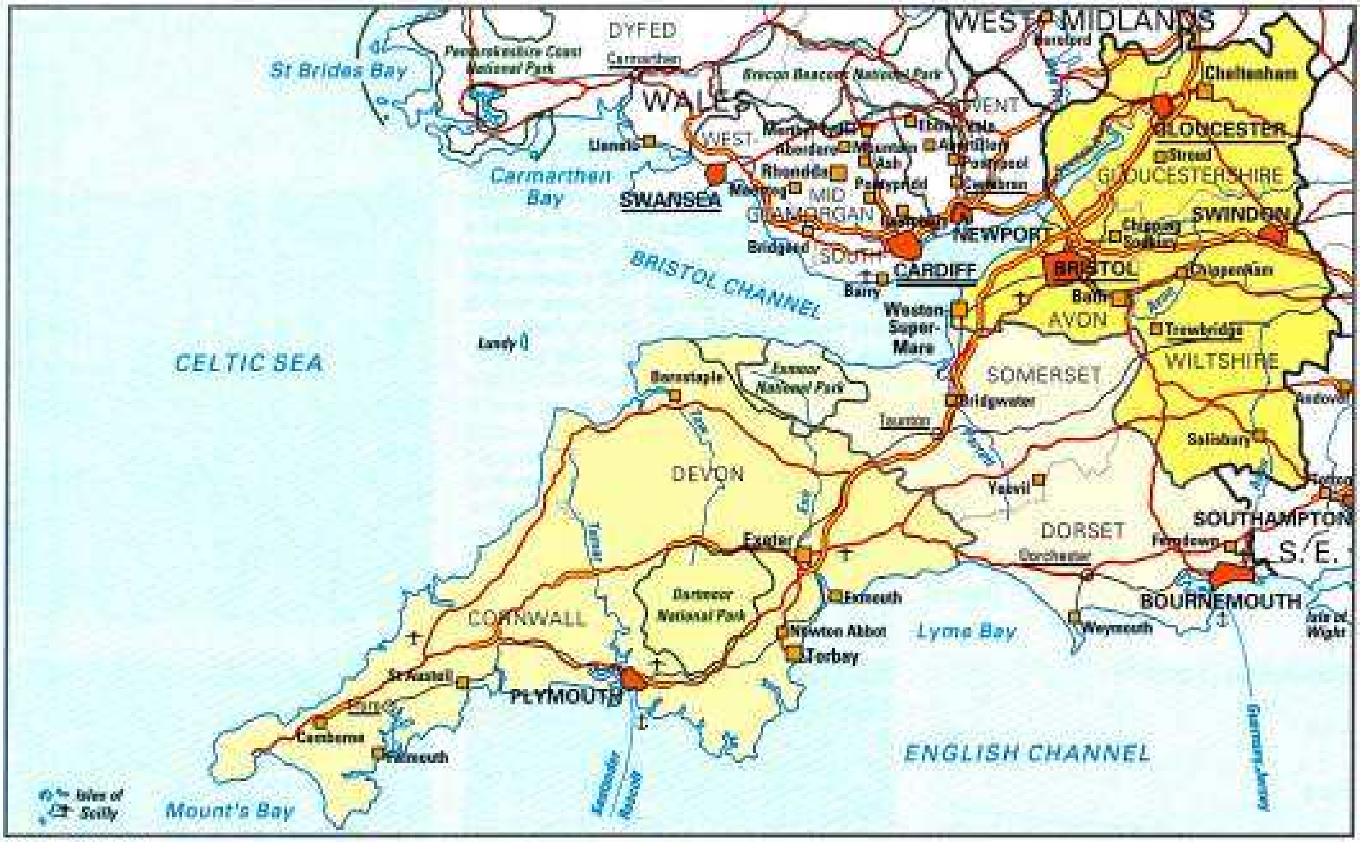
Excellent communication links with London

The South-West has great unspoilt natural beauty which makes it very attractive to tourists in summertime but the remoteness which adds to its attraction for holiday-makers, particularly in the peninsular counties of Cornwall and Devon, reduces its potential for economic development. However, Avon and particularly Bristol has thrived in recent years with the establishment of high-technology industries. The arrival of insurance and financial institutions has made Bristol widely recognized as a secondary financial centre behind London. Its excellent road and rail communications to Heathrow airport and London have assisted this growth, as with other towns, such as Swindon, along the 'M4 Corridor'.

Further west is Plymouth where growth has owed much to the naval base and shipyard; the decline in employment from these activities is being countered by efforts to stimulate new manufacturing and service industries.

Bristol has a large polytechnic college, and its university is one of the most popular in the United Kingdom. Universities at Bath and Exeter are also popular and the University of Bath in particular concentrates on technical subjects.

SOUTH-WEST



Scale 1 : 2 000 000

Which EC regions are similar to South-West?

Area:
± 23 800 km²
Mecklenburg-Vorpommern (D)
Lombardia (I)

Population:
4.6 million inhabitants
Berlin and Brandenburg (D)

Employment:
4% in agriculture
2/3 in services
Luxembourg (grand-duché)
Région wallonne (B)

Thriving tourist centres and remote landscapes

Most of the imbalances within the region stem from the remoteness of the peninsula (the counties of Cornwall and Devon) to the west, in contrast to the more eastern counties (and especially the county of Avon and the area around Bristol), which have good communications with the South-East and the rest of Britain.

Although all counties of the South-West region have seen a significant growth of population over the last few years, nevertheless large differences remain, with Avon being relatively densely populated in contrast to the sparser counties of Cornwall, Devon and Somerset. Unemployment is much higher in Cornwall than in any other part of the region and average weekly earnings are significantly lower. At the other extreme, unemployment in Avon, Dorset, Gloucester, Somerset and Wiltshire is equal to or less than unemployment rates in the United Kingdom as a whole.

The population structure varies considerably with a very small proportion of older people in Bristol and much higher proportions in the rural areas including much of Cornwall. The South-West has the highest proportion of elderly and retired people in Britain.

	Area	Population			Activity	Unempl.	Employment			GDP/inhab.
	1 000 km²	1 000	Inhab./km²	Change (%)	%	%	% Agricult.	% Industry	% Services	EUR(PPS) = 100
		1990	1990	1980-90	1988	1990	1989	1989	1989	1989
Avon, Gloucestershire, Wiltshire	7.5	2 045	274	4.7	64	3.9	2	29	69	116
Cornwall, Devon	10.3	1 498	146	8.0	57	5.7	3	24	73	87
Dorset, Somerset	6.1	1 123	184	10.1	59	3.6	3	29	69	101
South-West	23.9	4 666	196	7.0	60	4.4	3	27	70	103
United Kingdom	242.5	57 411	237	2.0	62	6.3	1	30	69	107
EUR 12	2 253.7	327 931	146	3.2	54	8.3	7	33	60	100

SOUTH-WEST

High concentrations of elderly and retired people

The South-West has the second fastest growing population after East Anglia. All seven counties in the region have shown significant growth in the last few years. A major source of growth has been the number of people moving to the South-West from elsewhere, accompanied by the relocation of major companies (often from the South-East). This is putting pressure on the environment and infrastructure of towns and cities in the north and east of the region.

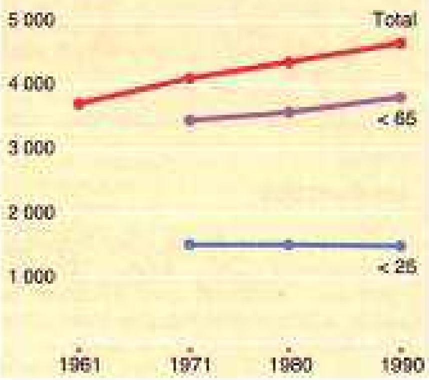
Although the Bristol area has experienced the greatest economic growth, its population has grown less than in other areas probably because it is already densely populated. Birth and death rates have remained fairly constant over the last few years but births have marginally exceeded deaths and therefore natural change has also contributed to the overall population growth.

The distribution of the population of the region varies considerably from Cornwall in the extreme west to Avon in the east. Despite recent increases, Cornwall has a population density of only 130 persons per km² compared with 700 persons per km² in Avon. The age structure too is very varied. In Cornwall and Dorset there are high concentrations of older people.

Population by age — 1990

	M + F 1 000	M + F %	M %	F %
< 15	830.0	17.8	18.9	16.7
15-24	661.0	14.2	15.1	13.3
25-39	977.0	20.9	21.6	20.3
40-54	850.0	18.2	18.6	17.9
55-64	496.0	10.6	10.5	10.7
≥ 65	854.0	18.3	15.3	21.1
Total	4 666.5	100.0	100.0	100.0

Population (1 000)



Resident population of foreign nationality — 1988-90

	1 000	% of total population
Total	75.1	1.6
of which EC countries	35.1	0.8
of which non-EC countries	40.0	0.9
Ireland	19.8	0.4
USA	5.3	0.1
India	3.9	0.1
Italy	3.8	0.1
Germany	3.8	0.1
Jamaica	3.8	0.1

Demographic account — 1980-90 (1 000)

Population 30.6.1980	4 361
Births	539
Deaths	563
Net migration	+ 328
Population 30.6.1990	4 667

High educational performance

Around a quarter of the South-West workforce have no recognized qualifications, close to the national average. The number of pupils leaving school with no graded results is less in the South-West than in any other United Kingdom region. The level of educational attainment at school is better than most other regions.

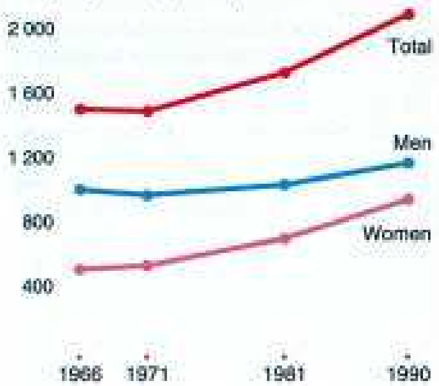
Compulsory education ends at age 16 in England and over 60% of 16-year-old pupils in the South-West stay on at school or enter some form of further education — this is slightly below the national average. The universities and polytechnics of Bristol, Bath and Exeter have a high reputation and attract students from all other regions, particularly the neighbouring South-East region.

In 1989-90, nearly three-quarters (the highest percentage in the country) of youngsters completing a Youth Training Scheme went on to find either full or part-time employment.

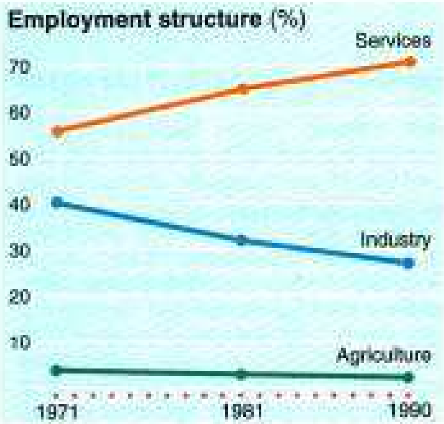
Number of pupils — 1990

	M + F 1 000	F %
Pre-school	42	49
Primary	337	49
Lower secondary	158	49
Higher secondary (technical)	178	56
Higher secondary (general)	150	49
Higher education	63	45
Total	928	49

Employment (1 000)



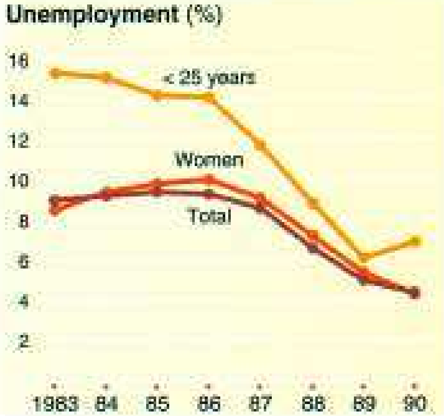
Employment structure (%)



Employment — 1981 (1 000)

Resident employment	1 770.9
+ Non-residents having a job in the region	34.5
− Residents having a job outside the region	47.3
= Internal employment	1 758.0

Unemployment (%)



Tin-mining and shipbuilding replaced by high-tech industries

Bristol's growth during the last century was derived mainly from its mercantile activities with trade links to West Africa and Central America. Employment in the shipping industry is now however of less significance. The aeronautical industry is important in the region, with major employers such as British Aerospace, Rolls Royce and Westland. The cigarette industry has been important in the Bristol area, but is now of less importance.

Manufacturing in general is comparatively less important in the South-West region than in most other regions in the United Kingdom. The last two tin-mines in Cornwall were closed in June 1991. Whilst the major city of Bristol, other parts of Avon and Swindon and south-east Dorset have seen recent growth in employment in finance, insurance and education, the tourist industry is more important in the holiday areas of Dorset, Cornwall and Devon.

Although in decline, agriculture still plays an important role: around 1.9 million hectares are farmed by 47 000 farmers. The South-West is the most defence-dependent region in the United Kingdom, with an estimated 155 000 jobs depending, directly or indirectly, on defence expenditure.

The number of people with second jobs is higher in the South-West than in most other regions of the United Kingdom. Activity rates for women are high compared with other regions, whilst for men they are lower.

Characteristics of resident employment (%)

	< 25 years	25-54 years	≥ 55 years	Employees	Employees: part-time		Employees: full-time, temporary contract	
	1990	1990	1990	1990	1983	1990	1983	1990
Men	18	67	15	77	4	6	3	2
Women	22	68	10	89	46	47	3	2
Total	20	68	13	82	22	26	3	2

Isolated ares have highest unemployment rates

In the 1970s unemployment was higher in the South-West region than the United Kingdom average but during the 1980s the rate has been consistently lower. For those who are unemployed fewer have been unemployed for long periods than in the United Kingdom as a whole whilst a greater proportion have been unemployed for only short periods.

The age structure of unemployment is similar in the South-West region to the United Kingdom average. Unemployment varies considerably across the region. Decline of traditional industries, particularly tin-mining, and the relative distance from other parts of the country have left Cornwall with an unemployment rate which is considerably higher than the United Kingdom average. The unemployment rate in Devon is also a little higher than the rest of the country. In other counties, particularly in Gloucester and Wiltshire — noticeably those counties furthest east and with excellent communication links to other parts of the country — unemployment rates are significantly less than the average for the rest of the country. However, long-term unemployment at the beginning of 1991 was higher in Avon than in any other county in the South-West region.

Over the last five years, unemployment in the South-West has fallen, but less than the drop in the national figure.

Defence industry is key employer

There are over 160 000 businesses in the South-West with a turnover large enough for them to be registered for VAT. The number of businesses has grown, and the rate of increase in the last 10 years has been rather higher than the rate for the country as a whole. Manufacturing remains less important in the region than in many other regions and the larger manufacturing enterprises are few and far between.

Enterprises in the South-West are among the least likely to employ more than 100 or so employees. The defence engineering and supply industries play an important role in the regional economy, with many jobs being dependent either on the industries themselves or on employment in other industrial sectors benefiting from the defence industries.

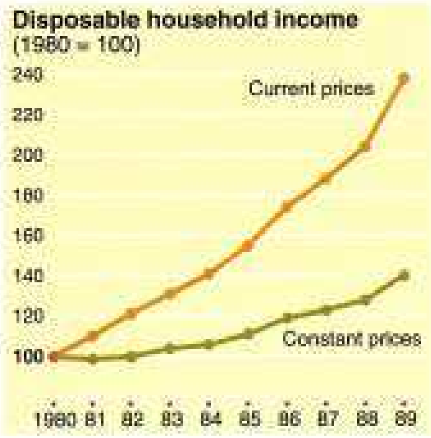
The economy of the South-West is not particularly dependent on foreign investment; the number of foreign-owned enterprises is less in the South-West than in most other regions. There are no Enterprise Zones in the region but there are a number of assisted areas (as designated by the Department of Trade and Industry) in the county of Cornwall and the forest of Dean in Gloucestershire.

Tin-mining was an important industry in Cornwall, particularly during the last century. Unlike most other regions of the United Kingdom coal-mining is almost non-existent. Agriculture, although its importance has declined, remains important to the economy in certain parts of the region. The region has the largest stock of cattle in the United Kingdom. In parts of Devon, over a quarter of employees are in the agriculture, forestry and fisheries sector — well above the national average.

The economic structure of the region is affected by the remoteness and poor road and rail links of the most westerly counties of Cornwall and Devon on the one hand, and by the proximity to the South-East of the more easterly counties.

GDP (1980 = 100)

Wages (national level = 100)



Disposable household income (1980 = 100)

High average earnings and large number of self-employed

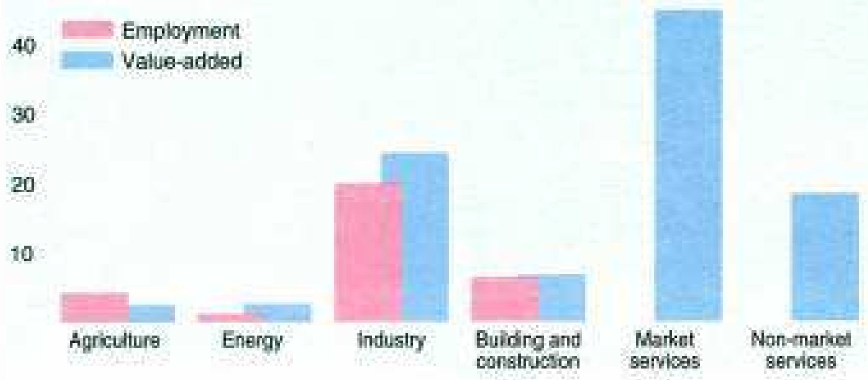
Average weekly earnings in the South-West are among the highest outside the South-East but they vary considerably across the region. Across the region, average weekly earnings in the South-West in 1990 were ECU 388 for men working full-time and ECU 264 for women working full-time. In the county of Avon weekly earnings are higher than the United Kingdom average and they are also quite high in Wiltshire. They are particularly low in Cornwall and almost as low in Devon.

Wages and salaries form a smaller proportion of income than in any other part of the United Kingdom except Northern Ireland. On the other hand, income from self-employment forms a higher proportion of income in the South-West than in any other region. Income from pensions, annuities and investments also forms a higher proportion of household income in the South-West, reflecting the higher number of retired people.

The average weekly full-time earnings for women are a little higher than in most other regions and lower only than earnings in the South-East. The pattern is similar for men except that male earnings in East Anglia are a little higher than those in the South-West. The regional averages again hide differences between counties: Cornwall has the lowest average wage for men of any county in England and Wales and the second lowest for women. Around a quarter of all adults in the South-West own company shares, very close to (but slightly below) the United Kingdom average.

Expenditure on housing is comparatively high. Only East Anglia and the South-East have higher costs.

Employment and value-added: distribution by branch – 1986 (%)



Large service industry — especially tourism

The South-West region devotes over 400 000 hectares of land to the production of cereals. However, over 11 000 hectares are devoted to grasses; twice as much as any other United Kingdom region. The area devoted to woodland on agricultural holdings is also comparatively high at 47 000 hectares. There are over 37 000 agricultural holdings in the South-West region, which is considerably more than any other region apart from Northern Ireland, although the size distribution is similar to the United Kingdom average.

There are about a third of a million manufacturing units in the South-West with a total gross value-added of about ECU 9 800 million. In comparison with most other regions the gross value-added in the distribution, hotels and catering industries (at over ECU 7 000 million) is particularly significant reflecting the tourism industry in a large part of the region.

Financial and business services are also important, particularly in the county of Avon where Bristol and the surrounding area has benefited from relocation of these industries from the South-East. Although agriculture and fishing are declining as sources of employment in the more rural parts, there remains a thriving farming and food-processing industry.

Agriculture

Number of holdings	35 970
Labour force	76 920 AWU
Agricultural area	1 763 000 ha
Livestock	1 862 000 LU
Gross value-added	11 537 ECU/AWU
Main products	
Milk	38%
Cattle	16%
Cereals	14%

Main enterprises

Name	Activity
Imperial Tobacco Ltd	Manufacture and sale of tobacco products
Beazer plc	Building and public works
English China Clays plc	Mining and transformation of china clay
DRG plc	Manufacture of paper stationery
ARC Ltd	Wholesale of construction machinery
Dowty Group plc	Aeronautics
Dalgety Agriculture Ltd	Manufacture of animal feeds
C&J Clark Ltd	Footwear industry and trade
PHH Europe Ltd	Renting of automobiles
Coral Racing Ltd	Gambling and betting activities

High levels of radon gas

The peninsula west of Avon has over 1 000 km of largely unspoilt coastline which, together with attractive scenery inland, makes the region an important destination for tourists particularly in the summer. With a large land area and relatively low population density the region does not suffer unduly from the environmental problems associated with large cities or past industrial activity, but almost 6 000 hectares of derelict land exists of which over 80% is in Cornwall where there is a legacy due to past mining of tin and other metals. Not all of the land justifies special treatment but some contains toxic material. Apart from the programme aimed at clearing up derelict land, Ground Work Trusts have been set up in Kerrier in Cornwall to improve derelict or unsightly land.

Parts of the region are affected by high levels of radon gas. This is mainly concentrated in the granite areas of Cornwall and Devon.

The water quality of the rivers is generally good with only some 10% by length of bad or poor quality. Throughout the region hedgerow trees were badly affected by Dutch elm disease and the storms of recent years, particularly those of October 1987 and January 1990, have also caused tree loss. A proposal for a new community forest to increase woodland cover has been made for Bristol-Avon.

Dartmoor and Exmoor are national parks whilst large areas, including the coasts of Dorset, Devon and Cornwall, are designated as areas of outstanding natural beauty.

Over 300 km of coastline are owned by the National Trust which ensures their preservation. The coastline comprises impressive cliff scenery along the Atlantic coast with cliffs and inlets of great beauty along the English Channel coast.

The spa town of Bath, a centre for treatment of rheumatic diseases, grew up around a complex of Roman baths.

UNITED KINGDOM

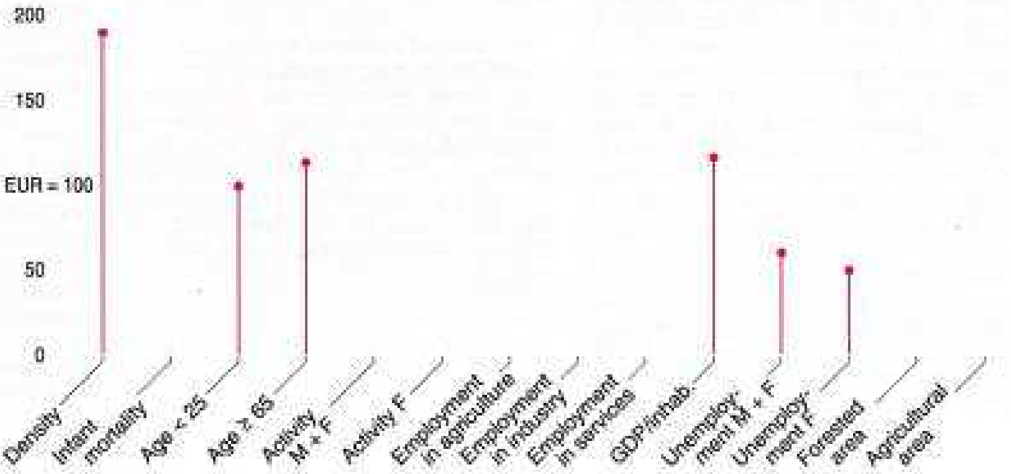
AVON, GLOUCESTERSHIRE, WILTSHIRE

The counties of Avon, Gloucestershire and Wiltshire are situated around the Severn estuary which leads to the Atlantic Ocean. They are bounded to the north-west by south Wales and to the north-east by the West Midlands. All three counties are predominantly rural. Wiltshire the largest, covers 3 500 km² including Salisbury Plain a large, sparsely inhabited chalk upland area.

There are two ranges of hills, the rolling Cotswolds characterize much of Gloucestershire and extend into Wiltshire and Avon, while the Mendips lie on the southern border of Avon. Bristol, in Avon, is the regional centre for the South-West, and its population of half a million is around half that of Avon, the most densely populated county in the South-West. The other largest towns are Swindon in Wiltshire, Bath in Avon and Cheltenham in Gloucestershire.

Two motorways serve the area: the M4 runs from London to Bristol, while the M5 running from the Midlands to the South-West connects with the M4 at Bristol. The area's largest docks and port facilities are at Avonport on the Severn estuary at the mouth of the river Avon.

Avon, Gloucestershire, Wiltshire in the Community



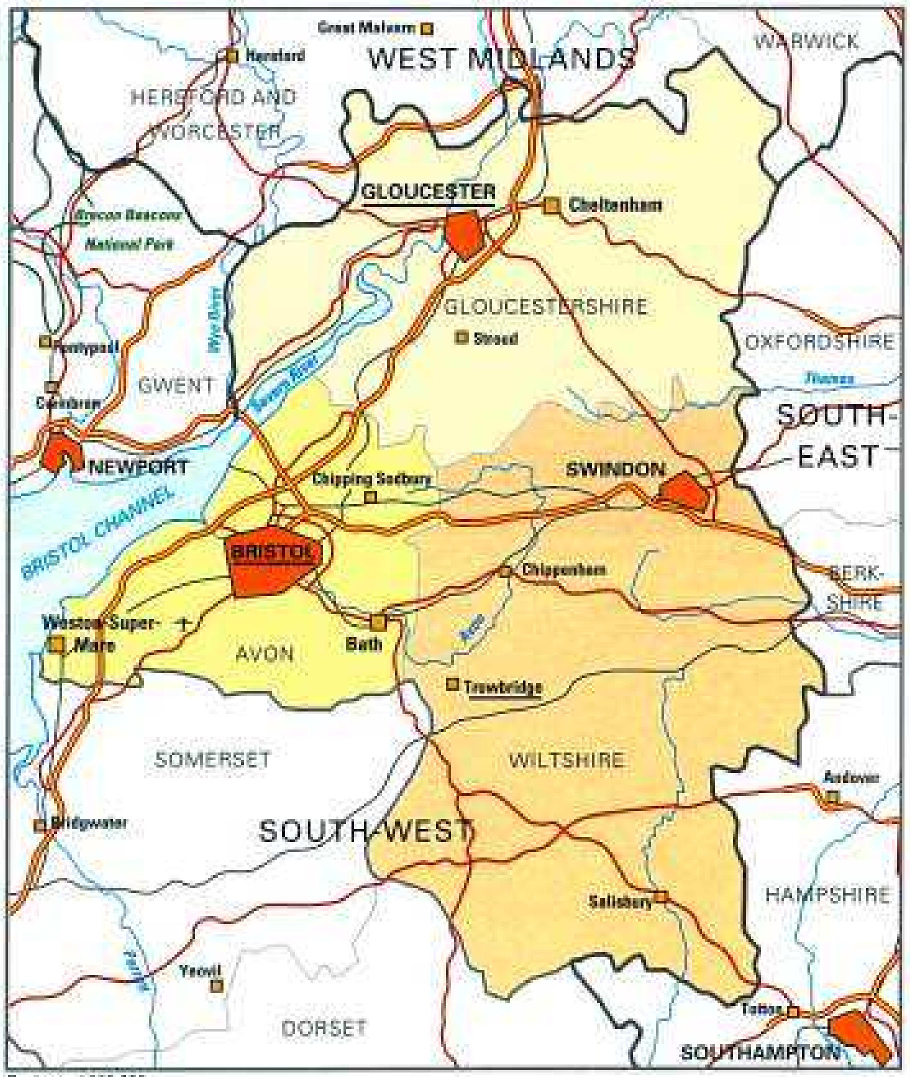
Good communications, manufacturing is less predominant

Although Bristol has long been an industrial and commercial centre, agriculture has been an important element in the economy of much of the area. Since the 1960s however, improved communications with the South-East have encouraged the growth of industries in the 'M4 corridor' — the area served by the M4 motorway running from London to Bristol. Service industries in particular have been encouraged to relocate from London; thus in Cheltenham and Gloucester, half of employees now work in 'other service' industries.

Long-standing manufacturing centres include the British Rail engineering works at Swindon and the docks at Bristol around which food processing and other industries have grown up. Wilton in Wiltshire, has given its name to the luxurious carpets manufactured in the town. More recently, the region has developed a reputation for high-technology industries, most notably the British Aerospace factory at Filton to the north of Bristol.

The result of this expansion is that unemployment is generally well below the national average and Gloucestershire has one of the lowest unemployment rates in the country. This causes the potential problem of labour shortages, particularly skills shortages when there is a mismatch of labour and the new jobs available. This can be seen in the pockets of severe unemployment which do exist both in the more remote rural localities and in urban areas, most notably inner city areas of Bristol.

AVON, GLOUCESTERSHIRE, WILTSHIRE



Scale 1 : 1 000 000

Movement from urban to suburban

Although formerly an important sector, agriculture now provides less than 2% of the region's employment. In the most agricultural districts, Cotswold and the forest of Dean, both in Gloucestershire, this figure is a little under 8%. The importance of manufacturing varies more widely from less than one in 10 of the workforce in the district of Bath to half of the workforce in Tewkesbury.

In common with the rest of Britain the pattern of settlement in the South-West in recent years has been for people to move from the urban to suburban and rural locations. Allied to this the South-West region has experienced the second fastest growth in population over the 1980s.

From 1981 to 1989, the population of Bristol district fell by 7%, while those of Gloucester, Cheltenham and Salisbury also fell. In contrast, Thamesdown district, which includes the town of Swindon experienced an increase in population of nearly an eighth over the period 1981 to 1989. However the sharpest increases in population over this period were in Woodspring and Northavon around Bristol where the population increased by a sixth and an eighth respectively over the period.

Which EC regions are similar to Avon, Gloucestershire, Wiltshire?

Area:
± 7 500 km²
Darmstadt (D)

Population:
± 2 million inhabitants
nearly 300 inhabitants per km²
País Vasco (E)
Rheinhessen-Pfalz (D)

	Area	Population			Activity	Unempl.	Employment			GDP/inhab.
	1 000 km²	1 000	Inhab./km²	Change (%)	%	%	% Agricult.	% Industry	% Services	EUR (PPS) = 100
		1990	1990	1980-90	1988	1990	1989	1989	1989	1989
Avon	1.3	952	707	2.8	64	4.6	1	26	73	118
Gloucestershire	2.6	531	201	5.6	63	3.3	2	33	65	114
Wiltshire	3.5	562	161	7.1	65	3.0	3	30	68	114
Avon, Gloucestershire, Wiltshire	7.5	2 045	274	4.7	64	3.9	2	29	69	116
United Kingdom	242.5	57 411	237	2.0	62	6.3	1	30	69	107
EUR 12	2 253.7	327 931	146	3.2	54	8.3	7	33	60	100

UNITED KINGDOM

CORNWALL, DEVON

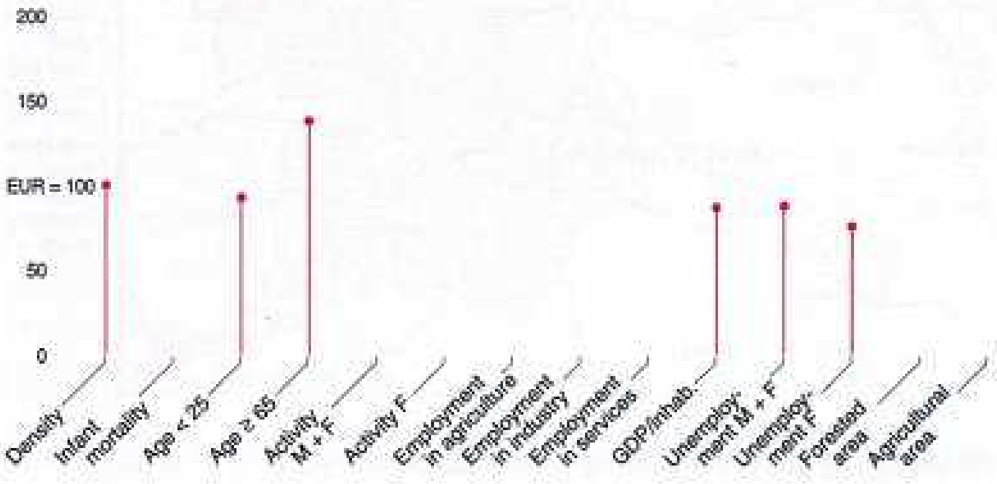
The counties of Devon and Cornwall form the south-west peninsula of England bounded to the north-west by the Atlantic Ocean and to the south by the English Channel.

Devon is nearly twice the area, and has a little over twice the population of Cornwall to the extreme west. Geographically, the peninsula is dominated by a series of plateaux, from which rivers run north and south to the coasts. The largest upland area is Dartmoor in Devon which in places rises to over 600 m. To the north and west of the uplands there is a wide fertile plain, however most of the centres of population are found on the south coast. Plymouth on the Devon-Cornwall border is the largest town, others include Exeter and Torquay in Devon, and Truro and Penzance in Cornwall. All except Exeter are on the south coast.

Due to the sparseness of population, and the remote location of the counties, communications links with the rest of the country are not fully developed. The M5 motorway connects Exeter with the Midlands and the A30/A38 trunk roads continue west into Cornwall, but routes to the South-East are less good. Inter-city rail services connect with both London and the Midlands.

Plymouth Hoe. Plymouth retains its strong maritime connections today with its dockyard, barracks and naval base at Devonport.

Cornwall, Devon in the Community



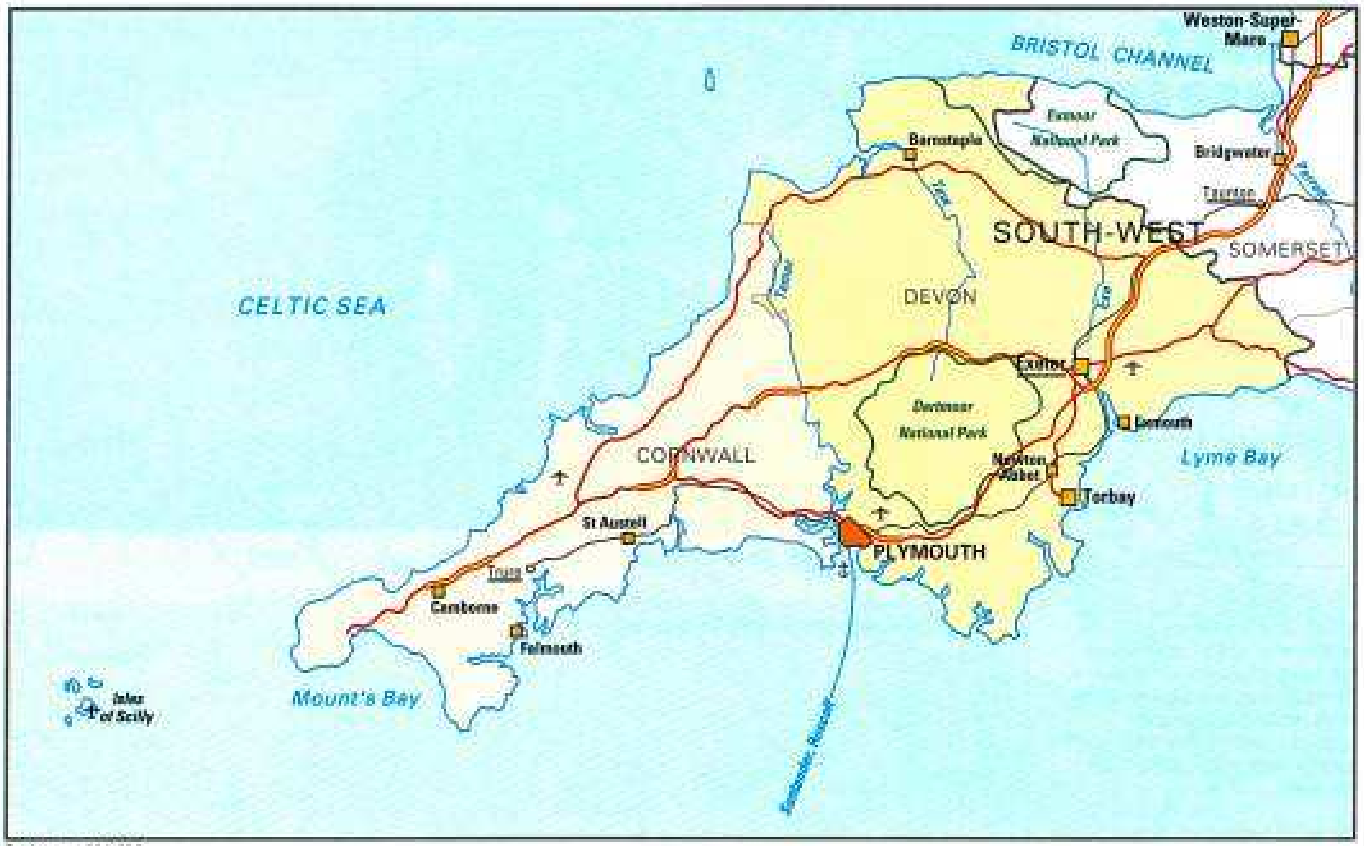
Wet and mild climate gives good early crop harvests

As a mainly rural area, agriculture is relatively important to the economies of both counties. The climate is wet and mild, and favours arable farming, market gardening, and dairy cattle. The region produces early crops of fruit and vegetables and Devon is famous for the production of clotted cream. Mineral wealth has long been a source of employment as tin, lead, iron ore, and silver have all been mined in the area. However, traditional industries such as mining, agriculture and fishing have all shed labour in recent years and the lack of alternative industries to provide new jobs has led to the highest unemployment rates in the South-West.

The main area of growth in recent years has been in tourism which takes advantage of the counties' many unspoilt areas and long stretches of attractive coastline. The area's relative inaccessibility poses a problem for the promotion of other industries such as manufacturing where the region has been traditionally under-represented. Tourists are attracted by the weather and scenery but the most popular areas, and the travel routes to get to them become overcrowded at the height of the holiday season.

The attractive scenery has also made the south-western countries a popular location for retirement. This has led to a high and increasing proportion of the population being over retirement age. There is therefore potential for both increased employment in the services sector aimed at such people, and the problems of low employment activity rates.

CORNWALL, DEVON



Scale 1 : 1 500 000

Which EC regions are similar to Cornwall, Devon?

Area:
± 10 300 km²
Niederbayern (D)

Population:
1.5 million inhabitants
± 150 inhabitants per km²
Schwaben (D)
Marche (I)

Age:
20% aged over 65
Limousin (F)
Liguria (I)

Remote moorlands close to thriving tourist centres

Employment in agriculture varies from negligible levels in Exeter and Plymouth to over a 10th of the workforce in Torridge, West Devon and Mid Devon, East Devon, Torbay and Teignbridge.

There is on average less manufacturing in Devon and Cornwall than nationally but it is important to individual areas. Plymouth has a population of over a quarter of a million making it the largest town. Exeter however is the administrative centre for Devon and over half of its workforce are employed in 'other services'. Plymouth's industries are traditionally based on the naval port; much of it from people working directly in the dockyard.

Thus both Devon and Cornwall are relatively remote and sparsely populated, with Cornwall the more sparse of the two counties, whereas Devon has three areas (Exeter, Plymouth and Torbay) where the population is more concentrated.

The Scilly Isles lie some 45 km south-west of Land's End, the south-western tip of Cornwall. Although included with Cornwall for statistical purposes, this tiny group of islands with a population of only 2 000 is administratively independent.

	Area	Population			Activity	Unempl.	Employment			GDP/inhab.
	1 000 km²	1 000	Inhab./km²	Change (%)	%	%	% Agricult.	% Industry	% Services	EUR (PPS) = 100
		1990	1990	1980-90	1988	1990	1989	1989	1989	1989
Cornwall	3.6	468	131	10.1	55	7.0	4	22	73	80
Devon	6.7	1 030	154	7.0	58	5.2	3	24	73	90
Cornwall, Devon	10.3	1 498	146	8.0	57	5.7	3	24	73	87
United Kingdom	242.5	57 411	237	2.0	62	6.3	1	30	69	107
EUR 12	2 253.7	327 931	146	3.2	54	8.3	7	33	60	100

UNITED KINGDOM

DORSET, SOMERSET

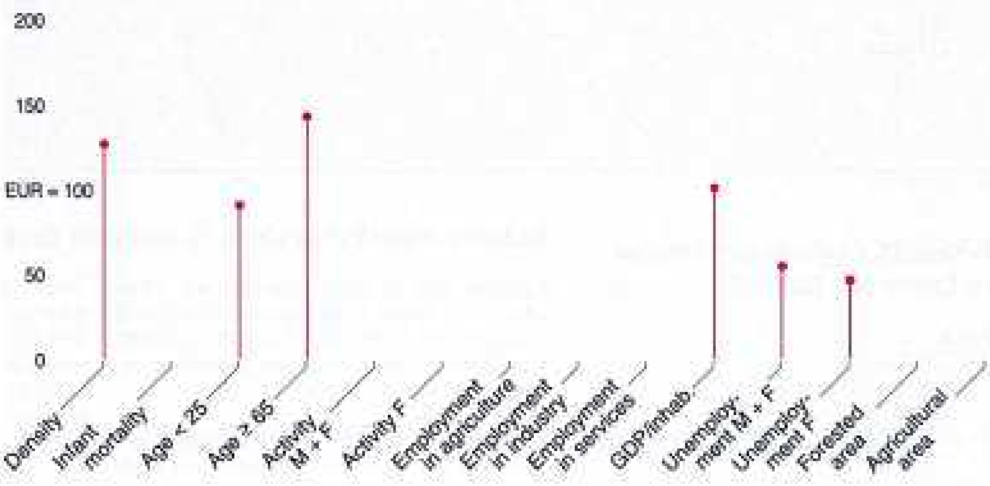
Dorset and Somerset lie to the eastern end of the south-west peninsula of England. Dorset to the south has the smaller area but is more populous. By contrast, Somerset is only slightly more densely populated than Cornwall.

The chief centres of population are located on Dorset's south coast. Bournemouth, Poole and Christchurch form a continuous conurbation close to the Hampshire border while the port of Weymouth lies further to the west. The largest towns in Somerset lie inland from the northern coast and include Taunton, Yeovil and Bridgwater.

Road and rail communications within the counties are somewhat limited due to the sparseness of settlement in the region. However Dorset's main centres of population are linked to the South-East by road via the A31 trunk road and the M3 motorway, and Bournemouth is well served by express trains to the South-East. Somerset is linked directly to the Midlands and to south Wales by the M5 motorway which passes close by Taunton and Bridgwater. The M5 also connects with the M4 at Bristol which allows easy access to London and the South-East.

Cheddar Gorge rises up 150 m on either side of a meandering road.

Dorset, Somerset in the Community



Important area for dairy farming and cider production

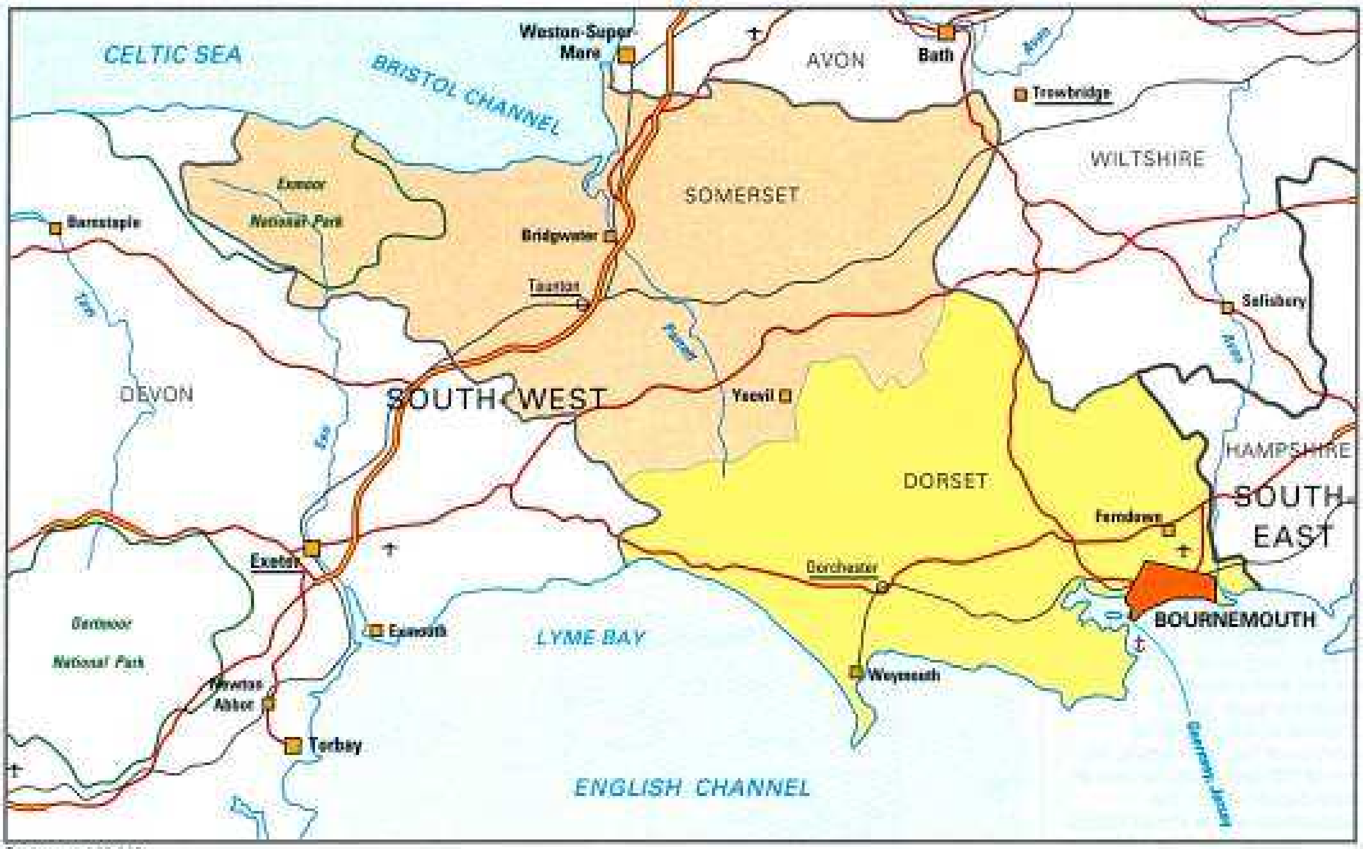
Somerset and Dorset contain several ranges of hills such as the Mendips and Quantocks in Somerset and the Downs stretching east to west across Dorset. However much of the land is highly suitable for agriculture, with Somerset one of the foremost dairying areas in the country. Market gardening is also practised and Somerset is famous for its production of cider. Historically Somerset was renowned too as a source of building stone (the quarries at Purbeck). The county continues to be an important source of minerals, particularly limestone.

The manufacturing sector is relatively small. There are however exceptions such as the Westland helicopter plant at Yeovil while Weymouth has naval shipyards and other port-related activities.

All of the South-West region of England has long been a popular destination for tourists and the relative accessibility of Somerset and Dorset to the population centres in both the South-East and in the Midlands has aided the development of this and associated industries; for example Bournemouth is now a major centre for conferences and entertainment.

The south coast has become popular particularly as a destination for people retiring, and some districts now have amongst the highest proportions of retired persons in the country. In Christchurch, over a third of the population is over retirement age.

DORSET, SOMERSET



Scale 1 : 1 000 000

Which EC regions are similar to Dorset, Somerset?

Area:
± 6 000 km²
Lincolnshire (UK)

Population:
1.1 million inhabitants
Asturias (E)
Limburg (NL)
West-Vlaanderen (B)

Age:
20% aged over 65
Limousin (F)
Liguria (I)

A popular area — rapid increases in population

Population density in Dorset and Somerset varies from over 3 000 persons per km² in Bournemouth to less than 45 persons per km² in West Somerset. In the less densely populated districts, agriculture and tourism are more important. Somerset is an agricultural county, and over 4% of employees work in agriculture. In West Somerset this proportion is over 8% while in the Bournemouth conurbation it is negligible. Districts where manufacturing predominates include South Somerset and Mendip, over a third of the workforce in each case. West Somerset is the area with any substantial employment in the energy industry: one seventh of the workforce is so employed due to the siting of a nuclear power station at Hinckley point in this remote district.

The population of both Somerset and Dorset has increased more rapidly than the South-West as a whole over the 1980s. The regional average was over 6% from 1981 to 1989, but in Dorset the districts East Dorset and Purbeck registered increases of 14 and 16% respectively. The popularity of Dorset has been such that the population of Bournemouth increased throughout the 1980s, whilst that of many English towns of similar size fell steeply.

	Area	Population			Activity	Unempl.	Employment			GDP/inhab.
	1 000 km²	1 000	Inhab./km²	Change (%)	%	%	% Agricult.	% Industry	% Services	EUR(PPS) = 100
		1990	1990	1980-90	1988	1990	1989	1989	1989	1989
Dorset	2.7	658	248	11.0	57	3.5	2	25	73	104
Somerset	3.5	465	135	9.0	61	3.8	4	34	62	98
Dorset, Somerset	6.1	1 123	184	10.1	59	3.6	3	29	69	101
United Kingdom	242.5	57 411	237	2.0	62	6.3	1	30	69	107
EUR 12	2 253.7	327 931	146	3.2	54	8.3	7	33	60	100

UNITED KINGDOM

WEST MIDLANDS

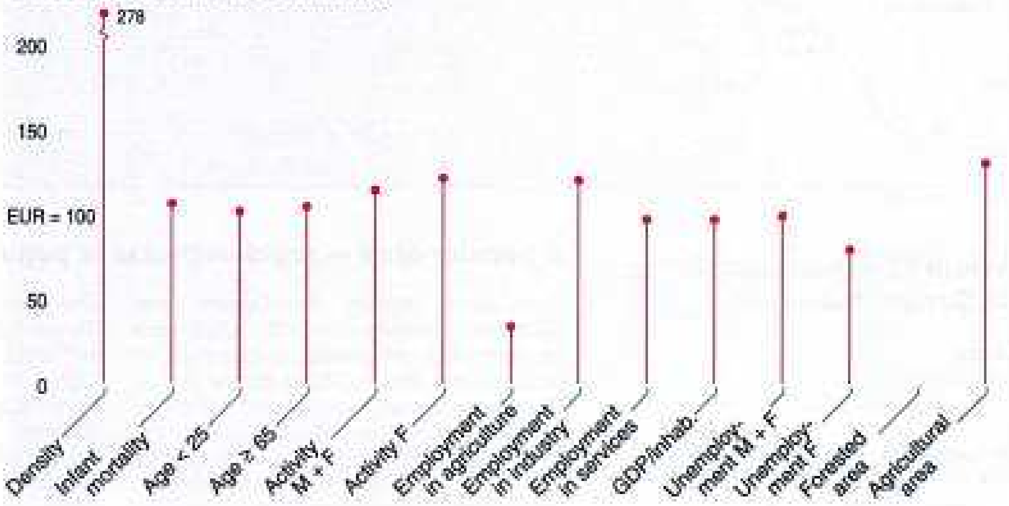
The West Midlands region contains many centres of historical and industrial importance such as the birthplace of the industrial revolution at Coalbrookdale, the home of William Shakespeare at Stratford-upon-Avon, the headquarters of the Rover Group in Coventry and famous potteries such as Royal Doulton and Wedgwood.

The West Midlands is the only region in the United Kingdom with no coastline, but it has extensive canal systems which were developed in the late eighteenth and early nineteenth centuries. At the centre of the West Midlands is the city of Birmingham which has a population of about a million. To the west of Birmingham are the four Black Country boroughs of Dudley, Sandwell, Walsall and Wolverhampton which have a combined population of over one million. To the east lies the city of Coventry with a population of around a third of a million. Together with Solihull these make up the region's seven heavily urbanized metropolitan boroughs with a total population of over two and a half million.

The upland areas in the north of the region in Staffordshire form part of the Peak District National Park. In contrast, areas in the south and east of the region have a more rolling landscape and numerous villages which have made tourism an important economic activity.

The thriving city of Coventry, whose central location allows it a good transport infrastructure.

West Midlands in the Community



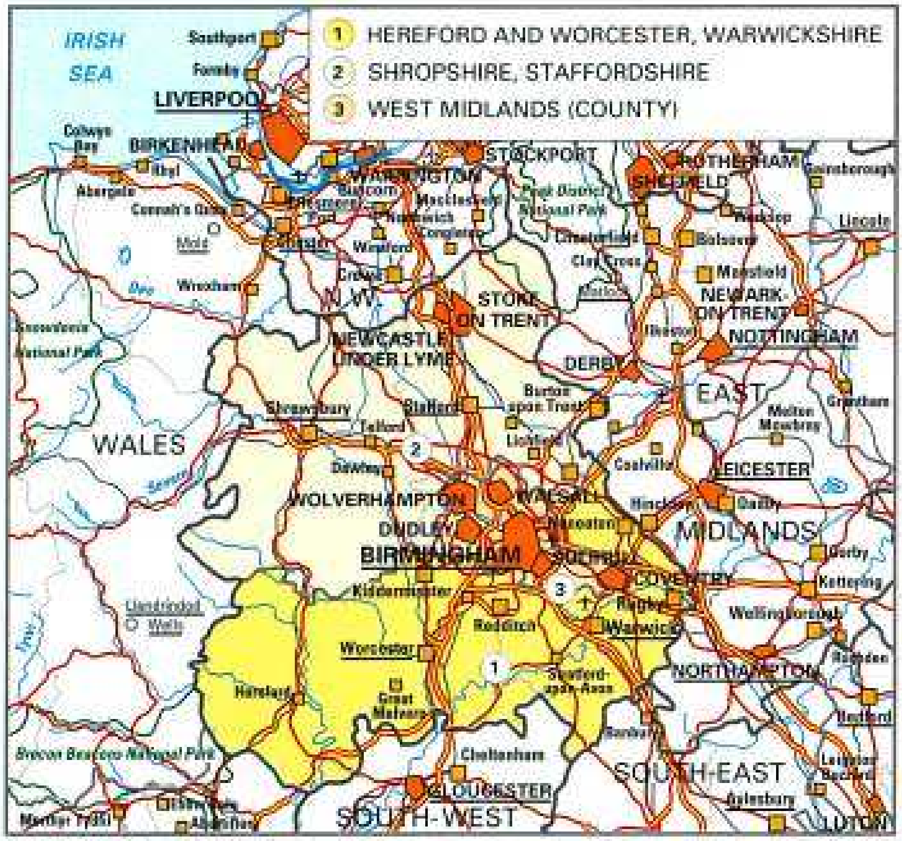
Moving away from tradition

One of the strengths of the region is the variety of its economic and geographical structure. The West Midlands has a history of dependence on manufacturing industry, but diversification into financial services has helped broaden the economic base. The size and importance of Birmingham is such that the city acts as a focal point not just for the West Midlands, but also for the surrounding regions. Birmingham is the home of an increasing number of important national institutions including for example the National Exhibition Centre, the National Indoor Arena for sporting events and the new International Convention Centre.

For the West Midlands region as a whole labour costs are some of the lowest in the United Kingdom but the economic prosperity of the metropolitan areas has meant that labour costs are higher there than many other parts of the country.

Despite the diversity of the West Midlands economy it has been affected by the decline of some older industries (coal-mining in the Staffordshire and Warwickshire area in particular). The West Midlands has always been at the centre of the United Kingdom manufacturing industries. Consequently as manufacturing has declined in importance in the United Kingdom more rapidly than in many other countries, the West Midlands has been more greatly affected than most other United Kingdom regions.

WEST MIDLANDS



Scale 1 : 2 000 000

Which EC regions are similar to West Midlands?

Area:
13 000 km²
Vlaams Gewest (B)
East Anglia (UK)

Population:
5.2 million inhabitants
Sicilia; Lazio (I)

Population density:
400 inhabitants per km²
Saarland (D)

Employment:
2% in agriculture
40% in industry
Saarland (D)
East Midlands (UK)

Bustling cities mixed with rural tranquility

The most evident imbalance in the West Midlands stems from the contrast between the densely populated metropolitan areas on the one hand and the sparsely populated rural areas on the other. The cities of Coventry and Birmingham, and their surrounding areas are heavily industrialized, whereas the shire counties of Hereford and Worcester, Shropshire, Staffordshire and Warwickshire are some of the most rural in England.

As a consequence, there are significant imbalances in terms of unemployment, population and levels of earnings. Unemployment rates within rural areas, for example, tend to fall below the national average, whilst many of the urbanized metropolitan areas have unemployment rates that are well above the national average. Similarly, earnings vary across the region and are highest in the West Midlands metropolitan county and in Warwickshire but again, the differences across the region are not great.

There are most of the usual differences between the heavy populated areas such as the West Midlands metropolitan county and the more sparsely populated areas, in particular Shropshire. The ethnic minorities tend to be concentrated in the Metropolitan boroughs.

	Area	Population			Activity	Unempl.	Employment			GDP/inhab.
	1 000 km²	1 000	Inhab./km²	Change (%)	%	%	% Agricult.	% Industry	% Services	EUR (PPS) = 100
		1990	1990	1980-90	1988	1990	1989	1989	1989	1989
Hereford-Worcester, Warwickshire	5.9	1 159	196	4.6	63	3.8	3	35	62	91
Shropshire, Staffordshire	6.2	1 446	233	3.8	63	4.4	2	41	57	88
West Midlands (county)	0.9	2 615	2 908	−2.6	63	8.4	0	40	60	103
West Midlands	13.0	5 219	401	0.7	63	6.3	1	39	60	97
United Kingdom	242.5	57 411	237	2.0	62	6.3	1	30	69	107
EUR 12	2 253.7	327 931	146	3.2	54	8.3	7	33	60	100

WEST MIDLANDS

Increasing population and a wide ethnic mix

In the United Kingdom only Northern Ireland has a higher birth rate than the West Midlands. Natural change has therefore led to a steady net increase in population in all of the recent years despite a small loss due to migration. Population growth has in fact been low over the last 20 years but was above the national average in the 1960s, at almost 1% a year.

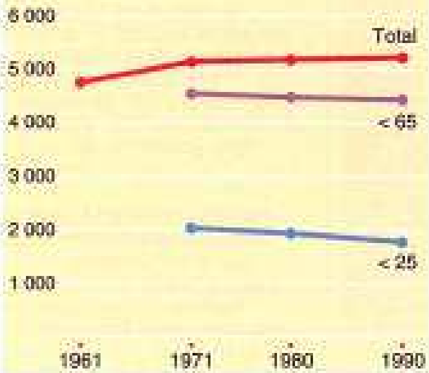
In common with other metropolitan areas in the United Kingdom, the West Midlands has tended to see a small decrease in population over the last 10 or 20 years but that process of depopulation has now lessened.

The region has attracted ethnic minorities and, at around 7%, has the largest proportion outside the South-East. There are high concentrations of ethnic minority populations, particularly Asian, in small parts of the metropolitan areas. In the West Midlands over two-thirds of the ethnic minority population is of Indian, Pakistani or Bangladeshi origin, a somewhat different racial structure to that of the South-East.

Population by age — 1990

	M + F 1 000	M + F %	M %	F %
< 15	1 008.0	19.3	20.1	18.5
15-24	765.0	14.7	15.2	14.2
25-39	1 137.0	21.8	22.5	21.1
40-54	989.0	18.9	19.5	18.4
55-64	539.0	10.3	10.4	10.2
≥ 65	781.0	15.0	12.4	17.5
Total	5 219.3	100.0	100.0	100.0

Population (1 000)



Resident population of foreign nationality — 1988-90

	1 000	% of total population
Total	159.5	3.1
of which EC countries	66.0	1.3
of which non-EC countries	93.5	1.8
Ireland	52.9	1.0
India	35.4	0.7
Jamaica	12.1	0.2
Pakistan	10.2	0.2
Italy	5.9	0.1
Poland	3.8	0.1

Demographic account — 1980-90 (1 000)

Population 30.6.1980	5 185
Births	704
Deaths	569
Net migration	– 101
Population 30.6.1990	5 219

Youth training points the way forward

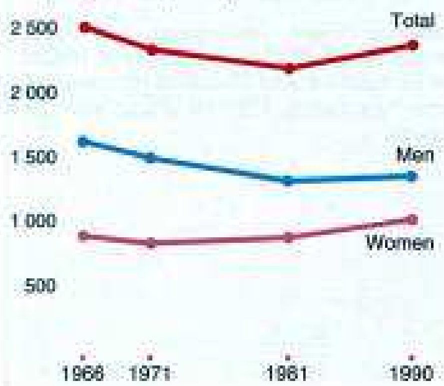
The proportion of children participating in education past the minimum compulsory age of 16 is only slightly less than the national average. However, locally (notably in the Black Country), it has some of the lowest proportions of children participating in education after age 16. Similarly, the proportion of school-leavers going on to degree courses is less than the national average but higher than in most other United Kingdom regions apart from the South-East.

The proportion of the work-force with no qualification at all is marginally higher in the West Midlands than in any other region in the United Kingdom. Only around 7% have a degree or equivalent qualification, and only around 6% have apprenticeships. However, those completing Youth Training Schemes in 1989/90 were more likely to find a job than those in most other regions.

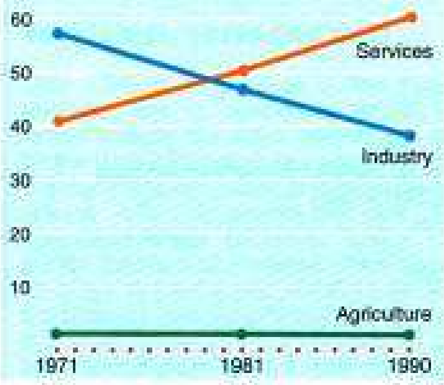
Number of pupils — 1990

	M + F 1 000	F %
Pre-school	80	49
Primary	423	49
Lower secondary	183	49
Higher secondary (technical)	214	54
Higher secondary (general)	173	49
Higher education	82	42
Total	1 155	50

Employment (1 000)



Employment structure (%)



Employment — 1981 (1 000)

Resident employment	2 156.9
+ Non-residents having a job in the region	55.6
– Residents having a job outside the region	55.4
= Internal employment	2 157.0

Unemployment (%)

From cattle to car-making

The industrial revolution had its birthplace in the Severn valley in what is now Telford. The Black Country (in particular Dudley, Sandwell and Walsall) became famous at an early stage for metal-working activities including nail and chain making while Birmingham became a major nineteenth century centre for a whole range of engineering trades.

On the other hand the four shire counties have a strong agricultural history; the vale of Evesham in Hereford and Worcester specialize in fruit and horticulture while Hereford is famous for cattle. Despite this agricultural tradition, there are pockets of industry. Kidderminster is an industrial town with a centuries-long history of carpet making and Redditch is also an industrial town. The potteries in north Staffordshire centred on the city of Stoke-on-Trent continue to be a major source of employment in the region.

Employment in the region tends to be more concentrated in large-scale enterprises than in many other regions. Motor vehicle and related component manufacture is a very important source of employment: the assembly plants of the Rover Group (Birmingham, Solihull and Coventry), Peugeot Talbot (Coventry) and Jaguar (Coventry). More than a quarter of male employees and almost one in 10 female employees in the region work in the metal goods, engineering and vehicle industries.

Characteristics of resident employment (%)

	< 25 years	25-54 years	≥ 55 years	Employees	Employees: part-time		Employees: full-time, temporary contract	
	1990	1990	1990	1990	1983	1990	1983	1990
Men	19	67	14	82	3	4	2	2
Women	21	68	11	91	43	43	2	1
Total	20	68	12	86	19	22	2	2

Shortage of new opportunities

Unemployment rates for the region as a whole are very close to the United Kingdom average. However, unemployment is heavily concentrated in the urban manufacturing centres. There is a variation between counties with Warwick at the lowest rate and the West Midlands metropolitan county at the highest rate but the differences between the counties in the West Midlands are less than those in many other regions. Nevertheless, there are pockets of high unemployment. The similarity with the national rates hold across all age ranges.

At the beginning of 1991 there were about 175 000 registered unemployed in the region and less than 15 000 vacancies at job centres. Long-term unemployment is a particular problem in the West Midlands metropolitan county where a third of the unemployed have been unemployed for more than a year. This contrasts with other parts of the region where long-term unemployment is only about half that rate.

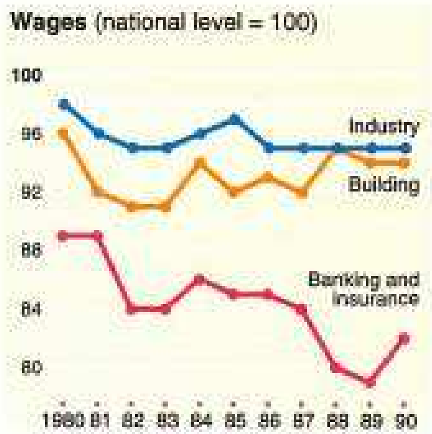
WEST MIDLANDS

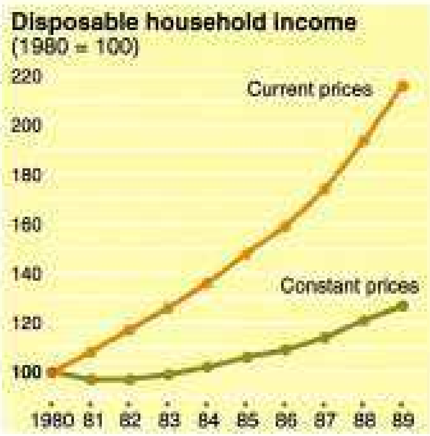
Expansion through diversification

Around 141 000 businesses have a turnover large enough for them to be registered for VAT. The economic structure of the West Midlands is diverse. Although historically, the economy of the region has been based around the traditional industries, particularly the motor car and component manufacture and pottery sectors, the region has attracted a number of newer industries. Around a third of employees are in manufacturing, and a large proportion of those are employed in the motor industry and related industries but there are a range of other industries from pottery in Staffordshire to tourism in Warwickshire.

There are over two million employees in the region as a whole. In some parts of the region agriculture is almost non-existent, particularly in the West Midlands metropolitan county, but in other areas, and in particular Hereford, Worcester and Shropshire, one in 20 employees is involved in agriculture. The region has been highly successful in the last decade in attracting inward investment from foreign companies, particularly to greenfield sites in Telford.

Enterprise zones provide financial and other benefits to new and existing businesses — these include exemption from certain rates, tax concessions and simpler procedures for planning permission. There are two enterprise zones in the West Midlands at Dudley and Telford as well as the assisted areas of the West Midlands metropolitan county. Heavy industry has traditionally been associated with the Black Country and with Birmingham, Coventry and Stoke, but more recently there has been significant modern industrial development at Telford in Shropshire and Redditch (in Hereford and Worcester), both of which are new towns.



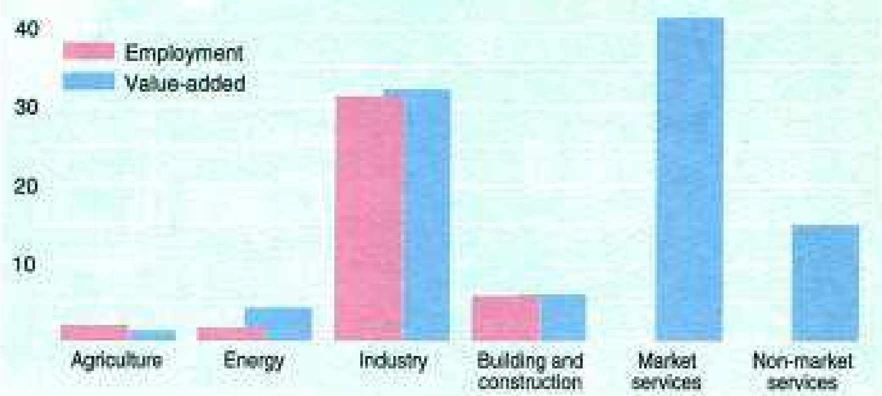


Low labour costs

Labour costs are lower in the West Midlands than the United Kingdom average, although economic prosperity has pushed them up in some parts of the region. Average weekly earnings for full-time men in the region as a whole were about ECU 378 in 1990. For the West Midlands metropolitan county the average weekly earnings were a little higher at ECU 387. Men working full-time, work slightly above average hours per week (42.5 in 1990). The average for women in the region as a whole was ECU 254 and in the metropolitan county around ECU 263. With its relatively high level of employment, wages and salaries at 64% of household income represent a higher proportion than in any other part of the United Kingdom except Scotland. Self-employment on the other hand is relatively low, consistent with the predominance of manufacturing rather than service industries. Investment income and income from pensions also represent lower proportions of income in the region than in any other part of the United Kingdom except Northern Ireland.

Less than a quarter of adults in the West Midlands are share owners — this is below the national average. House prices are relatively high in the West Midlands region and therefore expenditure on housing represents a slightly higher proportion of household expenditure than in most other regions.

Employment and value-added: distribution by branch – 1986 (%)



Vegetables, vases and vans

Only 1.3% of employees in the West Midlands are in agriculture which is almost exactly the same percentage as for the United Kingdom as a whole, but in Hereford and Worcester and Shropshire around 5% of employees are in agriculture. West Midlands, which includes the town of Hereford which gave its name to the famous Hereford cattle, has almost a million cattle and calves and over three million sheep and lambs. Crop production is also important with almost a million tons of wheat produced each year in addition to barley and oats.

The region is well known for its pottery industry in Staffordshire centring on the town of Stoke-on-Trent and also for its motor vehicle and automotive component manufacture in the Birmingham-Solihull area. The production of manufacturing goods is however diverse.

The city of Birmingham is an important centre not just for the region but for other regions in the area. It is therefore an important centre for banking, finance, and business services. The distribution, hotels and catering industries are important. Tourism is of growing importance in many parts of the region, not only in the traditional tourist area in and around Stratford, but also in areas of industrial heritage — Ironbridge gorge, the Black Country canals. Business tourism, particularly in Birmingham and Solihull, has also helped to develop the services sector.

From derelict collieries to delightful natural beauty

The region has large areas of natural beauty from the Peak District in part of north Staffordshire to the villages of Warwickshire. The towns of Ludlow, Ledbury, Warwick and Kenilworth include castles and other buildings of major historical and conservation importance. There are 15 national nature reserves and over 320 sites of special scientific interest within the region.

Nevertheless early industrialization has left its mark on part of the region as has coal-mining in parts of Staffordshire and Warwickshire. The West Midlands has a large legacy of derelict land totalling 5 500 hectares. Colliery spoil heaps were the most extensive type of dereliction at the time of the 1988 survey. The region's derelict land programme is largely determined by specific initiatives such as the rolling programmes in the Black Country, north Staffordshire and the Wrekin.

Industrial processes have also been the cause of water and air pollution which are being tackled through new pollution controls. The largest single Ground Work Trust has been set up to promote environmental improvement through the four Black Country boroughs of Dudley, Sandwell, Walsall and Wolverhampton. The first Urban Forestry Unit in Britain has been established in the Black Country to stimulate awareness and understanding of the role of trees and woodland in urban areas. The existing metal-working industries in the region give rise to considerable problems of waste disposal and to hazardous waste, but there are pioneering initiatives including a project involving the use of surplus rubber tyres for electricity generating purposes.

Agriculture

Number of holdings	19 610
Labour force	40 370 AWU
Agricultural area	946 000 ha
Livestock	881 000 LU
Gross value-added	16 689 ECU/AWU

Main products	
Milk	23%
Cattle	15%
Cereals	15%

Main enterprises

Name	Activity
Tarmac PLC	Building and public works
Austin Rover Group Ltd	Car manufacturing
Lucas Industries PLC	Electrotechnical equipment
GKN PLC	Motor vehicle parts
Bass Holdings Ltd	Manufacture of beer
Wolseley PLC	Retail/wholesale of construction materials
Allied Breweries Ltd	Manufacture of beer
CMB Packaging (UK) Ltd	Packaging activities
Peugeot-Talbot Motor Co Ltd	Car manufacturing
Jaguar PLC	Car manufacturing

UNITED KINGDOM

HEREFORD-WORCESTER, WARWICKSHIRE

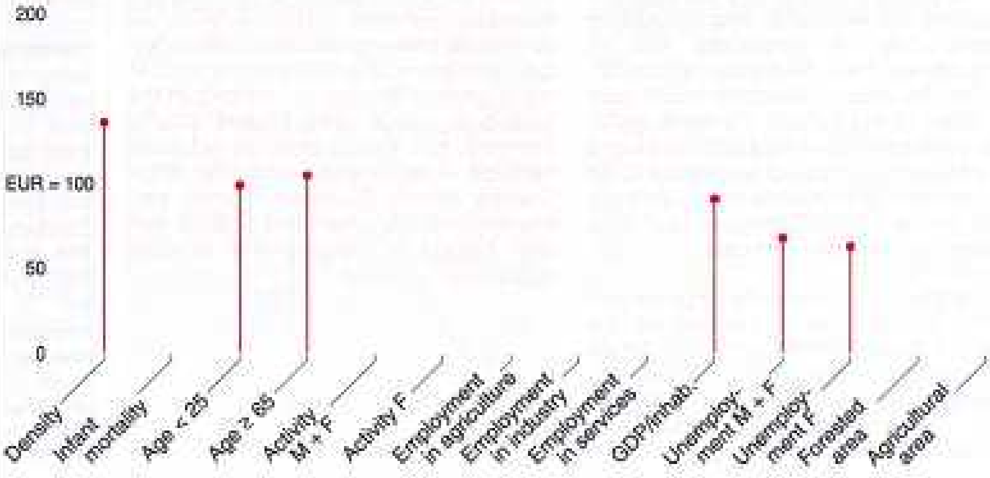
Warwickshire lies to the south and east of Birmingham and Coventry, and is bordered by the Cotswold hills to the south. Hereford and Worcester, lying to the west of Warwickshire, is twice the area, but has a lower population density. The western part of Hereford and Worcester, which was formerly the distinct county of Herefordshire, contains the Malvern hills and the Black mountains which border onto Wales. The eastern part of the county is lower-lying, and is predominantly rich in agricultural land.

The principal towns in Warwickshire lie in the north, close to the West Midlands conurbations of Birmingham and Coventry. The administrative centre is Warwick; other towns include Rugby, Nuneaton and Leamington. In Hereford and Worcester, too, the principal towns are near the West Midlands border: Worcester, Kidderminster, Bromsgrove and the new town of Redditch.

The M5 motorway, connecting Birmingham with the South-West, traverses Hereford and Worcester, and the M40 connecting Birmingham and London passes close to Warwick. Express rail services run via Birmingham to the north, while Hereford is on the main route to south Wales.

Henley Street, Stratford-upon-Avon: likely birthplace of William Shakespeare, and one of England's main tourist attractions outside London.

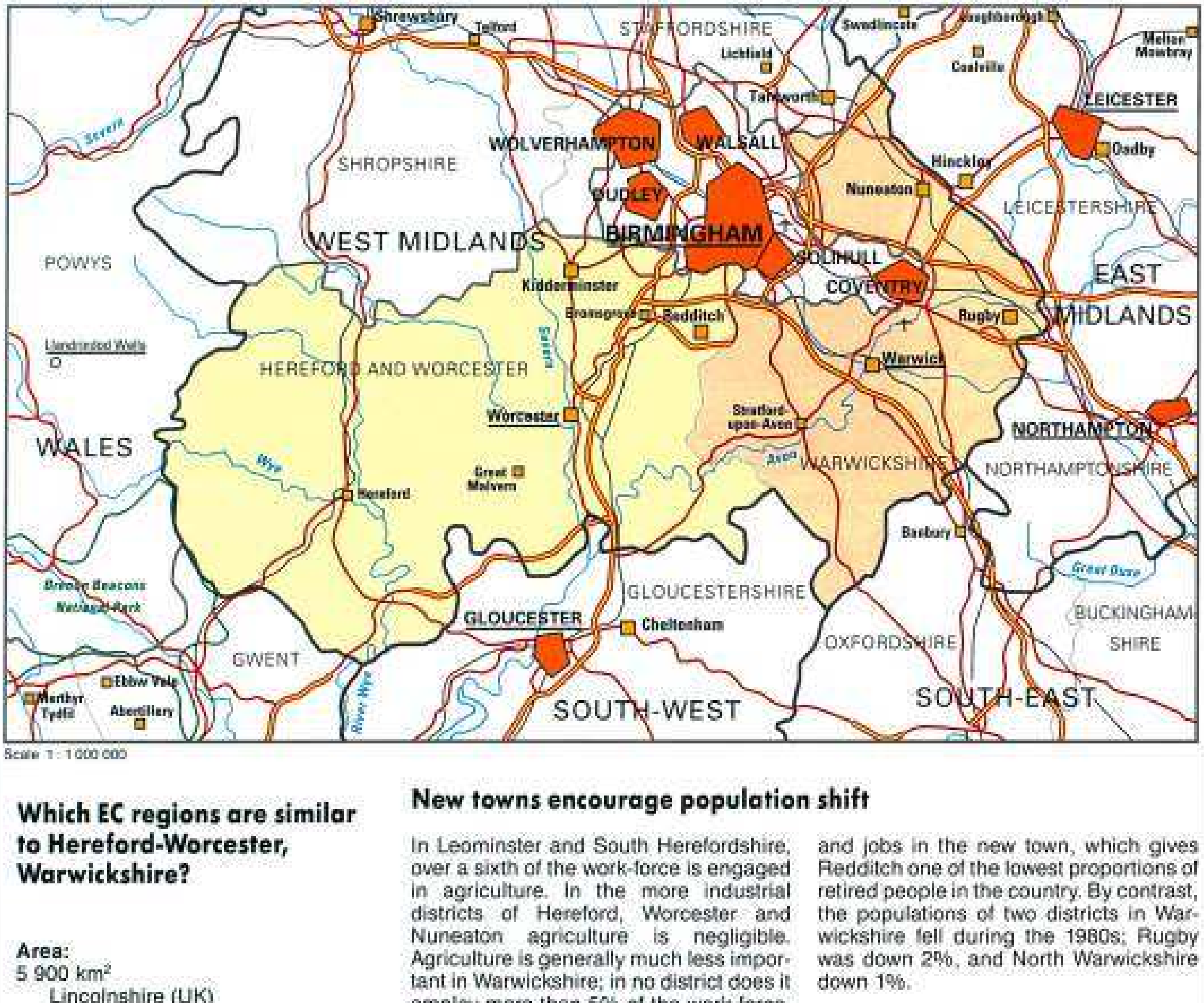
Hereford and Worcester, Warwickshire in the Community



Agriculture and communications lead the way

Traditionally, Hereford and Worcester is an agricultural county, and Warwickshire too, although influenced by the growth of industries to the north, retains a significant agricultural sector. Availability of good agricultural land ensures that dairy farming predominates. However the proximity of Birmingham and Coventry to the north ensures a substantial market-gardening sector, particularly in Hereford and Worcester. Ancillary industries (agricultural engineering and food processing) have also developed in both counties, but the main industrial centres have grown up in the north of both counties as engineering and metals manufacturing spread from Birmingham and Coventry. While expanding the industrial base of these regions, this has made towns such as Worcester, Bromsgrove and Rugby vulnerable to any downturns in the manufacturing sector. More recently, other growth has come from the transport and distribution industries which exploit the counties' central location and availability of land for development in the expanding industrial towns of Bromsgrove and Redditch. There have also been improvements to road and rail links. Ease of communications also benefits the significant tourist industries based on Warwick and Stratford-upon-Avon, the birthplace of William Shakespeare.

HEREFORD-WORCESTER, WARWICKSHIRE



Scale 1 : 1 000 000

Which EC regions are similar to Hereford-Worcester, Warwickshire?

Area:
5 900 km²
Lincolnshire (UK)

Population:
1.2 million inhabitants
Kassel (D)
Friuli-Venezia Giulia (I)

Population density:
nearly 200 inhabitants per km²
Braunschweig (D)
Alsace (F)

New towns encourage population shift

In Leominster and South Herefordshire, over a sixth of the work-force is engaged in agriculture. In the more industrial districts of Hereford, Worcester and Nuneaton agriculture is negligible. Agriculture is generally much less important in Warwickshire; in no district does it employ more than 5% of the work-force. 'Other services' are most important in Bromsgrove, employing nearly half the work-force, and in the administrative centres of Warwick and Worcester.

Population over recent decades has grown rapidly in Hereford and Worcester, due mainly to the migration of people from the conurbations of Birmingham and Coventry to the north. The district showing the fastest growth in population over the 1980s was Redditch; its population increased by a sixth over this period. Much of this increase is due to people of working age being attracted to housing and jobs in the new town, which gives Redditch one of the lowest proportions of retired people in the country. By contrast, the populations of two districts in Warwickshire fell during the 1980s; Rugby was down 2%, and North Warwickshire down 1%.

	Area	Population			Activity	Unempl.	Employment			GDP/inhab.
	1 000 km²	1 000	Inhab./km²	Change (%)	%	%	% Agricult.	% Industry	% Services	EUR (PPS) = 100
		1990	1990	1980-90	1988	1990	1989	1989	1989	1989
Hereford and Worcester	3.9	676	172	6.9	63	3.7	5	34	61	85
Warwickshire	2.0	483	244	1.4	63	3.9	2	36	62	99
Hereford-Worcester, Warwickshire	5.9	1 159	196	4.6	63	3.8	3	35	62	91
United Kingdom	242.5	57 411	237	2.0	62	6.3	1	30	69	107
EUR 12	2 253.7	327 931	146	3.2	54	8.3	7	33	60	100

UNITED KINGDOM

SHROPSHIRE, STAFFORDSHIRE

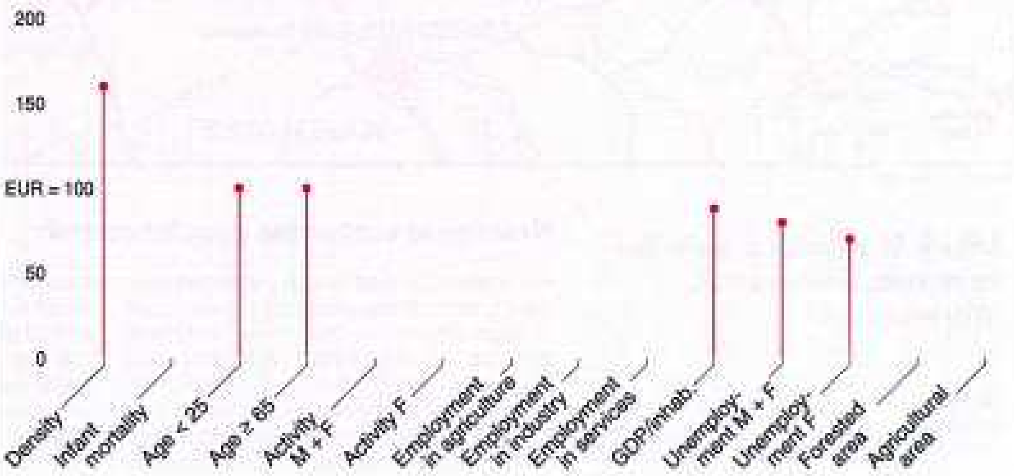
Shropshire is the least densely populated county in the West Midlands, averaging less than 120 persons per km^2. Staffordshire is over three times as densely populated with over a million people living in an area of 2 700 km^2. The counties lie to the west and north of the West Midlands conurbation and to the east of Wales. Shropshire's western border with Wales is hilly, rising in places to over 500 m, but to the east of the river Severn the land is lower-lying, and flatter. The north of Staffordshire includes a section of the Derbyshire Peak District National Park while in the south is the afforested Cannock Chase.

Stoke-on-Trent in the north of Staffordshire is the centre of the conurbation known as the 'Potteries', which has a population of over a third of a million. Other major towns are Stafford and Cannock in the south of Staffordshire and Burton upon Trent in the east. The largest towns in Shropshire are Shrewsbury and the new town of Telford.

The M6 motorway from Birmingham to Manchester traverses Staffordshire from north to south and passes close by Stoke-on-Trent. Telford is connected to Birmingham and the M6 by the M54 motorway. The express railway link from London to Glasgow passes through Staffordshire and electric main inter-city rail services also run to Birmingham and Manchester.

A lock at Kinver on the Staffordshire-Worcestershire canal, which links the rivers Severn and Trent.

Shropshire, Staffordshire in the Community



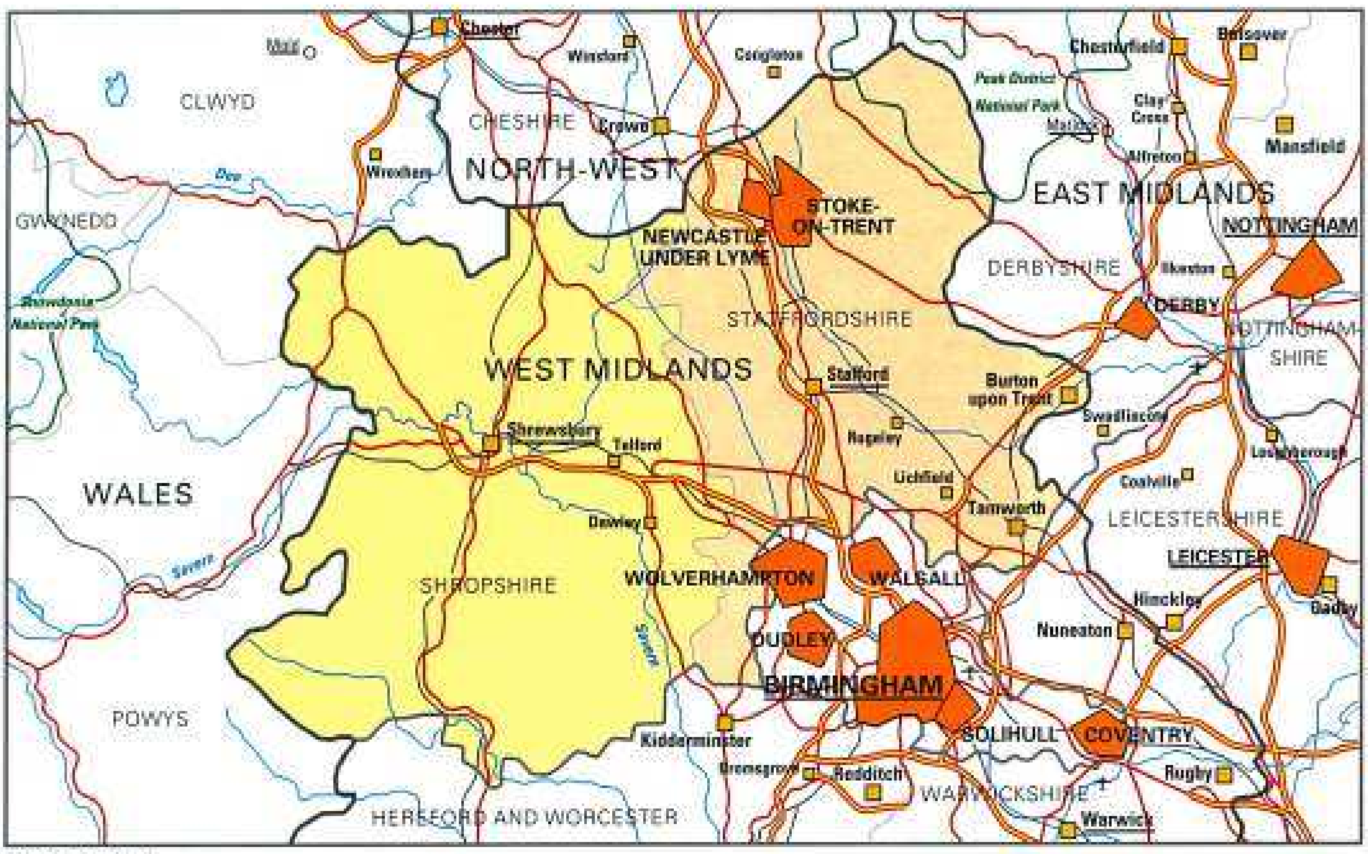
The first industrial area in Britain

From the early eighteenth century, Shropshire, stimulated by its reserves of coal and iron ore, developed as the first industrial area in Britain. However this development did not continue, and the county is now comparatively rural compared to others in the West Midlands: only Hereford and Worcester has a larger agricultural sector. Staffordshire also experienced industrial growth from this time with manufacturers of ceramics such as the world-renowned firm of Josiah Wedgewood establishing this industry in the north of the county. The area, known as 'the Potteries', is still the centre of the ceramics industry in Britain although employment has contracted in recent years. Other manufacturing, particularly electrical engineering, has increased and, overall, manufacturing accounts for over a third of employees in Staffordshire.

Another area of growth, particularly in Staffordshire, is in the transport and distribution industries where the counties' location between the population centres of Manchester and Merseyside to the north and Birmingham to the south has been a major factor.

Average earnings in Staffordshire and Shropshire are a little lower than for the United Kingdom as a whole, but similar to the average for the West Midlands. However, unemployment rates are relatively low compared with either the regional or national rates.

SHROPSHIRE, STAFFORDSHIRE



Scale 1 : 1 000 000

Which regions are similar to Shropshire, Staffordshire?

Area:
just over 6 000 km²
Detmold (D)
Dorset, Somerset (UK)

Population:
1.4 million inhabitants
Basse-Normandie (F)
Marche (I)

Population density:
230 inhabitants per km²
Hannover (D)
Veneto (I)

Rural areas attract population

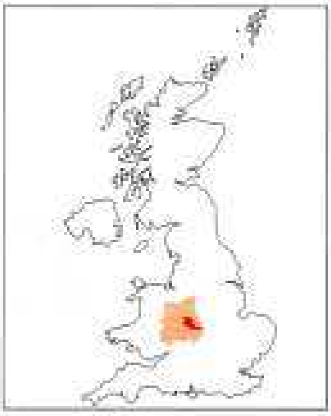
Both Shropshire and Staffordshire have experienced population growth over the 1980s, but following the pattern throughout Britain, this was much stronger in the more rural county of Shropshire. Population here rose by nearly 6% from 1981 to 1989. The individual district with the fastest-growing population over this period was however south Staffordshire whose population increased by 12%. The industrial towns of Stoke-on-Trent and Newcastle under Lyme both had declining populations over the 1980s.

Agriculture accounts for over a tenth of employment in three of Shropshire's six districts: south Shropshire, north Shropshire and Bridgnorth. Manufacturing is important to the economies of both counties and accounts for as much as two-fifths of employment in the Wrekin in Shropshire and Stoke-on-Trent in Staffordshire.

	Area	Population			Activity	Unempl.	Employment			GDP/inhab.
	1 000 km²	1 000	Inhab./km²	Change (%)	%	%	% Agricult.	% Industry	% Services	EUR(PPS) = 100
		1990	1990	1980-90	1988	1990	1989	1989	1989	1989
Shropshire	3.5	405	116	7.3	61	4.3	5	35	61	84
Staffordshire	2.7	1 041	383	2.5	64	4.5	1	43	55	90
Shropshire, Staffordshire	6.2	1 446	233	3.8	63	4.4	2	41	57	88
United Kingdom	242.5	57 411	237	2.0	62	6.3	1	30	69	107
EUR 12	2 253.7	327 931	146	3.2	54	8.3	7	33	60	100

UNITED KINGDOM

WEST MIDLANDS (COUNTY)

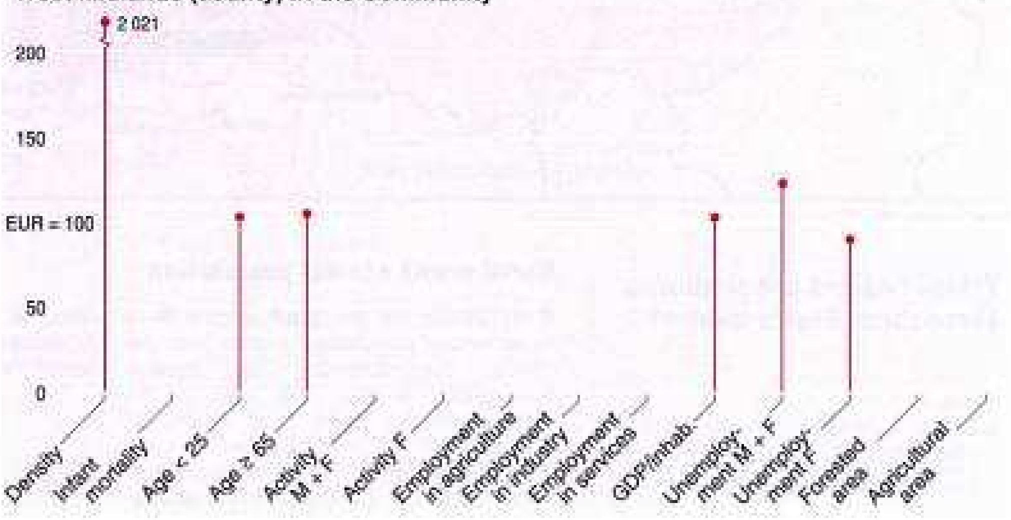


The West Midlands metropolitan county area is at the centre of the West Midlands region. At only 900 km², it is the fifth smallest county in area in England; however it is the centre of the largest concentration of population in the country outside of London. The vast majority of the county's population consists of the West Midlands conurbation based on Birmingham. Two and a half million people live in this conurbation, although not all of them are in the West Midlands county. The other centre of population is Coventry, a city of around a third of a million people in the far east of the county.

Lying in the geographical centre of the country, the county is at the heart of the national motorway network. Routes converging on Birmingham are the M6, the principal road route from the Midlands to the North-West, the M5 running from Birmingham to south Wales and the South-West, and the M40 from Birmingham to London. Motorways also run east to link with the East Midlands and to connect with the M1 motorway which runs from London to the north-east. Electric railway services run south to London and north to Glasgow, while other express routes link the West Midlands with the east coast and the South-West. The region's major international airport, located to the south of Birmingham, is the fifth largest in Britain in terms of the numbers of passengers carried.

The superb facilities of the National Exhibition Centre, Birmingham, are aimed at attracting new business to the region.

West Midlands (county) in the Community

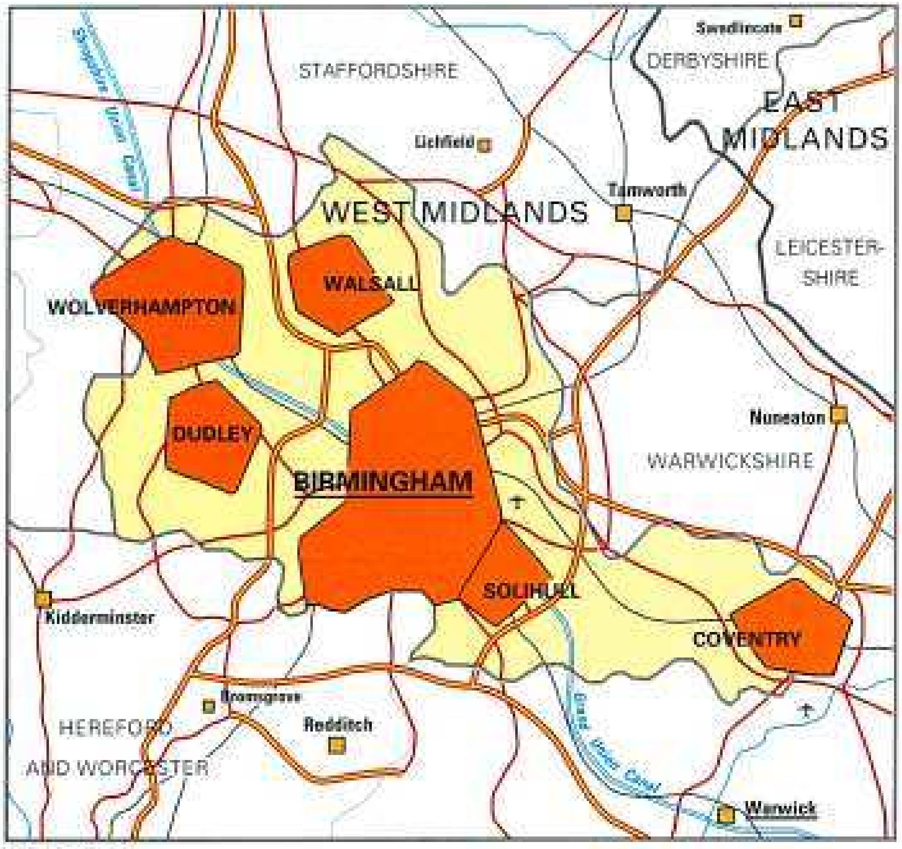


Manufacturing in decline

The West Midlands has been a centre for the production of iron since before the eighteenth century and consequently the region expanded into engineering and manufacturing at an early stage. Latterly, the predominance of these industries, particularly metal manufacturing and engineering, allowed the area to specialize in particular products such as weighing machines, locks and guns. Manufacturing still employs over a third of the work-force, with metals and vehicle engineering, component supply, and more recently electrical engineering being important.

Employment in manufacturing has however been declining for some decades and this has led to unemployment in some areas. The location of the county at the centre of the West Midlands region and at the hub of the country's communications networks is potentially a significant asset, and efforts have been made to attract industry to the area. The National Exhibition Centre to the south of Birmingham is an example of this.

WEST MIDLANDS (COUNTY)



Scale 1 : 500 000

Which EC regions are similar to West Midlands (county)?

Area:
less than 1 000 km²
Berlin (D)

Population:
2.6 million inhabitants
Brandenburg;
Schleswig-Holstein (D)
Castilla y León (E)

Population density:
over 2 000 inhabitants per km²
Hamburg; Berlin (D)
Ceuta y Melilla (E)
Merseyside (UK)

Densely populated, but numbers are falling

None of the districts of the West Midlands has a population of less than 200 000 and the district of Birmingham has the largest population of any local authority district in Britain, nearly one million persons in an area of 260 km². Solihull is the least densely settled, but still has over 1 100 people per km²; Birmingham, Wolverhampton and Sandwell are all over three times as densely populated. In line with the pattern for urban areas throughout Britain, the population of the West Midlands has been falling in recent decades. Over the 1980s, the county lost over 2% of its population, largely to new towns and smaller centres in the adjacent counties of Warwickshire, Hereford and Worcestershire, and Shropshire. Only Solihull and Dudley registered increases over this period.

The importance of manufacturing to the districts of the West Midlands varies from employing nearly half the work-force in Sandwell to the north, to around a fifth in Solihull in the south-east. Consequently, the 'other services' sector is the smallest in Sandwell, and largest in the centres of Birmingham and Coventry, two-fifths of the work-force in each case. The concentration of services in the major towns is however less marked in the West Midlands than in other regional centres of Britain, due at least in part to the preponderance of engineering throughout the county.

	Area	Population			Activity	Unempl.	Employment			GDP/inhab.
	1 000 km²	1 000	Inhab./km²	Change (%)	%	%	% Agricult.	% Industry	% Services	EUR (PPS) = 100
		1990	1990	1980-90	1988	1990	1989	1989	1989	1989
West Midlands (county)	0.9	2 615	2 908	−2.6	63	8.4	0	40	60	103
United Kingdom	242.5	57 411	237	2.0	62	6.3	1	30	69	107
EUR 12	2 253.7	327 931	146	3.2	54	8.3	7	33	60	100

UNITED KINGDOM

NORTH-WEST

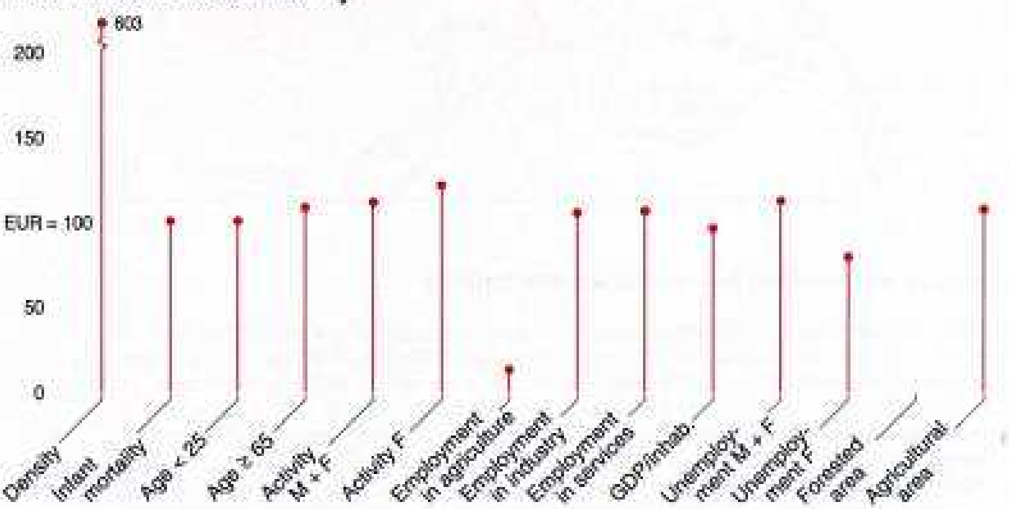
The North-West region stretches some 80 km from the Irish Sea eastward to the Pennine hills, the 'backbone of England', and southwards some 130 km from Morecambe bay to the Dee estuary and the Welsh border. With an area of 7 300 km² and a population of 6.4 million the region has the second highest population after the South-East.

Generally the region is low-lying, but land rises to the north and east. The bulk of the region's population are concentrated in comparatively small areas, most important of which are the Greater Manchester and Merseyside conurbations with a combined population of four million.

The area is well served by road and rail networks. The M6 motorway covers the region in a north-south direction and the M62 traverses it in an east-west direction. The M61 links Manchester northwards to the M6 and the M53/M56 links the south of Merseyside and north Cheshire to Manchester. Rail service electrification has brought Liverpool and Manchester within two and a half hours of London. The region's major port is Liverpool, and the region's international airports are at Liverpool and Manchester (the latter being England's only gateway airport outside the South-East). There is also an airport at Blackpool.

The Albert dock in Liverpool, once Europe's chief Atlantic port in the heyday of the north's textile industry.

North-West in the Community



Skilled work-force seeks new opportunities

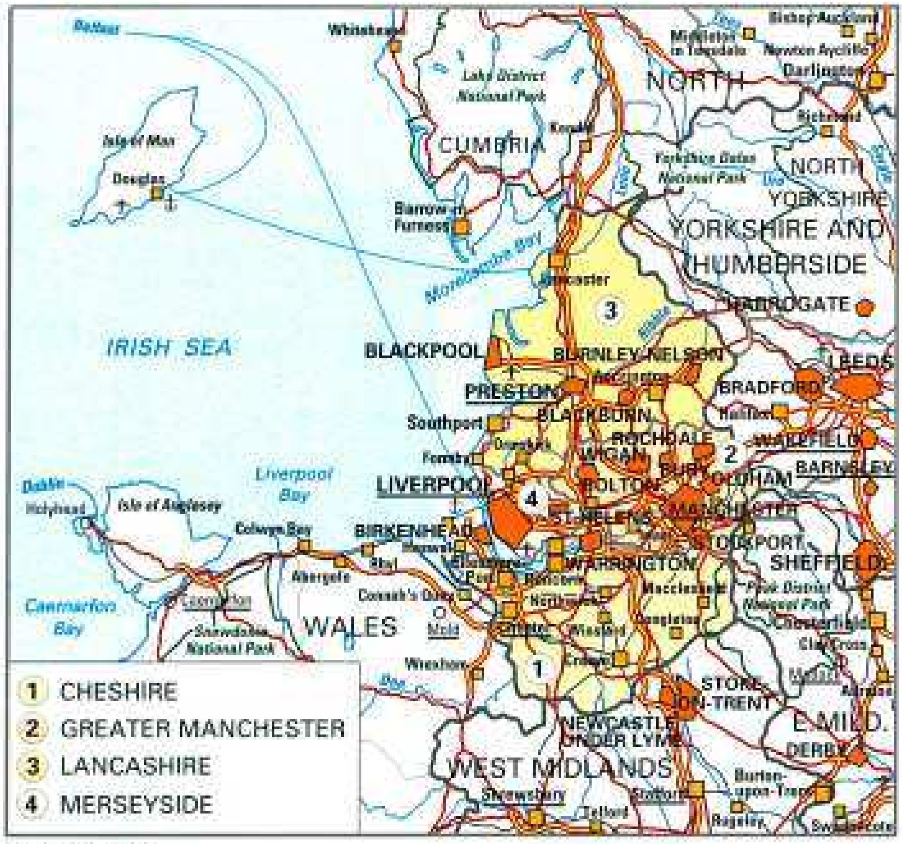
The conurbations of Manchester and Merseyside are contained within a compact region. The North-West thus has the advantages of an established and important regional centre, and easy access to large markets.

The region is well served by the motorway system and an improving rail link with London and the south. Manchester international airport is growing fast and is expected to exceed 20 million passengers by the end of the century. The North-West has a good reputation in higher education with the major universities and polytechnics having developed good links with local industry.

Most major sectors are present in the economy of the North-West, but there is an above average proportion of jobs in some of the older established industries such as textiles, clothing and footwear and heavy industry. Well over a third of manufacturing jobs have disappeared in the region during the past decade and the services sector has not grown as quickly as in some other parts of the United Kingdom.

The North-West has a pool of labour skilled in a variety of jobs, but has had difficulty in attracting inward investment. Although much has already been achieved in developing infrastructure, there is still a need for further site clearance. Levels of unemployment and longer-term unemployment are well above average particularly on Merseyside.

NORTH-WEST



Scale 1 : 2 000 000

Which EC regions are similar to North-West?

Area:
7 300 km²
Pais Vasco (E)

Population:
6-7 million inhabitants
Greater London (UK)
Cataluña; Andalucia (E)

Population density:
over 1 000 inhabitants per km²
Attiki (GR)
Île-de-France (F)
Zuid-Holland (NL)

Activity rates:
60% for men
50% for women
Île-de-France (F)
East Midlands;
West Midlands (UK)

Compact conurbations mixed with rural retreats

Although much of the region's population lives in the Manchester and Merseyside conurbations and in further concentrations of population in the Ribble valley, north-east Lancashire and the coastal resorts, the result of this concentration means that much of the region is relatively sparsely populated and remains rural. The areas of high density are, however, strategically important to the United Kingdom economy.

Merseyside, although an important manufacturing centre, has grown up around the port and port-related activities. The subsequent decline has produced deep-seated problems in this part of the region. The unemployment rate is twice as high in Merseyside as it is in the more rural counties of Cheshire and Lancashire. The districts of Lancashire in particular exhibit very contrasting characteristics.

The town of Blackpool is famous as Britain's premier tourist resort and so services, particularly entertainment and leisure industries, dominate its economy. The towns of Blackburn and Preston have more traditional industries while the cities of Liverpool and Manchester have many diverse industrial and business activities.

	Area	Population			Activity	Unempl.	Employment			GDP/inhab.
	1 000 km²	1 000	Inhab./km²	Change (%)	%	%	% Agricult.	% Industry	% Services	EUR(PPS) = 100
		1990	1990	1980-90	1988	1990	1989	1989	1989	1989
Cheshire	2.3	959	412	3.0	62	5.6	2	36	62	115
Greater Manchester	1.3	2 591	2 013	-1.4	63	7.9	0	34	66	100
Lancashire	3.1	1 395	456	0.6	61	6.2	2	37	61	92
Merseyside	0.7	1 444	2 214	-5.7	61	12.6	0	27	73	86
North-West	7.3	6 389	871	-1.4	62	8.2	1	34	66	97
United Kingdom	242.5	57 411	237	2.0	62	6.3	1	30	69	107
EUR 12	2 253.7	327 931	146	3.2	54	8.3	7	33	60	100

NORTH-WEST

Declining birth rate shows recent upturn

Following a small increase throughout the 1960s, the population of the North-West fell by nearly 2.5% during the 1970s and a further 1% by the middle of the 1980s, against the national trend. It has since stabilized, and at the end of the decade registered a small increase. This is because there has been a reversal, in the latter 1980s, of the 1960s trend of decreasing birth rates. The death rate however continues to decline gradually so the rate of natural increase has increased over the decade.

The other main determinant of population growth is migration. In the United Kingdom, interregional migration is generally more significant than international migration. However in the case of the North-West in recent years, net interregional migration has been negligible.

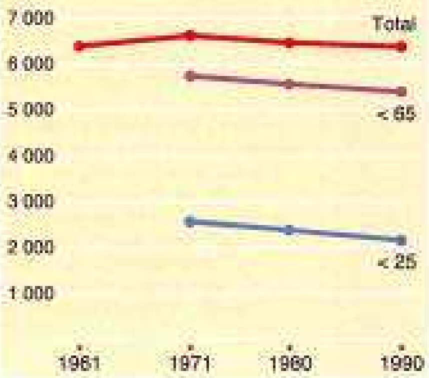
The last few decades have also seen changes in the structure of the North-West's population.

In common with the rest of the United Kingdom, the predominant feature is that the average age of the population is increasing. Over the last few years however this process has been less marked in the North-West than nationally, and the region thus has a slightly younger population than the national average.

Population by age — 1990

	M + F 1 000	M + F %	M %	F %
< 15	1 245.0	19.5	20.5	18.5
15-24	930.0	14.6	15.1	14.0
25-39	1 397.0	21.9	22.8	21.0
40-54	1 183.0	18.5	19.2	17.9
55-64	648.0	10.1	10.2	10.1
≥ 65	985.0	15.4	12.3	18.4
Total	6 388.6	100.0	100.0	100.0

Population (1 000)



Resident population of foreign nationality — 1988-90

	1 000	% of total population
Total	126.3	2.0
of which EC countries	72.4	1.2
of which non-EC countries	54.0	0.9
Ireland	59.7	0.9
India	10.1	0.2
Pakistan	6.7	0.1
Italy	4.1	0.1
Poland	3.9	0.1
USA	3.4	0.1

Demographic account — 1980-90 (1 000)

Population 30.6.1980	6 477
Births	873
Deaths	793
Net migration	– 169
Population 30.6.1990	6 389

No rush to leave school — better qualified work-force

Educational qualifications of the North-West's work-force are generally at or slightly below average for the United Kingdom.

For example, a little over a quarter of the work-force in 1990, had no recognized qualification, a level marginally below the national average. The qualifications of recent school-leavers suggest that the work-force is becoming more highly qualified.

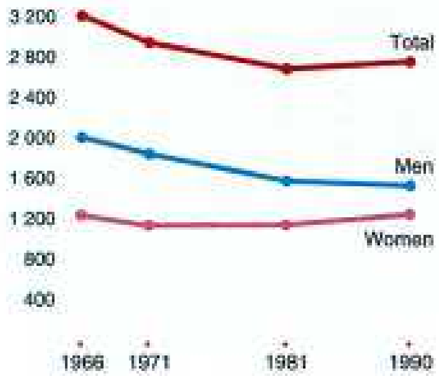
Although compulsory education in the United Kingdom stops at 16 years of age, nearly two-thirds of 16-year-olds in the North-West stay on in full-time education, one of the highest proportions in the country. The North-West, together with the South-East region, also has the highest proportion of school-leavers going on to degree courses.

Besides higher education, 1989-90 saw more than 40 000 young people entering Youth Training Schemes in the North-West, and nearly 60 000 completing such schemes. Both these figures are the largest for any region in Great Britain.

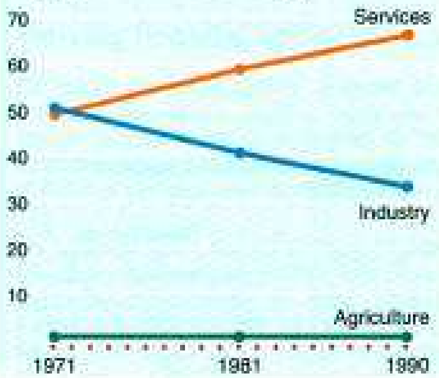
Number of pupils — 1990

	M + F 1 000	F %
Pre-school	109	49
Primary	520	49
Lower secondary	219	49
Higher secondary (technical)	313	58
Higher secondary (general)	208	50
Higher education	113	45
Total	1 482	51

Employment (1 000)



Employment structure (%)



Employment — 1981 (1 000)

Resident employment	2 641.1
+ Non-residents having a job in the region	61.5
− Residents having a job outside the region	48.7
= Internal employment	2 653.9

Unemployment (%)

Manufacturing traditions tested by falling demand

The North-West region was at the forefront of the industrial revolution and its present day industries and infrastructure reflect this legacy. Traditional industries — coal, shipbuilding, engineering, textiles and port activities, were joined, in the second half of the twentieth century by chemicals and petroleum, and by major investment by the motor vehicle industry. Additionally, the North-West has a significant proportion of its work-force employed in the defence industries with major employers such as British Aerospace, Vickers Shipbuilding and Engineering, and Royal Ordnance.

Since the beginning of the twentieth century the region's traditional industries have been in decline. In the early 1980s, manufacturing was severely affected by the recession and the North-West experienced a particularly steep decline. Despite this, employment in manufacturing remains well above the national average, and the size of the region means that in both employment and output terms the North-West remains second only to the South-East.

The importance of manufacturing means that services are rather less important than nationally, but nevertheless employ a larger proportion of the work-force than the average for the community as a whole.

Characteristics of resident employment (%)

	< 25 years	25-54 years	≥ 55 years	Employees	Employees: part-time		Employees: full-time, temporary contract	
	1990	1990	1990	1990	1983	1990	1983	1990
Men	19	69	12	83	3	5	3	2
Women	21	68	11	93	42	43	2	2
Total	20	69	12	87	20	23	3	2

No quick-fix for long-term unemployment

The North-West was hit hard by the recession of the early 1980s and unemployment rates, which were already above the national average, rose steeply and are now higher than in any other English region except the North.

The overall situation hides some large variations in unemployment rates within the region. Merseyside has one of the highest rates of unemployment in the country with over one in eight of the work-force unemployed — over twice the level of the nearby county of Cheshire.

The decline of the traditional industries of the region, which has not been matched by the development of new industries in some areas of the region, means that much of the unemployment is structural. In the region as a whole, nearly a third of the jobless are long-term unemployed, that is they have been out of work for over a year. In the city of Liverpool where job losses in manufacturing have been compounded by the contraction of the docks, this figure rises to over four out of 10. Recent figures show some 300 000 men and women unemployed in the region but only some 14 000 unfilled job vacancies.

Traditional industries contracting

The North-West in 1989 had nearly 150 000 businesses whose turnover was large enough for them to be registered for VAT. The size of the agricultural sector in the North-West is the smallest in the country although the regional economy is the largest outside the South-East.

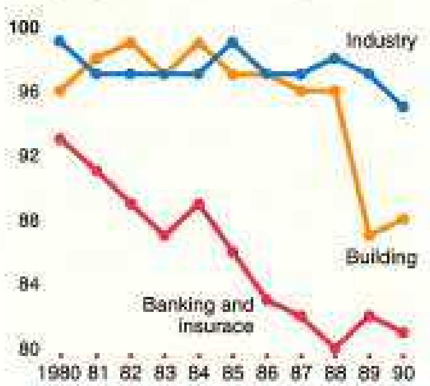
Energy and water supply, although significant, makes up a smaller proportion of the economy as coal-mining in the region contracts. Manufacturing remains the largest sector in the region, contributing nearly 30% of total GDP although in the early 1970s this figure was nearly 40%. A legacy of the traditional industrial structure of the region can be seen in the large average size of manufacturing units in the region; nearly a fifth of manufacturing employment is in establishments of over 1 000 employees.

Newer industries such as banking and financial services have expanded to compensate for the contraction of the traditional industries, but more investment is still needed in the region. Three Enterprise Zones have been established in the region. Salford/Trafford and Speke, both designated in 1981 (which have now lost Enterprise status), and north-east Lancashire designated in 1983. Enterprise Zones offer businesses a range of benefits for a period of 10 years. From designation up to the end of 1989, employment in these areas had increased by over 17 000. Additionally, the region has three Urban Development Corporations — Trafford Park, Central Manchester and Merseyside.

Tourism is becoming increasingly important to the economy of the region. As well as coastal holiday resorts, such as Blackpool, several towns are developing the industrial heritage theme. Liverpool, on Merseyside, is still an important port, though less important than it used to be. Manchester too, though well inland, is linked to the sea by the Manchester ship canal.

GDP (1980 = 100)

Wages (national level = 100)



Disposable household income (1980 = 100)

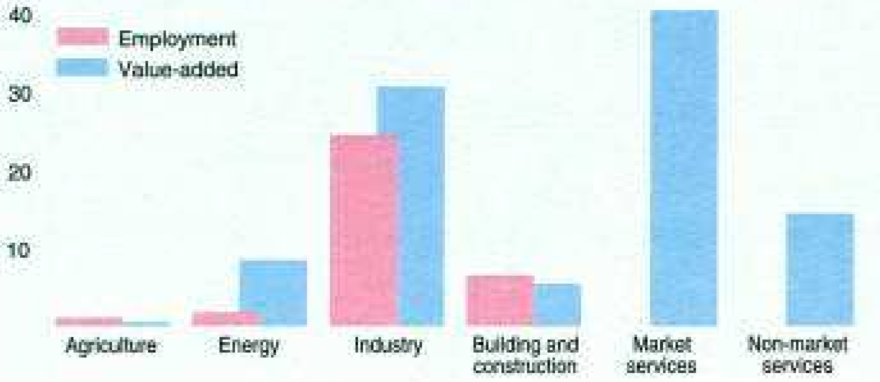
Relative labour costs fall further

Labour costs are low by United Kingdom standards and have fallen further behind the national average in recent years. The average earnings of men in the North-West were ECU 385 per week in 1990, whilst for women average earnings were ECU 259 per week. Both figures are in line with rates prevalent in much of the country outside the South-East.

In the North-West, as in the country generally, the highest rates of pay for men are found in the banking and financial services industry at an average of ECU 441 per week. However the highest paid women in the North-West are in 'other services' at ECU 294 per week. Lowest pay in the region for both men and women is in 'distribution, hotels and catering': the averages are ECU 329 and ECU 203 per week respectively. In 1989 the average household income per person in the North-West was ECU 9 847 — the third lowest figure in England. In line with the national pattern, income from employment makes up about three-fifths of the total household income in the North-West. Income from self-employment at just one-tenth is a little below average. Household disposable income is ECU 8 005 per person on average.

Expenditure on food and clothing made up about a sixth of all spending in the North-West in 1989, as it does nationally (in the early 1970s it was over a quarter of the total). Housing and transport and communication are areas where the proportion spent has increased over time; both account for around a sixth of all spending. As a proportion of household income, expenditure on alcohol and tobacco is higher than anywhere else in the United Kingdom except for Scotland.

Employment and value-added: distribution by branch – 1986 (%)



Thriving financial sector but manufacturing remains dominant

As might be expected in a small but densely populated region, agriculture makes a very small contribution to the economy of the North-West; less than 1% of GDP is derived from agriculture.

Manufacturing on the other hand makes up nearly three-tenths of GDP, one of the highest proportions in the United Kingdom. The county of Lancashire, which lost some of its urban areas to Merseyside and Greater Manchester in the local government reorganization of 1974, still features some coal-mining and textile manufacture — though both have declined in recent years.

The importance of manufacturing to the region tends to overshadow the service industries. The financial and business services sector comes next, due to the presence in the region of the city of Manchester, a very considerable business and financial centre for the whole of northern England. In 1989, it contributed nearly one-sixth of the region's GDP. The services sector, particularly distribution and catering, is also important in the tourist areas like the city of Chester, and the coast around Blackpool.

Agriculture

Number of holdings	12 600
Labour force	26 940 AWU
Agricultural area	444 000 ha
Livestock	547 000 LU
Gross value-added	15 814 ECU/AWU

Main products	
Milk	35%
Vegetables	15%
Cattle	13%

Main enterprises

Name	Activity
Unilever PLC	Mixed activities
Great Universal Stores PLC	Retail trade
Pilkington PLC	Manufacture of flat glass
Coats Viyella PLC	Manufacture of knitwear
Littlewoods Organization PLC	Retail trade; gambling and betting activities
AMEC PLC	Engineering activities
Kwik Save Group PLC	Retail trade
Ferranti International PLC	Electronic equipment
T & N PLC	Motor vehicle parts and others
British Nuclear Fuels PLC	Processing of nuclear fuel

Cleaning up from an industrial past

Environmental problems in the North-West are mainly a legacy of the region's industrial past. The North-West has more seriously polluted rivers, estuaries and canals than anywhere in the country. It has one-seventh of the population and one-tenth of the land area of England and Wales but nearly a third of the length of polluted rivers and over a half of the length of polluted estuaries. The polluted stretches lie mainly in the Mersey basin. Poor though the water quality is, it is already much better than it was a generation ago, and North-West Water Limited (along with all other privatized water companies) are engaged in a 25-year programme of improvements to sewerage and sewage treatment which will bring all watercourses to at least Class 2 standard (fair). Allied with this is a public, private and voluntary sector programme of landward improvements and waterfront development schemes.

Derelict land remains a major problem in the North-West (nearly 9 000 hectares is classed as derelict). Causes of dereliction vary: old mineral workings are predominant in some areas such as the effect of coal-mining in Wigan and former salt workings in Cheshire. Disused docks, railway land and warehouses are the main features of Merseyside and also of Manchester and Salford. Obsolete industrial developments occur across the region, but are particularly concentrated in Greater Manchester and Lancashire.

There are 12 national nature reserves and over 350 sites of special scientific interest throughout the region. There are seven areas which have been designated as special protection areas under the EC Wild Birds Directive and as 'wetlands of international importance' under the Ramsar Convention of 1971.

UNITED KINGDOM

CHESHIRE

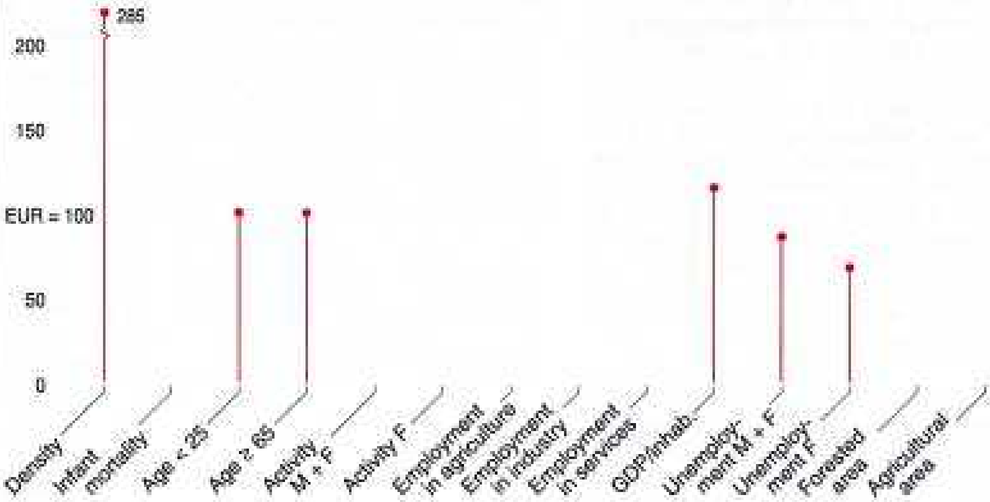
Cheshire is the least populous county in the North-West. The majority of its 2 330 km² forms the undulating Cheshire plain although to the extreme east the western edge of the Pennine hills rises in places to over 500 metres. The county is predominantly rural although there are urban areas particularly in the north around the Mersey estuary. Warrington, with a population of over 150 000, and Runcorn have been developed as 'new towns' since the 1960s to relieve the pressure on the cities of Liverpool and Manchester to the north.

The historic city of Chester is the county's administrative centre. Other towns include Crewe, which is situated at one of the most important railway junctions in the country, and Ellesmere Port on the Mersey estuary, which is the county's chief port. As a meeting point for various routes running north to south, Crewe is well connected by rail, including the west coast main-line services from London to Scotland.

The M6 motorway runs north to south through the east of the county, joining the county with Birmingham and the Midlands to the south; the M56 runs east to west linking Manchester and Liverpool to the north. Manchester international airport is situated just across the county's northern border.

Chester contains some fine timber-framed buildings and Roman and medieval relics.

Cheshire in the Community



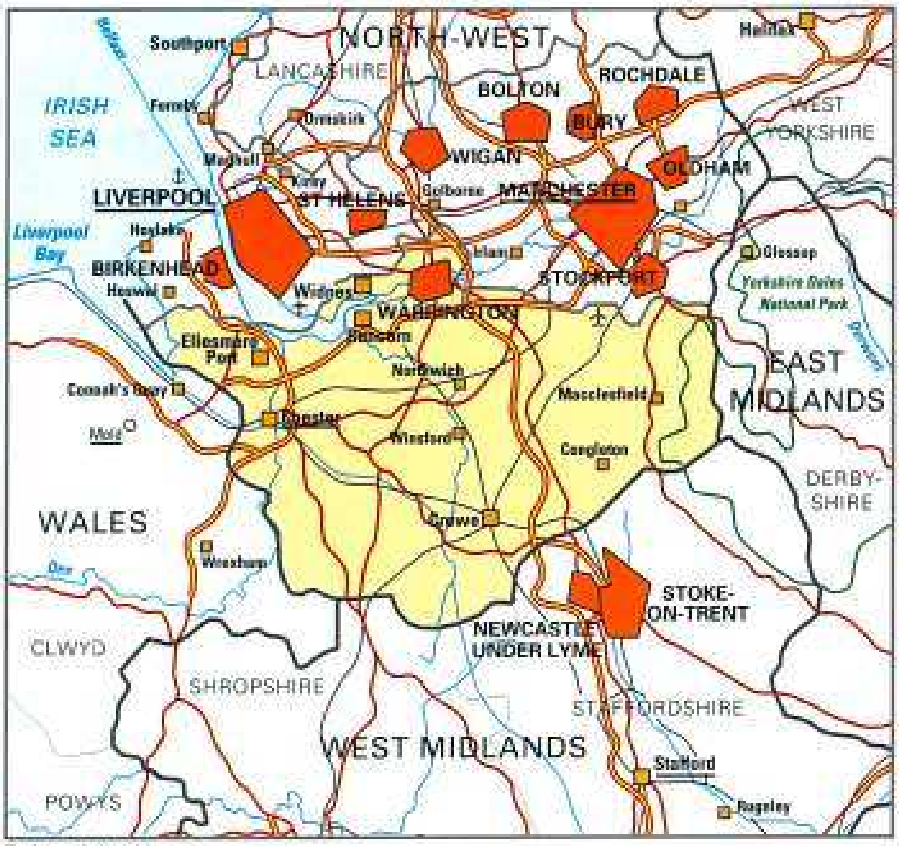
High output per head from a relatively small population

Much of Cheshire's agricultural land is highly productive pasture and the existence of the large markets of Manchester and Merseyside to the north ensures that dairy farming predominates. Although the population is relatively small, the economy is diverse and the county's gross domestic product per head is one of the highest in the United Kingdom outside of the South-East. The strength of the local economy is reflected too in the unemployment rate which is below the national average, whilst average earnings are the highest in the North-West.

The position of the county at the centre of the country's rail routes ensures that communications are good. However, as the county does not have access to the sea there is little scope for the development of port facilities. The county's only port is Ellesmere Port on the Mersey estuary.

Many aspects of the county's industrial structure are determined by the proximity of Manchester and Liverpool to the north. Thus ready markets have encouraged the growth of manufacturing in much of the county while the services sector remains less important than for the United Kingdom as a whole.

Another positive aspect is that the county is seen as an attractive location in which to live and work and this has led to a rapid expansion of population, particularly from the conurbations into the north of the county.



Scale 1 : 1 000 000

Which EC regions are similar to Cheshire?

Area:
2 300 km²
- Ionia Nisia (GR)
- Limburg (B)
- Limburg (NL)

Population:
1.0 million inhabitants
- Giessen (D)
- Liège (B)
- Utrecht (NL)

Population density:
400-420 inhabitants per km²
- Saarland (D)
- Kent; Essex (UK)

Varied local history results in wide range of industries

Industrial activity varies according to the patterns of historical development in each town. Around Runcorn, Widnes and Nantwich there was early development of minerals, most notably salt workings. This led to the development of chemical, pharmaceutical and other manufacturing, and these industries remain important today. The town of Crewe grew with the development of the railways, and it retains a heritage of engineering, distribution and transport based on the railways. Nearly half of employment in the district of Ellesmere Port and Neston is in manufacturing, which was originally based on the manufacture of detergents. The city of Chester, has developed as the administrative centre of the county and it has relatively little manufacturing.

Settlement patterns are affected by the proximity of the conurbations of Manchester and Liverpool to the north and the population of Cheshire has in recent years risen rapidly. In the district of Warrington — which includes the new town — it has increased by over 10% over this period. The chiefly rural district of Congleton too has seen a large increase in population, over 8% during the 1980s. However, in the districts of Chester and Ellesmere Port and Neston the converse is the case as the population has fallen throughout the 1980s.

	Area	Population			Activity	Unempl.	Employment			GDP/inhab.
	1 000 km²	1 000	Inhab./km²	Change (%)	%	%	% Agricult.	% Industry	% Services	EUR (PPS) = 100
		1990	1990	1980-90	1988	1990	1989	1989	1989	1989
Cheshire	2.3	959	412	3.0	62	5.6	2	36	62	115
United Kingdom	242.5	57 411	237	2.0	62	6.3	1	30	69	107
EUR 12	2 253.7	327 931	146	3.2	54	8.3	7	33	60	100

UNITED KINGDOM

GREATER MANCHESTER

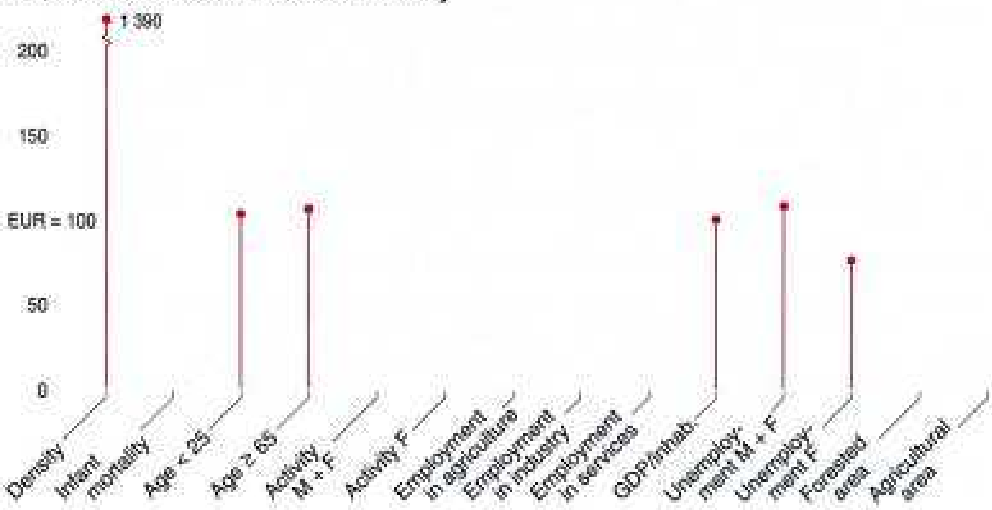
The Manchester urban area comprises the city of Manchester itself, its surrounding suburbs, and the virtually contiguous towns such as Bolton, Rochdale and Wigan. Greater Manchester and the West Midlands conurbation centred on Birmingham, constitute the largest centres of population in the United Kingdom outside of London.

Greater Manchester is located chiefly on a plain to the south of the river Mersey, through which tributaries of the Mersey flow. The relief is generally low-lying and flat. However, the rugged moors of the Pennine hills extend into the north and east with the terrain rising to over 500 metres in places.

Major road routes include the M6 and M61 running north to south and the M56 and M62 running east to west. Express rail lines have put Manchester within two and a half hours of London. Manchester international airport is located to the south of the city. It is already the third busiest airport in the country after Heathrow and Gatwick in London, and a major expansion of capacity is planned. Although landlocked, the city of Manchester developed as a seaport following the construction of the 56-kilometre Manchester ship canal late in the nineteenth century.

Manchester ship canal: constructed by local merchants in the nineteenth century to make Manchester an inland port.

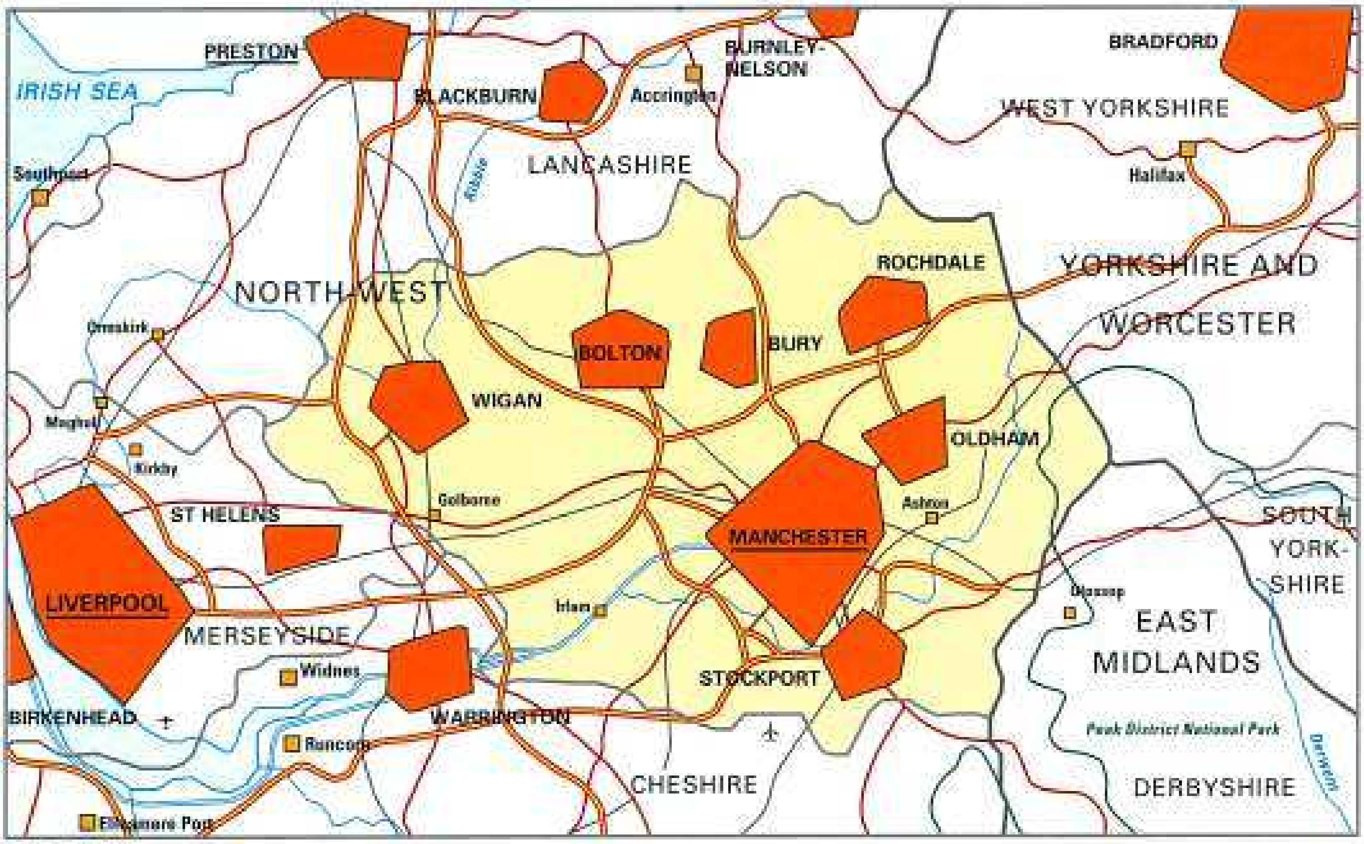
Greater Manchester in the Community



Broad economic base, pockets of high unemployment

Access to the sea via the Manchester ship canal allowed industries such as chemicals and food processing to develop in Manchester which could exploit the large markets of the region — Manchester itself, Merseyside to the west and Yorkshire to the east. The county has thus developed a broad economic base in manufacturing and services. In recent years however, Manchester's distance from the sea has once again been a disadvantage favouring dock facilities closer to the coast, for example, at Ellesmere Port in Cheshire. The importance of Manchester as a regional centre has allowed the economy to diversify beyond the traditional industries such as mining and textiles into newer areas, particularly services, and the city of Manchester is Britain's second city — after London — for the provision of financial services.

In contrast to the diversification of industry in the city of Manchester, some outlying towns such as Bolton and Bury have remained dependent on older industries, particularly textiles, making these areas more vulnerable to the decline of these industries. Overall, the unemployment rate for the county is above the national average, but it is below the average for the North-West region. Unemployment is a severe problem in some localized areas.



Scale 1 : 500 000

Which EC regions are similar to Greater Manchester?

Area:
just over 1 000 km²
Guadeloupe (F)
Utrecht (NL)

Population:
2.6 million inhabitants
West Midlands (county) (UK)
Brandenburg (D)

Population density:
over 2 000 inhabitants per km²
Hamburg (D)
Merseyside (UK)

Population drift away from Manchester

In none of its 10 districts is the population density less than 1 300 persons per km² whilst in the city of Manchester itself it is nearly three times this level. In contrast to this, a small section of the east of the county, on the edge of the Pennine hills is quite sparsely populated.

The city of Manchester is the administrative centre not only for the North-West region, but for the north of England more generally. It is thus dominated by service industries and over half the work-force here are employed in the 'other services' sector. As a result of this concentration, less than one-sixth of the work-force work in manufacturing. In the towns outside Manchester there has not generally been the same growth in the services sector so that manufacturing is still important. In Oldham, two-fifths of the work-force are engaged in manufacturing, and only a quarter in other services.

In common with other urban areas, Greater Manchester has experienced a decline in population in recent decades. Over the period 1981 to 1989, this decline was nearly 1.5% overall. In the central districts, the city of Manchester and Salford, the decline was over 4% while Bradford recorded an increase in population of 1%.

	Area	Population			Activity	Unempl.	Employment			GDP/inhab.
	1 000 km²	1 000	Inhab./km²	Change (%)	%	%	% Agricult.	% Industry	% Services	EUR (PPS) = 100
		1990	1990	1980-90	1988	1990	1989	1989	1989	1989
Greater Manchester	1.3	2 591	2 013	− 1.4	63	7.9	0	34	66	100
United Kingdom	242.5	57 411	237	2.0	62	6.3	1	30	69	107
EUR 12	2 253.7	327 931	146	3.2	54	8.3	7	33	60	100

UNITED KINGDOM

LANCASHIRE

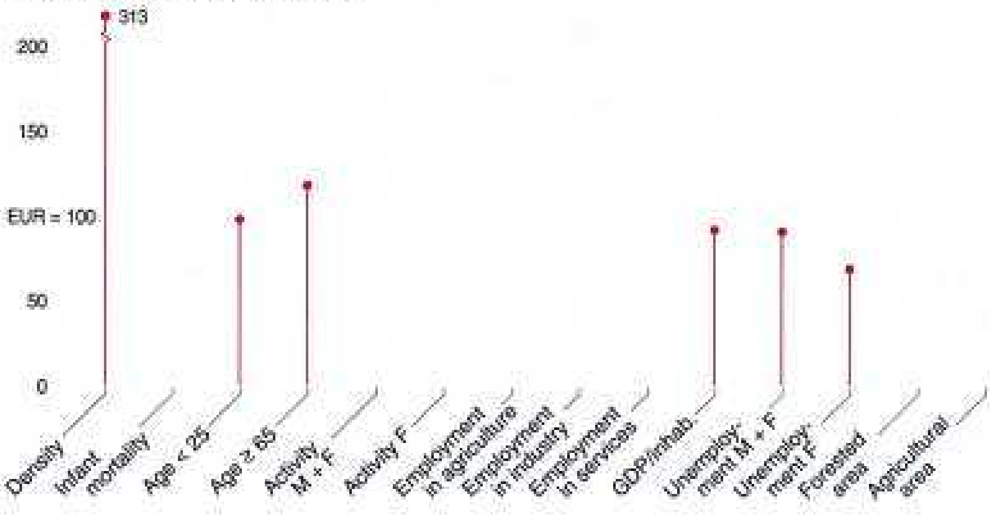
The county of Lancashire is bounded to the south by the conurbations of Merseyside and Manchester and to the north and east by hills — the Pennines in the east, and the Lake District to the north. Formerly, much of the Manchester and Merseyside conurbations were included in Lancashire, which was thus the most populous county in Britain. The local government reorganization of 1974 established Manchester and Merseyside as separate counties and so Lancashire as it is now constituted is predominantly rural. The largest towns are Blackpool on the coast, and Preston, each with a population of around a quarter of a million. Other centres are Lancaster (the county town), industrial towns such as Blackburn and Burnley, and the coastal resorts of Lytham St Anne's and Morecambe.

Preston and Lancaster both lie on the M6 motorway which runs from the Midlands to Carlisle in the north. Motorways also connect the county to Manchester and Liverpool. The west coast main-line railway passes through the county, and there are also rail links across the Pennines from Preston to Leeds and Humberside.

An international airport is situated at Blackpool.

Steelmaking at Rochdale, one of the many towns with an industrial tradition in Lancashire, once the world centre of cotton manufacture.

Lancashire in the Community



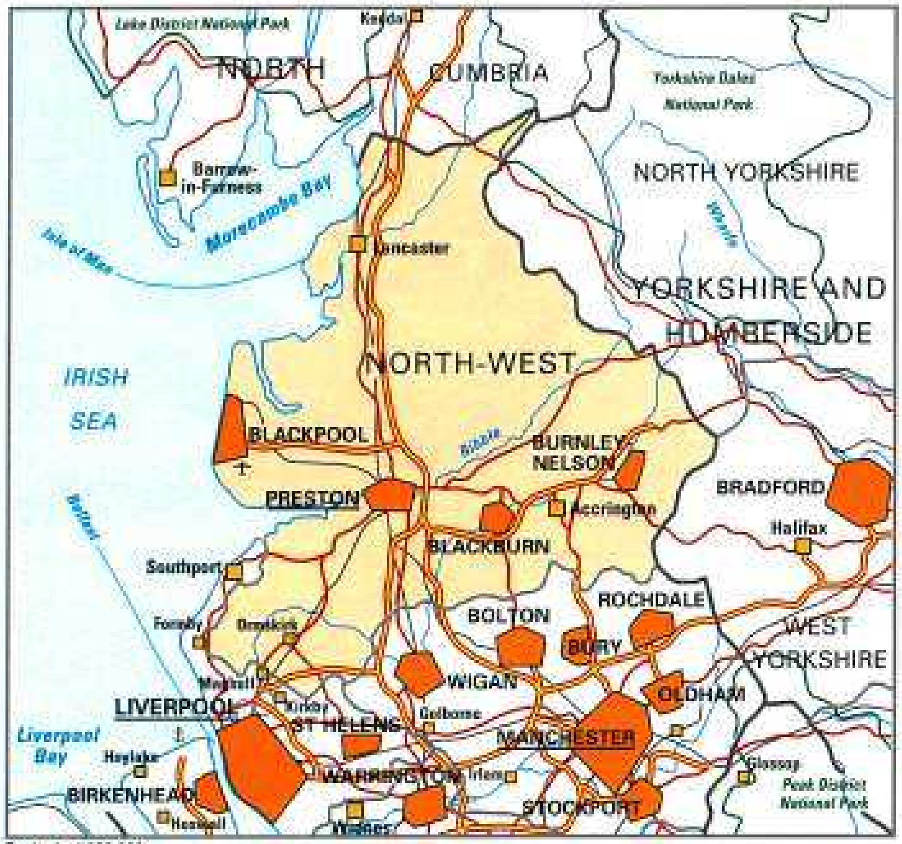
Popular coastal resorts, traditional industries in decline

Traditionally, the mainstays of Lancashire's economy have been textiles and coal-mining. The presence of coal reserves encouraged industrialization of the existing woollen and linen industry, and from the eighteenth century Lancashire became the centre of cotton textiles manufacture in England. Iron ore deposits were also exploited but in recent years these traditional industries, particularly mining, have been in decline. Manufacturing, notably motor vehicles and associated industries, remain important.

Its proximity to the urban centres of Merseyside and Manchester has both advantages and disadvantages. Tourism developed along Lancashire's coast from the nineteenth century and led to rapid growth of the coastal resorts of Blackpool, Morecambe, Lytham St Anne's and Fleetwood. Blackpool's famous 'Golden Mile' pleasure beach is visited by over six million people a year, making it the most popular tourist attraction in Britain. Conversely however, the proximity of these large conurbations, has tended to discourage newer industries, particularly services, from setting up in the county which has inhibited the diversification of industry.

In summary, the county has the advantages of popular coastal resorts and significant coal reserves. But the textile industry is fiercely competitive which explains the low average wage levels, and above average unemployment.

LANCASHIRE



Scale 1 : 1 000 000

Which EC regions are similar to Lancashire?

Area:
3 000 km²
West-Vlaanderen (B)
Zeeland (NL)

Population:
1.4 million inhabitants
Koblenz (D)
Marche (I)
Basse-Normandie (F)

Population density:
450 inhabitants per km²
Oost-Vlaanderen (B)
Arnsberg (D)

New town prosperity but decline in coal-mining areas

Amongst the districts of Lancashire, Blackpool has the highest population density, as high as any of the districts of Manchester or Liverpool. At the other extreme there are remote, virtually unpopulated areas, in the north and east of the county, and there are large forested areas, notably Bowland forest in the north. The district of Ribble valley in the north has less than 100 people per km². The population in Lancashire as a whole is more or less static, although this disguises differences between the individual districts: Blackburn's population fell by nearly 5% over the 1980s while Chorley and Fylde experienced the steepest increases (over 6% each).

Other towns grew out of coal-mining, whilst the coastal resorts prospered on the tourist trade. Most recently, Skelmersdale new town has been established in the south of the county providing jobs and housing for people in both Lancashire and Merseyside. Manufacturing dominates the economy of Pendle, employing over half the work-force.

There is, therefore, an imbalance between the more prosperous growing areas and those in decline. The reduced importance of the coal and textiles industries has affected some parts of the county severely.

	Area	Population			Activity	Unempl.	Employment			GDP/inhab.
	1 000 km²	1 000	Inhab./km²	Change (%)	%	%	% Agricult.	% Industry	% Services	EUR (PPS) = 100
		1990	1990	1980-90	1988	1990	1989	1989	1989	1989
Lancashire	3.1	1 395	456	0.6	61	6.2	2	37	61	92
United Kingdom	242.5	57 411	237	2.0	62	6.3	1	30	69	107
EUR 12	2 253.7	327 931	146	3.2	54	8.3	7	33	60	100

UNITED KINGDOM

MERSEYSIDE

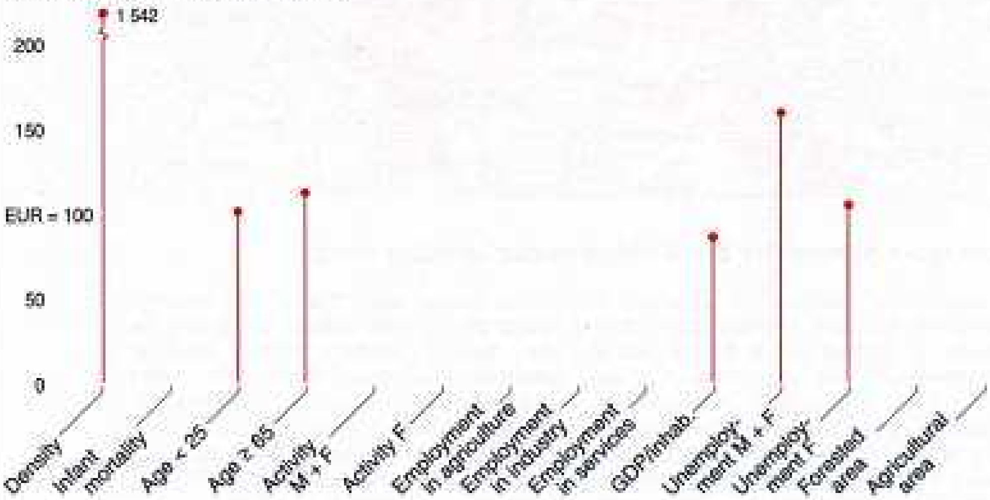
Merseyside is situated at the estuary of the river Mersey with about half the total population living in the Liverpool conurbation on the north bank of the river. Just across the river, and connected via road and rail tunnels to Liverpool, lie Birkenhead and Wallasey on the south bank. Other towns in Merseyside are St Helens situated inland, and the coastal resorts of Southport and Formby.

Liverpool developed as a seaport and so has long benefited from good communications. The M62 motorway runs east to west connecting the county with Manchester and across the Pennines via Leeds to Hull on the east coast. The route intersects with the M6, the principal western road route running north to south through England and Scotland and hence links Merseyside with the Midlands to the south and with Carlisle and Scotland to the north. The principal rail services from Liverpool also follow these same routes while there are ferry sailings from Liverpool to Ireland and to the Isle of Man.

Liverpool has an international airport located to the south of the city and also has easy access to Manchester international airport to the east.

Merseyside maritime museum. The river Mersey formed the hub of an industrial band of land from Yorkshire to the Irish Sea.

Merseyside in the Community

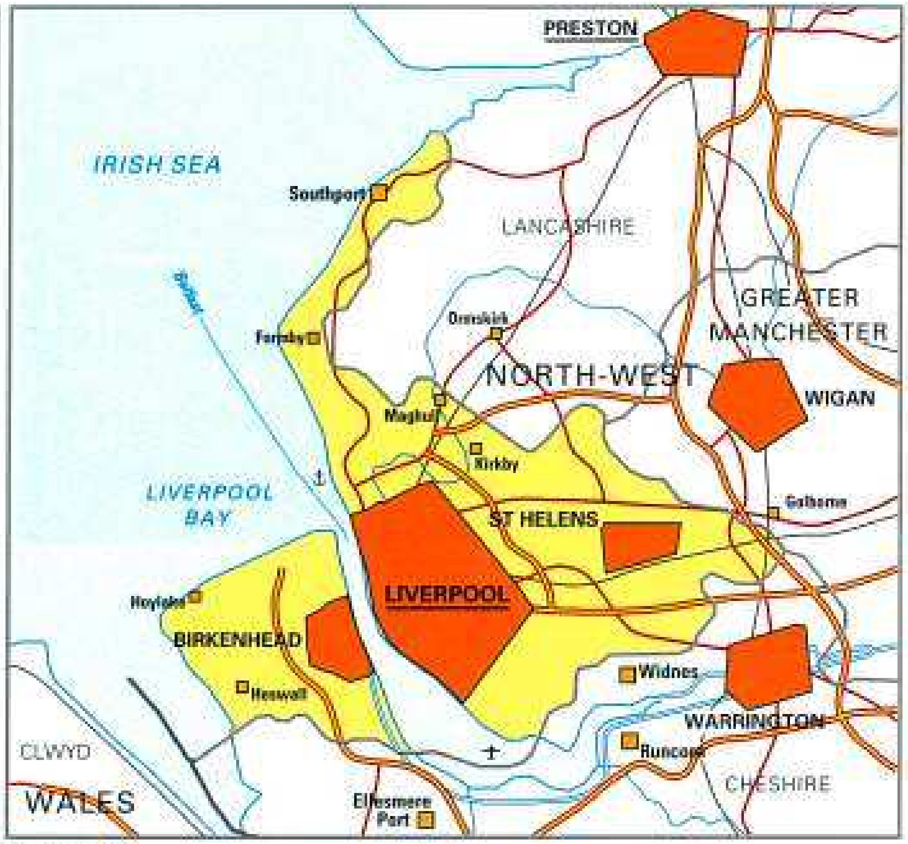


Government regeneration initiatives

Amongst British ports, Liverpool was second only to London in terms of traffic tonnage handled up to the mid-1970s. However in recent years the trend has been for traffic to move from west to east coast ports, due to increasing emphasis on Britain's trade with Europe and also the growth of North Sea oil traffic. The port of Liverpool is still one of the largest ports in the country, but the traffic handled, and employment in the docks and associated industries have both fallen steeply over recent decades.

Many of the county's other traditional activities such as shipbuilding have also declined, and as alternative industries have not been attracted to the area, unemployment is a severe and long-term problem: Merseyside has the highest unemployment rate in England, and over two-fifths of the unemployed have not worked for over a year.

Government initiatives to stimulate growth in Merseyside's economy include the setting-up of an Urban Development Corporation in 1981 which facilitates industry by reclaiming derelict land and refurbishing buildings for commercial and industrial use. An Enterprise Zone established at Speke on Merseyside offers new businesses exemption from certain taxes and simplified planning controls.



Scale 1 : 500 000

Which EC regions are similar to Merseyside?

Area:
700 km²
Hamburg (D)

Population:
1.5 million inhabitants
Lüneburg (D)
Canarias (E)
Essex; Kent (UK)

Population density:
over 2 000 inhabitants per km²
Greater Manchester (UK)
Hamburg (D)

Long-term unemployment leads to exodus

As a compact and largely homogeneous county, the differences between the districts of Merseyside tend to be in degree rather than type. Although Liverpool has the highest population density, at over 4 100 persons per km², in none of the five districts is this figure below 1 400 persons per km².

The economic decline of the area has contributed to an overall fall in the county's population of around 5% during the 1980s. The districts of Liverpool and Knowsley lost nearly a tenth of their populations over this period, whilst in Sefton the population was almost stable. The decline can be seen in the figures for long-term unemployment: nearly a half of unemployed people in Liverpool and Knowsley have been out of work for over a year. In Sefton this proportion is a little over a third.

	Area	Population			Activity	Unempl.	Employment			GDP/inhab.
	1 000 km²	1 000	Inhab./km²	Change (%)	%	%	% Agricult.	% Industry	% Services	EUR (PPS) = 100
		1990	1990	1980-90	1988	1990	1989	1989	1989	1989
Merseyside	0.7	1 444	2 214	−5.7	61	12.6	0	27	73	86
United Kingdom	242.5	57 411	237	2.0	62	6.3	1	30	69	107
EUR 12	2 253.7	327 931	146	3.2	54	8.3	7	33	60	100

UNITED KINGDOM

WALES

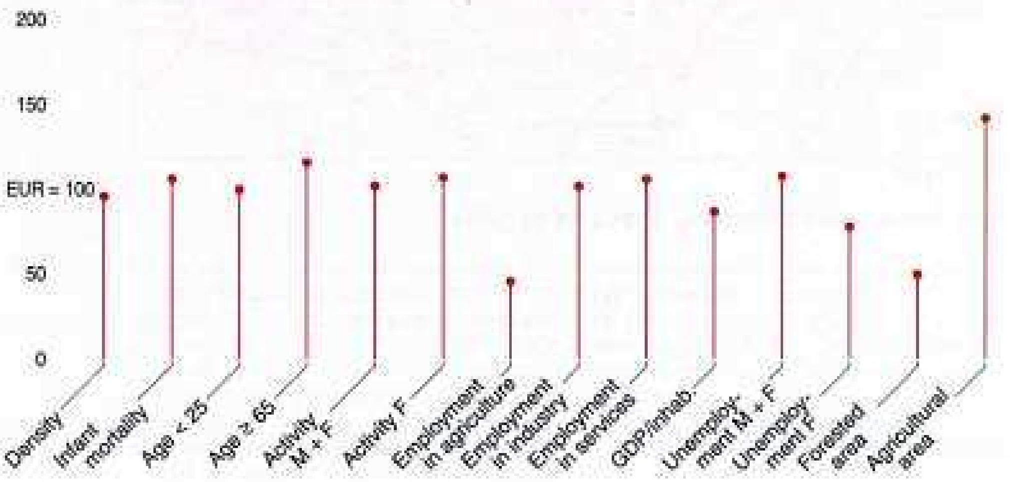
The geography of Wales ranges from the mountainous, predominantly rural, areas of the north and west to the industrialized south-east, containing two-thirds of the population. The largest urban settlements are the capital, Cardiff, Swansea and Newport, in the south, and Wrexham in the north. About a quarter of the land is 300 m or more above sea-level with thin acidic soils. Three national parks and several areas of outstanding natural beauty cover around 25% of the area. Wales has an extensive coastline to the north, west and south while to the east, Wales borders three English regions: the North-West, West Midlands and South-West.

Wales has 120 km of motorway in the south and the A55 expressway along the north Wales coast. The two main high-speed rail lines run west to east, parallel to the north and south Wales coastlines. Cardiff-Wales airport handles around 700 000 passengers per year and Milford Haven is a major oil port.

Wales has been united politically with England for 450 years but retains its own language and culture, recognized by special administrative arrangements and a secretary of state in cabinet who heads a government department.

The unspoilt coastline of Oxwich bay, Gower.

Wales in the Community



Inward investment by foreign manufacturers

Wales, with its strong national identity, vibrant culture and fine coastal and mountain scenery is a popular destination for tourists. Recent improvements in communications and other infrastructure and a ready pool of labour have meant that the region has attracted a high level of inward investment, especially by foreign manufacturers. This has resulted in a diversified industrial base which includes a large electronics sector, particularly along the 'M4 corridor' in the south, while the services sector has expanded rapidly.

Wales has a long history of pastoral agriculture and mining. Abundant supplies of good quality coal and other minerals were considered a strength for two centuries, providing employment for hundreds of thousands of men, but the decline of this and other heavy industries has caused severe problems. Areas with good communications to the rest of Britain have been better placed to replace these old industries with new areas of activity such as light industry and services. Elsewhere, the transition has been more difficult, since despite government schemes delivered directly or through agencies, high unemployment and low incomes still remain in the south Wales valleys and in the north-west and south-west.

Scale 1 : 2 000 000

Which EC regions are similar to Wales?

Area:
21 000 km²
Hessen (D)
Norte (P)
Emilia-Romagna (I)

Population:
2.9 million inhabitants
140 inhabitants per km²
Sachsen-Anhalt (D)

Employment:
3-4% in agriculture
over 60% in services
Scotland (UK)
Vlaams Gewest (B)

Concentrations of industry mixed with rural areas

Despite recent changes in structure, industry remains concentrated in the south (Gwent, Mid, South and West Glamorgan and the district of Llanelli) and north-east (east Clwyd). The rest of the country is predominantly rural. Overall, four-fifths of land is used in agriculture and forestry, though these activities provide less than 5% of employment. Modern industries are, however, being introduced into rural areas.

The main transport links run parallel to the north and south Wales coastlines. The M4 motorway runs from the Severn bridge, on the eastern border with England, to Carmarthen in west Wales while the A55 links Bangor in Gwynedd with Chester in north-west England. Other parts of Wales are joined by a network of trunk roads; but north-south routes and communications in rural areas are relatively difficult. The two high-speed railway lines also follow the main north and south coast routes while there are only a handful of other main lines.

Average gross domestic product per head ranges from 30% below the UK national average in Mid Glamorgan, the area with the highest unemployment, to 3% above, in South Glamorgan.

	Area	Population			Activity	Unempl.	Employment			GDP/inhab.
	1 000 km²	1 000	Inhab./km²	Change (%)	%	%	% Agricult.	% Industry	% Services	EUR(PPS) = 100
		1990	1990	1980-90	1988	1990	1989	1989	1989	1989
Clwyd, Dyfed, Gwynedd, Powys	17.2	1 124	66	5.3	55	6.4	5	30	65	85
Gwent, Mid-South-West Glamorgan	3.6	1 757	484	0.5	57	7.2	1	33	66	89
Wales	20.8	2 881	139	2.3	56	6.9	2	32	66	87
United Kingdom	242.5	57 411	237	2.0	62	6.3	1	30	69	107
EUR 12	2 253.7	327 931	146	3.2	54	8.3	7	33	60	100

WALES

A fifth are Welsh speakers

Wales' population of 2.9 million is about 5% of the United Kingdom total. Wales has a higher proportion of elderly people than the United Kingdom as a whole. While over the past 10 years the Welsh population has grown at an average rate of 0.1% per year, these gains are mainly due to inward migration to rural areas; the population of industrial south Wales has risen comparatively little, largely as a result of continuing out-migration. There were net reductions in population in the counties of Mid and West Glamorgan. The Welsh population is projected to grow by 3% by 2001 though the proportion of working age is expected to fall.

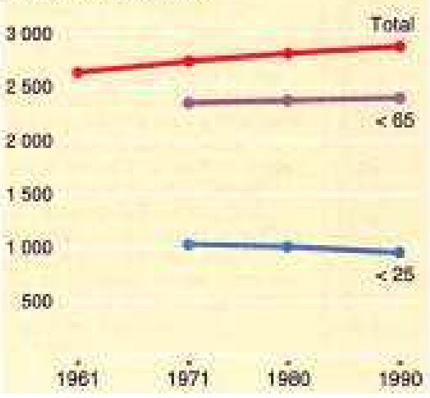
The average population density is below that of the United Kingdom but masks a wide variation between different parts of Wales: 480 inhabitants per km² in the counties of Gwent, Mid, South and West Glamorgan, compared with only 65 elsewhere.

The Welsh language, of Celtic origin, is used widely in local administration and business. Around 20% of the population speak Welsh although the percentage is as high as 80 in parts of north-west Wales.

Population by age — 1990

	M + F 1 000	M + F %	M %	F %
< 15	548.0	19.0	20.1	18.0
15-24	416.0	14.4	15.1	13.8
25-39	606.0	21.0	21.7	20.4
40-54	527.0	18.3	18.8	17.8
55-64	304.0	10.6	10.5	10.6
≥ 65	480.0	16.7	13.7	19.4
Total	2 881.4	100.0	100.0	100.0

Population (1 000)



Resident population of foreign nationality — 1988-90

	1 000	% of total population
Total	33.4	1.2
of which EC countries	18.3	0.6
of which non-EC countries	15.0	0.5
Ireland	11.8	0.4
Italy	3.3	0.1
USA	2.2	0.1
India	1.5	0.1
China	1.5	0.1
France	1.1	0.0

Demographic account — 1980-90 (1 000)

Population 30.6.1980	2 816
Births	369
Deaths	347
Net migration	+44
Population 30.6.1990	2 881

Growth in day release and adult training

Economic activity rates, both for males and females, are the lowest of any United Kingdom region and close to the European Community average. In common with other regions, female rates have risen steadily and are projected to increase further by the end of the decade.

Nearly 30% of the Welsh work-force have no recognized qualification while 12% have either a degree or other higher education qualification. These percentages are comparable with English regions, away from the south.

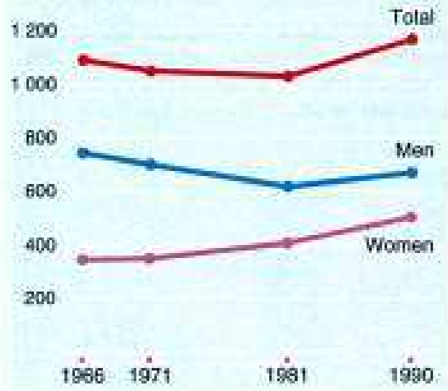
While a relatively high proportion of pupils in Wales leave school with no recognized qualification, the percentages of highly qualified; those leaving with five or more GCSEs or one or more A-levels, are broadly in line with English averages.

Around 30 000 people are on work-related government training schemes in Wales, 2.3% of the work-force, a higher proportion than the 1.6% on such schemes in the United Kingdom as a whole. Block, day-release and adult-updating courses have all grown markedly over the last few years.

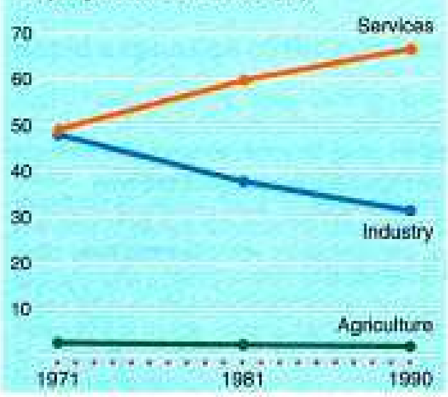
Number of pupils — 1990

	M + F 1 000	F %
Pre-school	65	49
Primary	230	49
Lower secondary	98	49
Higher secondary (technical)	79	50
Higher secondary (general)	95	50
Higher education	47	44
Total	614	49

Employment (1 000)



Employment structure (%)



Employment — 1981 (1 000)

Resident employment	1 058.2
+ Non-residents having a job in the region	18.5
– Residents having a job outside the region	35.0
= Internal employment	1 039.7

Unemployment (%)

Agriculture through coal to service industries

During the eighteenth and nineteenth centuries the employment structure of Wales changed from one dominated by agriculture to one where hundreds of thousands of men were employed in the extraction of coal and other minerals, initially for use in steel production. By 1920, over a quarter of a million people were employed in the coal industry. Coal production fell back sharply in the depression of the 1920s but picked up again during the Second World War.

The number of jobs in coal fell steadily from about 125 000 immediately after the War to 23 000 in 1984. Today fewer than 2 000 people are employed in coal-mining. Although employment in iron and steel has also declined rapidly, Wales remains an important steel centre, providing jobs for just under 20 000.

The manufacturing sector suffered heavily from the decline in steel-making and from the general recession of the early 1980s. Over the decade restructuring has taken place: new industries, including electronics, were expanded through investment. Jobs in the services sector grew by 20% in the 1980s, self-employment also increased in importance: 16% of the civilian work-force in employment are now in this category. A gradual, long-term decline in the numbers employed in agriculture continued in recent years and fewer than 5% now work in this sector.

Characteristics of resident employment (%)

	< 25 years	25-54 years	≥ 55 years	Employees	Employees: part-time		Employees: full-time temporary contract	
	1990	1990	1990	1990	1983	1990	1983	1990
Men	19	69	12	80	2	4	4	3
Women	21	68	11	92	40	42	3	2
Total	20	69	11	85	18	22	3	2

Male unemployment still a problem

Wales' average unemployment rate, while following national trends, has been consistently higher than the United Kingdom norm over the past 20 years but, in the late 1980s, the Welsh rate moved closer to the national figure. In the earlier part of the decade, unemployment rose sharply. Between 1986 and mid-1990 unemployment fell steadily, before rising again to reach a peak in August 1991.

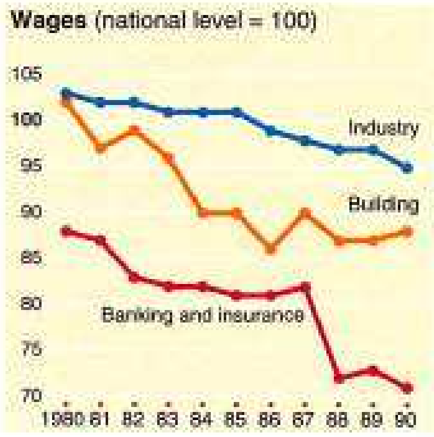
Male unemployment is a major problem in parts of Wales following the decline of heavy industry and the male rate is well above the European Community average. The highest unemployment rates are found in the valleys of south Wales and in the far west of both north and south Wales. Unemployment in the winter months, when tourist traffic is infrequent, is a particular problem in some parts of the latter two areas. The localities most affected are: Aberdare, Merthyr and Rhymney, Holyhead and the tourist areas of Pwllheli and South Pembrokeshire.

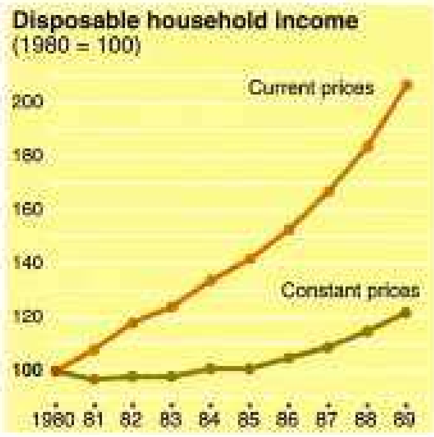
Shift from heavy industry to manufacturing diversification

The heavy industries of coal, iron and steel formed the basis of the Welsh economy for over 200 years, but recently these traditional activities have decreased markedly. This contraction has been balanced to some extent by growth in other energy industries such as oil refining and electricity generation. Wales has three oil refineries near Milford Haven representing around a fifth of United Kingdom capacity. Two nuclear electricity power stations, both in Gwynedd, and two coal-fired plants (in South Glamorgan and Gwent) are supported by a number of smaller hydroelectric and pumped-storage stations: close to 8% of the electricity supplied by United Kingdom power stations originates in Wales. The Welsh steel industry, though providing fewer jobs than in the past, still contributes 30% of United Kingdom production.

The shift away from heavy industry led to expansion and diversification in manufacturing. In particular, Wales has become an important producer of parts and sub-assemblies for the automotive industries: Ford have a large engine plant at Bridgend in south Wales and Bosch have recently opened a car component factory nearby. There are over 1 400 manufacturing units employing 20 or more, including many multinational and foreign-owned concerns. Electronics has been a main growth area. Over 40 Japanese companies have operations in Wales. While Welsh manufacturing is noted for its high output, research and development activity is relatively scarce.

The services sector has also grown and now provides jobs for over half of the work-force and nearly 60% of gross domestic product. Above average growth has been observed in education, health, financial and business services over the past few years.





Fared better than other industrialized areas

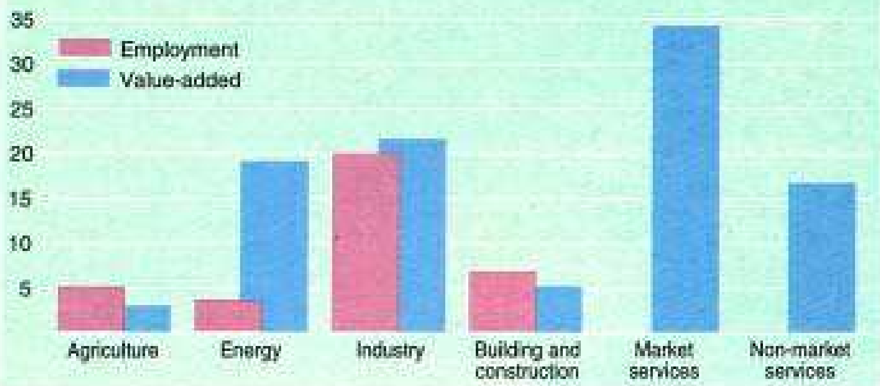
For at least the past 20 years, Wales' gross domestic product per head has been the lowest in the United Kingdom, except for Northern Ireland and well below the Community average. The changing distribution of gross domestic product between United Kingdom regions is dominated by the increasingly prosperous South-East of England and, although Wales' share of national gross domestic product has not increased over the last decade, the region has fared better than other industrial areas of the United Kingdom.

In Wales, average household income is 14% below the United Kingdom average and lower than all but one of the other United Kingdom regions. Parts of Wales are particularly affected: the average for Mid Glamorgan is the lowest in the United Kingdom.

Average full-time adult earnings in Wales are lower than in any other mainland region, reflecting the mix of occupations in Wales and lower rates in particular sectors. Earnings in Wales have declined sharply over the 10 years relative to the United Kingdom as a whole; this is due partly to higher wage levels in the South-East of England but also results from the shift from employment in skilled manual jobs in heavy industry to work in the services sector or light industries, where returns are lower. Earnings of male manual workers are 5% below the Great Britain average while those for non-manual men fall 14% short of the national figure. Female earnings in Wales are 11% below the average.

Household expenditure in Wales is correspondingly low: 91% of the United Kingdom average. Welsh households spend more on fuel and clothing but considerably less on travel, housing and household services.

Employment and value-added: distribution by branch – 1986 (%)



Rapid expansion of the services sector

Agriculture, forestry and fishing contribute just over 2% to gross domestic product and provide 4.5% of jobs; large parts of Wales are predominantly agricultural: accounting for four-fifths of the area of Wales. Most of the agricultural land is of poor quality, providing rough grazing and upland sheep and cattle farming. The 10 million sheep in Wales outnumber the human population by almost four to one. Only 3% of holdings, mainly in the belts of land between mountains and sea, are used for cropping, including early and maincrop potatoes.

Net output per employee in manufacturing is higher than any other United Kingdom region and, in recent years, the increase in manufacturing output has outstripped that of the United Kingdom, rising by 36% between 1985 and 1990 though falling back during the 1990-91 recession.

The services sector now contributes 57% of gross domestic product, providing employment for two-thirds of employees. Swansea, Newport and, in particular, Cardiff are centres for financial and business services. Tourism too is an important part of the Welsh economy; nearly 10 million tourist trips of one night or more are made annually and the ECU 1 billion spent provides much direct and indirect employment.

Agriculture

Number of holdings	29 800
Labour force	50 950 AWU
Agricultural area	1 652 000 ha
Livestock	979 000 LU
Gross value-added	9 945 ECU/AWU

Main products	
Milk	37%
Cattle	26%
Sheep and goats	18%

Main enterprises

Name	Activity
Chartered Trust PLC	Industrial estate owners
Bejam Group PLC	Retail distribution
F. W. Morgan Ltd	Retailing of timber
ASW Holdings PLC	Distribution of products of wood
Hoover PLC	Household goods
AB Electronic Products Group PLC	Aeronautics, arms
Christie-Tyler PLC	Manufacture of furniture
HTV Group PLC	Television activities
Alcoa Manufacturing (GB) PLC	Manufacture of aluminium products
Matsushita Electric (UK) Ltd	Manufacture of television and audio equipment

Major programme of land reclamation

Four-fifths of the land in Wales is agricultural while forest covers another eighth of the land surface. The large, thinly populated tracts in remote areas allow native wildlife to flourish while coastal waters provide habitats for over-wintering wildfowl. There are almost 800 sites of special scientific interest. Of 48 European Community identified bathing beaches, 35 passed cleanliness criteria in 1990.

Rivers and estuaries are an important feature of the landscape. Of the 4 800 km of rivers in Wales, 80% are suitable for potable supply without advanced treatment. The quality of 43 estuaries, covering over 400 km, was assessed in 1985 on biological, aesthetic, and chemical criteria: over three-quarters, in length, were classified as able to support a viable, productive ecosystem. However, major oil terminals expose coastal waters to oil pollution (almost 400 incidents since 1980).

A programme of land reclamation is under way and 2 700 hectares have been recovered since 1980. The restructuring of Welsh industry has meant that sulphur dioxide and smoke levels in the air have conformed to European Community directives since the early 1980s. The acidity of rainfall is not extreme, but the volume of rainfall on the Welsh uplands and the degree of forestation, particularly in the north, mean that acidity in the soil can be a problem. This high rainfall contributed to another environmental problem: following the Chernobyl incident, it resulted in higher than normal deposition of radioactive isotopes in the soil and long-term effects on upland farming.

UNITED KINGDOM

CLWYD, DYFED, GWYNEDD, POWYS

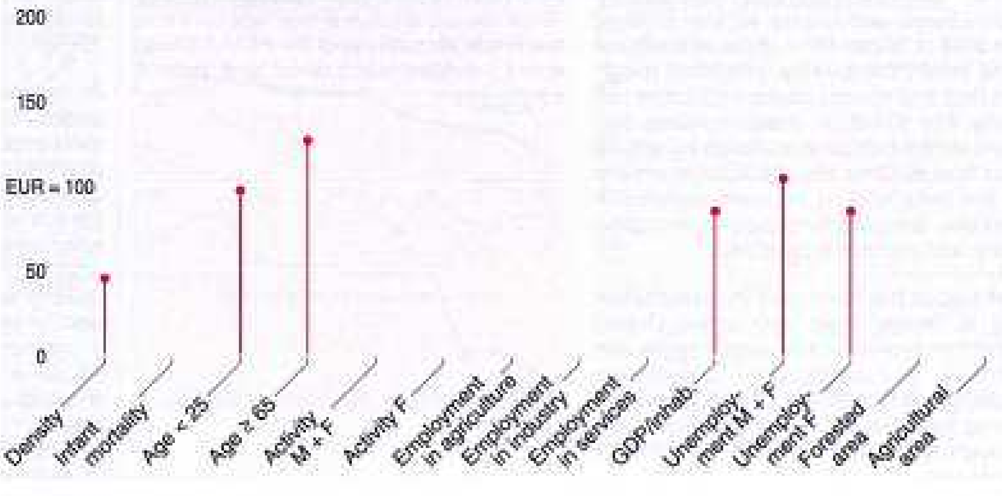
Several ranges of mountains or hills feature in the geography of this part of Wales. Mount Snowdon in Gwynedd, the highest peak, rises 1 085 m above sea-level. The region is mainly rural, and there are three national parks in these counties. The largest urban settlement, Wrexham in east Clwyd, is one of two major industrial areas in this region: Llanelli and its hinterland in east Dyfed being the other.

Road and rail links are generally poor in rural areas. The north Wales coast, however, has dual carriageway road and high-speed rail links along its length as far as the port of Holyhead on Anglesey. In Dyfed, the M4 in the east is linked to the seaports of Milford Haven, Fishguard and Pembroke Dock by a network of major roads while there are direct high-speed rail links between the former two ports and London. Daily ferries link Ireland with Holyhead, Fishguard and Pembroke Dock. Three oil refineries, with a fifth of United Kingdom capacity, are situated near Milford Haven. In Gwynedd there are two nuclear power stations as well as hydroelectric plants.

Use of the Welsh language is widespread in this region, particularly in Gwynedd (61%) and Dyfed (46%).

St Brides Bay, Pembroke, on the rugged and picturesque Welsh coastline.

Clwyd, Dyfed, Gwynedd, Powys in the Community



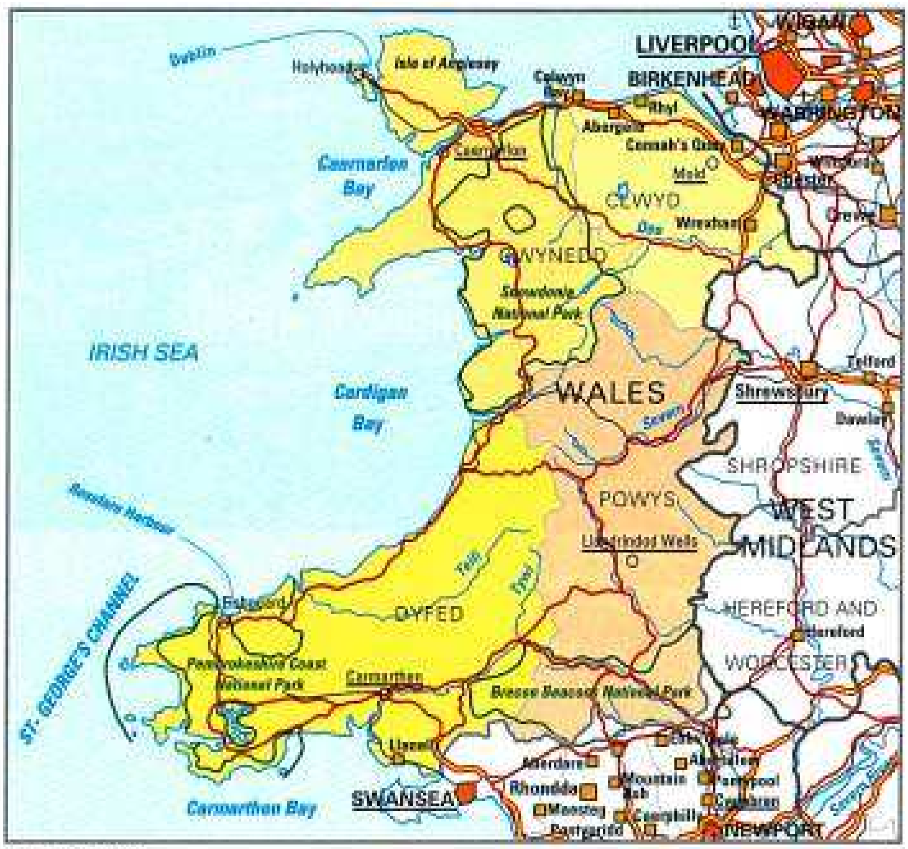
Decline of mineral industries

This is a mainly rural area based on livestock production, in particular that of sheep: Wales has a quarter of Britain's sheep and lambs. The scenery attracts millions of visitors each year, both from the United Kingdom and elsewhere, and there are numerous resorts all around the coastline from Prestatyn in Clwyd to Pembrey in Dyfed. The three national parks are also popular tourist destinations.

The region has suffered from the decline of mineral industries in the past, particularly those of metals and slate (Anglesey produced large quantities of copper and Gwynedd was once the 'slate capital of Europe') but also coal: in Clwyd and on the outskirts of the south Wales coalfield in Dyfed only two mines remain in operation. Industrial expansion has taken place, particularly in north-east Wales, although this has not yet been extended in a substantial way to areas further west which are more geographically remote. However some areas in easy reach of the English border have received major investments and, in the case of Clwyd, reversed the problems caused by a major steel shut-down.

Although there are good east-west communication links in the far north and south of the region, the more thinly populated parts of mid-Wales are not so well served. Transportation problems are exacerbated by the hilly terrain.

CLWYD, DYFED, GWYNEDD, POWYS



Scale 1 : 2 000 000

Which EC regions are similar to Clwyd, Dyfed, Gwynedd, Powys?

Area:
17 000 km²
Lazio (I)
Limousin (F)

Population:
1.1 million inhabitants
65 inhabitants per km²
Franche-Comté (F)

Age:
18% older than 65
Bremen (D)
South-West (UK)

Industry in Clwyd, agriculture in Dyfed and Powys

Whereas Clwyd's economic position has strengthened considerably over the last five years, parts of Gwynedd and Dyfed still have serious problems. In Clwyd, unemployment, which was above the United Kingdom average, is now below the average. Rates in Powys and some parts of Dyfed are also low but those in more westerly areas which are largely dependent on livestock and agriculture (uncertain future), and on tourism (short seasons), continue to be above the national figure.

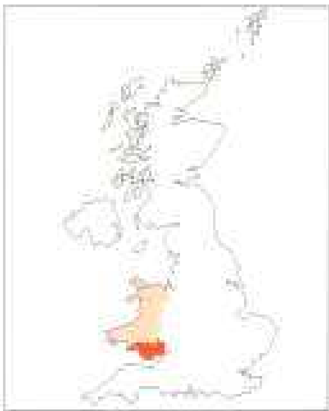
Industry plays a prominent role in the economy of Clwyd, with 40% of employment, compared with 28% in Powys and under a quarter in Dyfed and Gwynedd. Agriculture figures strongly in Dyfed and Powys. Services, however, provide the majority of jobs throughout the region, particularly in Gwynedd and Powys where around 70% of employees work in this sector.

Immigration from other UK areas has maintained population levels in most areas but with resultant strains on Welsh language and culture. Household incomes are below average in these areas and there is an increasing tendency to travel to work in major English towns and cities; mainly from Clwyd but also from as far afield as Gwynedd.

	Area	Population			Activity	Unempl.	Employment			GDP/inhab.
	1 000 km²	1 000	Inhab./km²	Change (%)	%	%	% Agricult.	% Industry	% Services	EUR(PPS) = 100
		1990	1990	1980-90	1988	1990	1989	1989	1989	1989
Clwyd	2.4	412	170	4.8	56	5.8	2	39	58	91
Dyfed	5.8	354	61	6.1	57	6.7	7	23	69	:
Powys	5.1	117	23	6.8	56	3.7	10	28	62	:
Gwynedd	3.9	241	62	4.3	53	8.5	4	24	72	75
Clwyd, Dyfed, Gwynedd, Powys	17.2	1 124	66	5.3	55	6.4	5	30	65	85
United Kingdom	242.5	57 411	237	2.0	62	6.3	1	30	69	107
EUR 12	2 253.7	327 931	146	3.2	54	8.3	7	33	60	100

UNITED KINGDOM

GWENT, MID-SOUTH-WEST GLAMORGAN



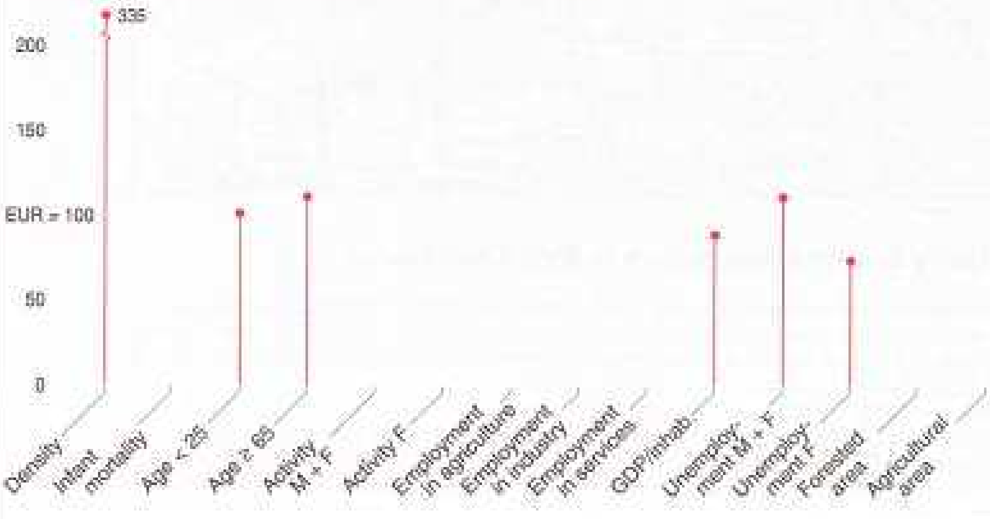
Characteristic of the geography of this part of south Wales are the deep coal-rich valleys radiating out to the north of a flatter, coastal belt. Sited near the coast are three large urban settlements: the capital, Cardiff, Swansea and Newport. The valleys extend north into the mountainous country bordering Powys and include the southern part of the Brecon Beacons National Park. The Gower peninsula near Swansea is a popular tourist destination with fine beaches, scenic coastline and unspoilt countryside while Barry and Porthcawl are also busy seaside resorts.

The M4 motorway runs 112 kilometres from the Severn bridge on the eastern border with England, to the west. A high-speed rail link to London and the rest of the United Kingdom follows a similar route. The main civil airport is located near Barry in South Glamorgan and several seaports: Newport, Cardiff, Barry, Port Talbot and Swansea handle a wide range of cargo.

This part of Wales contains the main population centres and also key administrative, cultural and sporting centres, particularly in the capital.

The administrative centre of the industrial city of Cardiff, the Welsh capital.

Gwent, Mid-South-West Glamorgan in the Community



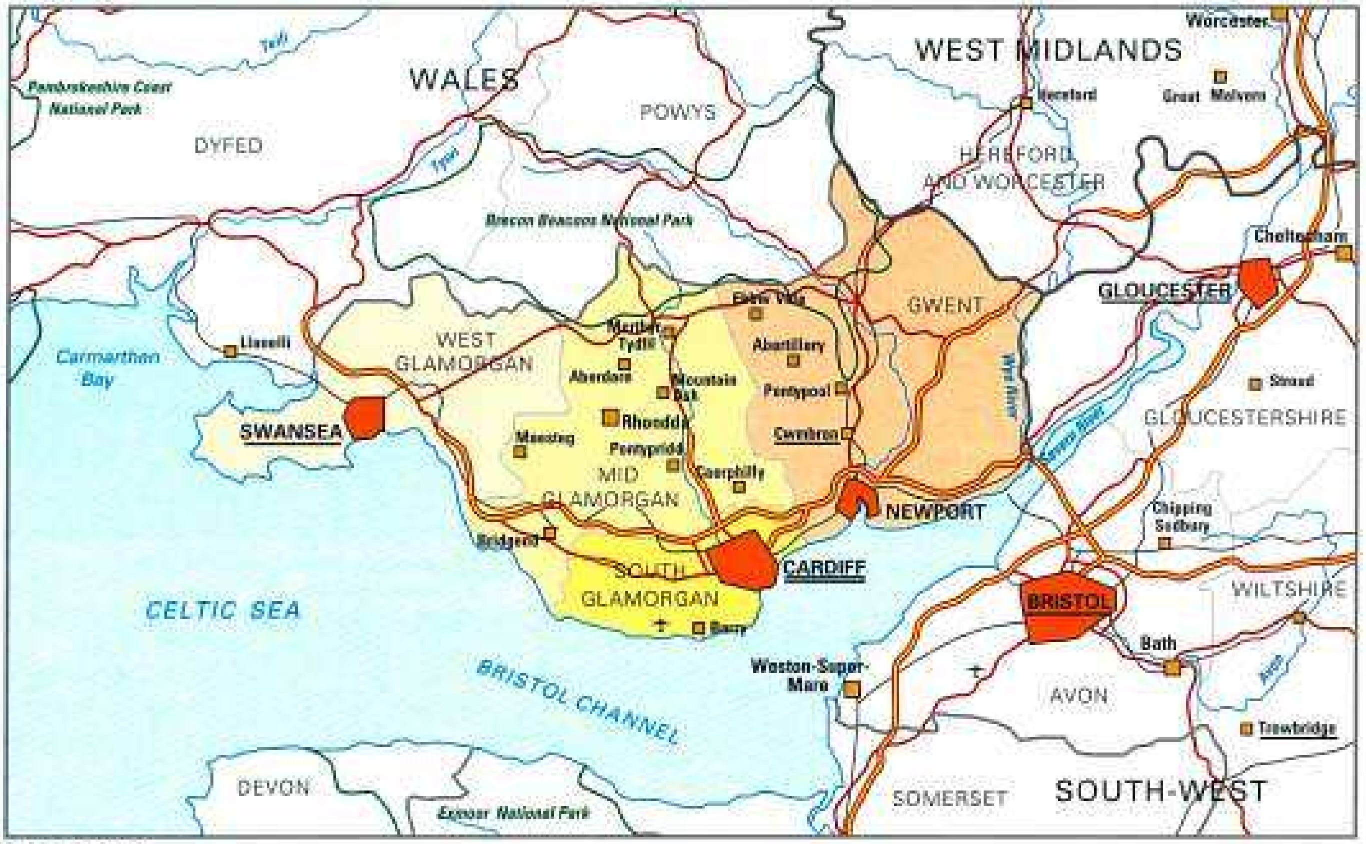
Communications improvements vital to development

The services sector provides the largest share of employment in south Wales, particularly in the main towns. But although there have been recent changes in structure, and the expansion of the services sector, the production industry remains prominent, particularly in valley areas.

In recent years, the coastal plain and the M4 corridor have proved attractive to inward investment, especially by foreign manufacturers. A large electronics sector has developed and services have expanded rapidly in the main cities. Communications improvements have been vital to this development and a second crossing of the Severn estuary together with extensive new motorway links are to be constructed. This populous part of Wales has good cultural and sporting facilities and all parts are within easy reach of both mountains and sea.

The problems of areas of high unemployment in the south Wales valleys are addressed through a number of schemes which are brought together in the government's 'Programme for the valleys' which has helped ease the situation in the present recession. Communications have been much improved but inherited problems of low incomes and poor housing are of long standing in this area.

GWENT, MID-SOUTH-WEST GLAMORGAN



Scale 1 : 1 000 000

Which EC regions are similar to Gwent, Mid-South-West Glamorgan?

Area:
3 600 km²
Noord-Holland (NL)
Namur (B)

Population:
1.8 million inhabitants
Centro (P)
Picardie (F)
Gelderland (NL)

Population density:
nearly 500 inhabitants per km²
Limburg (NL)
Nordrhein-Westfalen (D)

The coast and the valleys

A distinction can be drawn between the coastal and valley areas. The valleys have had to cope with the decline in coal and other heavy industry employment for most of this century. Difficulties with communications between and across the valleys exist because of the terrain. Despite the attraction of new industry and a variety of government schemes, high levels of unemployment remain and the area is poor relative to other parts of Wales. The coastal plain has been better placed to restructure older industries with new activities and services, and has been successful in promoting its amenities and good communications.

These distinctions are shown by population changes: Mid and West Glamorgan have lost population while in South Glamorgan and Gwent it has risen. South Glamorgan has a relatively low ratio of dependants to working population, and the highest gross domestic product per head in Wales; Mid Glamorgan has the lowest gross domestic product of any United Kingdom area, and average household incomes are also much smaller than in South Glamorgan. Increasing numbers travel from the valleys to work in the coastal towns; the largest daily flows being between Mid Glamorgan and Cardiff.

	Area	Population			Activity	Unempl.	Employment			GDP/inhab.
	1 000 km²	1 000	Inhab./km²	Change (%)	%	%	% Agricult.	% Industry	% Services	EUR(PPS) = 100
		1990	1990	1980-90	1988	1990	1989	1989	1989	1989
Gwent	1.4	448	325	1.3	57	6.9	1	40	59	87
Mid Glamorgan	1.0	540	531	−0.5	57	7.7	1	42	57	72
South Glamorgan	0.4	407	975	4.0	59	7.1	0	20	80	110
West Glamorgan	0.8	363	445	−2.5	56	6.8	1	32	68	92
Gwent, Mid-South-West Glamorgan	3.6	1 757	484	0.5	57	7.2	1	33	66	89
United Kingdom	242.5	57 411	237	2.0	62	6.3	1	30	69	107
EUR 12	2 253.7	327 931	146	3.2	54	8.3	7	33	60	100

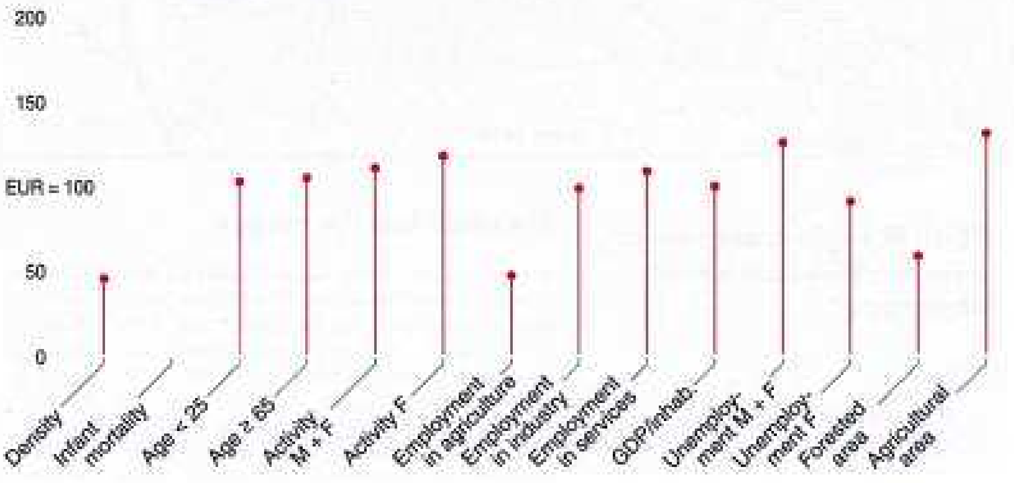
UNITED KINGDOM

SCOTLAND

Overlooked by Ben Lomond, Loch Lomond, at 70 km², is the largest freshwater lake in Scotland.

Scotland was an independent State until 1707. Since then, it has been part of the United Kingdom, but it retains a distinct culture, distinct education and legal systems and many other specifically Scottish institutions. A secretary of state for Scotland is a UK cabinet minister with a wide range of government responsibilities in Scotland. Scotland comprises approximately one-third of the total UK land area. The country divides into three distinct areas: the Highlands and Islands to the north of a line stretching from north of Glasgow to Aberdeen; the southern uplands to the south; and the central belt where the bulk of Scotland's population and economic activity lie. Central Scotland and parts of southern Scotland are well served by road and by direct rail and air links. Within the populous central belt, there are four motorways, and a dual three-lane motorway under construction which will link with England. Commuter and Glasgow/Edinburgh-London rail links are extensive. The four major Scottish airports are at Glasgow, Edinburgh, Aberdeen and Prestwick. In the Highlands and Islands, transport and communication links are less comprehensive, and the Borders area is largely dependent on road transport.

Scotland in the Community



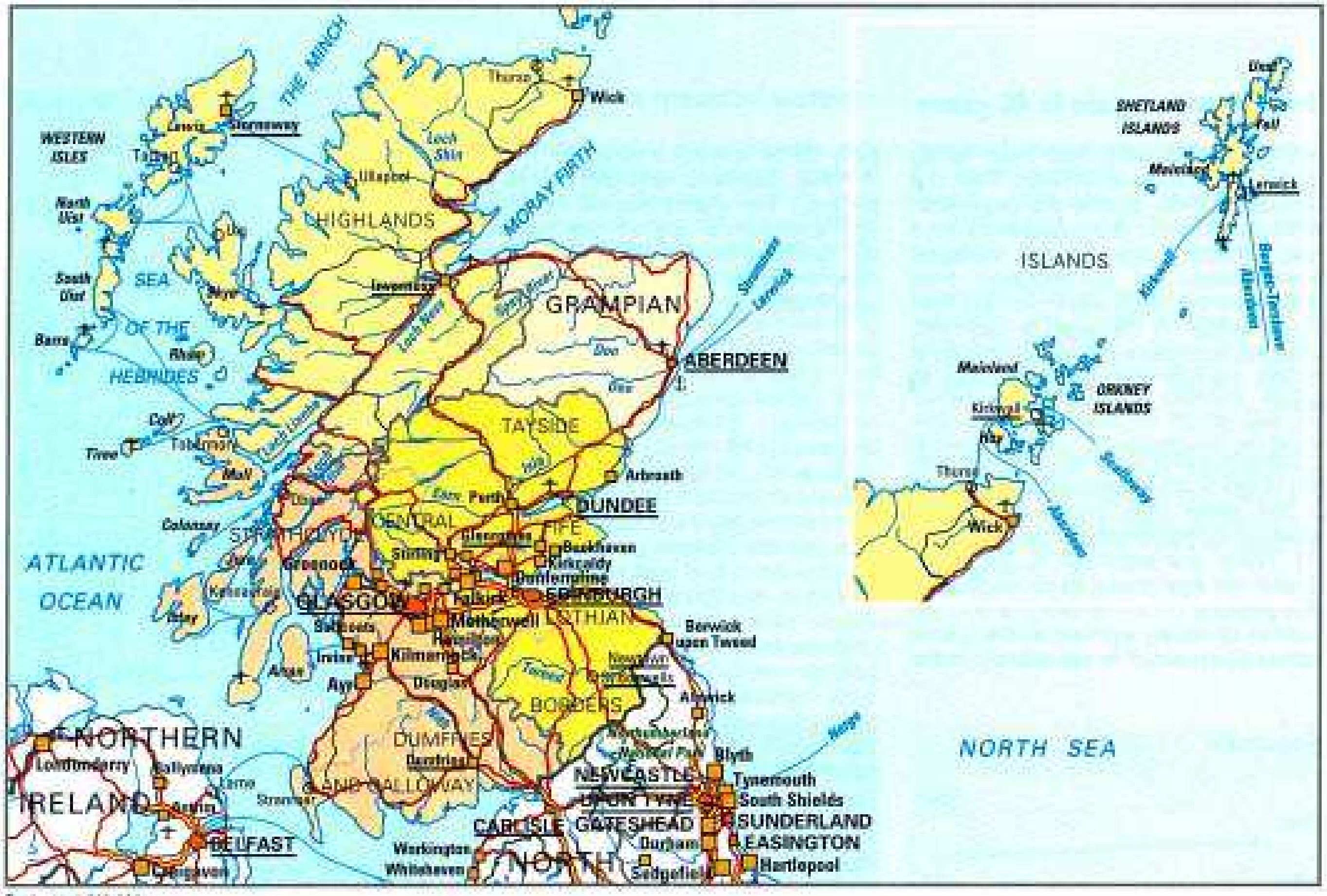
Abundance of natural resources

Scotland is on the periphery of the European Community.

However, Scotland has an abundance of natural resources and is well served for energy and water supplies. Hydroelectric power stations, gas and coal-fired stations and nuclear plants combined have considerably more capacity than is needed domestically. Activities based on Scotland's natural resources — fishing, agriculture, forestry and tourism — depend directly on a carefully preserved environment and on Scotland's image of environmental purity.

Scotland has eight prestigious universities and 13 colleges of higher education, which produce skilled manpower for industry, and carry out research in many of the leading technologies. Some 50 further education colleges provide a comprehensive range of courses at craft, technician and technologist levels. Indeed, these educational strengths have contributed to the rapid development of the highly successful Scottish electronics sector.

Scotland's principal economic problem is the failure to create sufficient employment. This has been a feature of the Scottish economy for much of the last half century. This persistence stems from the combination of the growth of labour productivity and the decline of the older industries which were more labour intensive than the knowledge-based, high-technology manufacturing and service industries which replaced them.



Scale 1 : 4 000 000

Which EC regions are similar to Scotland?

Area:
nearly 80 000 km²
Castilla-La Mancha (E)
Belgique/België + Nederland + Luxembourg

Population:
5.1 million inhabitants
Danmark

Population density:
60-70 inhabitants per km²
Aquitaine (F)
Sardegna (I)

Employment:
3-4% in agriculture
60-65% in services
Wales (UK)
Vlaams Gewest (B)

Industrialization focused on the central belt

Industrialization in Scotland had largely been focused on the central belt, of which many parts are now experiencing the problems of industrial restructuring. Elsewhere, the local economies have generally remained rural in character and more dependent on agriculture, fishing, forestry, tourism or specific industries such as wool textiles.

Strathclyde, by far the most populous region, contains the main concentration of heavier industries, and has experienced losses in employment and population over the past three decades that have been much more rapid than in Scotland as a whole. Lothian, which has a particularly large concentration of service industries centred in Edinburgh, has been relatively protected from the effects of industrial change. However, the Central and Fife regions have experienced the decline of the coal industry, while, in Tayside, the jute industry has now all but disappeared, with the increased production of man-made fibres making only a relatively small contribution to local employment.

The more peripheral areas, including the Borders, and parts of the Highlands and Islands, depend heavily on tourism, agriculture, fishing (including fish farming) and, in the case of the Borders, textiles. The development of North Sea oil has benefited Grampian, Shetland and some parts of the mainland Highlands.

	Area	Population			Activity	Unempl.	Employment			GDP/inhab.
	1 000 km²	1 000	Inhab./km²	Change (%)	%	%	% Agricult.	% Industry	% Services	EUR (PPS) = 100
		1990	1990	1980-90	1988	1990	1989	1989	1989	1989
Borders-Central-Fife-Lothian-Tayside	17.9	1 965	104	0.3	62	8.1	1	30	69	100
Dumfries-Galloway, Strathclyde	19.9	2 454	123	-4.2	60	11.0	1	30	69	94
Highlands, Islands	30.7	277	9	6.0	58	8.7	4	23	73	97
Grampian	8.7	506	58	7.2	62	4.7	2	35	63	122
Scotland	77.2	5 102	66	-1.0	61	9.2	2	30	68	99
United Kingdom	242.5	57 411	237	2.0	62	6.3	1	30	69	107
EUR 12	2 253.7	327 931	146	3.2	54	8.3	7	33	60	100

SCOTLAND

First migration gain in 40 years

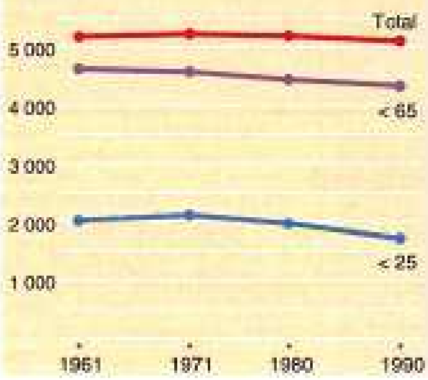
Scotland's population has been falling gradually since the mid-1960s. Over the decade to 1989, Scotland's population fell by 2.2%, with net out-migration more than offsetting the natural increase. Nevertheless, net out-migration from Scotland in the 1980s was much less than in the 1960s. In the year to mid-1990, Scotland recorded a net migration gain of 13 500, the first such gain in almost 40 years.

In line with national trends, the composition of the Scottish population is shifting to the older age bands. The most substantial demographic changes during the 1990s are expected in the 16 to 18-year-old age group. In consequence, after peaking in 1981 at over 279 000, the number of young workers in the labour market is expected to fall sharply in the early 1990s to reach a trough of 178 000 in 1995. Scotland is expected to experience the largest reductions among young workers of any UK region during the 1990s, while the total labour force is expected to be some 3% smaller in the year 2 000 than in 1990.

Population by age — 1990

	M + F 1 000	M + F %	M %	F %
< 15	957.0	18.8	19.9	17.7
15-24	775.0	15.2	16.0	14.5
25-39	1 137.0	22.3	23.3	21.4
40-54	933.0	18.3	18.7	17.9
55-64	538.0	10.5	10.3	10.8
≥ 65	761.0	14.9	11.9	17.7
Total	5 102.4	100.0	100.0	100.0

Population (1 000)



Resident population of foreign nationality — 1988-90

	1 000	% of total population
Total	69.0	1.4
of which EC countries	27.1	0.5
of which non-EC countries	41.9	0.8
Ireland	17.4	0.3
USA	13.7	0.3
Pakistan	4.8	0.2
India	4.0	0.1
Canada	2.9	0.1
Germany	2.8	0.1

Demographic account — 1980-90 (1 000)

Population 30.6.1980	5 194
Births	660
Deaths	633
Net migration	− 119
Population 30.6.1990	5 102

Very high proportions continue their education

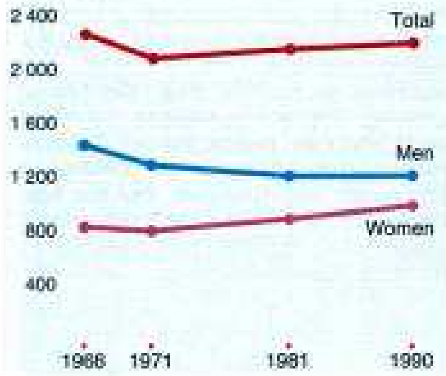
Scotland has the greatest proportion of workers of any UK region with qualifications at the equivalent of higher level or above. Over three-quarters of pupils at Scottish schools remain in full-time education after the age of 16 — the highest proportion of any UK region. Indeed, the proportion of young Scots entering full-time higher education increased substantially over the past 10 years, and is greater than the rest of the UK.

There are currently 58 000 students in eight universities, with a further 74 000 students on higher education courses in other institutions. Moreover, a significant proportion of these students come from outside Scotland, demonstrating the strength of the educational system. Government funded training is guaranteed to all 16 and 17-year-old school-leavers who cannot find employment and is also available to a large proportion of long-term unemployed adults. The delivery and development of these training programmes is managed by 22 employer-led local enterprise companies under the supervision of State-funded economic development bodies.

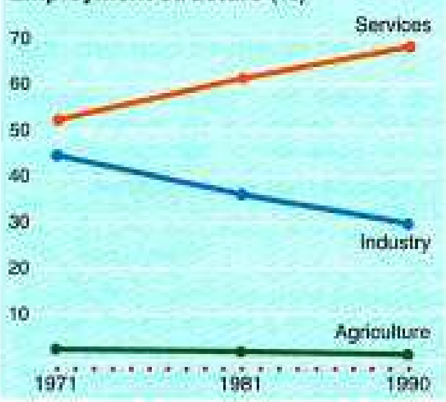
Number of pupils — 1990

	M + F 1 000	F %
Pre-school	53	49
Primary	426	49
Lower secondary	130	49
Higher secondary (technical)	150	50
Higher secondary (general)	192	50
Higher education	123	45
Total	1 074	50

Employment (1 000)



Employment structure (%)



Employment — 1981 (1 000)

Resident employment	2 104.6
+ Non-residents having a job in the region	:
– Residents having a job outside the region	18.1
= Internal employment	:

Unemployment (%)

Pouring oil on troubled waters

Towards the end of the eighteenth century, the resources provided by mineral extraction and livestock farming were supplemented by an increasing contribution from unrestricted trade with North America and were associated with large-scale movements of population into the central belt. Glasgow and its surrounding areas became the centre of the tobacco industry, then the cotton industry, and later of the expanding engineering, iron, steel and shipbuilding industries. Dundee became a centre for the jute and linen-processing industries, while Edinburgh developed as a centre of brewing and distilling, and as a legal centre. In the Borders, a strong woollen industry was developed. The food and drink industry also developed throughout Scotland, based on local materials, with whisky becoming a distinctive Scottish product. The Scottish metal, engineering and shipbuilding industries reached their peak in the early years of this century and since then have been in continual decline.

The economic transformation of the past 40 years, especially in and around Glasgow, has led to periods of high unemployment and to net outward migration.

Promoted by government agencies, new industries and investors have been attracted to Scotland. Inward investment accounts for the predominant part of Scotland's electronics industry and a very important part of North Sea oil-related activity. Development of North Sea oil and gas helped transform the Scottish economy during the 1970s, and oil-related employment in Scotland now accounts for some 5% of Scottish employment.

Characteristics of resident employment (%)

	< 25 years	25-54 years	≥ 55 years	Employees	Employees: part-time		Employees: full-time, temporary contract	
	1990	1990	1990	1990	1983	1990	1983	1990
Men	19	68	13	86	2	3	4	2
Women	22	68	10	94	38	41	2	2
Total	20	68	12	90	17	20	3	2

Wide variations within the country

Since the 1920s, the Scottish unemployment rate has been consistently above the UK average, yet, in much of the country, unemployment is below this average. Indeed, there are wide variations within Scotland. Unemployment is lowest in and around Aberdeen and in the Shetland Islands, which are both areas associated with North Sea oil development. In general, unemployment is lower in rural than urban areas.

Unemployment is highest in Cumnock and Sanquhar, Greenock, Lanarkshire and Alloa, areas where Scotland's traditional industries had once been to the fore, and also in the more remote areas of Wick and the Western Isles. The cities of Glasgow, Dundee and Edinburgh and the depressed urban areas of Lanarkshire account for almost 60% of Scotland's unemployment. In the peripheral housing estates of Dundee, Edinburgh, Glasgow and other deprived areas of the Clydeside conurbation, male unemployment rates of upward of 25% are not uncommon.

A majority of unemployed individuals find new work in less than six months. However, long-term unemployment is a particular problem, although Scotland was the only UK region in which it declined over the year to July 1991.

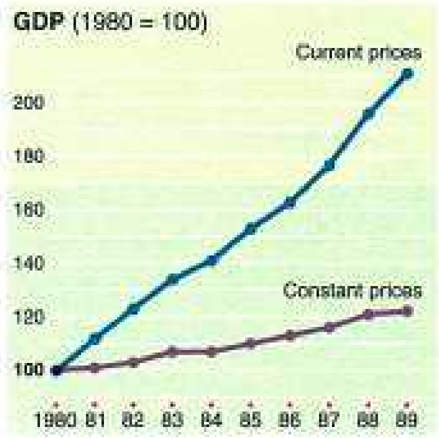
SCOTLAND

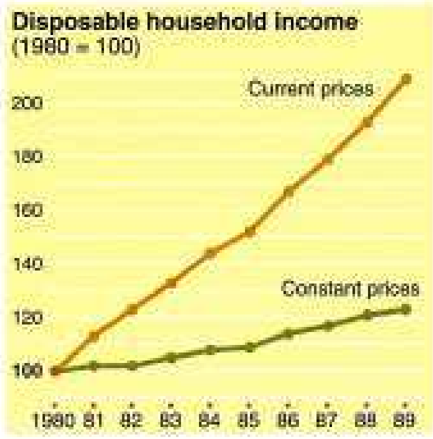
Away from manufacture, towards services

In recent decades, the dominant trend in the structure of Scottish economic activity has been a shift towards the services sector and away from the manufacturing sector. Manufacturing contributed a third of Scottish GDP in 1966 falling to a fifth by 1989, while the share of services rose from a half to almost two-thirds over the same period. These trends have been very pronounced in Scotland. Within manufacturing, the food, drink and tobacco industry is the largest manufacturing sector, accounting for about a fifth of manufacturing output and employment. Scotland's whisky industry contributes around 20% of Scotland's overseas earnings from manufacturing. The largest export earner (over two-fifths of Scottish manufacturing exports) and the fastest growing manufacturing sector during the 1980s was electronics. During the 1980s, electronics' output quadrupled and employment increased by 12% at a time when manufacturing employment as a whole in Scotland fell by 30%.

Scotland's manufacturing sector is more strongly export-orientated than the UK's. In terms of manufacturing exports per employee, the Scottish figure of ECU 28 200 in 1989 is some 21% above the comparable UK figure and was even well above that of Japan. Scottish manufacturing productivity growth has also been high during the 1980s, increasing by 5.2%, slightly ahead of the UK average (4.7%).

The services sector is the largest sector in terms of output and employment in Scotland and, as elsewhere in the UK, it has been the principal source of employment creation over the past two decades. Within services, the financial and business sector has been the fastest growing. Scotland possesses one of the most important concentrations of financial expertise outside London, centred on Edinburgh and Glasgow. Tourism supports some 8% of Scottish employment.





Below average labour costs

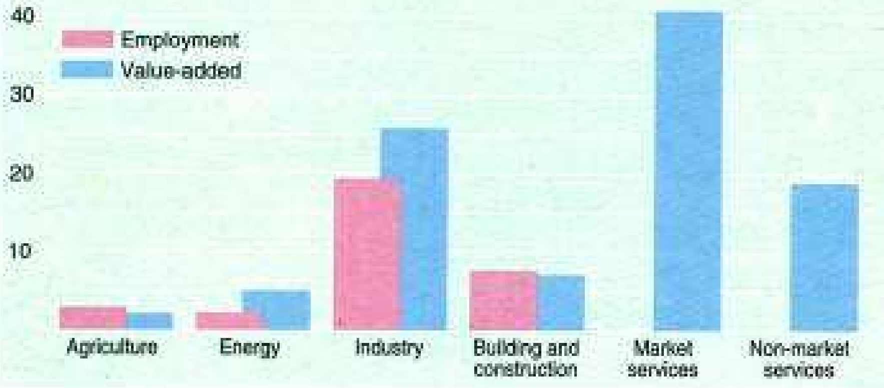
Labour costs in Scotland are below the GB average, which is heavily influenced by the high costs in the South-East region. In 1990, average male full-time earnings in Scotland, of ECU 387, were 93.5% of the GB average, while female earnings, at ECU 262, were 92.9% of the national average.

The highest rates of pay among men appear to be in the North Sea oil industry and the lowest in retail distribution. Males in the Grampian region are not only the highest paid in Scotland, but are among the highest paid anywhere in Great Britain, with an average wage in 1990 that was some 11% above the GB average. The highest female wages are paid in the Lothian region and the lowest in the Borders region.

Throughout the 1980s, real average household and personal incomes in Scotland have continued to increase significantly and, in 1989, were at least a fifth higher than a decade earlier. Scotland's share of UK income has, however, fallen mainly because of the very rapid growth of incomes in the South and South-East.

Patterns in consumers' expenditure are similar to those in the UK as a whole: spending on housing, at 13% in 1989, is slightly lower than nationally, while spending on alcohol, tobacco and betting, at 12%, is a little higher. As real incomes have increased, the share of total expenditure on essentials has fallen. The share of household expenditure on food and clothing has fallen from 30% in 1971 to 20% in 1989, while expenditure on transport and communication has risen over the same period from under 14% to over 18%.

Employment and value-added: distribution by branch – 1986 (%)



Oil, fish and of course whisky

Agriculture, forestry and fishing contribute almost 3% to Scottish GDP and are most important in rural areas outside the central belt. Much of rural Scotland consists of poor quality hill grazing allowing only beef and sheep rearing.

Almost 75% by volume of the fish landed by the UK fishing fleet is landed at Scottish ports. There are over 8 000 fishermen in Scotland, with in excess of 16 000 additionally employed onshore in related industries. Fish farming, particularly salmon farming, accounts for around a third of the value of fish production. Forestry, a major industry in rural Scotland, provides over 15 000 jobs. The most important production industries include the extraction of oil and related oil and chemicals processing industries, which together directly support about 5% of Scottish employment; electronics and other high-technology engineering industries, which have been the fastest-growing manufacturing industries in the past 10 years; whisky, which continues to be the major manufacturing exports earner; and high quality textiles, which are key manufacturing industries in many rural areas.

The services sector has been the main area of economic growth in Scotland in the past decade, with the most important sector being financial and business services, centred on Edinburgh and Glasgow. Tourism is vital to most parts of Scotland and particularly important to more remote rural areas.

Agriculture

Number of holdings	31 570
Labour force	62 490 AWU
Agricultural area	5 754 000 ha
Livestock	1 518 000 LU
Gross value-added	15 402 ECU/AWU

Main products	
Cattle	24%
Milk	18%
Cereals	18%

Main enterprises

Name	Activity
United Biscuits (Holdings) PLC	Manufacture of food products
Burmah Oil PLC	Petroleum industry
Coats Patons PLC	Manufacture of sports goods
Scottish & Newcastle Breweries PLC	Manufacture of beverages
Britoil PLC	Petroleum industry
John Menzies PLC	Wholesale of newspapers, magazines, books
House of Frazer (Stores) Ltd	Retail trade
Leyland Daf Ltd	Manufacture of commercial vehicles
Dawson International PLC	Manufacture of textiles
Martin the Newsagent Ltd	Retail trade

Salmon return to once polluted waters

In order to protect its wildlife and landscape, 10% of Scotland's land area has been designated as sites of special scientific interest and 13% as national scenic areas.

In certain parts of the country, especially the central lowlands, there is a legacy of environmental problems, notably urban decay and dereliction stemming from the decline of Scotland's older traditional industries. These problems are the focus of a long-term programme, concentrating particularly on land with an economic after use, that is managed by local enterprise companies under the strategic guidance of Scottish Enterprise and Highlands and Islands Enterprise. In deprived urban areas, environmental action is combined with economic development: government-led partnership initiatives in peripheral housing estates in Dundee, Edinburgh, Glasgow and Paisley have built on the example of the earlier Glasgow Eastern Area Renewal project.

Acidification caused by sulphur and nitrous oxide emissions from power stations, motor vehicles and industrial plants is a problem which is of particular concern. Already, much of the soil in upland areas, such as south-west Scotland, has a high natural acidity and it is to these areas that significant acidification is airborne from industrial plants and power stations elsewhere.

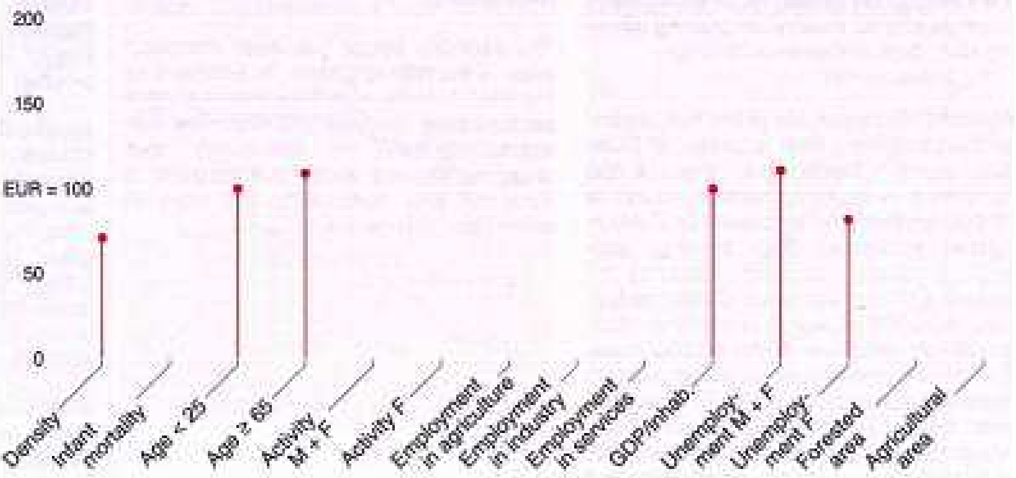
Ninety-nine per cent of Scotland's river length is of good or fair quality and salmon have returned to once polluted rivers, such as the lower Clyde. Substantial investment is being undertaken to ensure that water supplies come fully up to standard as quickly as possible. The quality of coastal and inland waters is being improved by treating all substantial discharges of sewage and the government has undertaken to terminate sewage sludge dumping in the sea by 1998.

UNITED KINGDOM

BORDERS-CENTRAL-FIFE-LOTHIAN-TAYSIDE

Princes Street, Edinburgh. Scotland's capital city is famous for its castle and annual festival of music and avant-garde arts.

Borders-Central-Fife-Lothian-Tayside in the Community



This region covers mainly the lowland east coast regions of Scotland. It covers a variety of land types, including the agriculturally fertile areas of Tayside, Fife and the Lothians, which contrast strongly with the scenic mountains and glens of the north and west of Tayside and Central, and the hill country and rich lowland farming areas of the Borders.

The Central, Lothian and Tayside parts of the region are generally well served with road and rail communications, with major motorway networks linking the main centres of Edinburgh, Perth and Stirling, within the region, and to the city of Glasgow within Strathclyde. Edinburgh airport provides both domestic and continental air services.

The major centre of population in the region is Edinburgh, the Scottish capital. This is an important administrative centre, providing government, legal, financial and business services. Other major concentrations of population in the region are Dundee, Kirkcaldy, Dunfermline, St Andrews and the Borders towns of Hawick, Galashiels, Peebles, Kelso and Selkirk.

Growing financial and business-services sector in Lothian

The main economic strength of Lothian is in the strong and growing financial and business-services sector, coupled with the fact that Edinburgh is the centre of government in Scotland. Tourism also makes a major contribution to the economy of Edinburgh. Electronics, a key manufacturing industry in Lothian is vulnerable to reductions in defence expenditure. The Borders region is predominantly rural and is peripheral to the main centres of population in central Scotland and largely dependent on road transport. The region's strengths are its high quality environment, and dynamic workforce. However, the regional economy is dependent on a narrow range of industries, particularly textiles, agriculture and fishing.

Within Tayside, the growing and processing of soft fruit remains an important activity, despite the competition from Eastern Europe and South America. The jute industry has all but disappeared, with the production of man-made fibres replacing only part of the lost jobs. The port of Dundee makes a contribution to servicing the offshore oil industry.

The major weaknesses in the Central and Fife regions stem from the decline in coal-mining and the risk to employment in defence-related industries. The fishing industry is much influenced by the framework of EC policy. Strengths include the development of paper manufacture, electronics and associated high-technology industries, and mechanical engineering industries servicing the oil sector.

BORDERS-CENTRAL-FIFE-LOTHIAN-TAYSIDE

Scale 1 : 2 000 000

Which EC regions are similar to Borders-Central-Fife-Lothian-Tayside?

Area:
18 000 km²
Veneto (I)
Sachsen (D)

Population:
1.9 million inhabitants
Freiburg (D)

Population density:
103 inhabitants per km²
Niederbayern; Oberpfalz (D)
Bretagne (F)

A number of areas suffering from industrial decline

The Lothian district is one of the wealthiest in the region, with GDP per head well above the Scottish average, with relatively low unemployment. However, a number of areas within the region have suffered from the run-down of coal-mining and other industries. For example, the Bathgate travel-to-work area, which experienced the closure of the British Leyland plant and of coal-mining operations, has unemployment rates well above the Scottish average.

The Borders district is one of the poorest in the region. Although unemployment is relatively low, it has grown faster in the past year than in any other Scottish region. This increase has been mainly caused by job losses in the textiles industry.

Within the region, Tayside has experienced the largest population loss over the past 20 years, falling by 2.6%. Incomes are below the Scottish average, whilst unemployment in the region is above the Scottish average.

Fife has one of the lowest levels of GDP per head in Scotland, its share of Scottish GDP having fallen considerably since 1984, mainly as a result of the decline in coal-mining. Within Central and Fife, the travel-to-work areas of Alloa, Dunfermline and Kirkcaldy have unemployment above the Scottish average.

	Area	Population			Activity	Unempl.	Employment			GDP/inhab.
	1 000 km²	1 000	Inhab./km²	Change (%)	%	%	% Agricult.	% Industry	% Services	EUR(PPS) = 100
		1990	1990	1980-90	1988	1990	1989	1989	1989	1989
Borders	4.7	104	22	4.0	60	5.0	6	39	55	90
Central	2.6	272	103	0.3	61	9.3	1	34	66	95
Fife	1.3	346	265	1.6	60	8.7	1	39	60	86
Lothian	1.8	750	427	0.1	63	7.4	1	25	74	113
Tayside	7.5	394	53	– 1.3	60	8.7	2	28	70	93
Borders - Central - Fife - Lothian - Tayside	17.9	1 865	104	0.3	62	8.1	1	30	69	100
United Kingdom	242.5	57 411	237	2.0	62	6.3	1	30	69	107
EUR 12	2 253.7	327 931	146	3.2	54	8.3	7	33	60	100

UNITED KINGDOM

DUMFRIES-GALLOWAY, STRATHCLYDE

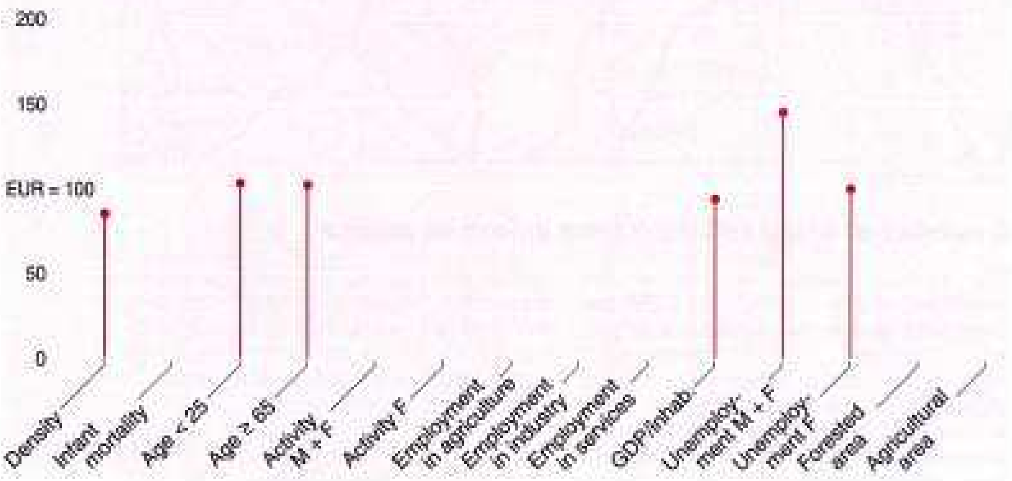
This region contains just over one-quarter of Scotland's land area and just under one-half of her population.

The north and west of the Strathclyde region is among the more peripheral parts of the Community and contains large tracts of sparsely populated land and islands, whereas the area covering the city of Glasgow and the Clyde valley contains the highest concentration of population and is heavily industrialized. Ayrshire has been subject to major economic restructuring due to the decline of the coal, steel and textiles industries. Currently, the economy of the south-west of Strathclyde is widely dependent on tourism, while agriculture is important to Dumfries and Galloway, and textiles continue to be important in Kilmarnock.

Away from the fertile coastal area, much of Dumfries and Galloway is at fairly high altitude, and poorly drained. Grass covers about 95% of the farmed area and provides mainly rough grazing. Dairying is practised on the better quality land in the western part of the region, and Dumfries and Galloway has around 30% of Scotland's dairy herd. The region has about 16% of Scotland's sheep stock and forestry takes up a quarter of the land area.

The People's Palace in Glasgow: the museum is dedicated to the ordinary, where visitors can view everyday items, old and new.

Dumfries-Galloway, Strathclyde in the Community

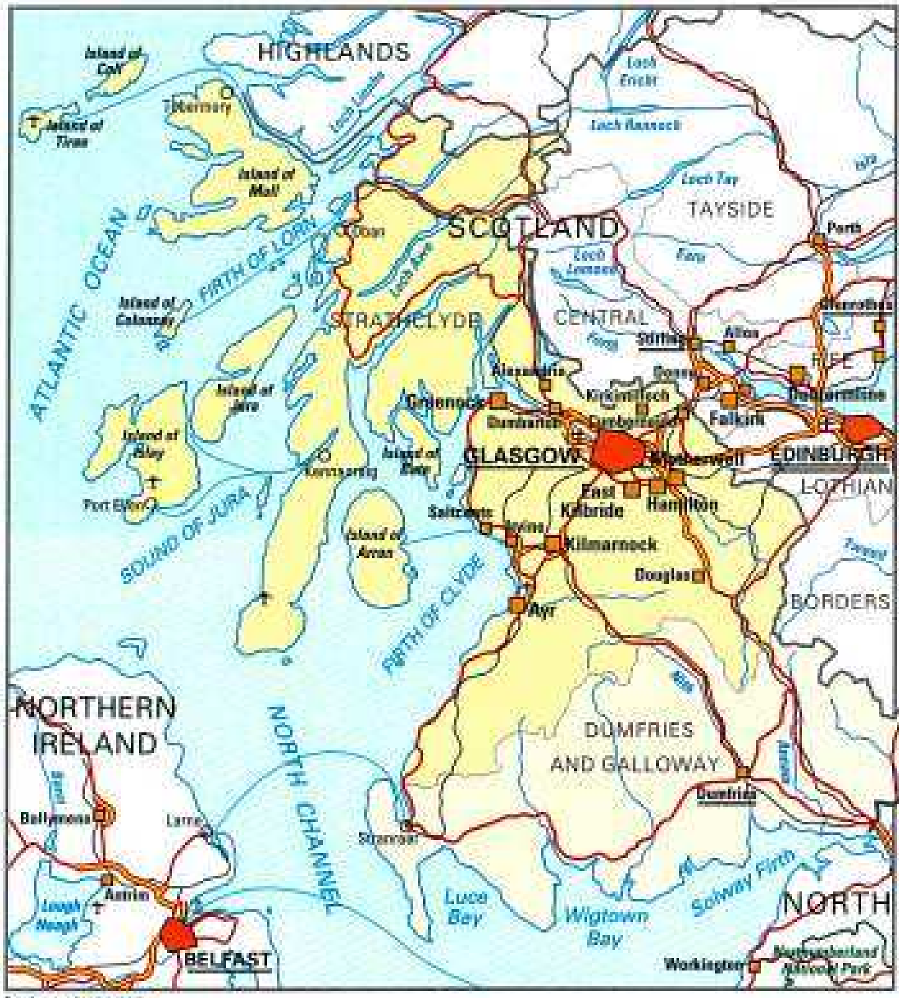


Excellent communications in Strathclyde

The basic strengths of the Strathclyde area stem from extensive further and higher education provision, the natural beauty of many parts of the region, its air links through its two intercontinental airports and main-line rail facilities for both passengers and freight. Strathclyde will also be the location of a major British Rail Eurofreight terminal for Channel Tunnel traffic, to be situated at Mossend in Lanarkshire. Parts of Glasgow, Greenock, north Lanarkshire, and parts of Ayrshire suffer from economic and social difficulties, stemming from structural problems caused by the decline of traditional industries such as coal, steel, shipbuilding, heavy engineering and textiles.

Due to the extensive nature of agricultural production, Dumfries and Galloway is well placed to respond to changing demands for natural, including organic, produce. Tourism, based on the natural heritage of the area, offers further scope for economic growth. Transport links are relatively weak in Dumfries and Galloway. Although the two major towns of Dumfries and Stranraer are linked by a limited rail service to Glasgow, there are no direct rail links between the two, and the area is largely dependent on road transport. The A75, which carries a high volume of traffic, links Larne to the Cairnryan/Stranraer sea route. A great deal of Irish trade to Britain and the rest of Europe uses this route.

DUMFRIES-GALLOWAY, STRATHCLYDE



Scale 1 : 2 000 000

Which EC regions are similar to Dumfries-Galloway, Strathclyde?

Area:
20 000 km²
Sachsen-Anhalt (D)

Population:
2.5 million inhabitants
Karlsruhe (D)

Population density:
120 inhabitants per km²
Danmark
Rhône-Alpes (F)
Zeeland (NL)
Abruzzi (I)

Urban to rural population shift

Between 1981 and 1990, the more densely populated urban areas within the region experienced a population loss, whilst the surrounding areas saw a population increase.

Unemployment rates are above the national average in both Newton Stewart and in Cumnock and Sanquhar, with the latter having the highest unemployment rate in Great Britain. Areas with the highest unemployment are those associated with the run-down in heavy industries, textiles and the decline of the dairy industry in Galloway.

The rapid expansion of the population of Glasgow in the nineteenth century and the subsequent decline of heavy manufacturing industry has left the city with severe problems of urban deprivation. Eighty percent of the most deprived areas in Scotland are in Glasgow and its surrounding districts. Despite the challenge of deprivation on this scale, Glasgow has seen some of the most striking successes in urban policy in the UK in recent years. Innovative partnerships between the public and private sectors have transformed Glasgow, while, outside the city, major initiatives have also taken place in Clydebank, Paisley and Greenock.

Three new towns in the Strathclyde region (East Kilbride, Cumbernauld and Irvine) have enjoyed considerable success over the past two decades in attracting both people and jobs, particularly in the high-technology industries such as electronics.

	Area	Population			Activity	Unempl.	Employment			GDP/inhab.
	1 000 km²	1 000	Inhab./km²	Change (%)	%	%	% Agricult.	% Industry	% Services	EUR (PPS) = 100
		1990	1990	1980-90	1988	1990	1989	1989	1989	1989
Dumfries and Galloway	6.4	148	23	4.2	58	7.5	8	32	60	93
Strathclyde	13.5	2 306	170	−4.7	61	11.2	1	30	69	94
Dumfries-Galloway, Strathclyde	19.9	2 454	123	−4.2	60	11.0	1	30	69	94
United Kingdom	242.5	57 411	237	2.0	62	6.3	1	30	69	107
EUR 12	2 253.7	327 931	146	3.2	54	8.3	7	33	60	100

UNITED KINGDOM

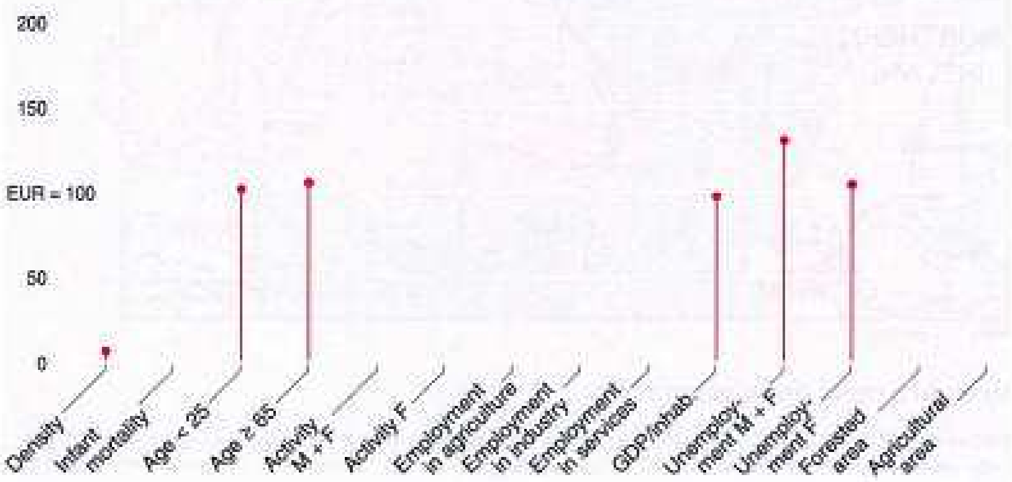
HIGHLANDS, ISLANDS

The Highlands and Islands is a large, sparsely populated region at the north-western extremity of Europe. At nine persons per km², the region has the lowest population density of all Community regions, and it is among the most peripheral of European regions. About a third of the population lives on over 90 islands in four main groups — the Orkney and Shetland Islands to the north and the Inner and the Outer Hebrides to the west. Although the population is widely scattered, there are relatively large settlements including Inverness, Oban, Stornoway (Western Isles), Kirkwall (Orkney), and Lerwick (Shetland), Fort William, Thurso, Wick and Nairn.

The geography of the region presents special problems for transport and communications. Rail services reach the main mainland population centres and provide links to the Western Isles. Inverness, the Western Isles and the Orkney and Shetland Islands have regular daily air services. The island areas are very dependent on ferry services for freight and passenger movements. Inverness and the Moray Firth area are well served by the A9 trunk road, the western Highlands by the A82 road. Telecommunications in the region have improved immensely in recent years as a result of investment in installing advanced digital communications throughout the region.

The popular winter sports resort at Aviemore in northern Scotland.

Highlands, Islands in the Community



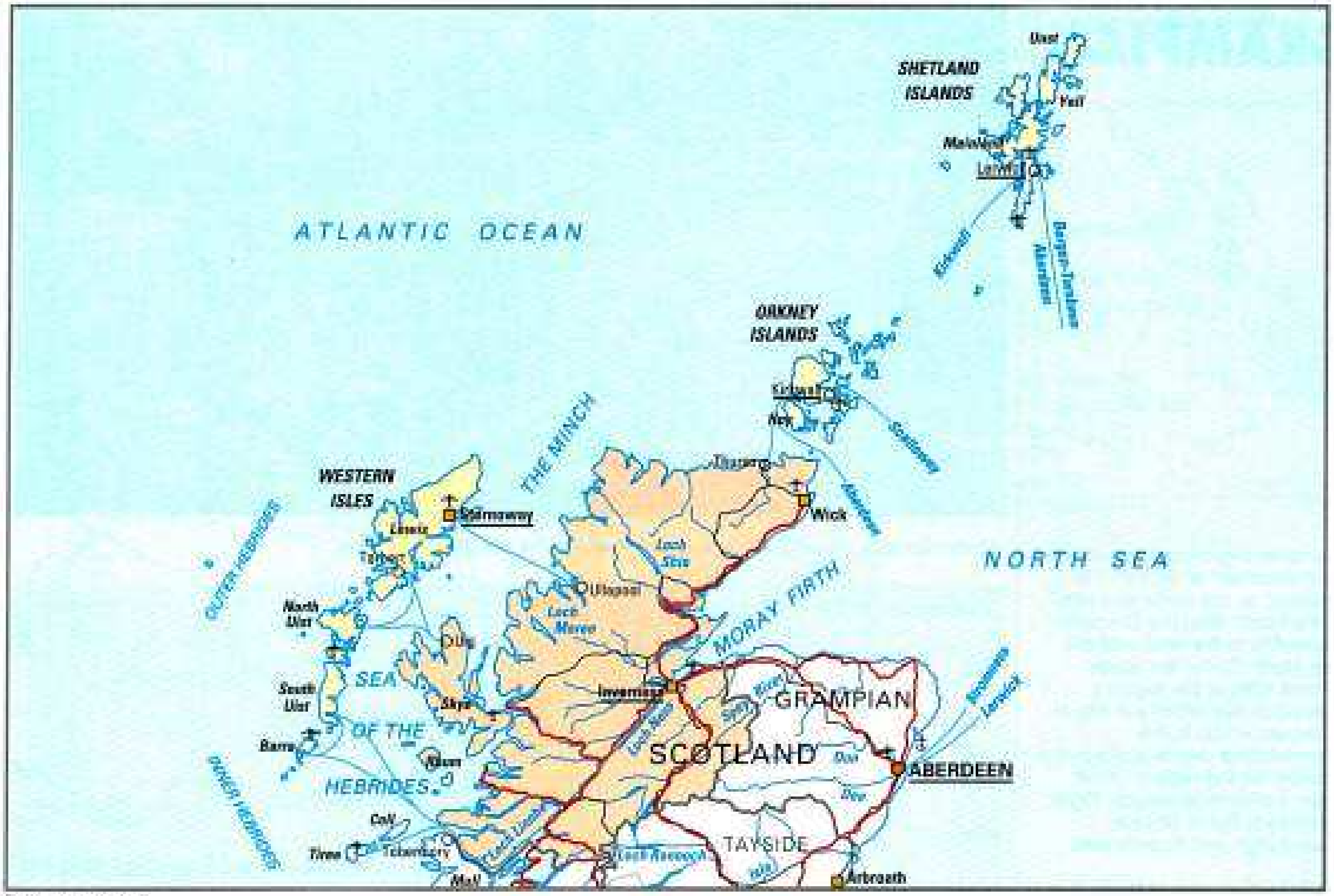
Striking scenery; unspoiled, but remote

The Highlands and Islands is an area of striking scenic beauty, and an unspoiled environment. It is, therefore, a major attraction for tourists. On the other hand, economic development is handicapped by the peripherality of the area, by the small and scattered population, and by the geographic and climatic attributes of the area.

A high proportion of the population is engaged in work in the primary industries (agriculture, forestry, fish farming and fishing) and in tourism. Almost all of the region is designated by the EC as a less-favoured area. Fishing and fish farming are particularly important, with the region accounting for over a half of all fish landed in Scotland. However, the poor state of fishstocks have affected the industry adversely.

Exploration, development and production of North Sea oil and gas have made an important contribution to some local economies, most noticeably the Orkney Islands, the Shetland Islands, and the inner Moray Firth. However, this activity has passed its peak and is subject to substantial fluctuations in activity level. Scottish hydroelectricity is mainly generated in the Highlands. Within the small manufacturing sector, the main strengths are in the production of high quality products such as food, whisky, knitwear and textiles.

HIGHLANDS, ISLANDS



Scale 1 : 2 000 000

Which EC regions are similar to Highlands, Islands?

Area:
32 000 km²
- Cataluña (E)
- Pays de la Loire; Bourgogne (F)

Population:
0.3 million inhabitants
- Ipeiros (GR)
- La Rioja (E)
- Madeira (P)

Population density:
less than 25 inhabitants per km²
- Guyane (F)
- Castilla-La Mancha (E)
- Alentejo (P)

Islands at the extreme edge of the Community

The Western Isles, with a population of 31 000, are remote, being at the extreme north-west of the Community. The economy of the area is heavily dependent on textiles, farming and fishing. Incomes are low and unemployment is chronically high, well above the Community average. The remoteness of these islands, high transport costs and the dependence on ferry services all add to the economic difficulties of the area.

Shetland and Orkney have benefited from oil activity. However, apart from this major boost to their economies, the Orkney Islands remain heavily dependent on agriculture, and the Shetland Islands depend on the fishing sector: both are also heavily dependent on tourist-related activities. Their extreme peripherality presents major problems. The north and west mainland also depends heavily on agriculture, forestry and fishing, and suffers from the same geographic and climatic environment. Unemployment is higher than the Scottish average throughout most of the area.

In contrast, the lowland area around Inverness has a more balanced economic structure and better road, rail and air communications with the rest of Great Britain and mainland Europe. Whilst unemployment in this area is currently below the UK average, the economy is, nevertheless, sensitive to UK national economic prospects and to the development of the oil exploration and production sector.

	Area	Population			Activity	Unempl.	Employment			GDP/inhab.
	1 000 km²	1 000	Inhab./km²	Change (%)	%	%	% Agricult.	% Industry	% Services	EUR (PPS) = 100
		1990	1990	1980-90	1988	1990	1989	1989	1989	1989
Highlands	25.3	204	8	6.9	59	9.2	4	21	75	:
Islands	5.3	73	14	3.6	57	7.3	5	28	67	:
Highlands, Islands	30.7	277	9	6.0	58	8.7	4	23	73	97
United Kingdom	242.5	57 411	237	2.0	62	6.3	1	30	69	107
EUR 12	2 253.7	327 931	146	3.2	54	8.3	7	33	60	100

UNITED KINGDOM

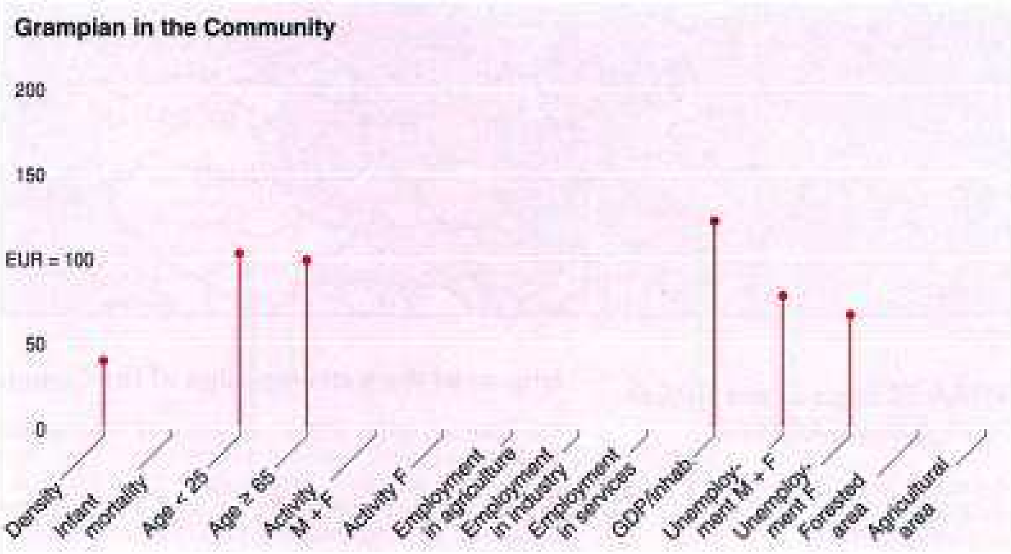
GRAMPIAN

Grampian region, in the north-east 'shoulder' of Scotland is bordered on the north and east by the North Sea, the Grampian mountains to the west and the river North Esk to the south. Around 42% of the region's population live within the city of Aberdeen which is the administrative centre and service provider for the region. Other major settlements include Elgin, Peterhead, Banff, Buckie, Fraserburgh and Stonehaven.

Until the discovery of North Sea oil, farming and fishing provided the basis of most of the economic wealth of this region. Fishing has been an important industry in the region for hundreds of years and is now centred on Peterhead and Fraserburgh. Aberdeen, formerly Scotland's largest fishing port, now caters mainly for the North Sea oil industry, and Peterhead has become the largest whitefish port in Europe.

Farming remains important in the landward areas of the region. The main crops are wheat, oats and barley, although oil-seed rape is now a common cash crop. Malting barley is the major ingredient of whisky and the region is the centre of the highland whisky distillery industry.

Winter Gardens, Aberdeen. Many oil-workers use the city as a land base.

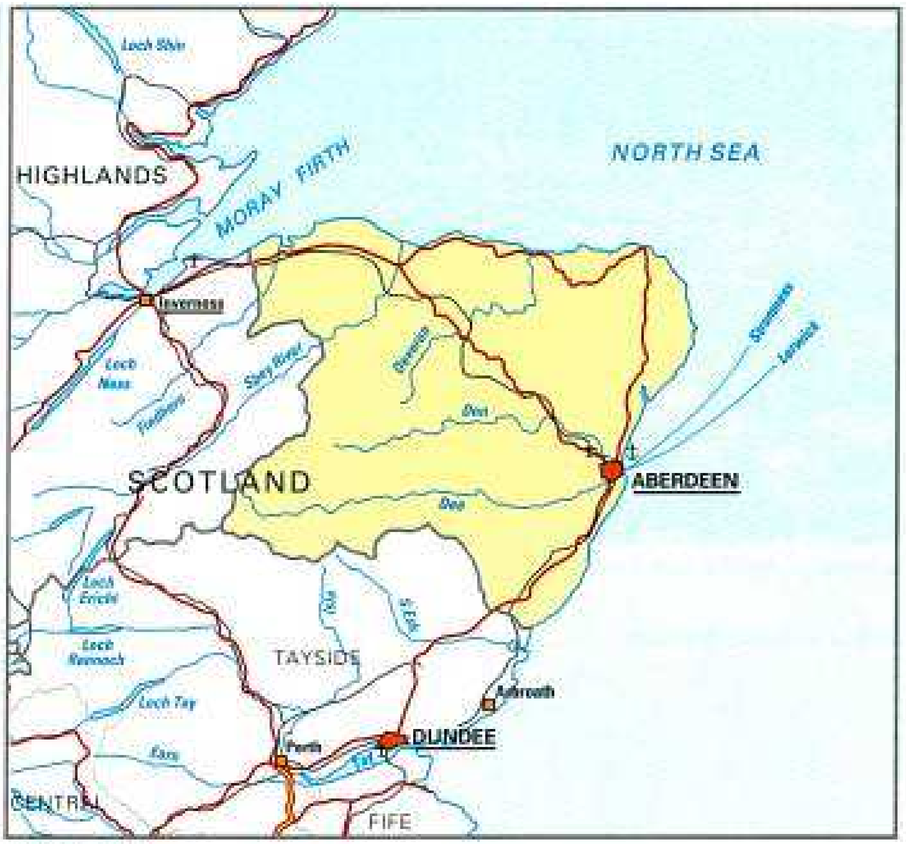


Among the most prosperous areas in Scotland, even before oil

Even before the advent of oil, the area was among the most prosperous in Scotland, with a relatively diversified economy based on agriculture, fishing, fish processing, food processing, whisky, textiles, shipbuilding and papermaking. However, some of these industries in the region have suffered in recent years as a result of general trends in these industries in the country as a whole. The oil industry plays a central role in the Grampian economy, accounting for around 70 000 jobs across a wide range of industries, and providing one-third of total employment in the region.

The fisheries industry has been much affected by the poor state of the main whitefish stocks, both as a result of natural factors affecting stock size and overfishing. It is likely that major difficulties in the industry will remain for some time.

Major investment has recently been undertaken to upgrade the road linking the central belt to Aberdeen. In addition, substantial investment has been put into the development of a new terminal at Aberdeen airport which continues to attract an increasing amount of business. The increases in road traffic have also been significant, adding pressure to the need for further road improvements and the construction of river crossings. Moreover, the local community is pressing for improvements to rail services, particularly for the electrification of the railway line between Aberdeen and Edinburgh.



Scale 1 : 2 000 000

Which EC regions are similar to Grampian?

Area:
8 700 km²
Corse (F)

Population:
0.5 million inhabitants
Trier (D)
Peloponnisos (GR)
Cantabria; Navarra (E)
Cumbria (UK)

Population density:
50-60 inhabitants per km²
Luxembourg (B)
Kriti (GR)
La Rioja (E)
Midi-Pyrénées (F)

Dominated by Aberdeen

The city of Aberdeen dominates the region, with almost half the population and approaching two-thirds of the work-force. In Banff and Buchan, and in Moray, the industrial structure is quite different from that of the region as a whole, due to the relative absence of oil-related employment and the relative importance of traditional industries. In Banff and Buchan, one-third of all employees work in the manufacturing sector, mainly in fish processing. The manufacturing sector is also comparatively large in Moray, accounting for over 20% of the work-force, due to the presence of distilling, food processing and textiles.

Grampian region has had consistently lower levels of unemployment than the Scottish or UK average. Eight of the nine travel-to-work areas (TTWAs) within Grampian region have unemployment rates comfortably below the Scottish average and the rate for the Aberdeen TTWA (3%), is one of the lowest in the UK.

However, unemployment in the ninth TTWA of Forres, is well above the Scottish average.

In the upland areas to the west of the region, the economy is particularly fragile, dependent on agriculture and tourism, with little opportunity for alternative sources of employment creation.

	Area	Population			Activity	Unempl.	Employment			GDP/inhab.
	1 000 km²	1 000	Inhab./km²	Change (%)	%	%	% Agricult.	% Industry	% Services	EUR (PPS) = 100
		1990	1990	1980-90	1988	1990	1989	1989	1989	1989
Grampian	8.7	506	58	7.2	62	4.7	2	35	63	122
United Kingdom	242.5	57 411	237	2.0	62	6.3	1	30	69	107
EUR 12	2 253.7	327 931	146	3.2	54	8.3	7	33	60	100

UNITED KINGDOM

NORTHERN IRELAND

The Giant's Causeway, on Antrim's north coast, was formed by an outflow of lava millions of years ago.

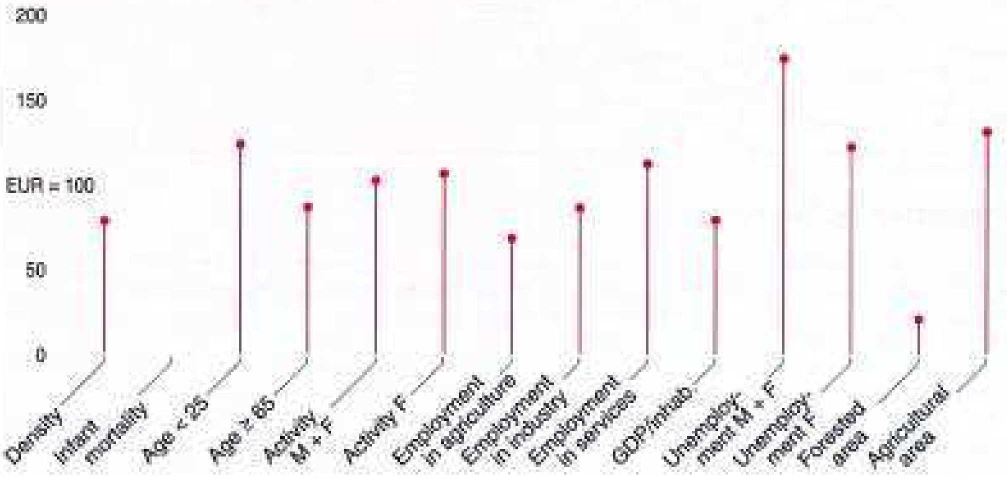
Northern Ireland is bordered by the sea to the north and east. To the south and west, the United Kingdom's border with the Republic of Ireland stretches for 412 km.

Lough Neagh, the largest fresh water lake in the British Isles, and its surrounding lowlands occupy the centre of Northern Ireland, with corridors extending north along the river valley of the Bann, eastward where the river Lagan flows into Belfast lough, and south-west to the drainage system of the river Erne with its two fine lakes. Much of this southern lowland has been moulded by ice to form drumlins, small smoothly rounded hills which stipple the landscape in an intricate pattern.

Peripheral to the central lowlands is a discontinuous rim of upland, the most extensive being the Antrim plateau in the north-east which slopes upwards and outwards from lough Neagh to front the North Channel in impressive cliffs. Westward are the rounded masses of the Sperrin mountains, with several summits about 600 m, while to the south the County Down lowlands are dominated by the high yet compact mass of the Mourne mountains.

The landscape is predominantly rural, but over one-third of the population live in and around Belfast. Road communications are good, with motorways from Belfast towards the west and north. There is an international airport near Belfast, commuter airports at Belfast and Londonderry, and ports at Belfast, Larne, Londonderry and Warrenpoint.

Northern Ireland in the Community



Unspoilt beauty and young labour force

Northern Ireland is endowed with an unspoilt natural environment offering a variety of attractive landscapes. This adds to the region's strengths and attractions, as do its relatively low levels of environmental damage, traffic congestion and industrial pollution and its good physical and social infrastructure (roads, schools, hospitals, housing and leisure facilities). Internal communications are excellent, as are international telecommunications links; however, situated at the edge of Europe, the region experiences acute problems of peripherality, and transport connections with Great Britain, the Republic of Ireland and the rest of Europe require further improvements.

Labour and housing costs are lower than elsewhere in the United Kingdom, while educational standards are high. Moreover, a large proportion of the population is young; the availability of such a young well-educated labour force is increasingly recognized as an important asset.

However, the objective of a peaceful, stable and prosperous society is hampered by terrorist actions perpetrated without the consent or approval of the vast majority of the population. Such actions serve to create an image of Northern Ireland which government, leaders of all sections of the community and ordinary people strive hard to overcome but which has undoubtedly served to prevent the region achieving its full potential.

NORTHERN IRELAND

Scale 1 : 2 000 000

Dominated by the Belfast area

In considering regional imbalances it is important to bear in mind that Northern Ireland covers a relatively small area. Two-thirds of the population live within a 50 km radius of Belfast in the east of the province, and the only other sizeable concentration of population is in and around the city of Londonderry (population 100 000) in the north-west.

In the west the population is more rural and centres of settlement are more widely dispersed. The west tends to have a wetter climate and, although soils are poorer, there is a greater dependence on agriculture, with food processing also being relatively more important.

Reliance on Great Britain as a source of materials and a market for finished products led to the growth of non-agricultural industry in the port of Belfast and its hinterland (although the clothing industry is important in the Londonderry area). As a consequence of this, unemployment in the eastern part of the province is, on the whole, lower and incomes are higher.

Which EC regions are similar to Northern Ireland?

Area:
14 000 km²
- Thessalia (GR)
- Trentino-Alto Adige (I)

Population:
1.6 million inhabitants
- Poitou-Charentes (F)
- Schwaben (D)

Population density:
± 110 inhabitants per km²
- Friesland (NL)
- Açores (P)

Age:
over 40% aged less than 25
- Andalucia (E)
- Campania (I)
- Açores (P)

Employment:
5% in agriculture
2/3 in services
- Gelderland; Groningen (NL)
- Danmark

	Area	Population			Activity	Unempl.	Employment			GDP/inhab.
	1 000 km²	1 000	Inhab./km²	Change (%)	%	%	% Agricult.	% Industry	% Services	EUR (PPS) = 100
		1990	1990	1980-90	1988	1990	1989	1989	1989	1989
Northern Ireland	14.1	1 589	113	3.7	56	15.7	4	27	70	79
United Kingdom	242.5	57 411	237	2.0	62	6.3	1	30	69	107
EUR 12	2 253.7	327 931	146	3.2	54	8.3	7	33	60	100

NORTHERN IRELAND

A young population

The population of Northern Ireland stands at nearly 1.6 million. Mortality rates are slightly higher than the UK average, but fertility rates (in 1989, the highest in the EC) have been around 30% higher than in the rest of the UK, although the difference has been slowly declining. As a consequence, the rate of natural increase (births minus deaths) has been much higher than in the rest of the UK, giving rise to a much smaller proportion of old people and a greater proportion of young people in the population.

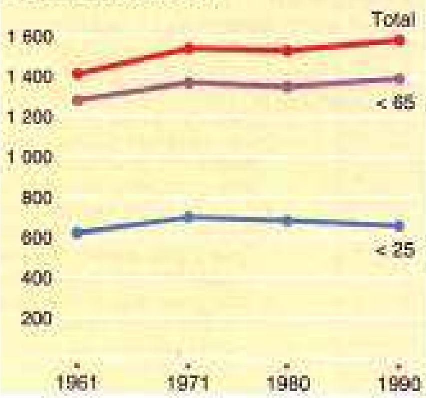
Continuing high emigration rates have countered the rapid natural increase, resulting in population growth generally similar to the rest of the UK. The significance of emigration is determined largely by labour market conditions in Great Britain.

The overall population density is low, although there is an uneven distribution, with more than one-third of the population living in the Belfast area; within that area, the population has tended to move from the city centre to the suburbs. The proportion of people living in rural areas is higher than in most regions of the UK, but there has been continuing migration from rural areas to the urban centres (notwithstanding the outward shift within the Belfast area) and from the west of the region to the east.

Population by age — 1990

	M + F 1 000	M + F %	M %	F %
< 15	396.0	24.9	25.9	23.9
15-24	269.0	16.9	18.2	15.7
25-39	331.0	20.8	21.3	20.3
40-54	260.0	16.3	16.4	16.3
55-64	139.0	8.7	8.4	9.1
≥ 65	195.0	12.2	9.8	14.6
Total	1 589.4	100.0	100.0	100.0

Population (1 000)



Resident population of foreign nationality — 1988-90

	1 000	% of total population
Total	141.2	9.0
of which EC countries	136.9	8.8
of which non-EC countries	136.6	8.7
Ireland	4.3	0.3
USA	1.1	0.1
Australia	0.8	0.1
Canada	0.8	0.0
India	0.3	0.0
Bangladesh	0.2	0.0

Demographic account — 1980-90 (1 000)

Population 30.6.1980	1 533
Births	274
Deaths	159
Net migration	- 59
Population 30.6.1990	1 589

Young population and high unemployment emphasize training needs

Despite continuing high levels of migration, the area has been one of population growth.

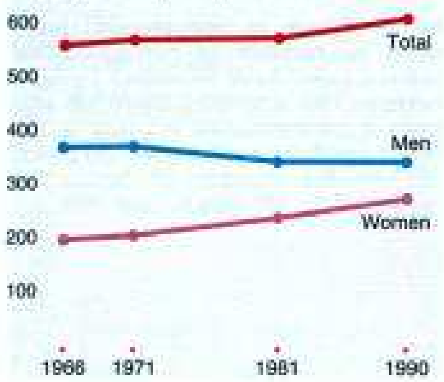
The proportion of young people remaining in education is higher than in England and Wales. In 1988/89 24% of Northern Ireland school leavers had two or more 'A' levels, compared with 17% for England and Wales, and the proportion of children leaving school without qualifications continues to decrease. Northern Ireland has the highest rate of participation in higher education in the United Kingdom.

The high proportion of young people in the population has led to the establishment of the Training and Employment Agency, with responsibility for identifying the training needs of industry and devising and implementing appropriate training and employment measures. The aims are to secure a skilled and competent workforce which can contribute to increasing the competitiveness of Northern Ireland firms, and to combat long-term structural unemployment through the development of potential skills.

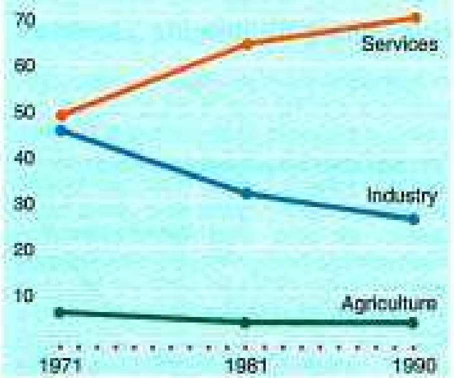
Number of pupils — 1990

	M + F 1 000	F %
Pre-school	25	49
Primary	171	49
Lower secondary	69	49
Higher secondary (technical)	55	53
Higher secondary (general)	72	51
Higher education	27	49
Total	419	50

Employment (1 000)



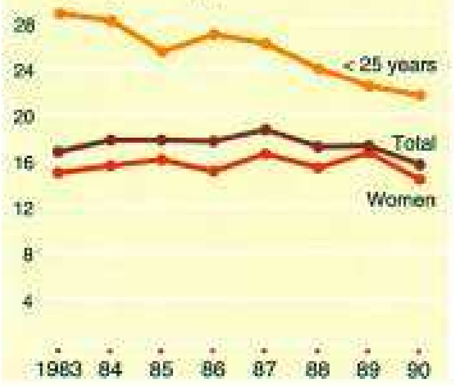
Employment structure (%)



Employment

No data available

Unemployment (%)



Birthplace of world's finest ships

Industrialization in the region in the nineteenth century began later than in the rest of the UK and was largely concentrated in the urban areas of Belfast and Londonderry. Linen production gave rise to the development of a large textiles industry, while the location of Belfast was conducive to the growth of shipbuilding, and many of the world's finest ships were built there. This led in turn to the development of an engineering industry. In the post-war period, as in other regions, these traditional industries have experienced considerable difficulties although government efforts to attract new industry to the region have had some significant successes. Although agriculture remains a major part of the economy, employment in the sector has declined. Farms are mostly small and owned rather than rented, and as such employment opportunities are largely confined to the owners and their families. Employment in food processing remains important, reflecting the rural character of the region.

Manufacturing employment has reduced significantly in the last decade, while service sector employment has expanded. Within the private sector, finance and distribution services are major employers. The public sector remains the most important employer of labour in the region, employing nearly 40% of workers, which contributes to the high quality of services such as health and education in the region. Total employment (employees plus self-employed) has increased by some 10 000 over the decade 1980-90 to just over 600 000.

Characteristics of resident employment (%)

	< 25 years	25-54 years	≥ 55 years	Employees	Employees: part-time		Employees: full-time, temporary contract	
	1990	1990	1990	1990	1983	1990	1983	1990
Men	21	66	13	76	4	3	3	3
Women	23	67	10	91	32	36	2	2
Total	22	66	12	82	16	19	3	2

Above average unemployment rates

The unemployment rate in Northern Ireland is higher than both the European and the UK averages, although generally speaking, national trends in unemployment are reflected in the region. Despite high outward migration the population of working age has been increasing and this, coupled with increasing participation rates by females, has resulted in an increasing labour supply.

The west of the region has suffered higher unemployment rates, concentrated particularly in Londonderry and other smaller urban centres such as Strabane. Although the east of the region has generally lower rates of unemployment, the pattern is by no means uniform: there are pockets of high unemployment such as west Belfast, while, conversely, the west contains areas of below average unemployment such as Enniskillen.

The relative shortage of employment opportunities results in high levels of long-term unemployment (approximately half the unemployed have been out of work for more than one year).

The female unemployment rate is around half that of male unemployment. However, overall female participation in the labour force is also generally lower, although in certain parts of the region, such as Londonderry, there is a tradition of female employment in the clothing industry.

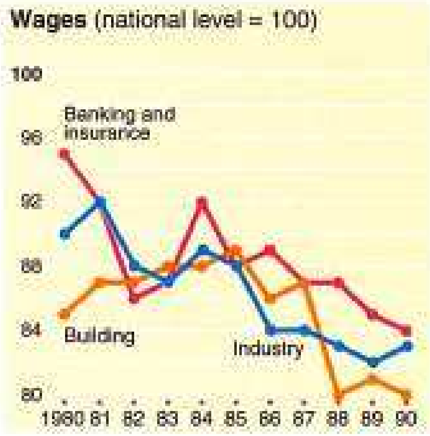
NORTHERN IRELAND

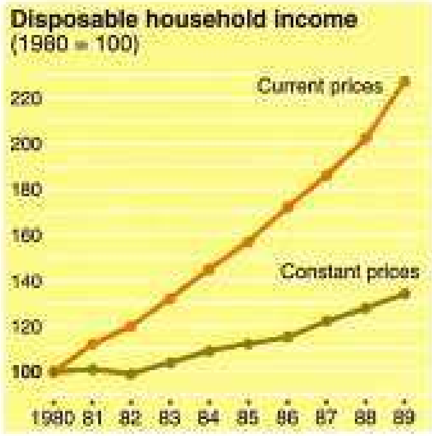
Decline of industry replaced by services

Sectors where the region has traditional strength, such as shipbuilding and textiles, have declined throughout Europe. However Harland and Wolff remains one of the largest shipyards in the UK, and other key manufacturing sectors include aerospace, textiles, clothing, food, drink and tobacco. In recent years the timber and furniture and electrical and instrument engineering sectors have expanded significantly.

A substantial proportion of manufacturing plants are foreign-owned, and among the multinational companies operating in the region are Du Pont, Fruit of the Loom, Montupet and the Ford Motor Company. Production is mainly for the British market: 32% of manufacturing output is sold in Northern Ireland and a further 40% in the rest of the UK, with only 6% going to the Republic of Ireland, despite its proximity. Northern Ireland has a persistent trade deficit with the Republic of Ireland, averaging almost ECU 420 million per annum in recent years. The public sector is the largest part of the economy, accounting for almost 40% of the employees in employment.

The region has two agencies charged with promoting industrial development: the Industrial Development Board (IDB) and, for small firms, the Local Enterprise Development Unit (LEDU). In recent years each agency has promoted around 5 000 jobs annually. The region also has Enterprise Zones in Belfast and Londonderry where planning controls are relaxed and tax concessions are available to new businesses. Economic growth since 1983 has brought employee numbers back to their pre-1981 level, while the numbers of non-agricultural self-employed have increased by 50% between 1981 and 1990. There has also been a commensurate increase in the rate of new firm formation: over the period 1982-89 the number of businesses registered for VAT rose by over 15%.





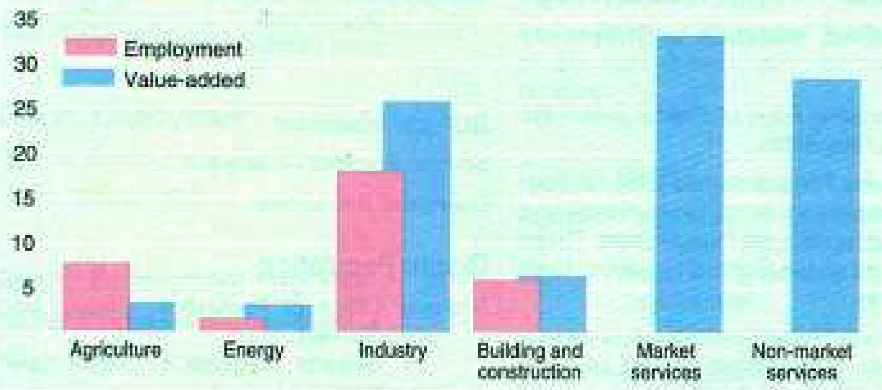
Labour costs lowest in the UK

Average labour costs in the region are the lowest in the UK, with an average weekly gross earnings for full-time males of ECU 330 (86% of the GB level in 1990) and ECU 253 for females (90% of the GB level in 1990). In the region in 1990 average gross weekly earnings for full-time employees ranged from ECU 468 for males working in the financial sector to ECU 151 for females in the distributive, retail and catering sector. Among males, the agricultural sector was the lowest paid. With the lowest earnings levels for those in employment, and the highest unemployment level, the region has the lowest average household income in the UK, at ECU 8 544 (1989) per person per year, and a high percentage of low income households (27% of household incomes below ECU 119 per week compared to 16% for the UK as a whole in 1988-89).

Social security contributions constitute 11% of household income. Wages and salaries constitute the major component of household income.

The progressive effect of the tax system means that while average household income in the region is only 83% of the UK average, the average disposable household income (ECU 7 250 in 1989) is 88% of the UK average although mean household size is greater. Consumers' expenditure in the region shows many trends in common with other UK regions such as declining relative expenditure on food and increasing relative expenditure on transport and communication. The main distinguishing feature of consumers' expenditure in the region is the higher level of spending on non-housing essentials (fuel, food, clothing and footwear) which constitute about 26% (1989) of total consumers' expenditure as compared with 22% in the rest of the UK, a trend which is roughly counterbalanced by lower expenditure on housing within the region (11% compared with 15% in the rest of the UK, 1989).

Employment and value-added: distribution by branch – 1986 (%)



Potatoes, shipbuilding and tourism

Agriculture is relatively more important in the region than in the UK as a whole. Livestock and livestock products account for 88% of agricultural output with those based on cattle being most important (beef 34%, milk 25%). Potatoes are the most important field crop by value. Energy, manufacturing and construction account for 27% of GDP, reflecting the decline of traditional industries and the increasing importance of the services sector including public services.

In the absence of major mineral resources, mineral extraction, chemical and metal processing are of minor importance. Engineering and other manufacturing are more significant, as is construction. Services are a dominant part of the economy, with financial and business services and distribution, hotels and catering forming the fastest-growing service sectors. Many retail stores have in recent years extended their networks from the rest of the UK into the region. Tourism is a major potential resource, given the attractiveness of the environment.

Agriculture

Number of holdings	34 160
Labour force	46 470 AWU
Agricultural area	1 036 000 ha
Livestock	1 172 000 LU
Gross value-added	9 807 ECU/AWU
Main products	
Cattle	33%
Milk	29%
Poultry — eggs	11%

Main enterprises

Name	Activity
NI Electricity	Production and distribution of electricity
Glen Electric Company Ltd	Electrical goods
Short Brothers plc	Aeronautics
F A Wellworth and Company	Retail sale of food
Stewarts Supermarkets	Retail sale of food
Harland and Wolff Ltd	Shipbuilding
J and J Haslett Ltd	Wholesale of food
Cawoods Ltd	Coal distribution
Mc Laughlin and Harvey plc	Building and public works
Tobacco Sales Ltd	Manufacture and sale of tobacco products

Many environmental advantages

Northern Ireland has an attractive and varied landscape, with a fine coastline, lakes and hills, moorland and mountain areas. Climatic conditions result in a characteristically verdant landscape and the plant and animal species found in the region form a mixture unique within the United Kingdom. There is little natural woodland, but many government-owned plantations which are run as forest parks. Quarrying occurs in many parts of the province, mostly on a small scale, and peat extraction is common in upland areas.

There is relatively little heavy industry to produce atmospheric pollution; however, the lack of a mains gas supply means that domestic coal burning is much more widespread than in the rest of the UK, which has led to localized pollution in Belfast. 'Clean air' legislation is on the statute book, but has so far been applied only to certain areas of the city.

Marine pollution, whilst greater in the enclosed Irish Sea than in the open Atlantic Ocean, gives rise to no severe problems. The overall quality of identified bathing waters is above the national and Community averages and 80% of rivers are classified as good quality. The relatively sparse population contributes to a general lack of congestion and means that the pressure on land for development is not great outside the Belfast urban area.

The region has a history of settlement stretching back over 8 000 years. Numerous important sites from various historical periods are protected and preserved.

Explanatory notes — United Kingdom

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 Member States cannot always be guaranteed.

In addition, the date at which the data were sent varied between Member States so that the Community totals may not always correspond exactly with the sum of the national totals.

Graph: The region in the Community

Source: Eurostat — Regional databank, Regio

Reference period: 1988 (1989 for GDP)

Definitions:

– Infant mortality: Ratio of deaths before the age of one to live births.

– Activity rates: The activity rate is the ratio between the active population (labour force) and the population aged more than 14 years. These data are based on the Community labour force sample survey.

– Employment: Employment structure by sector of activity is measured at the place of residence.

– Gross domestic product: The GDPs are converted to purchasing power standards (PPS) and related to average population.

– Unemployment rates: 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.

Unit: The indicators are expressed as indices related to the Community average (this excludes the five new *Länder* of Germany and the French overseas departments).

Table: The subregions

Population

Sources: Office of Population, Census and Surveys
General Registrar's Office (Scotland)
General Registrar's Office (Northern Ireland)

Activity rates

Sources: Employment Department
Department of Economic Development (Northern Ireland)

Unemployment rates

Source: Eurostat — Regio

Definition: See above

Employment

Sources: Employment Department
Department of Economic Development (Northern Ireland)

GDP per inhabitant

Source: Eurostat — Regio

Definition: See above

Graph: Population

Sources: Office of Population, Census and Surveys
General Registrar's Office (Scotland)
General Registrar's Office (Northern Ireland)

Years: Scotland, Northern Ireland 1950-90; England, Wales 1961-90

Note: Estimates are for mid-years as at 30 June. For Wales and English regions, total population estimates only are available for 1961 to 1970. These estimates are inconsistent with later figures.

Table: Resident population of foreign nationality

Source: Office of Population, Census and Surveys: labour force surveys

Year: average of 1988 to 1990

Note: Although estimates are based on results from three years' surveys, some estimates are based on very small sample numbers which are disproportionately less certain than those based on larger samples. Estimates should therefore be used with caution.

Table: Population by age

Sources: Office of Population, Census and Surveys
General Registrar's Office (Scotland)
General Registrar's Office (Northern Ireland)

Note: Population estimates given are mid-year estimates, i.e. for 30 June 1990.

Table: Demographic account

Sources: Office of Population, Census and Surveys
General Registrar's Office (Scotland)
General Registar's Office (Northern Ireland): population estimates

Note: Estimates given are from mid-year to mid-year, i.e. from 30 June 1980 to 30 June 1990.

Table: Number of pupils

Source: Department of Education and Science

Year: 1990

Graph: Employment

Source: Employment Department

Years: 1966 to 1990

Graph: Employment structure

Source: Employment Department

Years: 1971 to 1990
Note: Figures given are for employees in employment.

Table: Employment

Source: Office of Population, Census and Surveys: 1981 census, 'Workplace and travel-to-work statistics'

Year: 1981

Note: No data are available for Northern Ireland.

Graph: Unemployment

Source: Eurostat — Regio

Definition: See above

Table: Characteristics of resident employment

Source: Community labour force sample survey

Definitions:

– Employees are defined as persons who work for a public or private employer and who receive compensation; non-conscript members of the armed forces are also included.

– The distinction between full-time and part-time work is generally made on the basis of a spontaneous answer given by the person interviewed.

– 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.

Graph: GDP (1980 = 100)

Source: Eurostat — Regio

Statistical note: Regional GDPs at current prices were deflated using the national GDP deflator.

Graph: Wages

Sources: Employment Department
Northern Ireland Department of Economic Development: new earnings surveys

Graph: Disposable income of private households

Source: Central Statistical Office: regional accounts

Graph: Employment and value-added: distribution by branch

Source: Eurostat — Regio

Table: Agriculture

Sources: Survey on structure of agricultural holdings, 1987
Regional accounts for agriculture, 1987
Livestock surveys, 1989

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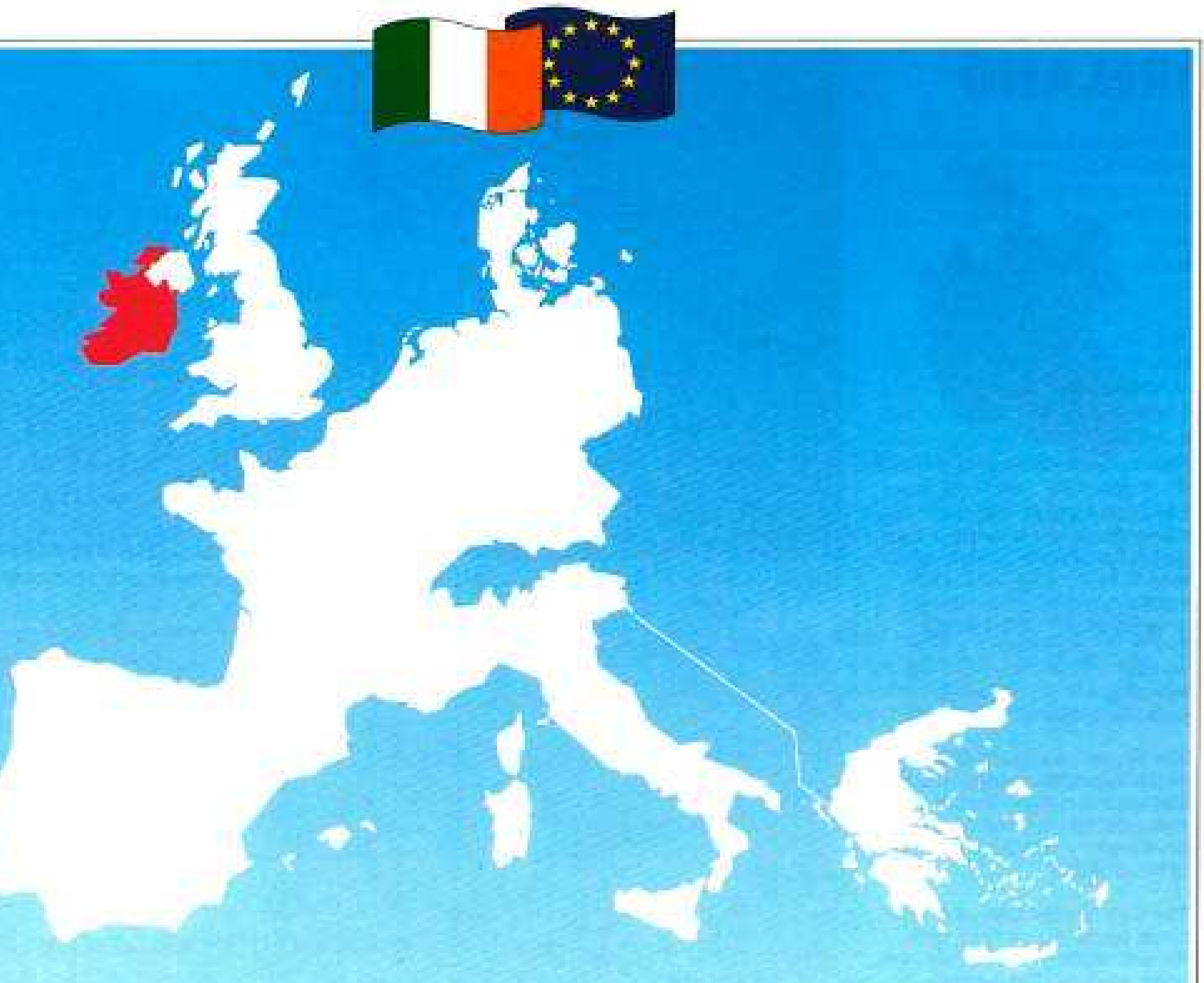
IRELAND



The Constitution of Ireland, adopted by plebiscite in 1937, sets out the form of government and defines the powers and functions of the President, both Houses of the Oireachtas (Parliament) and the Government. It also defines the structures and powers of the Courts and sets out the fundamental rights of citizens.

The President is the Head of State. Where there is more than one candidate for the Office, the President is elected by direct vote of the people.

There are two Houses of Parliament — the Dáil (House of Representatives) and the Seanad (Senate). The Dáil has 166 members at present. Elections take place at least every five years. Every citizen over the age of 18 has the right to vote. The five main political parties represented in the Dáil are Fianna Fáil, Fine Gael, Labour, the Progressive Democrats and the Workers' Party.

The Seanad has 60 members. It may initiate or amend legislation, but the Dáil has the power to reject any such amendments or proposed legislation.

The Republic of Ireland consists of 26 geographic areas called counties. Some of these are further subdivided, making 34 administrative counties in all. Groupings of these administrative counties form the nine former planning regions, and although these serve no further administrative purpose, they remain the NUTS 3 subdivision of Ireland for Community purposes.

The population of Ireland is 3.5 million, and the total area is 68 900 km². The greatest distances are, from north to south 486 km, and from east to west 275 km. The population density varies from 1 108 persons per km² in County Dublin to 18 per km² in County Leitrim. The most populated cities are Dublin (503 000), Cork (133 000) and Limerick (56 000). There are many inhabited islands off the coast, of which Achill Island in County Mayo is the most populated (3 100).

IRELAND

IRELAND

The lake-studded lowlands, rarely rising above 100 m, occupy about half of the area. Mountain ranges tend to be concentrated in the coastal counties. The highest range is the Macgillycuddy's Reeks in County Kerry, with a number of peaks around 1 000 m, including the country's highest peak, Carrauntoohill (1 050 m).

The largest river is the Shannon, which meanders southwards for 300 km through the central lowlands. Its catchment area covers over a quarter of the area of the country.

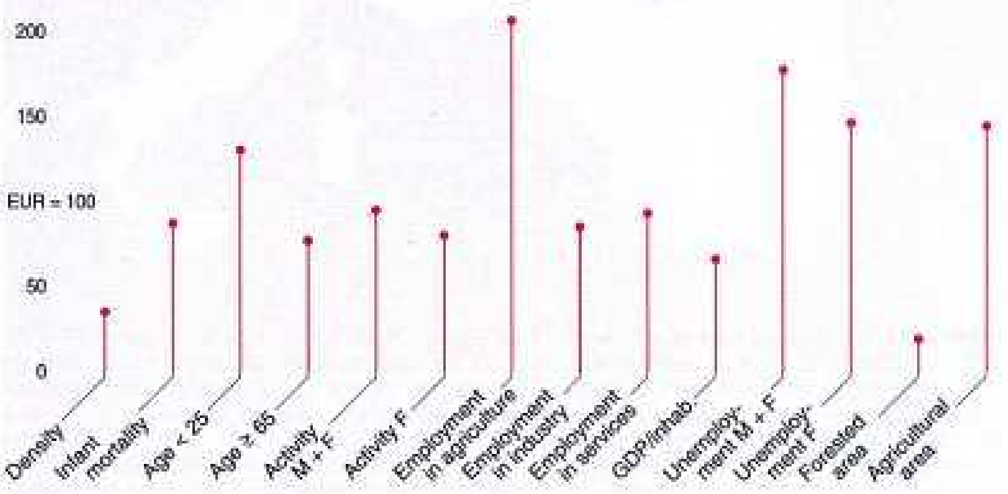
The Gulf Stream along the west coast keeps the weather mild. Frost is relatively infrequent, and snow unusual. The average temperature in January and February is between 4 °C and 7 °C, and in July and August between 14 °C and 16 °C. Average annual rainfall varies between 800 and 1 200 mm over most of the country.

The flora of Ireland is similar to that found over much of Europe, though it is smaller in range.

Of some 380 species of wild birds recorded, 135 breed in Ireland. Freshwater species of fish include salmon, trout, char, eel, pike and rainbow trout. Amphibians are represented by a single native species of frog, toad and newt. Only one native reptile, the common lizard, is found.

The glacial trough of Glendalough (County Wicklow), site of an ancient monastic settlement.

Ireland in the Community



Rapid but environmentally friendly industrialization

Ireland has both a relatively low level of income per head and a high unemployment rate compared with the Community average, due to:

– the age structure of the Irish population which leads to a rapid rate of growth in the labour supply and a high proportion of inactives (children);

– the large size of agriculture, where labour productivity is low.

A major obstacle to growth and convergence with other Community regions is Ireland's peripheral and island location. Transport costs are a significant burden on the economy as the Irish market is small and there is a heavy reliance on exports for growth and employment expansion.

There is a dynamic manufacturing sector where output increased by 50% in the 5-year period to 1990. The fastest growing industries are modern, high-technology firms in areas such as pharmaceuticals and computers. This expansion was facilitated, *inter alia*, by the presence of a skilled and well-educated workforce which is a feature of the region.

In Ireland, pollution levels are low because of a relatively late industrialization, the absence of pollution-prone industries and a relatively low population density. The unspoilt environment has helped in developing the tourism sector and is an important advantage in marketing agricultural products.

IRELAND

Scale 1 : 4 000 000

East region offers major contrast

Average living standards probably do not vary greatly between Ireland's planning regions. Unemployment rates are also fairly uniform although, at subregional level, there are higher unemployment rates in some disadvantaged urban areas.

The most obvious differences are between the East region, which is dominated by the capital city Dublin, and the other regions. The East region has a much higher density of population. Unlike in other regions, only a very small proportion of workers are employed in agriculture, while the share in services, many of which are concentrated in the capital, is much higher than for any other region.

The other regions are quite similar to each other. The sectoral distribution of employment does not vary greatly, especially the proportion employed in industry.

Which EC regions are similar to Ireland?

Area:
± 70 000 km²
Bayern (D)
Scotland (UK)
Castilla-La Mancha (E)

Population:
± 3.5 million inhabitants
Toscana (I)
Attiki (GR)
Norte; Lisboa e Vale do Tejo (P)
Rheinland-Pfalz (D)

Population density:
± 50 inhabitants per km²
Midi-Pyrénées; Bourgogne;
Auvergne (F)
La Rioja; Navarra (E)
Luxembourg (B)

Age:
± 45% aged less than 25
Ceuta y Melilla; Canarias;
Andalucia (E)
Açores; Madeira (P)

	Area	Population			Activity	Unempl.	Employment			GDP/inhab.
	1 000 km²	1 000	Inhab./km²	Change (%)	%	%	% Agricult.	% Industry	% Services	EUR (PPS) = 100
		1990	1990	1981-90	1990	1990	1990	1990	1990	1989
East	7.0	1 330	190	3.2	54	16.0	4	27	69	:
South-West	12.2	534	44	1.7	50	15.1	19	27	54	:
South-East	9.4	382	41	2.1	50	15.8	23	31	46	:
North-East	4.0	198	50	2.6	51	16.5	18	36	46	:
Mid-West	7.9	308	39	0.0	49	14.4	23	29	48	:
Midlands	9.0	259	29	1.2	50	14.9	26	31	43	:
West	11.3	286	25	0.0	50	12.3	27	25	48	:
North-West and Donegal	8.2	207	25	−0.4	48	21.4	21	31	48	:
Ireland	68.9	3 503	51	1.8	51	15.6	15	28	57	67
EUR 12	2 253.7	327 931	146	3.2	54	8.3	7	33	60	100

IRELAND

Emigration and high birth rate lead to unusual population structure

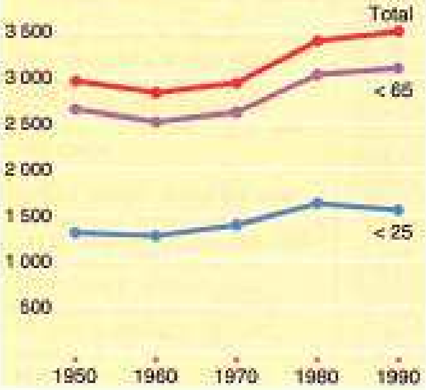
The famine of the late 1840s started a long period of heavy emigration and the population fell from a peak of 6.5 million in 1841 to a low point of 2.8 million in 1961. Emigration eased in the 1960s and the population began to grow steadily. In the 1970s, net emigration flows were reversed and population growth accelerated to a rate of 1.5% a year (46 500). Poor employment prospects caused net emigration to resume in the 1980s and this has continued into the present decade.

The most salient feature of the present age structure of the population is the high proportion of people in the younger age groups. This is because of Ireland's traditionally high birth rate. In 1991, approximately 44% of the population was under 25 years of age, and 27% was under 15, whereas the proportion of persons aged 65 years and over was only 11.4%.

Population by age — 1990

	M + F 1 000	M + F %	M %	F %
< 15	957.4	27.3	28.1	26.6
15-24	598.9	17.1	17.6	16.6
25-39	713.3	20.4	20.5	20.3
40-54	560.4	16.0	16.3	15.7
55-64	275.4	7.9	7.7	8.0
≥ 65	397.6	11.4	9.8	12.9
Total	3 503.0	100.0	100.0	100.0

Population (1 000)



Resident population of foreign nationality — 1990

	1 000	% of total population
Total	80.6	2.3
of which EC countries	61.4	1.8
of which non-EC countries	19.2	0.6
United Kingdom	53.0	1.5
USA	7.2	0.2
Germany	3.4	0.1
France	2.0	0.1
Netherlands	1.3	0.0
Spain	0.8	0.0

Demographic account — 1980-90 (1 000)

Population 1.1.1980	3 393.0
Births	637.0
Deaths	324.0
Net migration	−200.0
Population 1.1.1990	3 506.0

Increasing female involvement in labour force

Activity rates for females are well below the Community average and have remained broadly static since the early 1980s. More young women are now staying in education and participation rates in those aged over 50 have fallen. These two trends have offset an increase of over 40% in married women's participation rates between 1981 and 1989. For the same reasons, and partly as a result of falling numbers in agriculture, male participation rates have been decreasing for many years.

Because of the large numbers aged under 15 years, the potential increase in the labour force is large — 1.8% a year — and will remain so over the next decade.

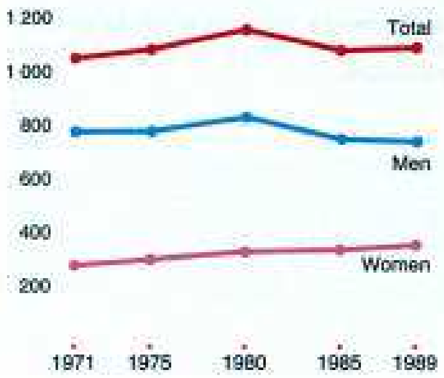
As well as the numbers involved in higher education (over 60 000), more than 30 000 man-years were accounted for by government-funded training and employment programmes in 1990.

Number of pupils — 1990

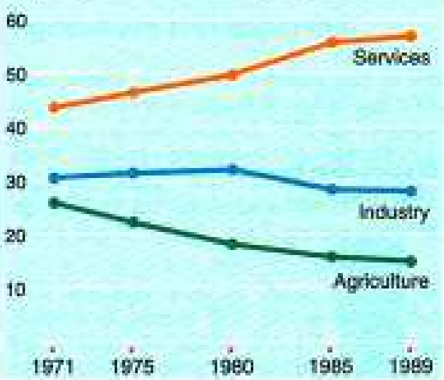
	M + F 1 000	F %
Pre-school	127.4	48.2
Primary	433.5	48.7
Lower secondary	199.0	48.8
Higher secondary	143.4	54.3
Higher education	65.9	46.6
Total	969.2	49.3

IRELAND

Employment (1 000)



Employment structure (%)



Employment — 1989 (1 000)

No data available

Unemployment (%)

Major change in employment structure

The structure of employment changed dramatically over the last 30 years, with agricultural employment declining by over 200 000 to 15% of the total. Service sector employment increased its share from 39 to 57%. The proportion of industrial employment increased from 25 to 29%.

The composition of employment by sex has also altered considerably. Whereas in 1961 female employment amounted to just over a quarter of total persons at work, by 1990, the proportion had reached approximately one-third.

Total employment peaked in 1980 at 1.156 million, after which there were considerable job losses in industry (both in manufacturing and in building). While private sector services employment continued to grow throughout the 1980s, it was not until 1989 that a recovery in industry was fully established.

The incidence of part-time employment remains low by Community standards, accounting for only 8% of total employment in 1989.

Hours worked per week in the manufacturing industry averaged just over 43 hours per male manual employee in 1990 compared to 38 hours for females. Slightly longer hours were worked in the construction sector, and considerably longer hours in the agricultural sector.

Characteristics of resident employment (%)

	< 25 years	25-54 years	≥ 55 years	Employees	Employees: part-time		Employees: full-time, temporary contract	
	1989	1989	1989	1989	1983	1989	1983	1989
Men	15	62	23	49	2	5	3	7
Women	31	61	9	83	12	13	4	8
Total	20	62	19	59	6	8	3	7

Unemployment a major problem

Unemployment in Ireland is high relative to that in the Community. This is the result of both a rapid rate of growth in the supply of labour (despite high emigration) and weak demand for labour. As mentioned earlier, in the agricultural sector, even if it remains relatively large, employment has been in decline. While unemployment in the 1960s averaged about 5%, it increased in the 1970s and particularly sharply during the difficult economic situation in the early and mid-1980s.

The unemployment rate does not differ greatly across sex or age groups.

Long-term unemployment is becoming increasingly prevalent. By October, 1990 45% of registered unemployed had been out of work for more than 1 year and 21% had been unemployed for 3 years or more. Long-term unemployment is more common in males over 25 years of age.

IRELAND

A dynamic manufacturing base

The manufacturing sector changed considerably during the course of the last decade. This arose from a thorough restructuring, following a decline in the labour-intensive sectors such as clothing and textiles and the emergence of a more modern sector based on substantial inward investment in areas such as computing, electronics and chemicals. This led to a rapid expansion of output, which increased at an average rate of 10% between 1980 and 1990.

While most Irish manufacturing enterprises are Irish owned, foreign-owned firms account for two-thirds of total output and over 40% of total employment. Small and medium-sized enterprises make up 98% of all manufacturing enterprises. They account for over 85% of both employment and output.

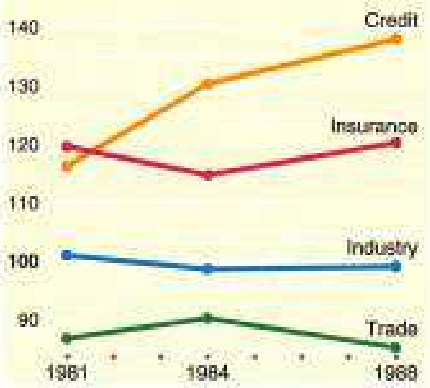
Ireland is one of the most open economies in the EC, with exports of goods and services amounting to two-thirds of GDP, and combined exports and imports of goods and services equivalent to 120% of GDP. Four-fifths of merchandise exports are industrial goods, with agricultural produce making up most of the remaining one-fifth. The major industrial exports are computers, chemicals and electrical goods.

About 60% of manufacturing output is exported. The high-technology sectors are almost totally export oriented. The more established sectors are becoming more aware of foreign markets with a consequent rise in the proportion of their output being exported.

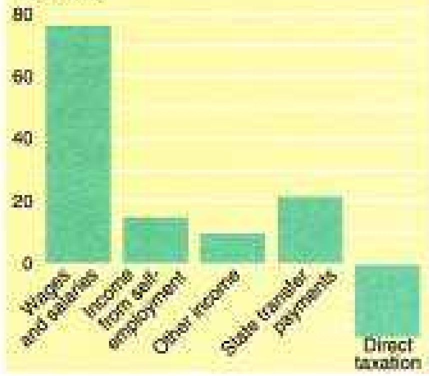
Expenditure on research and development amounts to about 1% of GDP. Latest estimates (for 1988) show that the government funded about a third of all such expenditure.

GDP (1980 = 100)

Wages (all branches = 100)



Disposable household income – 1987 (%)



Considerable variation in earnings

In 1988, total labour costs per employee in industry amounted to ECU 20 653. The wages and salaries component constituted some 83% of the total cost while statutory social security costs amounted to 8% with other costs, including training, making up the remaining 9%. Labour costs were somewhat lower in the distribution sector but higher in the credit and insurance sectors at ECU 30 683.

There are considerable variations in earnings across different industries. The highest paying sectors are those of drink and tobacco where average earnings for a manual employee were ECU 21 560 in 1989, followed by the chemical industries. The lowest earnings are in the clothing, footwear and leather industries with average earnings of ECU 8 175 in 1989. Clerical and managerial earnings are higher than those of manual employees but do not vary greatly across sectors. Women in the manufacturing industry earn 40% less than their male counterparts.

In 1987, the average household had an annual gross income (inclusive of State transfers) of almost ECU 16 600. After deduction of income tax (15.4%) and social insurance charges disposable income amounted to some ECU 13 500. The average household spent one-quarter of its weekly expenditure on food, while drink and tobacco took up a further 8%. Housing costs (including household durables and non-durables) took up 15% of total expenditure. Transport costs amounted to over 13% while fuel and light, and clothing and footwear both took up between 6 and 7% of expenditure. Expenditure on services and miscellaneous goods made up the balance of expenditure.

IRELAND

Employment and value – added: distribution by branch

No data available

Agriculture still important

Agriculture still plays a major role in the Irish economy. It accounts for about 10% of national output and 15% of employment. Taking account of the manufacturing of food and drinks products, agriculture accounts for a fifth of employment and a fifth of merchandise exports.

The average size of farm holding in Ireland is above the EC average but below that of France, the UK and Denmark. Mild climatic conditions conducive to grass growth influence both the composition of agricultural output and systems of production. Cattle and milk output account for over 70% of this sector's output. Per capita income in agriculture is lower than the national average, a not uncommon feature in countries with large agricultural sectors.

The services sector has increased considerably in size in recent years and now accounts for over 55% of the country's output and employment. While the public sector accounts for a large proportion of the service sector, private sector output and employment have been the driving force behind the expansion in recent years. In particular, the tourism industry has grown strongly. Since 1985, both the number of overseas visitors and their expenditure in Ireland have grown by over 60%. There has been a particularly noticeable increase in the number of visitors from EC countries other than the United Kingdom.

Agriculture

Number of holdings	216 023
Labour force	253 993 AWU
Agricultural area	5 697 000 ha
Livestock	5 251 000 LU
Gross value-added	9 212 ECU/AWU

Main products	
Cattle	37%
Milk	34%
Cereals	5%

Main enterprises

Name	Employees	Activity
Jefferson Smurfit Group	20 400	Printing and packaging
Telecom Éireann	14 200	Telecommunications
Allied Irish Banks	14 000	Banking and finance
Córas Iompair Éireann	11 922	Transport
Bank of Ireland	11 600	Banking and finance
Waterford Wedgewood Group	10 392	Crystal and ceramics
Cement-Roadstone Holdings	10 035	Building materials
Electricity Supply Board	10 000	Production and distribution of electricity

The Green Isle

Ireland is known throughout the world as the Green Isle. Situated on the western periphery of Europe, Ireland enjoys a temperate climate, with adequate rainfall and predominantly south-westerly winds which limit the transboundary air pollution from mainland Europe. Population density is low, agriculture is of a relatively low intensity and the industrial base largely post-dates the industrial revolution.

The physical environment, with its relatively unspoiled beauty, is of crucial importance as a tourist attraction, as an encouragement for the location of new industry and in the marketing of agricultural produce. The environment is valued as an important asset for the economic development of the country.

In January 1990, the Irish Government published an Environment Action Programme involving large-scale investment over the 10-year period to the year 2000. The Programme deals with improvements in the legislation for controlling pollution, preserving the natural and physical heritage and enhancing amenities and facilities. Extensive funding has been earmarked, subject to the availability of resources, to improve the quality of inland and coastal waters. Special consideration is given to different sectors such as agriculture, industry and forestry.

Legislation to establish an Environmental Protection Agency is currently before Parliament. The Agency's principal function will be licensing, monitoring and enforcement in relation to activities with potential for serious pollution. The decision to establish an Environmental Protection Agency represents a significant contribution towards ensuring that environmental protection remains an integral element in the nation's economic and social development.

Explanatory notes — Ireland

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 Member States cannot always be guaranteed.

In addition, the date at which the data were sent varied between Member States so that the Community totals may not always correspond exactly with the sum of the national totals.

Graph: Ireland in the Community

Source: Eurostat — regional databank, Regio

Reference period: 1988 (1989 for GDP)

Definitions:

– Infant mortality: Ratio of deaths before the age of one to live births.

– Activity rates: The activity rate is the ratio between the active population (labour force) and the population aged more than 14 years. These data are based on the Community labour force sample survey.

– Employment: Employment structure by sector of activity is measured at the place of residence.

– Gross domestic product: The GDPs are converted to purchasing power standards (PPS) and related to average population.

– Unemployment rates: 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.

Unit: The indicators are expressed as indices related to the Community average (this excludes the five new *Länder* of Germany and the French overseas departments).

Table: The subregions

Ireland is divided into nine planning regions. While these no longer have any administrative significance, they have been used for many years for statistical purposes and are the NUTS 3 regions. In this table, the regions Donegal and North-West are combined.

Population

Source: CSO (National Statistical Institute)

Activity rates

The figures are calculated on the basis of the results of the Community labour force sample survey.

Unemployment rates

Source: Eurostat — Regio

Definition: See above

Employment

Source: Labour force sample survey, CSO

GDP per inhabitant

Source: Eurostat — National accounts

Definition: See above

Graph: Population

Sources: Census of population results
CSO annual estimates

Table: Population of foreign nationality

Nationality data are from the 1990 labour force survey.

Table: Population by age

The population data for 1990 are CSO estimates.

Table: Demographic account

The demographic data are CSO estimates.

Table: Number of pupils

The data on the numbers of students were compiled by the Department of Education. Data on pre-school pupils are not available. The category 'Higher education' includes postgraduate students.

Graphs: Employment — Employment structure

Sources: Labour force sample survey
CSO annual estimates

Graph: Unemployment

Source: Eurostat

Definition: See above

Table: Characteristics of resident employment

Source: Community labour force sample survey

Definitions:

– Employees are defined as persons who work for a public or private employer and who receive compensation; non-conscript members of the armed forces are also included.

– The distinction between full-time and part-time work is generally made on the basis of a spontaneous answer given by the person interviewed.

– 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.

Graph: GDP (1980 = 100)

Source: Eurostat — National accounts

Graph: Household income

Source: Households budget survey 1987, CSO

Graph: Employment and value-added: distribution by branch

Source: Eurostat — National accounts

Table: Agriculture

Sources: Survey on structure of agricultural holdings, 1987
Economic accounts for agriculture, 1987
Livestock surveys, 1989

Table: Main enterprises

Source: *Business and Finance* magazine, 31 January 1991

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The NUTS nomenclature

The nomenclature of territorial units for statistics (NUTS) was established by the Statistical Office of the European Communities, in cooperation with the Commission's other departments, so as to provide a single, uniform breakdown of territorial units for the production of Community regional statistics.

The present NUTS nomenclature subdivides the economic territory of the European Community into 71 regions at NUTS 1, 183 at NUTS 2 and 1 044 at NUTS 3.

Correspondence between NUTS levels and national administrative divisions

	NUTS 1		NUTS 2		NUTS 3	
B	Régions	3	Provinces	9	Arrondissements	43
DK	—	1	—	1	Amter	15
D	Länder	16	Regierungsbezirke	40	Kreise	543
GR	Groups of development regions	4	Development regions	13	Nomoi	51
E	Agrupación de comunidades	7	Comunidades autónomas	17	Provincias	50
	autónomas		+ Ceuta y Melilla	1	+ Ceuta y Melilla	2
F	Zeat	8	Régions	22	Départements	96
	+ DOM	1	+ DOM	4	+ DOM	4
IRL	—	1	—	1	Planning regions	9
I	Gruppi di regioni	11	Regioni	20	Provincie	95
L	—	1	—	1	—	1
NL	Landsdelen	4	Provincies	12	COROP — Regio's	40
P	Continente	1	Comissões de coordenação regional	5	Grupos de Concelhos	30
	+ Regiões autónomas	2	+ Regiões autónomas	2		
UK	Standard regions	11	Groups of counties	35	Counties/Local authority regions	65
EUR 12		71		183		1 044

Exchange rates

	1986	1987	1988	1989	1990	1991
			ECU 1 =			
Belgian franc	43.7978	43.0392	43.4284	43.3806	42.4252	42.2232
Danish crown	7.93565	7.88413	7.95152	8.04928	7.85644	7.90852
German mark	2.12818	2.07159	2.07439	2.07015	2.05211	2.05076
Greek drachma	137.4246	156.2203	167.5755	178.8404	201.4120	225.216
Spanish peseta	137.4563	142.1915	137.6007	130.4058	129.3156	128.468
French franc	6.79976	6.92848	7.03643	7.02387	6.91416	6.97333
Irish pound	0.733526	0.775443	0.775671	0.776818	0.767769	0.767808
Italian lira	1461.874	1494.708	1537.333	1510.469	1521.941	1533.23
Luxembourg franc	43.7978	43.0392	43.4284	43.3806	42.4252	42.2232
Dutch guilder	2.40089	2.33428	2.33478	2.33526	2.31214	2.31097
Portuguese escudo	147.0884	162.5810	170.0592	173.4131	181.1076	178.614
Pound sterling	0.671542	0.704679	0.664434	0.673302	0.713856	0.701012

Symbols and abbreviations

–	None
0	Less than half of the unit used
∅	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
SK	'Stadtkreis' } see explanatory notes for Germany
LK	'Landkreis' } see explanatory notes for Germany

Legend to maps

- Community frontier
- National frontier
- NUTS 1 boundary
- NUTS 2 boundary
- NUTS 3 boundary
- PARIS — National capital
- ANCONA — Regional capital
- Detmold — District capital
- Town of over 100 000 inhabitants
- Town of over 50 000 inhabitants
- Town of over 20 000 inhabitants
- Other locality
- Motorway
- Road
- Railway
- Waterway
- Canal
- Lake
- Zadar / Split — Ferry
- Port
- National park
- International airport
- Domestic airport

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