PORTRAIT OF THE REGIONS

VOLUME 1

GERMANY
BENELUX
DENMARK

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.

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Structure of the publication

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

Page 1:
– topography, climate, special features (1)
– the region in relation to the 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)

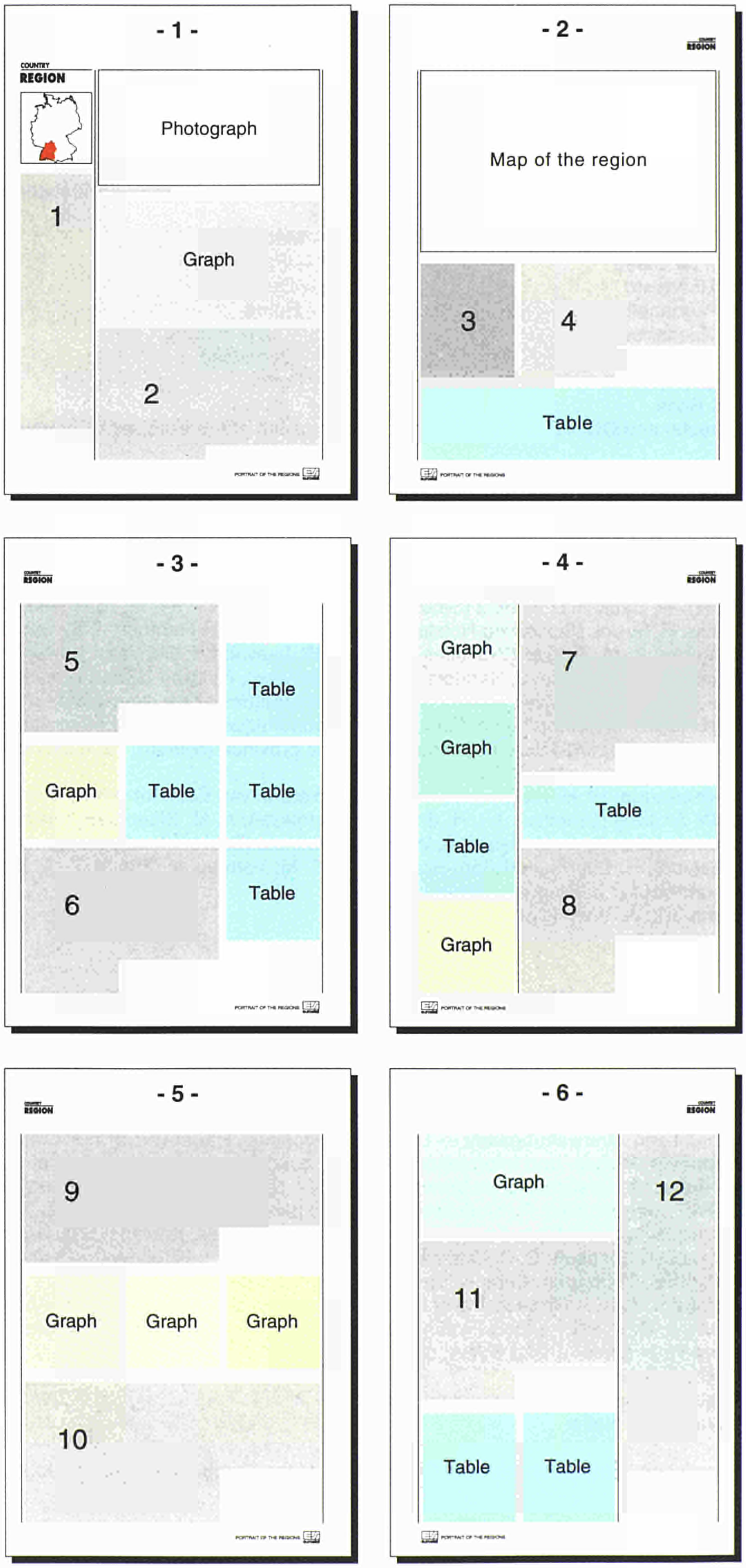
Page 6:
– agriculture, industry, services (11)
– main firms in the region (table)
– environment (12)

The regions are those classified at level 2 of the Community nomenclature of territorial units (NUTS, see p. 291). 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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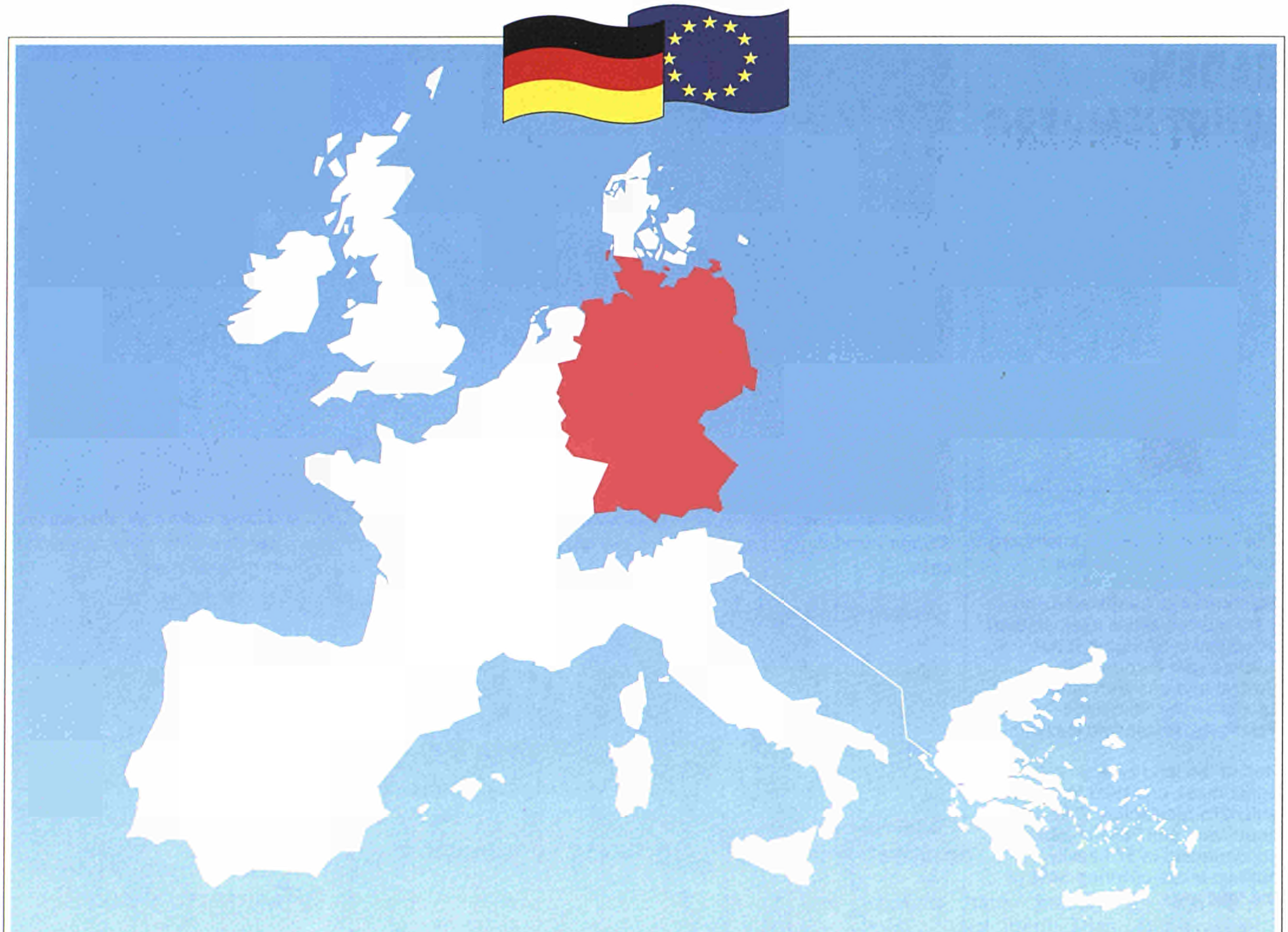


On account of its central location, Germany provides an important link between all parts of Europe. The unification on 3 October 1990 meant that Germany became the most populated Member State in the European Community, with 80 million inhabitants.

At the end of the Second World War in 1945 Germany was divided into four zones, from which the Federal Republic of Germany and the GDR emerged in 1949. Berlin had special status and in practice was divided into East and West Berlin. The Saarland joined the Federal Republic in 1957 following a referendum. With the fall of the Iron Curtain, the division of Germany was finally ended on 3 October 1990 when the five newly established *Bundesländer* in the former GDR became subject to the Basic Law, and Berlin was re-united to form a *Bundesland.*

The Basic Law sets out the division of responsibility between the Federal Government and the *Länder,* with a strong emphasis on the principle of subsidiarity. The 16 *Länder* are subdivided into Regierungsbezirke (administrative divisions), themselves divided into Kreise (Landkreise and kreisfreie Städte), next come the municipalities (Gemeinden), some of which have combined to form municipal associations (Gemeindeverbände).

There are wide differences at all levels of this regional structure. For example, the population of the smallest *Bundesland* is just under 700 000, whereas that of the largest is over 17.3 million; the largest municipality has a population of 3.4 million, the smallest only 2 inhabitants.

The Federal Republic has a few, albeit minor, administrative peculiarities. The North Sea island of Heligoland is a duty-free area; the small municipality of Büsingen on the Upper Rhine is a German enclave which lies in Swiss territory and comes under the Swiss customs area; and finally Kleinwalsertal in the Allgäu Alps, with a population of around 5 000, is part of the German customs area but is in Austrian territory.

DEUTSCHLAND

BADEN-WÜRTTEMBERG

The *Land* of Baden-Württemberg, founded in 1952, has four Regierungsbezirke, 44 Stadtkreise or Landkreise and 1 110 municipalities (Gemeinden). Its capital is Stuttgart. It has borders with France and Switzerland and with three other *Länder* — the Rhineland-Palatinate, Hesse and Bavaria.

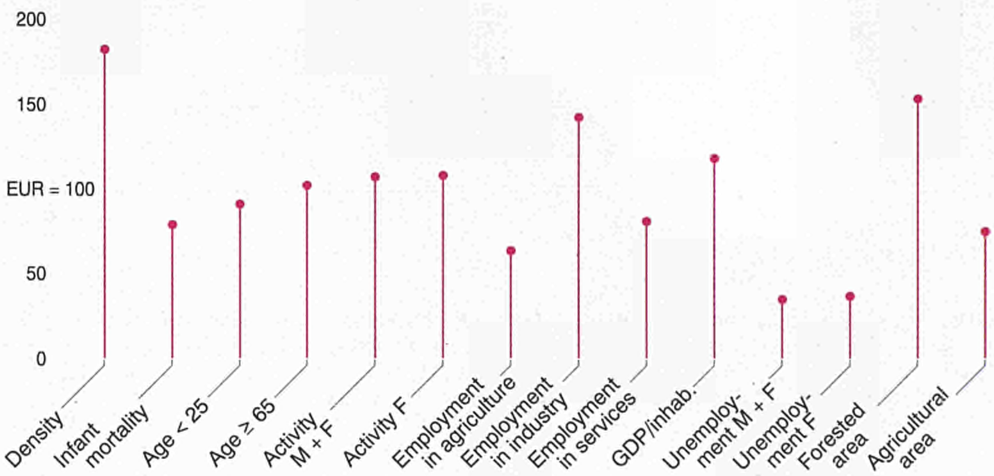
Half of the land area is agricultural, one-third forested and 12% residential. 70% of the population and 76% of jobs are concentrated in 17 heavily built-up areas covering 34% of the total area.

To the west lies the lowland plain along the upper Rhine, whereas to the east there are low mountains and hills. The most striking features of the conurbations are high-voltage power lines, new industrial estates and high traffic density. The centres of population are extremely varied in pattern: compact in the Rhine valley, stretched out along the Neckar and its tributaries and scattered around in the Black Forest and parts of the Allgäu, in the foothills of the Alps. Special features of the *Land* are the highly-varied topography and land use, medium-sized towns and a tightly packed network of roads.

The oldest and most important traffic routes run north/south in the valley of the upper Rhine. Nine of the twelve major cities are connected by motorway and six of them to the Intercity/European rail network.

Stuttgart conurbation: an area of the city undamaged by the war, the modern centre and teeming residential areas.

Baden-Württemberg in the Community



From emigration to immigration

Present-day Baden-Württemberg was an extremely poor region in the nineteenth century. Since agriculture did not provide an adequate livelihood, the remaining population tried to earn a living by processing flax, wool, skins, quartz sand, clay, timber, sheet and non-ferrous metal. Small-scale crafts developed into large-scale industries for manufacturing textiles, leather goods, glass, ceramics, watches and clocks, musical instruments, jewellery and furniture. Then as now, there was heavy industry in only a few locations, mostly those with good transport facilities. Do-it-yourself experts invented machinery for future mass production. Inventors, craftsmen and entrepreneurs were, and still are, the mainstay of trade and industry. The much-ridiculed thriftiness of the Swabians and their keen business sense procured capital even for major concerns like Bosch and Daimler-Benz.

The more labour- than capital-intensive sectors of the economy were frequently short of skilled labour, and this led to heavy investment in education and a permanent influx of both Germans and foreigners, with the resulting advantages of a multilingual atmosphere and an increasingly varied cuisine. The reverse side of the coin is a housing shortage, high rents and land prices and the indiscriminate spread of ecologically damaging low-density settlements.

BADEN-WÜRTTEMBERG

Scale 1 : 2 000 000

Which EC regions are similar to Baden-Württemberg?

Area:
± 35 000 km²
Belgique/België +
Luxembourg (grand-duché)
Nordrhein-Westfalen (D)

Population:
± 10 million inhabitants
Belgique/België

Employment:
± 5% in agriculture
± 45% in industry
Cataluña (E)

Unemployment:
lower than 3%
Luxembourg (grand-duché)

Quality of life — different but not devalued

For topographical, historical and religious reasons, there are different patterns of living in the *Land*: areas around the major cities and Aalen-Heidenheim, Villingen-Schwenningen, Lörrach and Albstadt were industrialized early on; others, mainly in the north-east and the south, are predominantly agricultural and forested, and others, in the Black Forest and around Lake Constance, thrive on tourism. Right up to the 1970s, there were still obviously disadvantaged areas even in the north-east and south.

It is precisely those areas which are increasingly attractive for industrial and residential purposes. Relatively cheap land prices, industrial estates with services already connected, lower wage demands and relatively good transport facilities have helped to iron out geographical inequalities. Rural areas are accommodating people and jobs as they drift away from the conurbations. Numbers of both jobs and residents are increasing most sharply in areas around the main population centres. Private wealth, however, is still concentrated on the traditional industrial areas and the larger spas such as Baden-Baden and Bad Mergentheim.

	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	1987	1987	1987	1989
Stuttgart	10.6	3 610	341	4.3	62	2.7	3	48	49	131
Karlsruhe	6.9	2 484	359	4.3	60	3.7	2	43	56	119
Freiburg	9.3	1 935	206	4.4	60	2.8	4	44	51	104
Tübingen	8.9	1 590	178	6.2	59	2.8	7	59	47	105
Baden-Württemberg	35.7	9 619	269	4.6	61	3.0	4	46	51	118
Deutschland	248.7	62 679	252	2.1	57	5.2	4	41	55	112
EUR 12	2 253.7	327 931	146	3.2	54	8.3	7	33	60	100

BADEN-WÜRTTEMBERG

Steadily increasing population

From 6.4 million inhabitants in 1950, the population has grown to almost 10 million over the past 40 years. Of every 1 000 people in Baden-Württemberg, 102 are foreigners, with 34 coming from the Member States of the European Community and 29 from Turkey. There are more than 1 000 people from each of 42 other countries living here.

Originally, there were more Protestants than Roman Catholics, but now the reverse is the case.

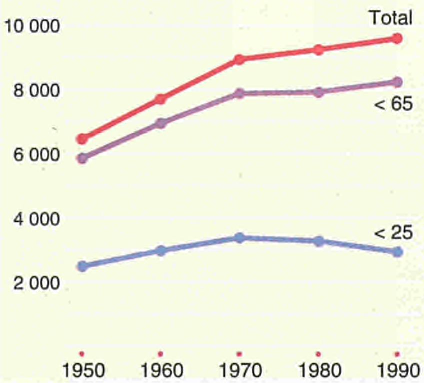
The age breakdown of the population is pear-shaped rather than pyramidal. The two World Wars have had an obvious effect, and the fall in the birth rate over the past 20 years has meant that there are now as many over-64 year-olds as there are under-15s. However, there are still more births registered than deaths. Female life expectancy is 78 years, compared with 72 years for men.

Migrations over the *Land* borders depend largely on the state of the economy. The balance has always been positive in the case of German nationals whereas in the recession years it was negative where foreigners were concerned. For many years now, however, foreigners have been less ready to move out.

Population by age — 1990

	M + F 1 000	M + F %	M %	F %
< 15	1 520	15.8	16.7	15.0
15-24	1 420	14.8	15.6	14.0
25-39	2 293	23.8	25.2	22.5
40-54	1 966	20.4	21.6	19.4
55-64	1 040	10.8	10.8	10.8
≥ 65	1 380	14.3	10.1	18.3
Total	9 619	100.0	100.0	100.0

Population (1 000)



Resident population of foreign nationality — 1990

	1 000	% of total population
Total	969	10.1
of which EC countries	329	3.4
of which non-EC countries	640	6.7
Turkey	284	3.0
Yugoslavia	177	1.8
Italy	171	1.8
Greece	76	0.8
Austria	30	0.3
Spain	23	0.2

Demographic account — 1980-90 (1 000)

Population 1.1.1980	9 190
Births	1 012
Deaths	931
Net migration	+ 358
Population 1.1.1990	9 619

In 1990, virtually full employment

Of the total population 70% are of employable age, i.e. between 15 and 65 years; 79 out of every 100 men in this age group are in employment, and 54% of women. Whilst the male activity rate is on the decline, the female rate has been increasing for some years now.

On average, men are paid for 41 hours per week and women 34 hours.

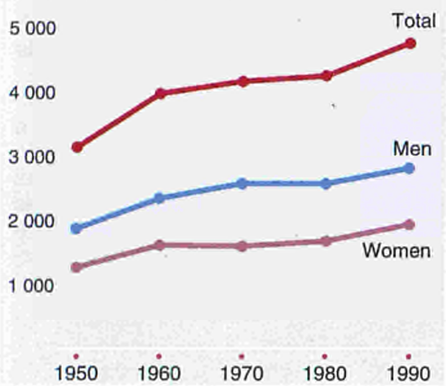
With increasing motorization and improvements in the road network, commuter catchment areas also expanded. 48% of the working population travel to work outside the commune in which they live.

In 1990, 235 000 trainees were on a training contract (on-the-job practical training, plus theoretical training at a college). Over 200 000 were studying for an academic degree. As regards vocational training, the metal industries have the edge over the commercial sector, and with academic education, the economic sciences are ahead of mechanical and chemical engineering.

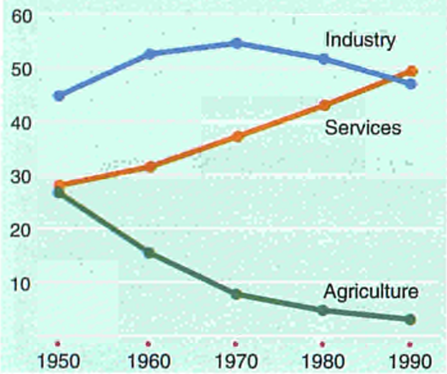
Number of pupils — 1989

	M + F 1 000	F %
Pre-school	314.1	47.1
Primary	394.8	49.3
Lower secondary	515.6	49.3
Higher secondary (technical)	360.6	45.9
Higher secondary (general)	75.3	50.6
Higher education	242.7	38.7
Total	1 949.5	46.8

Employment (1 000)



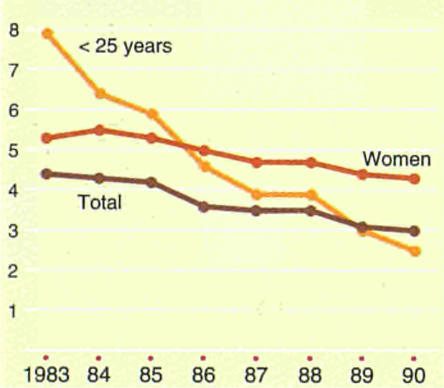
Employment structure (%)



Employment — 1987 (1 000)

Resident employment	4 344.2
+ Non-residents having a job in the region	118.0
– Residents having a job outside the region	63.5
= Internal employment	4 398.7

Unemployment (%)



More 'producers' than 'servers'

In 1989, employment was about 4.5 million. For every 100 'producers' in the agriculture and industry sectors, there are 97 'servers' in the services sector, the lowest figure of all the *Länder* in the former Federal Republic. Agriculture and forestry today provide the sole or main occupation for only 2.7% of the working population. The transition from an agricultural to an industrial to a services-oriented society has been a radical change but a slower one than in other regions of the Federal Republic. The most powerful driving force for change has been evident in those rural areas which used to be structurally disadvantaged.

One result of this structural change is the increasingly high level of education of the working population. Although 27% of the 1989 working population had no professional qualifications, 53% had been trained under the dual system, 9% were master craftsmen or technicians and 12% had a Fachhochschul- or Hochschulabschluß (polytechnic or university final certificate).

Two-thirds of the almost 400 000 employed foreigners, for whom compulsory insurance is payable, are men. Most foreign workers (62%) are employed in manufacturing, predominantly in the steel, mechanical engineering and vehicle industries, toys and jewellery and construction. An increasing number are becoming self-employed in the greengrocery trade, small craft industries, hotels and catering, and the finishing trade.

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	72	13	88	2	2	8	9
Women	22	68	9	91	29	31	10	10
Total	18	71	12	89	13	14	9	9

Shortage of both manpower and jobs

Over the years, the labour market has been — and still is — under great strain. Not infrequently, a shortage of jobs has gone hand in hand with a shortage of manpower, and social differences have then become apparent, as in all *Länder* of the Federal Republic.

Qualified workers, in particular those with special skills, are highly valued, and the economy therefore attempts to keep them employed as long as possible in times of seasonal depression or recession. This applies less to the less highly skilled workforce, although even in this case the policy of 'hire and fire' is not so easily put into practice. The reasons for unemployment in Baden-Württemberg are therefore demographic rather than economic. Unemployment among young people, prevalent in the late 1980s, has all but disappeared. In almost all areas of occupational training, there is now an acute shortage of potential trainees.

Older unemployed people (around 30 000 of them are over 55), the severely handicapped (around 10 000) and the long-term unemployed (around 40 000 have been unemployed for more than one year) find it particularly hard to get a job. For those to whom more than one of the above criteria apply, the situation would appear to be hopeless.

There are currently problems with the integration of settlers from eastern Europe.

Small and medium-sized businesses, export-oriented and innovative

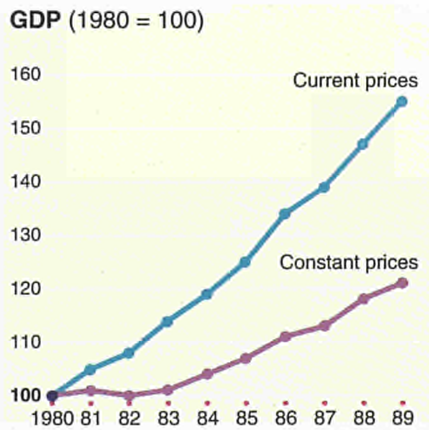
Although it has a few multinationals, the Baden-Württemberg economy concentrates more on small and medium-sized businesses. Many companies are regarded as being highly innovative.

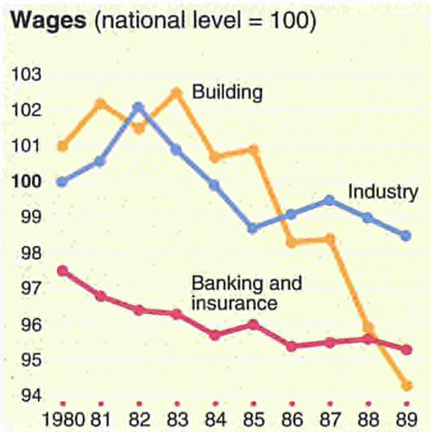
Although it has few exploitable mineral resources nowadays (formerly it had lead, zinc, iron, silver, copper and salt) and in many areas the *Land* still gives the impression of being rural, it is nevertheless highly industrialized. There are more than 8 000 manufacturing concerns with over 20 employees but only 450 with over 500, with half of the 1.5 million (industrial) workers being employed by the latter. This concentration on small and medium-sized firms, together with the tradition of branching out into different industrial sectors, has led to a broad degree of specialization.

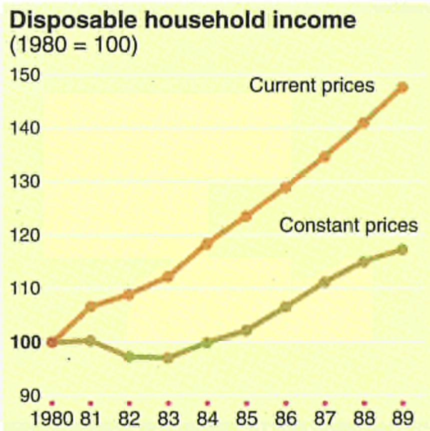
In 1989, one-fifth of the industrial gross value-added of the former Federal Republic came from Baden-Württemberg. In that same year, manufacturing turnover was ECU 150 000 million, one-third of which was earned from exports. The economy depends to some extent on world economic conditions (e.g. the oil and dollar crises), but critical phases have in general been rapidly overcome because the economy is highly adaptable.

Half of the workers in manufacturing industries are employed in the mechanical and electrical engineering and motor vehicle branches, where the largest concerns operate. Precision engineering, optics, watch- and clock-making, toys, metal goods and electronics are also major industries not confined within the *Land* borders. The textile industry, which formerly dominated whole areas, has declined in importance.

Research and development costs are borne jointly by the State and industry. In 1987, almost one-quarter (68 400) of the R&D workers in the Federal Republic were concentrated in Baden-Württemberg, mainly in Stuttgart and the surrounding area.







Earned incomes vary considerably

In 1988, labour costs for an employee in the manufacturing industries averaged ECU 30 400, with ECU 80 ancillary costs for every ECU 100 direct remuneration. In the services sector, an employee cost ECU 27 000, with ECU 76 ancillary costs for every ECU 100 of direct remuneration.

The labour shortages which exist in some fields are one of the reasons for above-average earned incomes, but there are regional as well as sectoral differences. The highest earnings are in the petroleum, energy and water sectors and in the motor vehicle industry (in 1988, the average annual income was ECU 26 450). The lowest wages were in the textile, clothing and leather industries (ECU 19 266). White-collar workers in the computer industry had the highest annual salaries (ECU 41 000 in 1988), with the lowest in the retail trade (ECU 17 070).

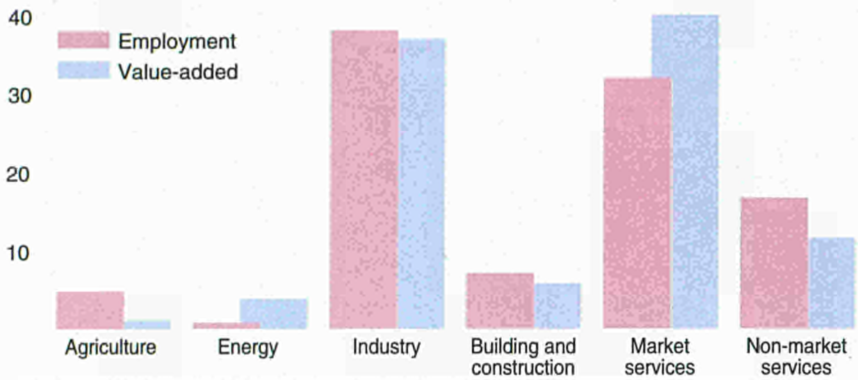
Women in industry earn 36% less than their male counterparts and an average of 32% less in the distributive trades, banking and insurance. Salary differentials between male and female white-collar workers tend to increase the more highly qualified they are.

60% of average income is available for consumption

In 1988, 33% of the four million households had a net annual income of over ECU 18 000 and some 13% had under ECU 7 000.

A four-person household with an average income had a total of ECU 32 400 coming in. After deduction of taxes (9.5%), compulsory social insurance contributions (13.7%) and other insurance payments, subscriptions, donations, interest payments, etc. (totalling 8.3%), and taking into account changes in its financial and capital accounts (7.3%), some ECU 20 000 were left for private consumption.

Employment and value-added: distribution by branch – 1987 (%)



From the cuckoo clock to the computer

Agriculture and forestry now account for just 1.4% of gross value-added.

Only 900 people are still employed in mining, mostly in salt mines. The *Land* is a major exporter of fluorspar and barytes.

Baden-Württemberg is known mainly for its industrial products. Top of the league comes mechanical engineering, with almost 1 500 concerns, including Zahnradfabrik/Friedrichshafen (gear wheel manufacturing), and Voith-Heidenheim. These are followed by motor vehicles, including Daimler-Benz, Porsche, Audi-NSU and Iveco-Magirus; electronics, including Bosch and SEL; the chemical industry, including Boehringer, Ciba-Geigy; metal goods, textiles and plastics. Precision mechanics, optics and clock-making are also important beyond the boundaries of the region, including Zeiss-Oberkochen, Junghans and Kienzle, as is the computer industry which includes IBM and HP. Many other branches, even those with a lower turnover, have a reputation for high standards of technology.

This concentration on production leads to an under-represented services sector. Business-oriented services are, however, showing an upturn, as are banking and insurance.

Agriculture

Number of holdings	124 281
Labour force	135 657 AWU
Agricultural area	1 503 000 ha
Livestock	1 765 000 LU
Gross value-added	15 374 ECU/AWU
Main products	
Milk	21%
Cattle	17%
Pigs	12%

Main enterprises

Name	Activity
Daimler-Benz	Car manufacturing
Robert Bosch	Electrical goods
IBM Deutschland	Office machinery, computers
Asea Brown Boveri	Mixed activities
Zahnradfabrik Friedrichshafen	Car manufacturing
Röchling	Mixed activities
Südzucker	Food products
Carl-Zeiss-Stiftung	Mixed activities
Freudenberg & Co.	Mixed activities

Environmental problems — no all-clear

Since 1980, Government and the manufacturing industries have invested ECU 10 000 million in environmental protection. These investments have led to a marked improvement in waste and effluent disposal. But the all-clear cannot be sounded yet: authorized dumps have a residual useful life of another 10 years and many sections of rivers are considered heavily polluted.

Of particular concern are the state of groundwater resources, the increase in NO_X emissions, damage to forests, the disposal of special and radioactive wastes and the warming of various sections of waterways.

In some intensively-farmed areas, EC limits for nitrate concentrations in groundwater are already being exceeded, and the problem is growing worse.

Despite the introduction of catalytic converters, the problem of NO_X pollution has grown worse rather than improving, owing to the marked increase in road traffic. SO_2 emissions are, however, declining, with industry, households and small consumers reducing them by almost 50% over the past 15 years.

Damage to the forests is becoming worse. 22% of deciduous trees and 16% of conifers are diseased, very diseased or dead. In 1989, only 34% of deciduous trees and 39% of conifers were healthy. The storms of 1990 further damaged the forests. Hurricanes 'Wiebke' and 'Vivian' alone destroyed stands equivalent to two-and-a-half years' normal felling — around 100 million saplings have to be replanted.

It is difficult for the *Land* Government to find new disposal sites for special waste — the 'not-in-my-backyard' syndrome is evident. The problem has been exacerbated by the Government's stated intention of discontinuing exports of waste.

For many years now, rivers whose waters are used by large power stations have been causing concern.

DEUTSCHLAND

STUTTGART

This largest of the Baden-Württemberg Regierungsbezirke has 11 Landkreise, the two Stadtkreise of Stuttgart and Heilbronn and 341 other municipalities. The seat of government is Stuttgart.

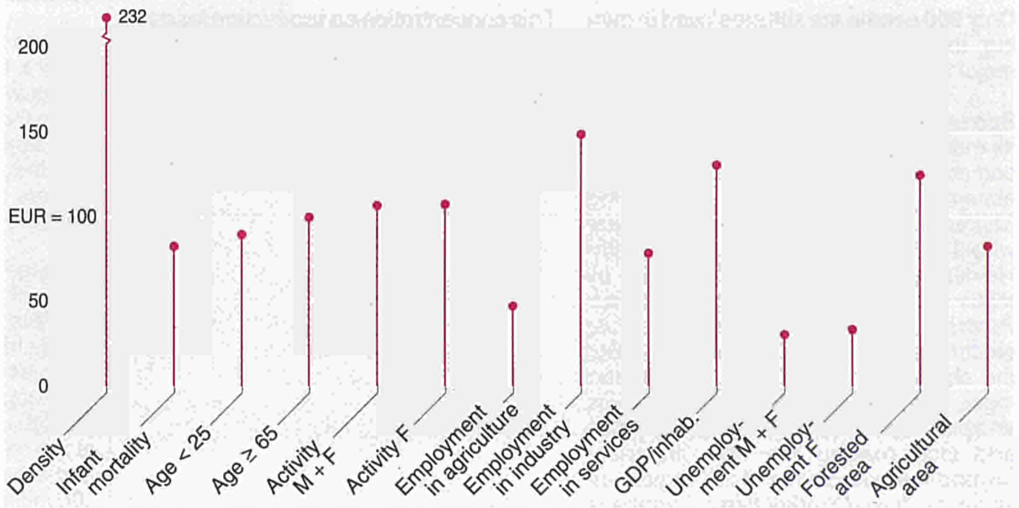
Almost half of the 10 600 km² is agricultural land, one-third is forested and 14% built-up area (residential, road and railways, etc.).

The Stuttgart conurbation and the neighbouring areas extend over almost 140 km from Heilbronn in the north to Tübingen/Reutlingen in the south. Here, and in a further densely populated area around Aalen/Heidenheim, live 79% of the population of the Regierungsbezirk. Despite this density, there are very attractive landscapes such as the Tauberland, the Schwäbischer Wald (Swabian forest) and the sloping vineyards along the banks of the Neckar and its tributaries.

The following European highways cross here: the E70/A81 (Eisenach-Würzburg-Zurich), the E12/A6 (Metz-Nuremberg-Prague-Warsaw-St Petersburg) and the E11/A8 (Paris-Karlsruhe-Munich-Salzburg). The A7 (Flensburg-Hamburg-Würzburg-Kempten) runs along the eastern border. Stuttgart is linked to the Intercity/European rail network and from Stuttgart airport there are direct scheduled connections to 20 international destinations.

Shopping arcade in Stuttgart: attempts are being made to combine city planning with business interests.

Stuttgart in the Community



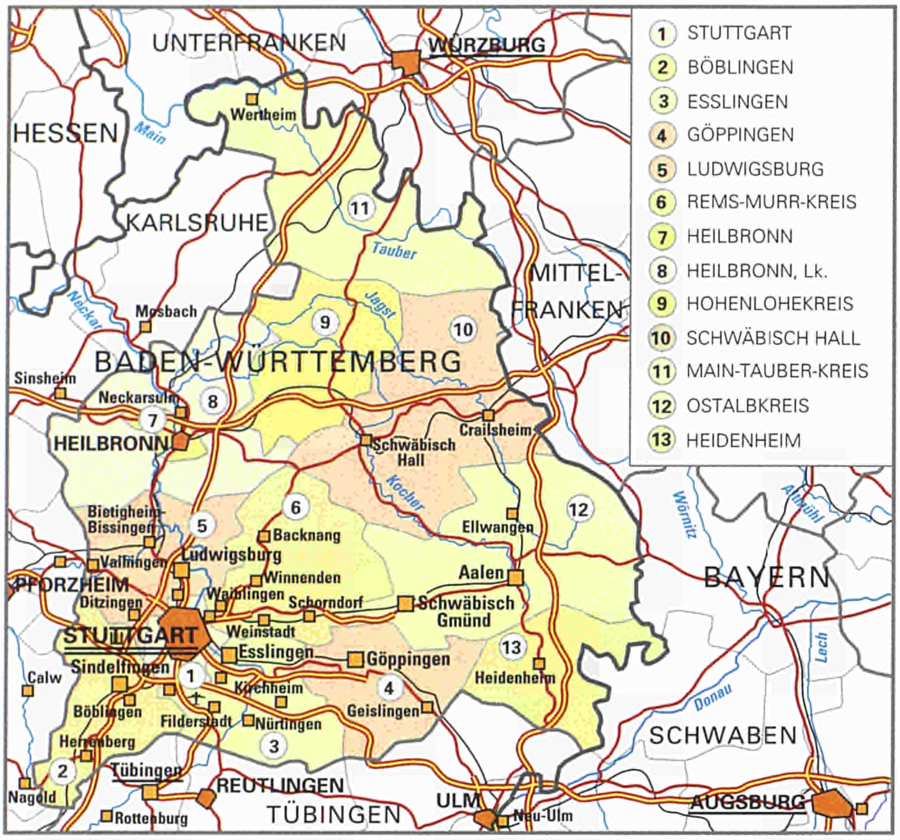
Industrial growth reaching its limits

This area is known mainly for industrial products such as Mercedes cars, Porsche sports cars, Bosch spark plugs, Zeiss lenses, WMF cutlery, IBM computers, Hengstenberg sauerkraut, etc. In 1987, there were around 26 000 work places in manufacturing and 700 000 workers. The limits would appear to have been reached, however, with the number of workers falling by 80 000 since 1970. On the other hand, the services sector has increased by 335 000 workers to 935 000.

Despite the variety of branches represented, in 1987 44% of workers in manufacturing were employed in mechanical engineering and the motor vehicle industry or in office machinery and computers. The services and supply sectors are largely dependent on these manufacturing industries.

Despite high wages and salaries, the economy has major problems when it comes to recruiting labour for the main conurbations, largely owing to the decline in the supply of housing and to high rents.

But the housing and labour shortages and the lack of affordable industrial sites also have advantages from the point of view of regional policy. The economy is diversifying geographically to the benefit of previously disadvantaged areas, although some major projects, such as a Daimler-Benz test track, have fallen through as local people have objected to the concreting over of the countryside and are afraid of further environmental pollution.



Scale 1 : 1 500 000

Which EC regions are similar to Stuttgart?

Area:
± 10 600 km²
Asturias (E)

Population:
ca. 3.6 million inhabitants
Norte (P)
Toscana (I)

Employment:
nearly 50% in industry
Oberfranken; Freiburg (D)

Industry alongside pig-breeding

The conurbations around Stuttgart, along the Neckar and its tributaries and around Aalen/Heidenheim cover 41% of the land area with 20% being used for residential purposes, roads and railways, etc. The population density is 670 inhabitants per km^2, with 14% of that population being foreign. Since 1950, there has been a 1.1 million, or 62%, population increase. Wide and frequently over-crowded motorways, together with power stations and electricity plants and pylons, are the landmarks of this industrial region. All in all, an economically powerful region which appears to have reached its growth limits.

The rest of Stuttgart is mainly agricultural. Residential areas, roads and railways cover only 10% of the land area whilst 58% is used for agriculture. This is the main pig-keeping centre of Baden-Württemberg, with one-quarter of all pigs kept for fattening and almost half of the breeding sows. The area ringed by Würzburg, Ansbach, Ulm, Stuttgart and Heilbronn is also famous for its wines. The population density is 120 inhabitants per km^2, with 6% of the population being foreign. Since 1950, the population has grown by 150 000 or only 24%. For many years, thousands of young people sought an education in other areas and frequently did not come back. The whole area was therefore considered to be more or less structurally disadvantaged.

For some years now, however, there has been a dynamic and positive upturn.

	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	1987	1987	1987	1989
Stuttgart KS	0.2	571	2 752	– 1.9	51	2.9	1	36	63	237
Böblingen	0.6	328	530	8.8	51	2.3	1	57	42	157
Esslingen	0.6	474	738	3.5	51	1.9	2	54	44	119
Göppingen	0.6	238	370	4.2	49	3.0	3	54	43	104
Ludwigsburg	0.7	457	665	5.9	51	2.7	3	47	50	104
Rems-Murr-Kreis	0.9	373	434	5.4	50	2.6	4	52	45	99
Heilbronn KS	0.1	114	1 141	2.2	48	4.1	1	40	59	164
Heilbronn LK	1.1	264	239	9.3	49	2.9	8	54	38	90
Hohenlohekreis	0.8	90	116	8.0	49	2.2	13	48	39	98
Schwäbisch Hall	1.5	159	107	6.2	48	2.8	13	40	47	99
Main-Tauber-Kreis	1.3	125	96	3.2	47	2.1	11	43	47	101
Heidenheim	0.6	128	209	4.0	47	3.3	4	56	40	104
Ostalbkreis	1.5	288	190	5.1	47	3.2	5	53	42	99
Stuttgart	10.6	3 610	341	4.3	49	2.7	3	48	49	131
Deutschland	248.7	62 679	252	2.1	56	5.2	4	41	55	112
EUR 12	2 253.7	327 931	146	3.2	54	8.3	7	33	60	100

DEUTSCHLAND

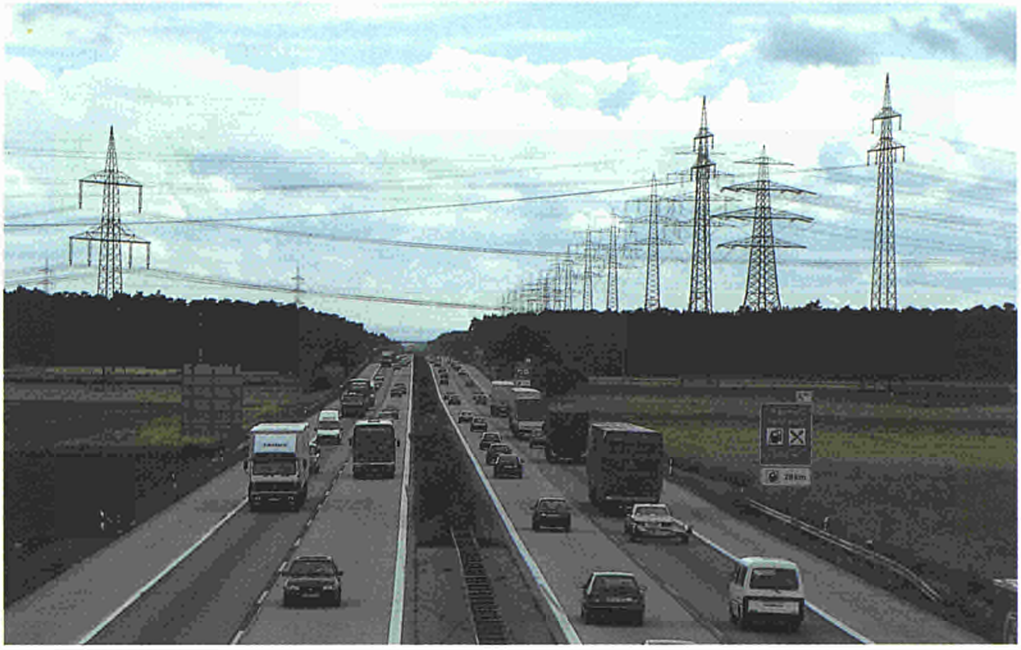
KARLSRUHE

The Karlsruhe Regierungsbezirk is the smallest in area in Baden-Württemberg. As well as the Stadtkreise of Mannheim, Heidelberg, Pforzheim, Karlsruhe and Baden-Baden, it has seven Landkreise and 206 other municipalities. The seat of government is Karlsruhe.

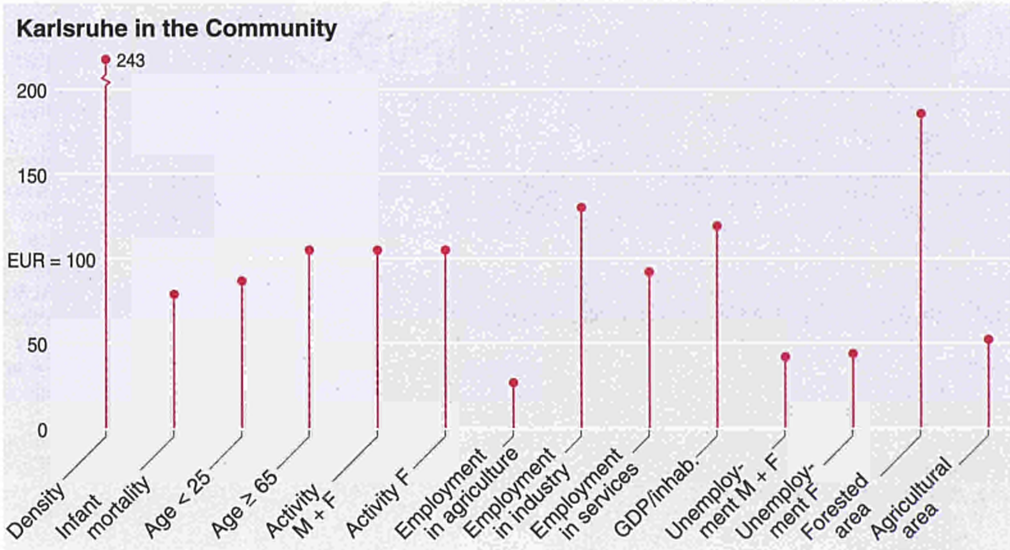
28% of the 6 900 km^2 area is agricultural land, 44% is forested and 14% used for residential purposes, roads, railways, etc.

In addition to the conurbations around Mannheim/Heidelberg and Karlsruhe, there is a further densely populated area around Pforzheim. Altogether, 83% of the 2.5 million inhabitants of this Regierungsbezirk live there. To the east, joining the Rhineland plain, are the upland ridges of the northern Black Forest, the hilly Kraichgau area and the Odenwald. In Mannheim, the second largest port in the *Land* in terms of traffic, is the confluence of the Rhine and the Neckar.

Some of the main European highways cross this area. Near Heidelberg, the E4/A5 (Stockholm-Frankfurt-Lausanne) crosses the E12/A6 (Metz-Nuremberg-Prague-Warsaw-St Petersburg) and near Karlsruhe the E11/A8 (Paris-Munich-Salzburg). Mannheim, Heidelberg and Karlsruhe are connected to the Intercity/European rail network. The most convenient airport is Frankfurt am Main.



The Rhineland plain: a centuries-old meeting-place for major European traffic arteries — here, the E4 Stockholm to Lausanne European motorway.



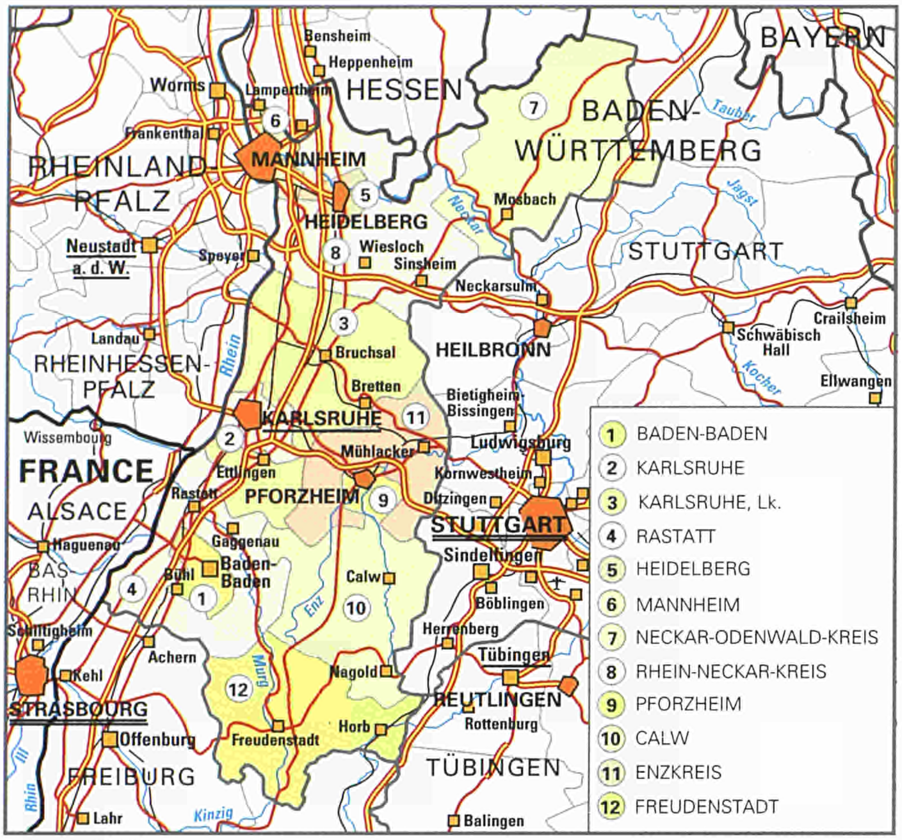
Ongoing structural changes

In this Regierungsbezirk lies one of the best-known university cities, Heidelberg, with its castle ruins which for many are a symbol of German 'Gemütlichkeit'. Less well known is the fact that this area was industrialized very early on. In the area around Mannheim and its neighbouring city of Ludwigshafen, an extensive raw materials and producer goods industry grew up as long ago as the mid-nineteenth century, since the area was so well situated from the point of view of transport. Revolutionary ideas sprang up and proliferated among the workers and the critical bourgeoisie of that time, and something of this spirit has remained.

Recent structural changes in the industry sector have been reflected in, for example, the loss of 50 000 industrial jobs since 1960. This has been offset by around a quarter of a million new jobs in the services sector. The Federal Constitutional Court, the Federal High Court and further federal and *Land* administrations, together with 19 universities and similar institutions, reflect the importance of the public sector.

The replacement of the industry sector, which pays a trade tax, by the public services, which have a lower income level, has led to budgetary problems for many local authorities. For 1990, Mannheim had debts of ECU 600 million.

There are structural changes in tourism too. The popular areas of the northern Black Forest are showing negative growth rates and further efforts are therefore being made to interest young people in the area, to attract today the guests of tomorrow. City tourism is showing an upward trend.



Scale 1 : 1 500 000

Which EC regions are similar to Karlsruhe?

Area:
± 7 000 km²
Münster; Rheinhessen-Pfalz (D)
Cumbria (UK)

Population:
± 2.5 million inhabitants
± 350 inhabitants per km²
Münster (D)
Noord-Holland (NL)

Employment:
± 43% in industry
Lombardia (I)

The Regierungsbezirk with the largest regional disparities

The Regierungsbezirk has a varied character.

The whole Rhineland plain and the valleys in the lower reaches of the Murg, Alb and Neckar, together with the area around Pforzheim (gold and jewellery), are among the most densely populated areas. 82% of the population and 87% of jobs are concentrated on these conurbations (54% of the total area). The high population density (550 inhabitants per km²) is particularly evident around Mannheim and Heidelberg a compact hotchpotch of settlements already spilling over on to the slope of the Odenwald. In 1987, 59% of the labour force were employed in private or public services. Wealth and poverty coexist: in Mannheim and Heidelberg, of every 10 000 inhabitants 500 receive a housing allowance and over 500 are unemployed, one-third of them for more than a year. On the other hand, there are 25 millionaires for every 10 000 inhabitants.

A different picture is painted in the Odenwald and the northern Black Forest, the rural parts of this Regierungsbezirk. Here, there are 133 inhabitants per km². 4% of employed persons have a main job in agriculture or forestry and 5% in the hotel or catering trade. The population has stayed roughly the same for the last 20 years in the Odenwald, but has increased sharply in the Stuttgart catchment area, the northern Black Forest, which is a favourite retirement area. Neither of these areas have good communications, owing to the deep mostly north-south valleys — one of the reasons for the low level of industrialization. The axes of the growth areas run along the edges, beyond the mountain 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	1987	1987	1987	1989
Baden-Baden KS	0.1	51	364	3.4	56	2.8	1	29	70	131
Karlsruhe KS	0.2	271	1 560	−0.2	59	4.3	0	29	71	196
Karlsruhe LK	1.1	373	344	5.0	61	2.9	2	49	49	91
Rastatt	0.7	201	272	6.5	60	3.5	2	57	42	101
Heidelberg KS	0.1	134	1 235	4.4	56	4.9	1	26	73	148
Mannheim KS	0.1	306	2 110	0.8	53	6.3	0	42	58	183
Neckar-Odenwald-Kreis	1.1	135	120	4.5	59	3.4	6	45	49	84
Rhein-Neckar-Kreis	1.1	479	451	4.4	60	3.4	3	48	49	82
Pforzheim KS	0.1	111	1 133	3.9	62	4.1	1	45	54	169
Calw	0.8	143	179	10.4	60	2.4	4	41	55	80
Enzkreis	0.6	171	298	6.7	63	2.3	3	61	36	82
Freudenstadt	0.9	108	123	9.1	59	2.4	4	47	49	93
Karlsruhe	6.9	2 484	359	4.3	60	3.7	2	43	56	119
Deutschland	248.7	62 679	252	2.1	57	5.2	4	41	55	112
EUR 12	2 253.7	327 931	146	3.2	54	8.3	7	33	60	100

DEUTSCHLAND

FREIBURG

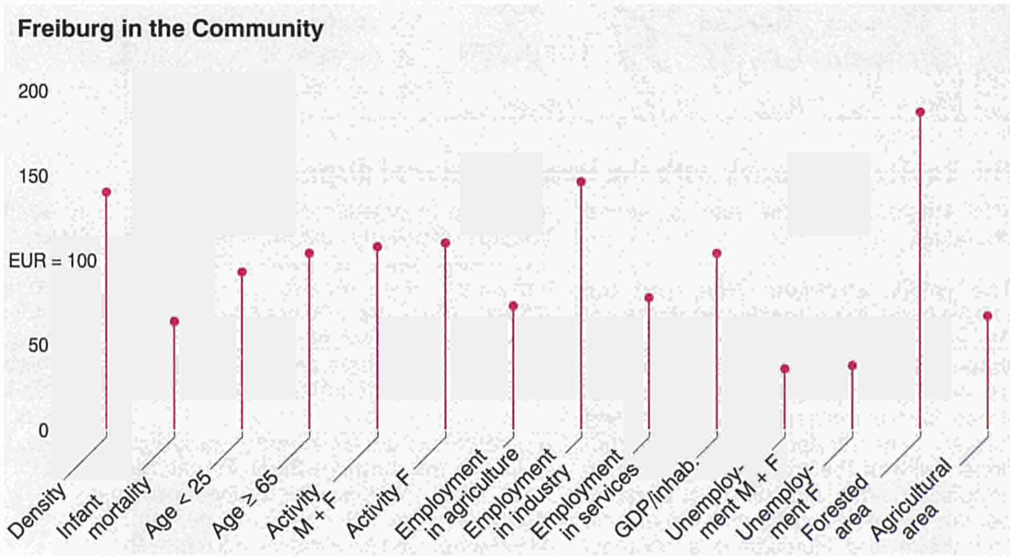
The Freiburg Regierungsbezirk is the most south-westerly part of the Federal Republic of Germany, with nine Landkreise, the Freiburg Stadtkreis and 301 other municipalities. The seat of government is Freiburg im Breisgau.

Of the 9 400 km² comprising this area, 36% is agricultural land, almost half is forested and one-tenth is built up (residential, roads, railways, etc.).

As well as the conurbation of Freiburg, there are four other densely populated areas around Offenburg, Basle/Lörrach, Constance and Villingen-Schwenningen. In the west, the Rhineland plain and the extinct volcanoes of the Kaiserstuhl dominate the landscape. Here, too, is the warmest place in the Federal Republic of Germany — Ihringen. The Black Forest rises steeply from the plain to a height of 1 493 m (Feldberg), and then falls more gently down to the east. In the south-east, the volcanic cone of the Hegau and Lake Constance are the main features of the landscape.

One of the most important highways in Europe runs parallel with the upper Rhine, the E4/A5 (Stockholm-Frankfurt-Lausanne). In the east, the E70/A81 (Eisenach-Stuttgart-Zurich) blends in with the hilly landscape. Freiburg and Offenburg have railway stations on the Intercity/European rail network. The nearest airports are Strasbourg, Basle-Mulhouse and Zurich-Kloten.

Black Forest village: from livestock farming to tourism — a widespread trend in scenically attractive areas.



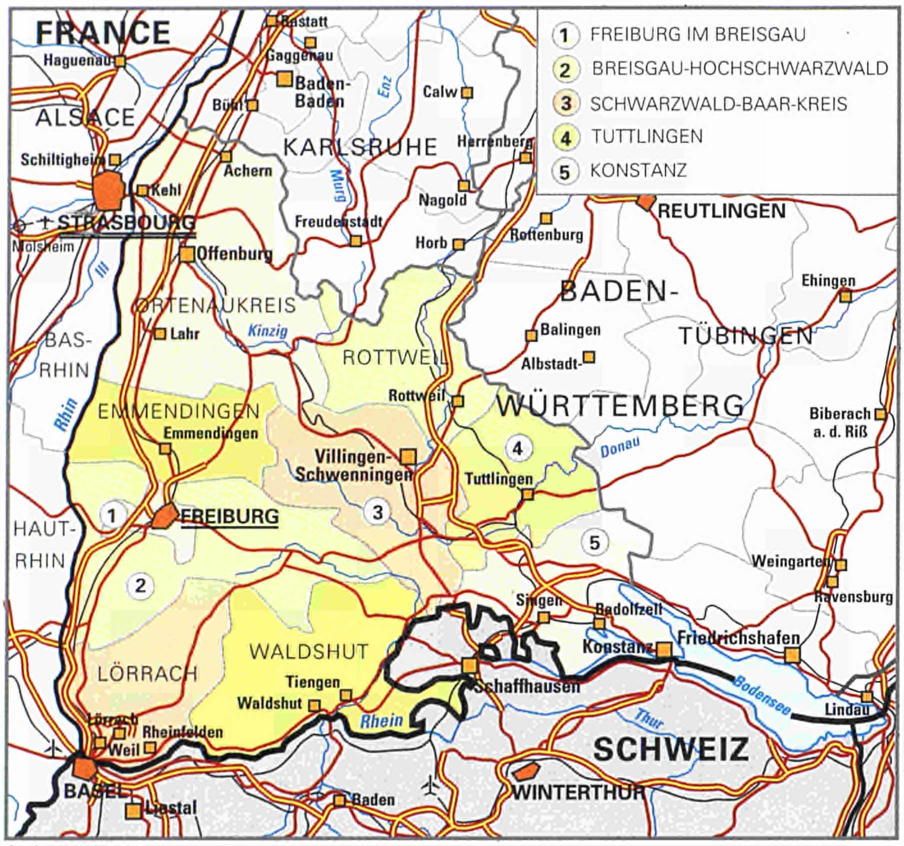
A dynamic area in a state of upheaval

The Rhine forms half of the boundary of this Regierungsbezirk, which has a wide variety of natural, economic and structural features. For centuries, it was the treasure-house of Baden owing to an abundance of ore, but mining did not develop as an industry. Instead, especially in the Black Forest, clocks and watches, musical instruments, precision mechanics, electrical engineering, glassmaking and optics industries, as well as the previously flourishing textile industry sprang up. Today, however, employment in industry is the lowest among the four Regierungsbezirke in the *Land*. In 1987, there were 370 000 jobs in the manufacturing industries, just under 40 000 fewer than in 1970.

These losses were more than offset by the creation of 160 000 new jobs in the services sector. Employment has increased by 18% since 1970, making this Regierungsbezirk the most dynamic in Baden-Württemberg.

Tourism is very important in this area. Fears that the number of visitors would drop as a result of damage to forests and other environmental catastrophes (Sandoz) have proved unfounded.

The Regierungsbezirk does have environmental problems, for which it can hardly be held responsible, such as high salt levels in the upper Rhine caused by potassium mining in Alsace, the warming of the upper Rhine, mainly caused by Swiss power stations, and damage to forests resulting from air and soil pollution. The Regierungsbezirk is, however, responsible for high nitrate levels in the groundwater of the Rhineland plain.



Scale 1 : 1 500 000

Which EC regions are similar to Freiburg?

Area:
± 9 400 km²
Dytiki Makedonia (GR)

Population:
± 2 million inhabitants
East Anglia (UK)
Hannover (D)

Employment:
± 50% in industry
Stuttgart; Oberfranken (D)

Variety in a small area

Along the upper Rhine are lowland forests. Of the vineyards in the *Land*, 44% are worked on the loess-rich, partly volcanic slopes of the Kaiserstuhl and in the foothills of the Black Forest. In the north, between Kehl, Offenburg and Lahr, lies a compact area with industries of various kinds.

Freiburg is the seat of government, a cathedral city with a university and four other similar institutions catering for 27 000 students.

The Basle/Lörrach industrial area has spread out along the upper Rhine and its side valleys. The labour force is more or less evenly divided between industries manufacturing producer, capital and consumer goods.

Between the administrative centre and university town of Constance (11 000 students) and the industrial town of Singen lies a further densely populated area with a wide variety of industries.

The fifth densely-populated area lies around Villingen-Schwenningen. Here and in the surrounding area we find the highest concentration of industrial jobs in Freiburg.

Between all these densely populated areas lies one of the most popular recreational and holiday areas in the Federal Republic of Germany, the southern Black Forest. For this formerly disadvantaged area, tourism has become a major feature of 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	1990	1990	1987	1987	1987	1989
Freiburg im Breisgau KS	0.2	188	1 226	7.8	55	5.5	1	22	77	143
Breisgau-Hochschwarzwald	1.4	212	153	7.6	59	2.3	9	40	51	76
Emmendingen	0.7	137	200	4.3	60	2.8	7	49	44	74
Ortenaukreis	1.9	364	196	2.9	60	2.5	6	46	49	112
Rottweil	0.8	130	168	1.7	59	1.8	4	54	43	101
Schwarzwald-Baar-Kreis	1.0	198	193	0.0	61	2.8	3	53	44	113
Tuttlingen	0.7	117	159	5.7	61	2.8	2	61	37	109
Konstanz	0.8	241	294	5.4	58	3.2	4	41	55	105
Lörrach	0.8	197	244	3.9	59	2.6	4	48	49	101
Waldshut	1.1	151	133	6.0	58	2.4	6	48	46	97
Freiburg	9.3	1 935	206	4.4	60	2.8	4	44	51	104
Deutschland	248.7	62 679	252	2.1	57	5.2	4	41	55	112
EUR 12	2 253.7	327 931	146	3.2	54	8.3	7	33	60	100

DEUTSCHLAND

TÜBINGEN

The present Regierungsbezirk comprises parts of the former Prussian area of Hohenzollern plus Baden and Württemberg. It has eight Landkreise, one Stadtkreis (Ulm) and 253 other municipalities. The seat of the Regierungsbezirk is Tübingen.

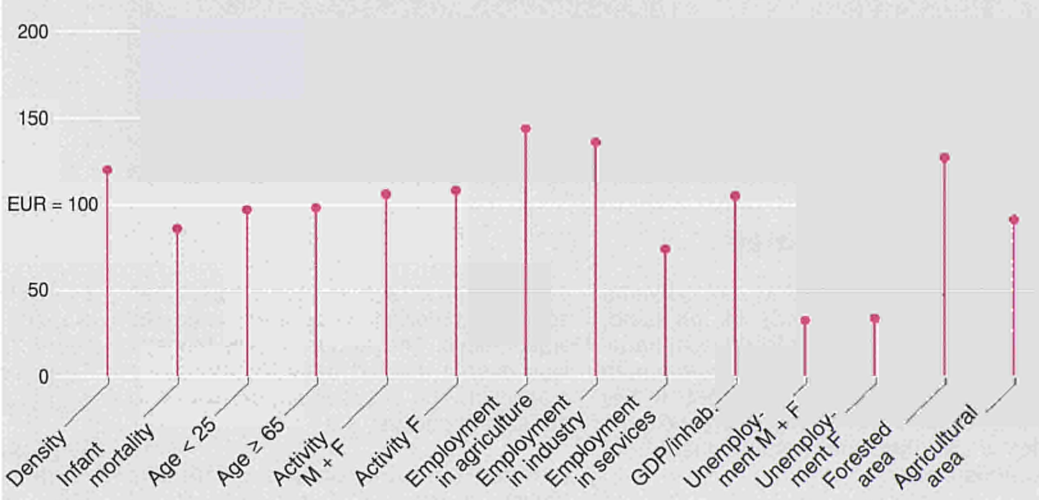
Over half of the area of nearly 9 000 km² is agricultural land, one-third is forested and one-tenth built-up area (residential and transport).

The Stuttgart conurbation stretches almost to Tübingen and Reutlingen. To the south emerges the Schwäbische Alb (Jura), with its dry, raw climate, followed by the lake and moorland region of upper Swabia, bisected by the Danube, and the Allgäu. Most of the German shoreline of Lake Constance also belongs to this Regierungsbezirk. As well as Tübingen/Reutlingen, there are three other densely populated areas, around Albstadt/Balingen, Ulm and Ravensburg/Weingarten.

The major European traffic axes E11/A8 (Paris-Karlsruhe-Stuttgart-Munich-Salzburg), E70/A81 (Eisenach-Würzburg-Stuttgart-Zurich) and the A7 (Flensburg-Hamburg-Würzburg-Kempten) run along the edge of the Regierungsbezirk. The Intercity/European rail network runs through Ulm and the nearest airports are at Stuttgart, Zurich-Kloten and Munich.

Bebenhausen: the typical half-timbering found in many areas of the south-west.

Tübingen in the Community



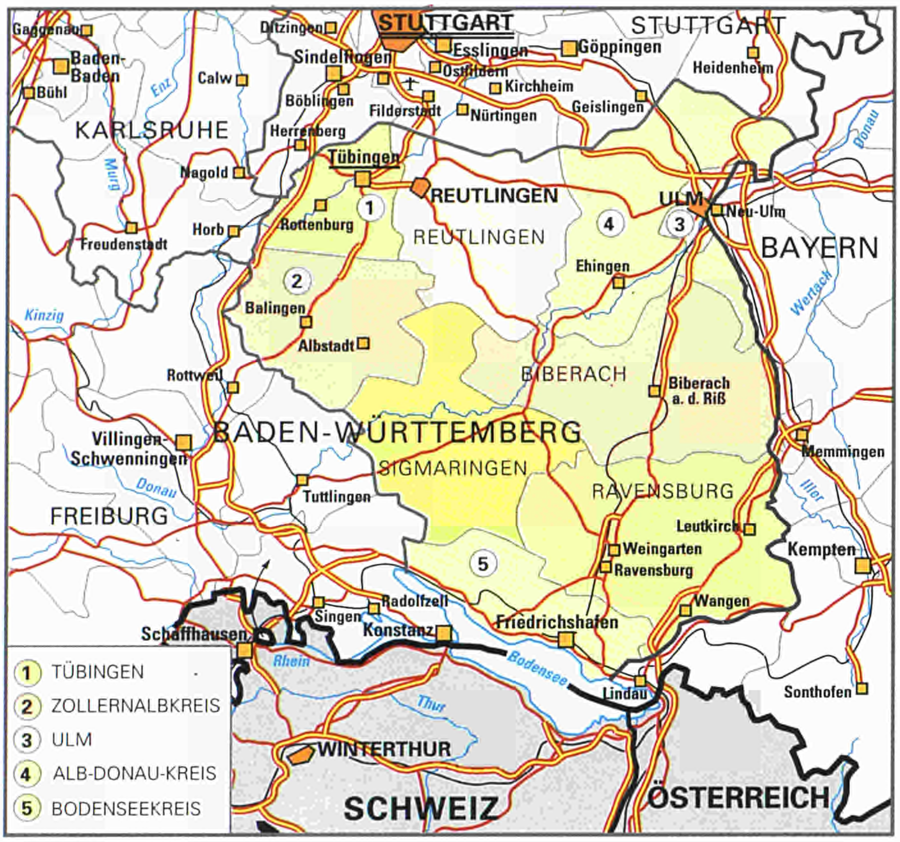
Structural crises largely overcome

The lack of mineral resources, inheritance laws (which to some extent were responsible for splitting up property) and the fact that the area belonged to different ruling houses and Christian denominations have all left their mark on both the population and the economy. The Catholic south retained its agricultural structure for many years. The structural crisis in the textile industry is now virtually over and the transition from an agricultural to a trade- and industry-oriented economy more or less complete. Tübingen has nevertheless preserved its attractive landscape and the southern areas their upper-Swabian baroque atmosphere.

Both employment and the population have for a number of years grown faster than in any other federal *Land*. The area is making up ground very quickly in the services branches, with their high growth potential, but still falls a long way short of the level of the *Land* in general. The population tends to stay put and in some cases is extremely affluent. Most of the property millionaires, as well as most of the housing allowance recipients (in relation to the total population), live in the oldest-established industrial and Protestant areas and around Tübingen.

The percentage of the gross domestic product of the *Land* accounted for by Tübingen has fallen by 0.2% since 1980, due to the lack of large-scale industry and low employment in the service industries. There has been remarkable stability in times of recession.

The planned reduction in the strength of the armed forces and the return home of French soldiers and their families will lead to problems in areas with military bases, but will also help to relieve the housing shortage.



Scale 1 : 1 500 000

Which EC regions are similar to Tübingen?

Area:
± 9 000 km²
Hannover (D)
Grampian (UK)

Population:
1.6 million inhabitants
150-200 inhabitants per km²
Schwaben (D)
Alsace (F)

Employment:
± 11% in agriculture
± 45% in industry
Niederbayern (D)

Disparities are disappearing

The northern part contains the old university and administrative city of Tübingen, the bishopric of Rottenburg and the industrial and trading town of Reutlingen.

On the periphery and in the valleys of the Albtrauf which fall steeply to the north-west, are the mainly Protestant areas which were industrialized early on. The area was and still is famous for its textiles, precision instruments, and mechanical engineering.

On the southern upland plains, agriculture appears to predominate, but in this area, too, the manufacturing industries provide a livelihood for most of the working population, the majority of whom are commuters.

South of the Danube, in Catholic upper Swabia, there are large agricultural concerns owing to the right of succession to an undivided farm estate which is common in that area. Scattered around the area are industrial towns such as Biberach, Ravensburg and Friedrichshafen.

In the marshland areas of upper Swabia, spas such as Bad Buchau, Bad Schussenried, Bad Waldsee and Bad Wurzach have grown up. Lake Constance is a major tourist attraction (Überlingen, Meersburg, etc.) together with its hinterland and the Allgäu (Ravensburg, Wangen, Isny). The Schwäbische Alb is mainly a recreational area for people from the local towns and cities.

	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	1987	1987	1987	1989
Reutlingen	1.1	253	231	7.3	61	3.3	3	51	46	107
Tübingen LK	0.5	189	363	11.0	59	3.7	2	35	63	83
Zollernalbkreis	0.9	177	192	2.6	64	2.3	2	62	36	103
Ulm KS	0.1	109	917	9.4	58	4.1	1	43	56	202
Alb-Donau-Kreis	1.4	165	121	3.3	60	2.5	13	48	39	72
Biberach	1.4	158	112	5.1	58	2.0	12	47	41	104
Bodenseekreis	0.7	180	271	7.3	58	2.4	8	45	47	104
Ravensburg	1.6	241	147	5.6	58	2.3	12	39	49	104
Sigmaringen	1.2	118	97	4.1	60	2.6	9	47	44	96
Tübingen	8.9	1 590	178	6.2	59	2.8	7	46	47	105
Deutschland	248.7	62 679	252	2.1	57	5.2	4	41	55	112
EUR 12	2 253.7	327 931	146	3.2	54	8.3	7	33	60	100

DEUTSCHLAND

BAYERN

Lying in the south-east of Germany, the Free State of Bavaria is the largest of the German *Länder.* It is bounded by Czechoslovakia to the east and by Austria and Switzerland to the south. Within Germany, it shares borders with Baden-Württemberg, Hesse, Thuringia and Saxony. Geographically, Bavaria divides up into four main regions: the northern limestone Alps with the Zugspitze (Germany's highest mountain at 2 963 m), the Alpine foothills, the low mountain range of East Bavaria and the terraced relief of the Franconian Stufenland.

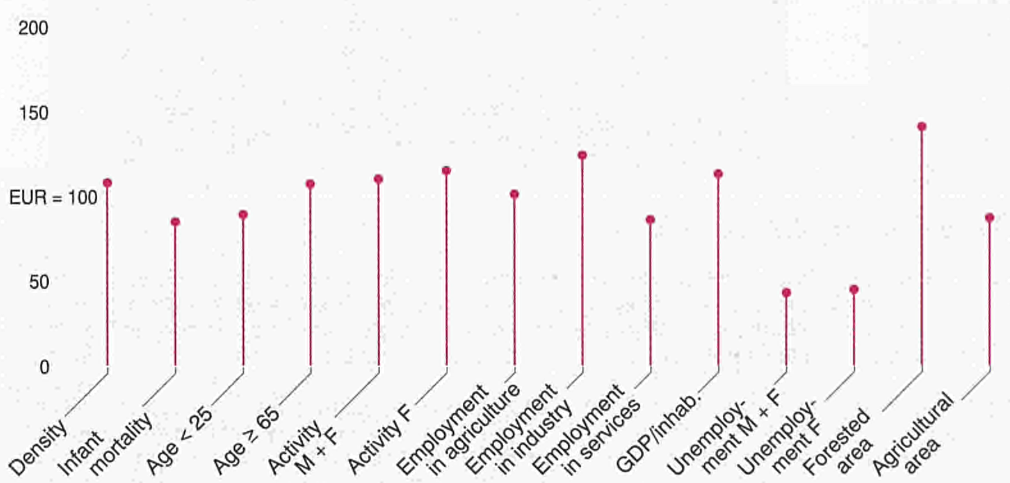
The *Land* as it appears today has essentially the same borders as in 1815, although the Palatinate, which formed part of Bavaria until 1945, now belongs to Rhineland-Palatinate.

The Free State is divided up into the seven Regierungsbezirke, 25 kreisfreie Städte (towns constituting districts in their own right/urban districts), 71 rural districts and 2 026 municipalities. The capital of Bavaria is Munich.

The *joie de vivre* of its inhabitants and the upkeep of its customs are reflected in its traditional folk festivals such as the famous Oktoberfest. The Bavarian dialect is unmistakable.

Munich, the capital of Bavaria and its commercial and cultural centre. View of the Olympic complex and the BMW tower.

Bayern in the Community



From the periphery into the centre of Europe

Bavaria was still markedly rural in character in the early 1950s. Until 1989 it occupied a peripheral position within both Germany and the European Community. It was divided from the former Eastern bloc States (GDR and Czechoslovakia) by the 800 km-long Iron Curtain.

During the 1960s and 1970s, Bavaria became industrialized. Today it is a major centre of the German electrical and electronics industries. Because of its outstanding natural beauty, Bavaria is also Germany's foremost tourist area. Tourism is an important source of income, not just in the Alps, but also in the central upland areas such as the Bavarian forest and the Fichtelgebirge.

In the post-war period it was difficult to get businesses to set up in border areas owing to the proximity of Eastern bloc countries. A zonal development programme and funds to encourage businesses to set up here — both of these measures being applied under the national scheme for improving the regional economic structure — have led to a structural revival. The opening up of borders will give a further economic boost to these areas.

Bavaria is the only *Land* that is able to make appreciable use of hydroelectric power as a means of energy production (16% of the electricity requirement, against 61% from nuclear power).

Scale 1 : 3 000 000

Differences between rural areas and conurbations

The economic development of the *Land* after the Second World War was uneven. In terms of population distribution and economic activity, the areas bordering Czechoslovakia and the former GDR lagged behind conurbations such as Munich and Nuremberg, which are particularly attractive to industry. The unemployment rate in Bavaria, which is very low anyway, is particularly so in Upper Bavaria and Swabia. The highest rate is in Upper Palatinate.

However, it has proved possible, by taking a range of special measures, to enable structurally weak areas to benefit from the economic upturn. Public funds have thus been used to encourage businesses to set up. Especially the structurally weak areas profited from the expansion of educational and training establishments: universities were set up in Bamberg, Bayreuth, Passau and Regensburg.

Development prospects for Bavaria's structurally weaker areas are good thanks to the opening up of the borders to the east and German unification. These same areas will also benefit from European integration in 1993, meaning that any regional disparities within Bavaria should even out in the medium term.

Which EC regions are similar to Bavaria?

Area:
± 70 000 km²
Ireland
Benelux

Population:
± 11 million inhabitants
Île-de-France (F)

Employment:
7-8% in agriculture
over 40% in industry
Piemonte (I)

Unemployment:
rate lower than 5%
Lombardia (I)
Baden-Württemberg (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	1987	1987	1987	1989
Oberbayern	17.5	3 721	212	2.5	62	2.8	5	36	59	137
Niederbayern	10.3	1 057	102	6.4	64	3.6	14	43	43	89
Oberpfalz	9.7	991	102	2.7	60	4.6	10	42	48	89
Oberfranken	7.2	1 056	146	0.3	63	4.1	7	50	43	97
Mittelfranken	7.2	1 566	216	3.4	60	3.8	6	45	50	120
Unterfranken	8.5	1 235	145	3.7	60	3.6	7	44	49	93
Schwaben	10.0	1 594	159	4.6	62	2.8	9	43	48	106
Bayern	70.6	11 221	159	3.2	62	3.4	7	42	51	113
Deutschland	248.7	62 679	252	2.1	57	5.2	4	41	55	112
EUR 12	2 253.7	327 931	146	3.2	54	8.3	7	33	60	100

Bavaria has been a region of migration since the late 1950s

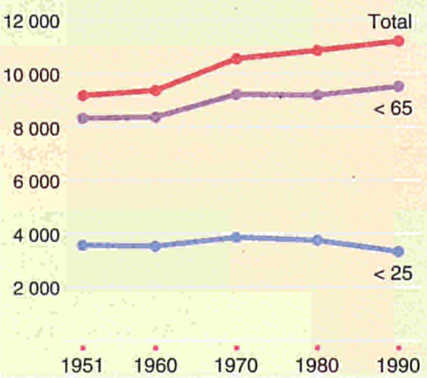
Since the late 1950s, Bavaria has been a preferred place of migration, both from the other *Länder* (particularly those in the north) and from abroad. The Munich conurbation has absorbed the majority of these migratory flows. This trend does, however, have its disadvantages, and has led to a shortage of accommodation in Munich as well as high rents and land prices.

The birth rate is strongly influenced by external factors. Thus there was a major shortfall in births during the First World War, a reduction up until 1933 (caused by inflation and the economic crisis), followed by an increase that lasted until 1939 (the result of State aid), the losses sustained during the Second World War and the shortfall in births during and after the Second World War. This was followed in the late 1950s in Bavaria by the baby-boom, which was subsequently offset by a fall in the birth rate between the mid-1960s and the late 1980s. Recently the birth rate picked up again, and this has resulted in a surplus of births over deaths.

Population by age — 1990

	M + F 1 000	M + F %	M %	F %
< 15	1 748.1	15.6	16.6	14.7
15-24	1 609.2	14.3	15.2	13.5
25-39	2 629.2	23.5	24.8	22.2
40-54	2 312.0	20.6	21.8	19.5
55-64	1 224.9	10.9	10.8	11.0
≥ 65	1 697.4	15.1	10.8	19.2
Total	11 220.7	100.0	100.0	100.0

Population (1 000)



Resident population of foreign nationality — 1989

	1 000	% of total population
Total	736.7	6.6
of which EC countries	170.5	1.5
of which non-EC countries	566.2	5.1
Turkey	215.5	1.9
Yugoslavia	115.5	1.0
Austria	78.2	0.7
Italy	68.5	0.6
Greece	51.5	0.5
USA	22.1	0.2

Demographic account — 1980-90 (1 000)

Population 1.1.1980	10 871.0
Births	1 174.8
Deaths	1 218.9
Net migration	+ 393.8
Population 1.1.1990	11 220.7

Across-the-board education provision

There has been an upward trend in employment rates for both men and women of working age over the past few years. Whereas the labour force potential has been all but exhausted in the conurbations, the rural areas, particularly in the east, still have reserves of skilled manpower.

41% of those in employment leave their municipality to get to their place of work. The commuter rate around the larger towns is over 60%.

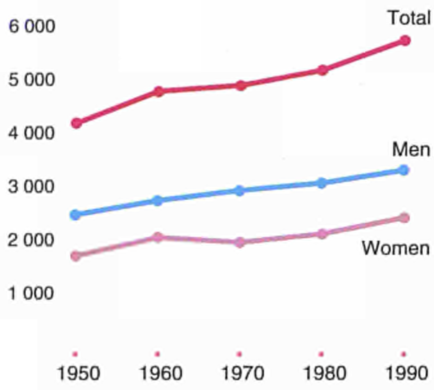
The education system has undergone considerable improvements of a quantitative and qualitative nature over the past few decades. Almost 270 000 people are currently in the dual (theoretical and practical) education system.

In the 1989/90 examination year, over 24 000 students successfully completed a course of study. 3 300 doctorates were conferred at Bavarian universities.

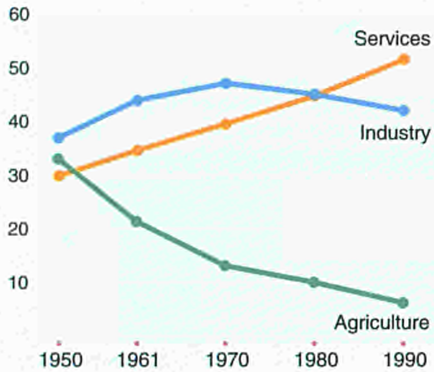
Number of pupils — 1989

	M + F 1 000	F %
Pre-school	314.5	48.8
Primary	454.4	49.1
Lower secondary	609.4	49.5
Higher secondary	420.5	45.7
Higher secondary (technical)	342.9	44.9
Higher secondary (general)	77.6	49.5
Higher education	283.2	42.2
Total	2 132.3	47.3

Employment (1 000)



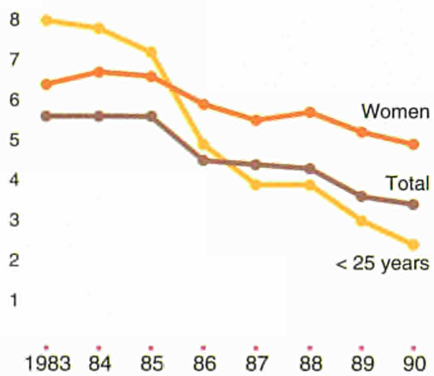
Employment structure (%)



Employment — 1987 (1 000)

Resident employment	5 076.5
+ Non-residents having a job in the region	23.9
− Residents having a job outside the region	62.4
= Internal employment	5 038.1

Unemployment (%)



More than half of the population in employment

The shift to services is the main feature of the trend on the employment market in Bavaria. Four out of every 10 people in employment in Bavaria are non-manual workers, compared with one in four 20 years ago.

This structural shift has been particularly marked in the case of female employment. The share of non-manual workers amongst working women increased from one-third in 1970 to over a half.

A suitably qualified workforce was a prerequisite for successfully coming to terms with the structural change in the economy. In 1989, around 22% of the occupied population had the mittlere Reife leaving certificate (secondary education stage I), and almost one in seven (15%) had the Hochschulreife (secondary education stage II giving access to higher education). 58% of the occupied population had completed an apprenticeship or similar period of training, 8% had taken master craftsman or technician exams, and over 10% had a leaving certificate from a technical college or university. Only around 24% had no qualifications or were in vocational training.

In 1987, over 6% of Bavaria's occupied population were foreigners. More than two-thirds of these were manual workers and nearly one in four was a non-manual worker. Around 60% of foreigners in employment worked in manufacturing, 11% in the distributive trades, transport and communications, and a mere 1% in agriculture and forestry. 28% of foreigners in employment were in other economic sectors.

Characteristics of resident employment (%)

	< 25 years	25-54 years	≥ 55 years	Employees	Employees: part-time		Employees: full-time, temporary contract	
	1989	1989	1989	1989	1984	1989	1984	1989
Men	16	73	12	85	1	1	9	10
Women	22	69	9	85	26	29	9	9
Total	18	71	11	85	11	13	9	10

Structural differences in the reduction of unemployment

The economic upturn, which began in 1983, has led to a steady drop in unemployment in Bavaria since 1984 despite a considerable increase in working population reserves. The increased demand for labour, particularly in the conurbations of Munich, Nuremberg and Augsburg, has led over the past few years to a steady increase in job vacancies. It has proved impossible since 1990 to meet industry's demand for skilled labour in many sectors: those unemployed who are older, less well-qualified or with health problems being unable to benefit from favourable developments on the labour market.

The number of women as a proportion of the unemployed total has increased steadily from 1983 to 1990.

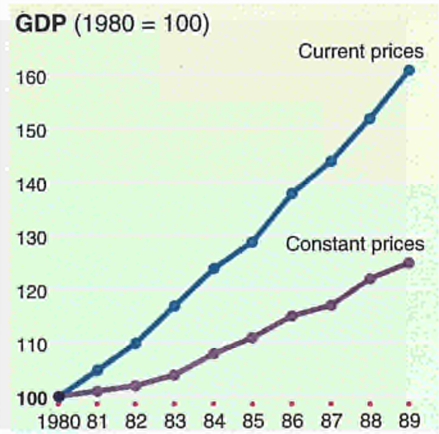
Youth unemployment has fallen particularly sharply in Bavaria over the past few years as a result of both economic and demographic factors (fall-off in number of births). Indeed, there is currently a lack of young people in virtually all training sectors. The number of long-term unemployed (for two years or more) has been falling over the past few years, sinking to around 23 500 in September 1990, which is below the level recorded seven years ago.

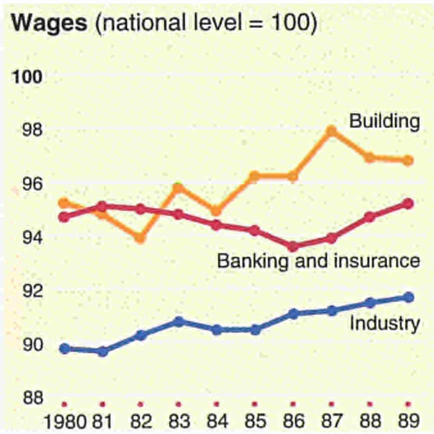
Exports, small and medium-sized businesses, and large firms

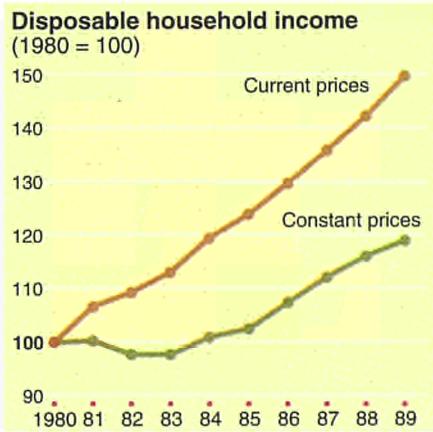
The Bavarian economy is centred around small and medium-sized businesses. In 1987, 425 000 businesses were based in Bavaria, and of these 590 employed at least 500 people; taken together, however, this larger category of businesses accounted for a third of employment.

At the end of 1990, 472 joint stock companies had their registered offices in Bavaria only. In addition to these there were joint stock companies with registered offices in both Bavaria and another *Land,* e.g. Siemens AG or Allianz Versicherungs-AG.

Whilst the geological diversity of Bavaria means that there is a variety of mineral resources, these play a fairly minor role in the economy nowadays. During the post-war period, because of the lack of primary and heavy industry, the Bavarian economy was able to adapt more readily than the old industrial areas to the new high-growth branches such as the capital goods industry. Electrical and mechanical engineering and vehicle manufacture are Bavaria's main export branches. 56% of Bavaria's exports in 1989 were products from the electrical and mechanical engineering and vehicle manufacturing sectors, and 87% of exports were products from the manufacturing or food, drink and tobacco industries. In the past 15 years, around half of all Bavarian exports have gone to EC countries, mainly to Italy, France, the United Kingdom and the Netherlands. More than half the employees in the manufacturing industry are employed in enterprises of 500 people or more, and the same holds true of the credit and insurance sector. Two Bavarian credit institutions and a few companies in the insurance sector also operate on an interregional and international basis. At the end of 1989, the Bavarian State debt was ECU 1 385 per head of population, making it easily the lowest per-capita debt of any German *Land.*







Increased earnings pushing up private consumption

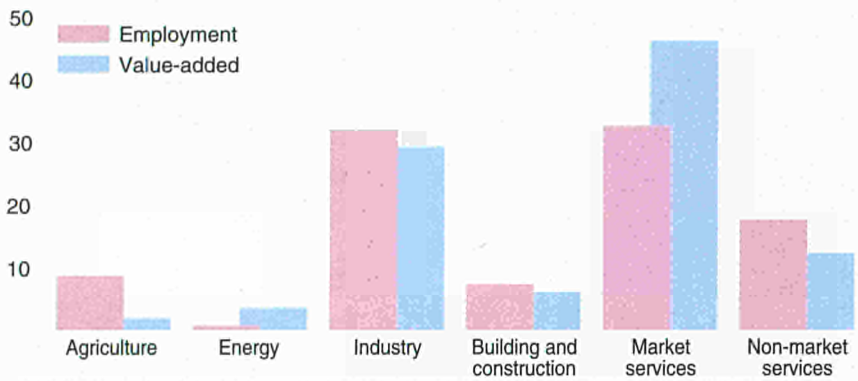
There were very few differences between Bavaria and the other *Länder* in terms of both the structure of and trends in income. In 1986, average income totalled ECU 19 175, which is slightly below the national level.

A bare nine-tenths of tax-payers were employees, who on average earned a total of ECU 17 530. The average incomes of traders and those in the liberal professions were much higher, at ECU 43 320 and ECU 56 015 respectively.

The labour costs of Bavarian companies in the manufacturing industry averaged ECU 23 515 per manual worker in 1988 and ECU 38 700 per non-manual worker (lower than the national average). 56% of these costs were remuneration and 44% were other staff-related costs. In electrical engineering and vehicle construction, both of which are particularly important to Bavaria, labour costs for non-manual workers were around 15% higher than in manufacturing, whilst in construction they were 17% lower. For manual workers, labour costs were 9% above average for mechanical engineering and more than 21% above average for vehicle construction. They were way below average in the textile and clothing industries.

In the distributive trades, banking and insurance, labour costs in 1988 were ECU 27 050 per employee. They were lower in retail trade at ECU 20 950 and very high in insurance at ECU 38 412. Staff-related costs accounted for almost 50% in banking and insurance (where much more went on staff pension schemes).

Employment and value-added: distribution by branch – 1987 (%)



A touristic and agricultural region, dominated by industry

There are about 230 000 agricultural holdings, and they average less than 15 hectares each. The gross value-added per employee is below national and EC levels. Dairy farming is the predominant activity in many areas, particularly the Alpine foothills and the Allgäu. In the crops sector, around 70% of the total EC hop production and 25% of world production comes from Bavaria, mostly from the Hallertau, the largest single hop-growing area in the world.

The manufacturing industry is the real force in Bavaria's economy nowadays, particularly:

– electrical engineering, with a turnover of ECU 26 800 million, an export ratio of 41% and a workforce of 269 400 in 800 undertakings employing 20 persons or more (one of these being Siemens AG);

– mechanical engineering (turnover of ECU 18 900 million, export ratio of 43%, workforce of 205 100 in 930 undertakings);

– vehicle manufacture (turnover of ECU 22 500 million, 48% export ratio and workforce of 167 100 in 440 undertakings), which includes BMW, Audi and MAN.

Others include the food processing industry, the chemical industry (including Hoechst AG and Wacker Chemie), the manufacture of plastic, iron, sheet metal and metal products, the highly productive textile and clothing industry, and the computer industry.

The hotel and catering industry has a high profile in Bavaria. Munich recorded 6.6 million overnight stays by guests in 1989, which works out at almost a tenth of the 70.3 million overnight stays for the *Land* as a whole. A further 32% of overnight stays were made at the numerous spa resorts.

Agriculture

Number of holdings	235 751
Labour force	285 869 AWU
Agricultural area	3 443 000 ha
Livestock	4 580 000 LU
Gross value-added	10 174 ECU/AWU
Main products	
Milk	36%
Cattle	24%
Pigs	12%

Main enterprises

Name	Activity
Allianz Versicherungs-AG	Insurance
Audi AG	Car manufacturing
Bayerische Hypotheken und Wechselbank AG	Banking and finance
Bayerische Vereinsbank AG	Banking and finance
BMW AG	Car manufacturing
FAG Kugelfischer KGaA	Manufacture of cogwheels, bearings, transmission equipment
MAN AG	Manufacture of commercial vehicles
MBB GmbH	Aeronautics
Siemens AG	Electrical goods

Environmental protection stepped up

Since 1980, the manufacturing industry in Bavaria has increased its investment in environmental protection almost threefold (ECU 530 million in 1989), 60% of which went towards controlling air pollution.

The volume of refuse delivered to public refuse disposal plants in Bavaria (excluding excavated earth, construction waste and pavement rubble) increased by almost 20% between 1980 and 1987, totalling just under 6.5 million tonnes in 1987. In 1989 Bavaria had a total of 96 public disposal plants (excluding transhipment depots) for the thermal treatment and disposal of waste.

Considerable efforts have been made in Bavaria to protect watercourses from increasing volumes of sewage. Household, industrial and commercial effluents are treated in over 2 900 communal plants using mechanical/biological purification methods. Many of Bavaria's lakes and rivers are once again of drinking water quality: 95% of the drinking water is gained from underground or springwater. In March 1989 the EC limit of 50 mg/l of nitrates was temporarily or permanently exceeded in the case of 11.4% of waterworks and 6.3% of total supply.

There has been a slight reduction in the amount of damaged timber stock in Bavaria since 1986. The figure for badly damaged stock in 1989 was around 18% and for slightly damaged stock 41%.

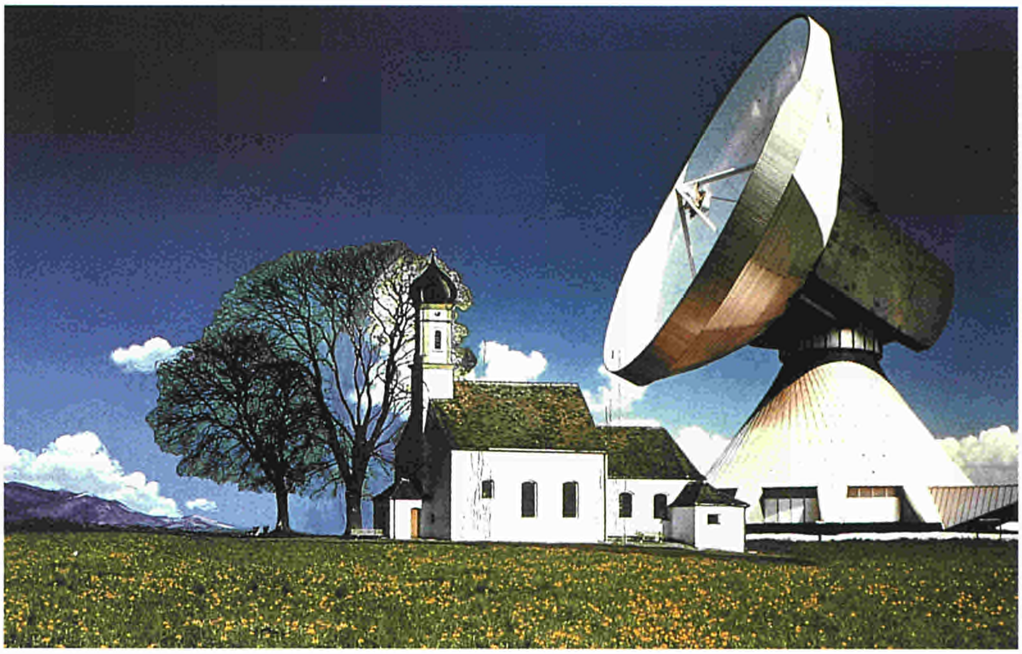
DEUTSCHLAND

OBERBAYERN

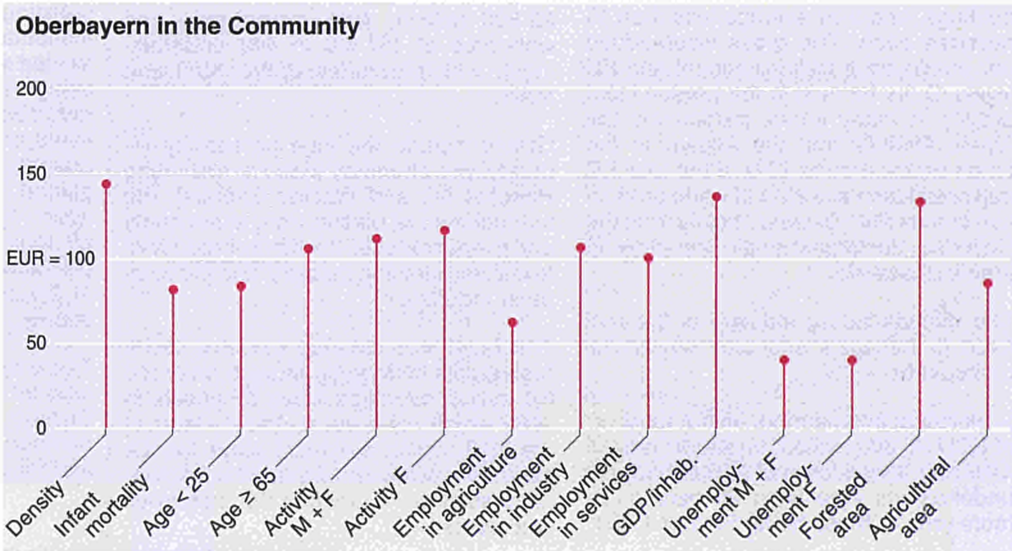
Upper Bavaria is bordered to the south by the Alps and flanked in the north by the glaciated foothills of the Alps. The Alps and their foothills with their lakes (Chiemsee, Königssee and Starnberger See) constitute one of Germany's most important tourist regions. The northernmost part of Upper Bavaria actually extends beyond the Danube at Eichstätt into the terraced relief of the Franconian Stufenland.

Upper Bavaria is central Europe's gateway to Italy and the south-east. The motorways from Ulm via Munich to Salzburg and from Nuremberg via Kiefersfelden/Kufstein to the Brenner pass are two of Germany's busiest traffic routes. Munich's second airport, opened in 1992, will ensure that Upper Bavaria is well equipped to serve as a meeting place between southern and eastern Europe. Its anticipated capacity of 12 million passengers per year will make it the busiest airport in Germany after Frankfurt am Main.

Administratively, Upper Bavaria is divided up into three kreisfreie Städte (Munich, Ingolstadt and Rosenheim), 20 rural districts and 496 municipalities. Around 53% of the land area is used for agricultural purposes, 32% is woodland and 8.5% is built up.



The beautiful Alpine foothills of Upper Bavaria and the Raisting radio station.



The heart of Bavaria

The conurbation of Munich, which is home to some 2.3 million people, or 61.1% of the population of Upper Bavaria, is recording growth rates above the average as a result of migration from other regions of Bavaria, other parts of the Federal Republic and abroad. The share of foreigners in the total population has reached 19.4% in Munich and 13.8% in the conurbation as a whole. The net migration rate has created problems for Munich (an accommodation shortage, and high rents).

However, Upper Bavaria is a highly attractive region, particularly as far as industry is concerned, and its positive aspects outweigh such disadvantages. A number of firms of international standing are based in Munich (BMW, Siemens/Nixdorf and Allianz, Europe's largest insurance company). The Ingolstadt economic area is home to the Audi car works as well as a number of large oil refineries and the Triest pipeline.

Bavaria's capital Munich ranks alongside Frankfurt am Main as one of Germany's most important trade fair sites. Upper Bavaria recorded 28 million overnight stays in 1989, making it the most popular tourist destination in Bavaria (40%) and Germany as a whole (12%). The summer and winter seasons, particularly in the southerly regions of the Alps and the Alpine foothills, play a prominent role in tourism.

OBERBAYERN

Scale 1 : 2 000 000

Emphasis on high tech in Upper Bavaria

Upper Bavaria in general and Munich in particular has developed rapidly in the high-tech sector. It is not just large firms that have given Upper Bavaria a leading role both within the *Land* itself and Germany as a whole.

Over the past 20 years, the comparative economic strengths of the various regions of Upper Bavaria have tended to converge. The league table was headed by the rural districts of Munich, Altötting, Traunstein and Pfaffenhofen a. d. Ilm with per capita gross value-added growth rates of over 200%. The highest growth in employment has been in the Munich area, mainly as a result of businesses moving out from the city centre to the surrounding rural districts. In the city itself, by contrast, the credit/insurance and other services sectors have grown in importance, recording a 26% increase in the number of employees.

In 1990, unemployment in Upper Bavaria was the lowest in Bavaria alongside Swabia. The unemployment rate in parts of the Munich conurbation in particular was actually under 2% (Starnberg rural district). By contrast, the kreisfreie Städte of Ingoldstadt and Rosenheim had the highest unemployment rates in the Regierungsbezirk.

Which EC regions are similar to Upper Bavaria?

Area: ± 17 500 km²
Basse-Normandie (F)

Population:
± 3.7 million inhabitants
Comunidad Valenciana (E)
Norte (P)

Employment:
4-5% in agriculture
± 60% in services
West-Vlaanderen (B)
Rhône-Alpes (F)

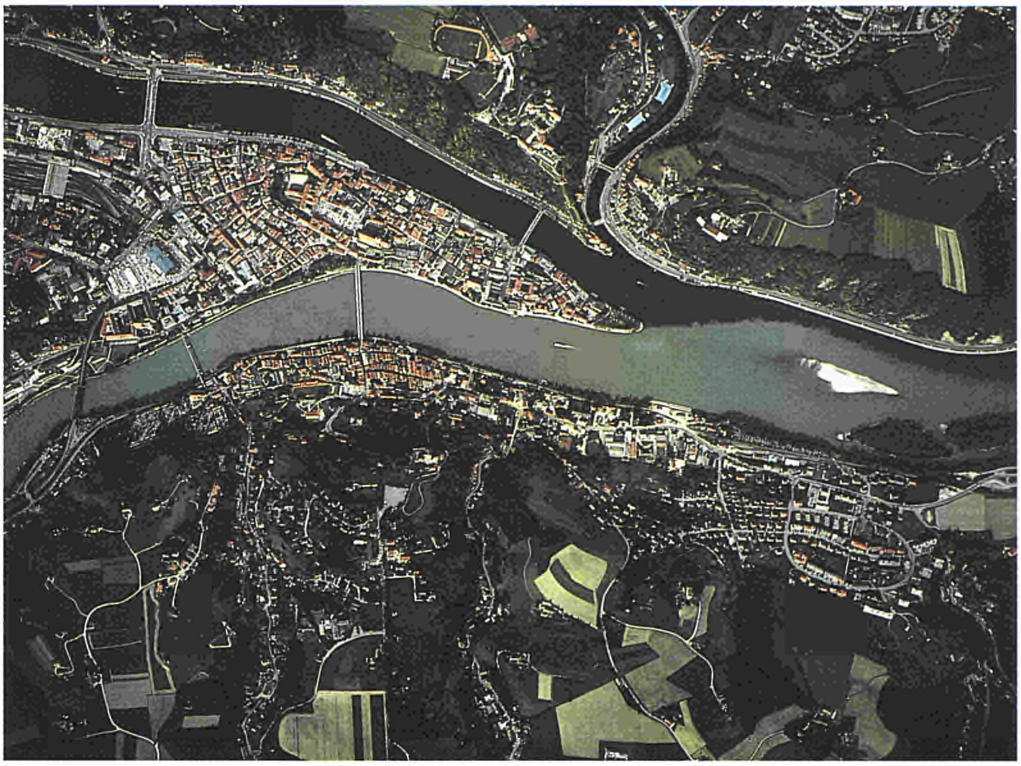
	Area	Population			Activity	Unempl.	Employment			GDP/inhab.
	1 000 km²	1 000	Inhab./km²	Change (%)	%	%	% Agricult.	% Industry	% Services	EUR (PPS) = 100
		1990	1990	1980-90	1990	1990	1987	1987	1987	1989
Ingolstadt KS	0.1	101	760	13.3	58	7.0	1	56	43	181
München KS	0.3	1 207	3 887	−7.2	63	2.9	0	30	70	220
Rosenheim KS	0.0	55	1 485	7.0	58	4.5	1	34	65	149
Altötting	0.6	97	170	5.3	55	2.7	8	60	33	109
Bad Tölz-Wolfratshausen	1.1	103	92	6.1	59	2.9	9	41	50	87
Berchtesgadener Land	0.8	94	112	4.0	56	3.9	7	31	62	93
Dachau	0.6	109	188	7.9	62	2.0	11	41	48	68
Ebersberg	0.5	100	182	6.4	61	2.0	12	36	53	67
Eichstätt	1.2	102	84	8.8	56	3.2	17	38	44	69
Erding	0.9	93	107	8.3	61	1.8	19	32	49	75
Freising	0.8	125	157	12.3	61	1.9	11	41	49	87
Fürstenfeldbruck	0.4	178	409	6.8	62	2.4	5	34	61	66
Garmisch-Partenkirchen	1.0	82	81	0.1	58	3.3	5	23	72	91
Landsberg am Lech	0.8	88	110	14.4	58	2.2	12	30	58	85
Miesbach	0.9	85	98	5.7	60	3.5	11	33	57	87
Mühldorf am Inn	0.8	96	120	7.6	58	3.9	16	44	39	81
München LK	0.7	261	391	7.2	63	1.8	2	44	54	149
Neuburg-Schrobenhausen	0.7	79	106	6.3	57	2.9	15	42	43	86
Pfaffenhofen a. d. Ilm	0.8	93	122	12.6	59	3.2	17	40	43	95
Rosenheim LK	1.4	201	140	11.3	58	2.7	14	39	47	78
Starnberg	0.5	113	231	7.0	58	1.5	4	36	59	99
Traunstein	1.5	151	98	7.2	57	3.9	13	43	44	100
Weilheim-Schongau	1.0	110	114	6.5	57	2.3	12	43	45	88
Oberbayern	17.5	3 721	212	2.5	62	2.8	5	36	59	137
Deutschland	248.7	62 679	252	2.1	57	5.2	4	41	55	112
EUR 12	2 253.7	327 931	146	3.2	54	8.3	7	33	60	100

DEUTSCHLAND

NIEDERBAYERN

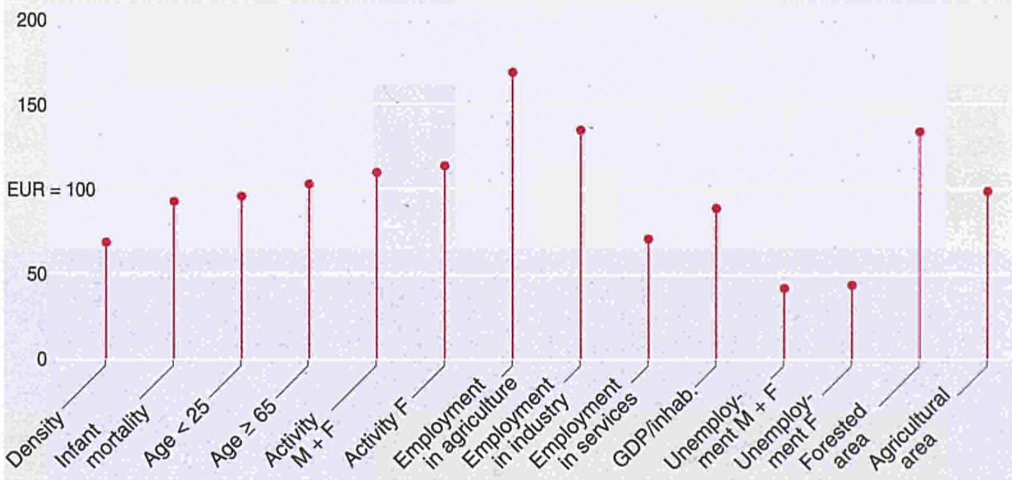
Lower Bavaria is the most agricultural of Bavaria's Regierungsbezirke. The land is shaped by the Danube (the fertile area around Straubing), the Isar and the Inn (forming the southern border with Austria), by the Bavarian forest (bounding Czechoslovakia to the east) and by the hills of Lower Bavaria. Two towns — Landshut, the seat of government, and the cathedral town of Passau, with its recently founded university (1978-79) — form the economic and cultural centres. Furthermore, the town of Dingolfing has gained in importance since a branch of BMW was located there in the 1970s.

Almost 60% of the total area of Lower Bavaria is used for agricultural purposes, and just under a third is woodland. Most of the latter is in the Bavarian forest, Germany's largest wooded upland area, which reaches its highest point in the Großer Arber and which, together with the surrounding national park, is of considerable economic significance to the region.



The cathedral town of Passau in Lower Bavaria lies on the Austrian border at the confluence of the Danube, Inn and Ilz rivers.

Niederbayern in the Community

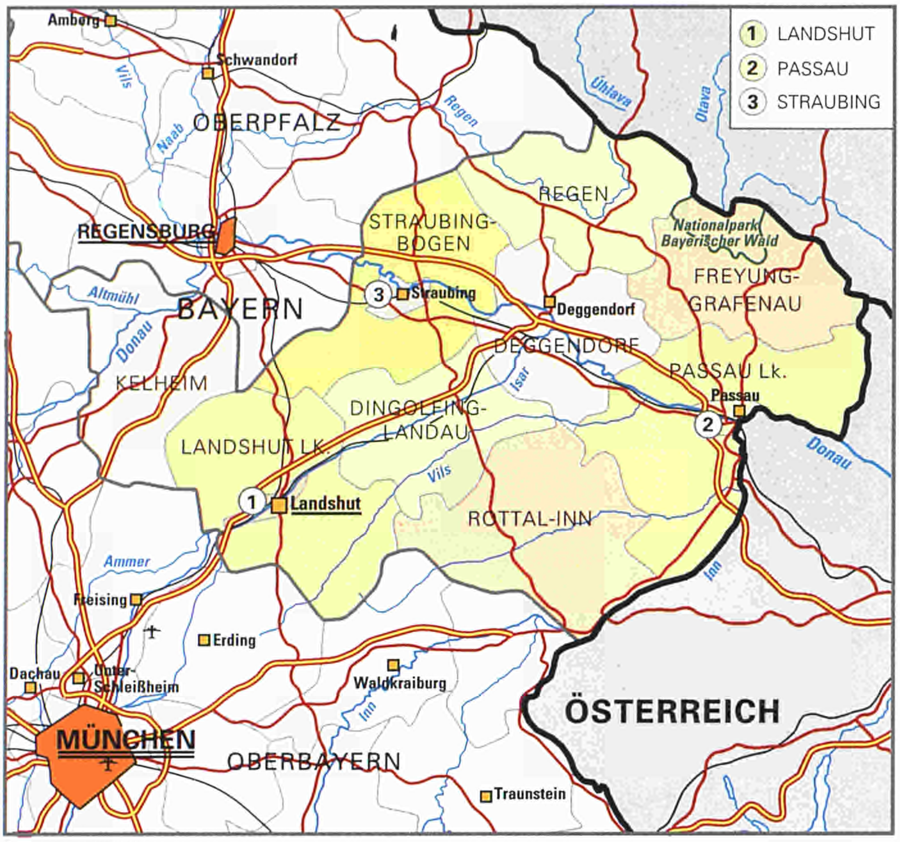


Major economic upturn in Lower Bavaria

Compared with Bavaria's other Regierungsbezirke, Lower Bavaria has witnessed a major economic upturn over the past decade. Between 1980 and 1990 employment grew by 17% (the highest for any Regierungsbezirk in Bavaria), with the industry, construction and energy sectors recording an increase of 10% and the services sector (excluding the distributive trades and transport) an increase of a full 54%. Lower Bavaria with its nuclear power station at Ohu (Landshut rural district) plays an important role, particularly in supplying power to Munich. In spite of these very positive trends over the past few years, earnings are not approaching the average for the *Land*. In 1986, income levels in Lower Bavaria were the lowest in the *Land* apart from Upper Palatinate.

The Deggendorf-Munich motorway (A 92) links Lower Bavaria with the Munich conurbation. The Nuremberg-Passau motorway (A 3), which continues into Austria via Linz to Vienna, also forms an important link in the European road network. The same is true of rail transport, Passau being an important stop on the Intercity line.

After Upper Bavaria, Lower Bavaria recorded the greatest number of overnight stays in 1989 at 12 million, 6.7 million of which were spent in the Bavarian forest, a popular holiday destination. Tourism also boomed in the spa region of Bad Füssing-Birnbach-Griesbach, with 4.6 million overnight stays in 1988.



Scale 1 : 1 500 000

Which EC regions are similar to Lower Bavaria?

Area:
± 10 300 km²
Navarra (E)
Cornwall, Devon (UK)

Population:
1.1 million inhabitants
Franche-Comté (F)

Employment:
over 40% in industry
over 10% in agriculture
Navarra (E)

Industrial towns at a disadvantage as a result of their border position

Because it borders Czechoslovakia and has poor transport connections, the Bavarian forest is one of the Federal Republic's most economically disadvantaged areas. Lower Bavaria can thus be divided up into two regions, each with its own economic structure. West of the Danube waterway, which is expected to give the region as a whole a major boost when the Rhine-Main-Danube canal is opened, the economic potential is similar to the *Land* average. In the eastern part, by contrast, i.e. the Bavarian forest, there are considerable economic problems. This is where the highest unemployment rates in Bavaria are found. Many people commute over long distances to the industrial centres of Munich and Nuremberg. Tourism is a mainstay of the economy in the Bavarian forest, but has been supplemented over the past few years by State aid to encourage industrial undertakings (mainly medium-sized businesses) to set up in the area. A further series of industrial location projects should follow in the years to come. Economic development in the rest of Lower Bavaria, with economic activity centred around Passau, Landshut and Dingolfing, has, as we have already seen, generally been positive and exceeded the *Land* 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	1990	1990	1987	1987	1987	1989
Landshut KS	0.1	58	885	4.7	60	3.7	1	33	66	157
Passau KS	0.1	50	715	−0.9	57	4.5	1	37	62	157
Straubing KS	0.1	41	607	−3.8	60	4.6	3	35	62	138
Deggendorf	0.9	105	122	4.5	60	5.0	13	43	44	95
Dingolfing-Landau	0.9	78	88	6.9	62	2.7	13	64	24	147
Freyung-Grafenau	1.0	78	79	6.7	60	4.4	15	43	42	65
Kelheim	1.1	93	87	7.7	61	2.7	16	44	39	83
Landshut LK	1.3	120	89	11.1	63	2.4	22	44	34	62
Passau LK	1.5	168	110	9.5	60	3.8	17	45	38	68
Regen	1.0	79	80	5.7	59	5.0	13	45	43	71
Rottal-Inn	1.3	106	83	5.9	62	2.5	24	37	39	73
Straubing-Bogen	1.2	83	69	6.2	61	3.5	27	33	40	61
Niederbayern	10.3	1 057	102	6.4	64	3.6	14	43	43	89
Deutschland	248.7	62 679	252	2.1	57	5.2	4	41	55	112
EUR 12	2 253.7	327 931	146	3.2	54	8.3	7	33	60	100

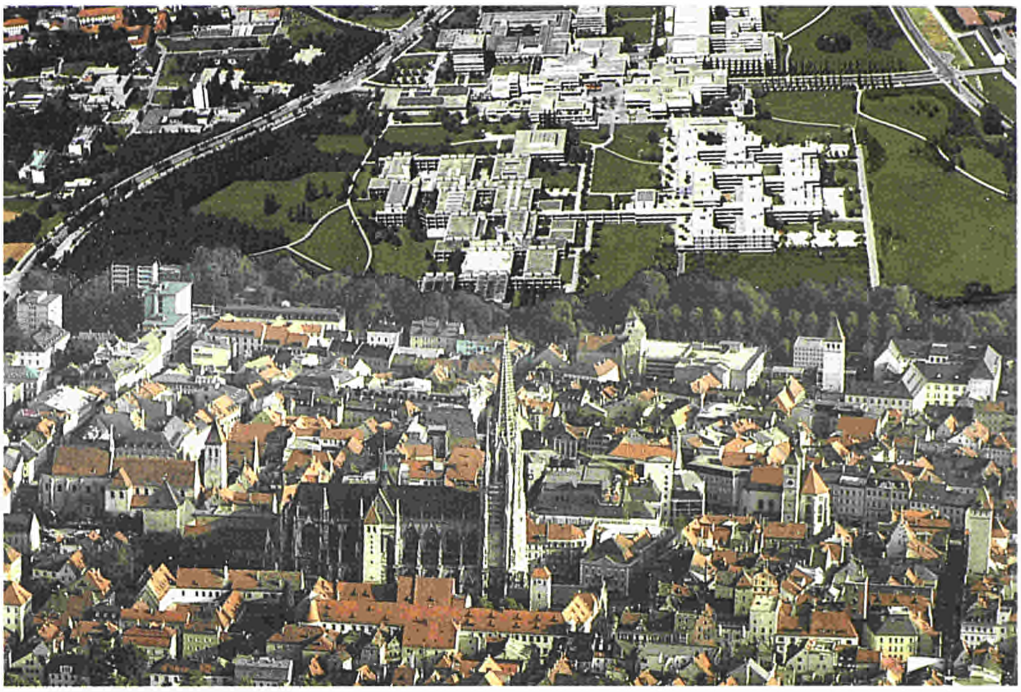
DEUTSCHLAND

OBERPFALZ

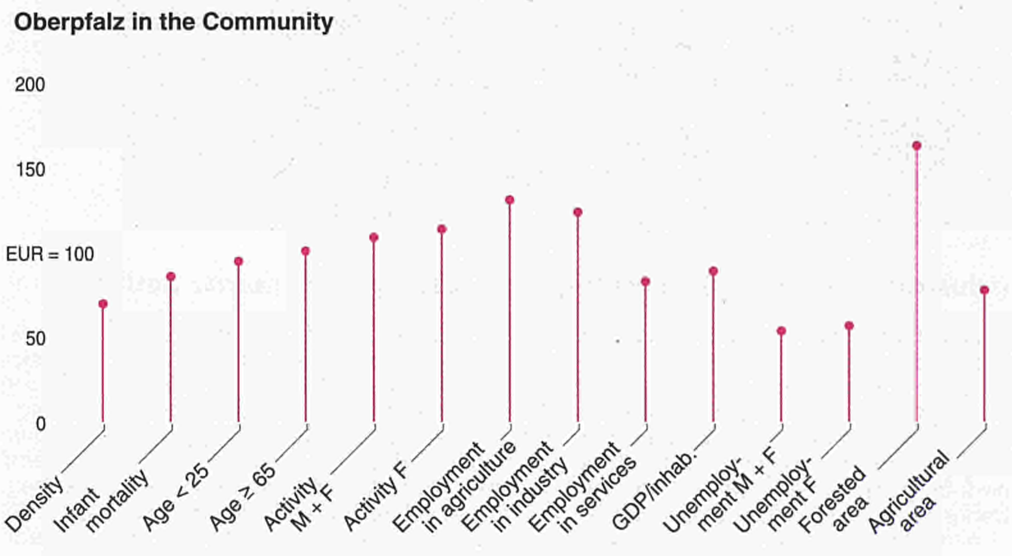
Upper Palatinate shares two things with Lower Bavaria — the lowest population density of the *Land* and a border with Czechoslovakia.

The ore deposits of Upper Palatinate once earned it the title of the 'Ruhr-district of the Middle Ages'. Nowadays, a comprehensive network of railway lines, motorways and federal highways link it to the industrial centres of Bavaria, and there is easy access to Czechoslovakia and its economic centres now that the Iron Curtain has been lifted. In the east of the region, the hills of the Upper Palatinate forest and the foothills of the Bavarian forest look towards Czechoslovakia. Parts of the western Upper Palatinate lie within the terraced Franconian Stufenland. Between the two is a block-faulted region (Bruchschollenland) that is crossed by the Naab, the Upper Palatinate's principal river. Important towns include Weiden i. d. OPf., Amberg, Neumarkt i. d. OPf. and Regensburg, formerly an imperial city and today the regional seat of government, boasting works of art from two thousand years.

The proportion of woodland (39%) is higher than in any other Regierungsbezirk in Bavaria. Pisciculture is also a feature of the landscape.



The cultural and economic centre of Upper Palatinate is the cathedral city of Regensburg. It lies on the Danube and has a campus university.

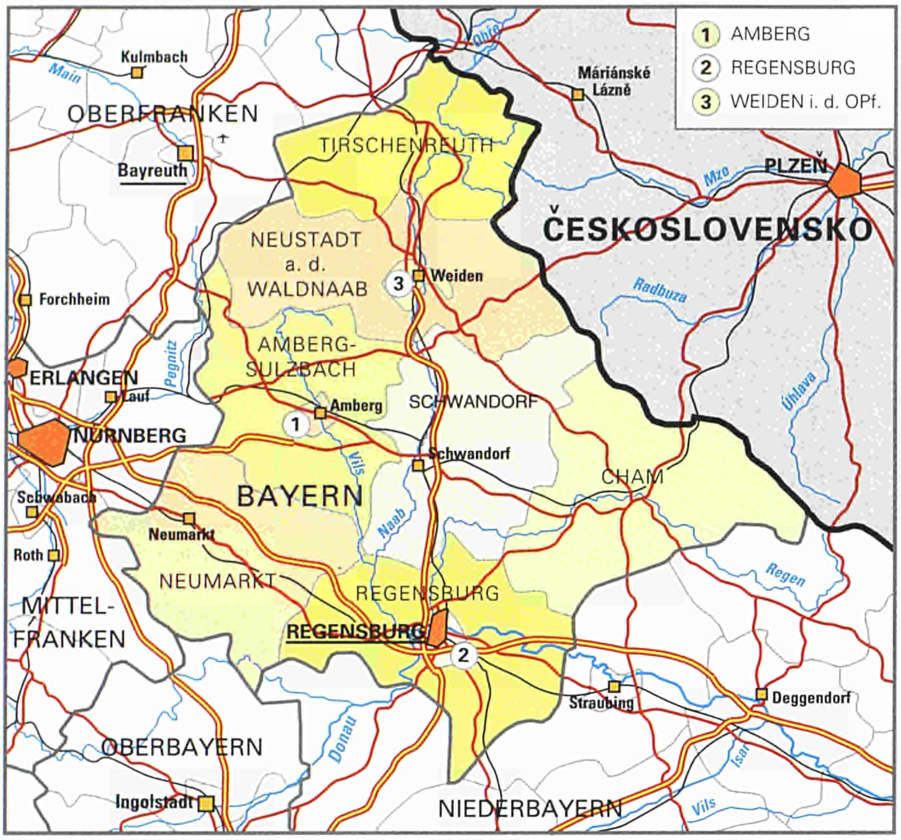


Increased economic strength as a result of the opening-up of borders to the east

Upper Palatinate is similar to Lower Bavaria in that it is economically weaker than the other Regierungsbezirke of Bavaria, but it is a high-growth region. Between 1980 and 1990 the working population grew by 15%, with a 9% increase in manufacturing and a 44% increase in the services sector (excluding the distributive trades and transport). Regensburg is an economic centre in which both the manufacturing industry and the services sector are of importance. The Regensburg area has become much more attractive to industry over the past few years. For example, BMW and a number of supply firms have given a boost to the economy and created several thousand new jobs. The central part of Upper Palatinate is also heavily industrialized. During the 1980s, a nuclear reprocessing plant was planned for the area (in Wackersdorf), but after the project had been shelved, a number of SMEs and subsidiaries of large firms moved in.

In the central part of Upper Palatinate, electrical and precision engineering and optics are particularly prominent, though there is also some mechanical engineering and vehicle construction. In the north of the region, traditional branches of industry tend to dominate, and it is here that we find one of the centres of the Bavarian glass and fine ceramics industry.

Regensburg, which is situated at the end of the navigable stretch of the Danube, handled around two million tonnes of goods in 1989, making it by far the largest inland port in Bavaria. The opening-up of markets in south-east Europe and the completion of the Rhine-Main-Danube canal means that high growth rates may be expected to continue in this region.



Scale 1 : 1 500 000

Which EC regions are similar to Upper Palatinate?

Area:
±9 700 km²
Marche (I)

Population:
±1 million inhabitants
±100 inhabitants per km²
Murcia (E)

Employment:
almost 10% in agriculture
±40% in industry
Navarra (E)
Marche (I)

Differing economic potential in Upper Palatinate

Compared with the industrialized areas of Regensburg and the central and northern parts of Upper Palatinate, the rural districts of Neumarkt i. d. OPf. and Cham (in the Upper Palatinate forest) are rural and sparsely populated. The district of Cham is not only on the border, but also lacks a developed transport infrastructure.

Upper Palatinate has the highest unemployment rate of Bavaria's Regierungsbezirke. Seasonal unemployment is particularly marked during the winter months in the Upper Palatinate and Bavarian forest. Things are also strained on the employment market in the Schwandorf area, but a number of jobs have been created thanks to intensive development initiatives.

Tourism has become increasingly important, especially in the Upper Palatinate forest, those parts of the Upper Palatinate that belong to the Bavarian forest, the Fichtelgebirge and the lower Altmühltal.

The Cham rural district heads the list of overnight stays for Upper Palatinate with a total of more than two million per year. Tourism has also provided an extra source of income for the inhabitants of the rural districts of Neustadt a. d. Waldnaab, Neumarkt i. d. OPf. and Schwandorf.

	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	1987	1987	1987	1989
Amberg KS	0.1	43	852	−4.2	56	6.5	1	42	57	124
Regensburg KS	0.1	120	1 485	−9.4	55	5.5	0	33	67	195
Weiden KS	0.1	42	618	−5.2	54	5.1	2	32	67	139
Amberg-Sulzbach	1.3	98	78	4.5	58	5.1	14	47	39	64
Cham	1.5	124	82	7.3	56	5.0	16	42	41	68
Neumarkt	1.3	109	81	10.8	58	3.0	14	48	39	65
Neustadt a. d. Waldnaab	1.4	94	66	4.1	58	3.8	14	49	38	68
Regensburg LK	1.4	150	107	9.9	60	4.2	18	43	39	45
Schwandorf	1.5	133	90	1.6	57	5.1	11	45	44	92
Tirschenreuth	1.1	79	72	0.4	58	3.5	13	55	32	81
Oberpfalz	9.7	991	102	2.7	60	4.6	10	42	48	89
Deutschland	248.7	62 679	252	2.1	57	5.2	4	41	55	112
EUR 12	2 253.7	327 931	146	3.2	54	8.3	7	33	60	100

DEUTSCHLAND

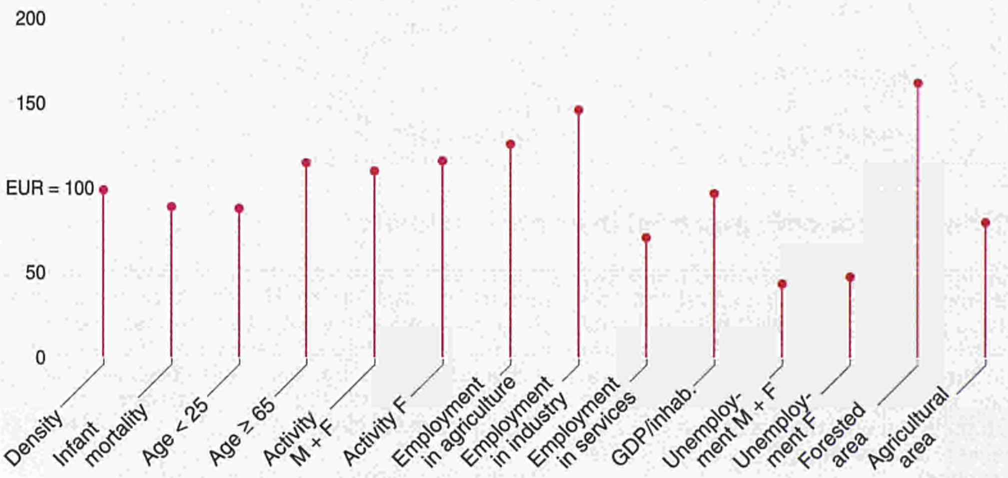
OBERFRANKEN

Until the unification of Germany, the Regierungsbezirk of Upper Franconia in north-east Bavaria was a border area, sharing a 300 km-long border with the former GDR. Now this has all changed, and the region is enjoying an entirely new position within the economic structure of Europe and a unified Germany. Its neighbours are no longer just the Regierungsbezirke of Lower Franconia, Central Franconia and Upper Palatinate, but also Thuringia and Saxony. The landscape consists of the terraced Franconian Stufenland in the south and west, Franconian Switzerland (a recreation area of outstanding natural beauty), the Fichtelgebirge and the Franconian forest in the north and east of the region. No single centre dominates in Upper Franconia. Four towns — Bamberg, Bayreuth, Coburg and Hof — form the main centres of population. Bayreuth just beats Bamberg in this respect: with 72 000 inhabitants, it is Upper Franconia's largest town and seat of government. The Bayreuth festival is famous, attracting thousands of visitors every summer.

51% of the total area of Upper Franconia is used for agricultural purposes, and almost 39% is woodland. The fertile valleys between Nuremberg and Bamberg are home to the largest single vegetable and fruit-growing area in Bavaria.

The fortress of Plassenburg, near Kulmbach, one of Upper Franconia's many tourist attractions.

Oberfranken in the Community



Traditional branches of industry predominate

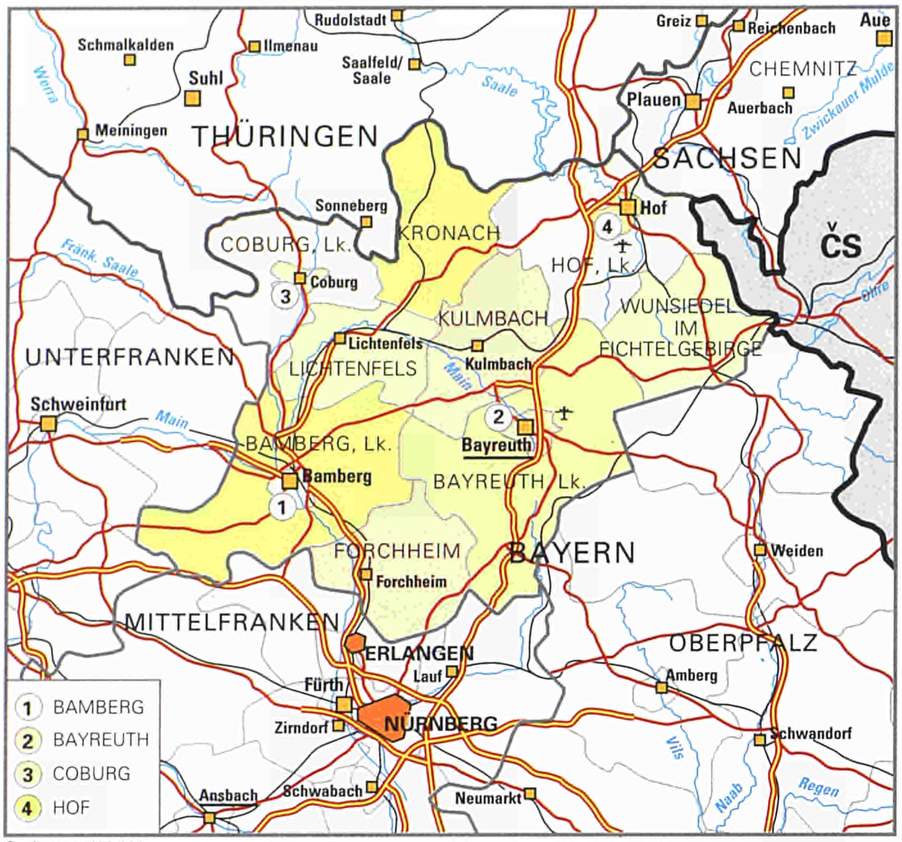
The strength of Upper Franconia lies in its economic diversity. The branches of the manufacturing industry that employ the greatest number of people in Upper Franconia are dominated by traditional sectors: textiles and clothing (Wunsiedel i. Fichtelgebirge district), fine ceramics (Hof), electrical engineering (including the manufacture of optical fibre cables in Coburg), mechanical engineering, and the production of furniture, basketwork and plastics. The restructuring towards high-growth branches that has been taking place in Upper Franconia over the past few years is now making itself felt in a positive way. New technologies such as microelectronics and new materials have become increasingly important.

The unification of Germany represents a great opportunity for Upper Franconia. The re-establishment of economic links with the highly industrialized neighbouring regions in the new *Länder*, as well as with Bohemia, is turning this Regierungsbezirk into an industrial centre of the future.

With a total of 2.3 million overnight stays recorded in the area in 1989, or more than half of the 4.2 million recorded in Upper Franconia as a whole, tourism is concentrated mainly in the Fichtelgebirge, Franconian Switzerland and the Franconian forest.

There has been a marked rise in the number of overnight stays in the areas close to the borders with the former GDR and Czechoslovakia following the opening up of these borders.

OBERFRANKEN



Scale 1 : 1 500 000

Which EC regions are similar to Upper Franconia?

Area:
± 7 200 km²
Canarias; País Vasco (E)

Population:
± 1.1 million inhabitants
Franche-Comté (F)

Employment:
nearly 50% in industry
Stuttgart; Freiburg (D)

Homogeneity in settlement structure and economic power

The absence of a major conurbation means that Upper Franconia has a fairly homogeneous settlement structure. The towns of Bayreuth, Bamberg, Hof and Coburg act as regional centres, each exerting its own influence. Upper Franconia is also more homogeneous as an economic area than the other Regierungsbezirke. Regional differences exist in that the rural districts in the west and the kreisfreie Städte have lower unemployment rates than the eastern districts, where the highest are in Hof (rural district and kreisfreie Stadt). With its motorways from Nuremberg via Hof to Leipzig and Berlin and to Chemnitz and Dresden, Upper Franconia has become an important junction for road traffic to the new *Länder*. The Rhine-Main-Danube canal, which flows from Bamberg to Nuremberg, has become much more important over the past few years.

	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	1987	1987	1987	1989
Bamberg KS	0.1	70	1 279	– 2.8	51	4.0	1	45	54	180
Bayreuth KS	0.1	72	1 069	1.9	54	6.4	1	29	70	175
Coburg KS	0.0	44	930	– 4.5	56	3.8	1	40	59	158
Hof KS	0.1	52	904	– 2.0	57	7.0	1	39	60	130
Bamberg LK	1.2	124	106	8.1	58	2.9	18	49	33	49
Bayreuth LK	1.3	100	78	3.5	58	4.6	17	50	33	60
Coburg LK	0.6	84	142	1.2	64	3.1	8	69	23	84
Forchheim	0.6	101	157	7.5	58	3.7	14	44	42	57
Hof LK	0.9	106	119	– 4.6	60	5.0	8	60	32	100
Kronach	0.7	75	116	– 2.1	60	2.9	6	62	32	87
Kulmbach	0.7	74	113	– 2.4	59	3.7	10	51	39	93
Lichtenfels	0.5	67	128	0.8	59	2.4	8	52	41	96
Wunsiedel im Fichtelgebirge	0.6	88	145	– 6.2	59	4.6	5	57	38	94
Oberfranken	7.2	1 056	146	0.3	63	4.1	7	50	43	97
Deutschland	248.7	62 679	252	2.1	57	5.2	4	41	55	112
EUR 12	2 253.7	327 931	146	3.2	54	8.3	7	33	60	100

DEUTSCHLAND

MITTELFRANKEN

Before it was incorporated into Bavaria in the early nineteenth century, Central Franconia was fragmented from a political point of view. The main power factors were the imperial towns such as Nuremberg, the margraviate of Ansbach-Bayreuth, etc.

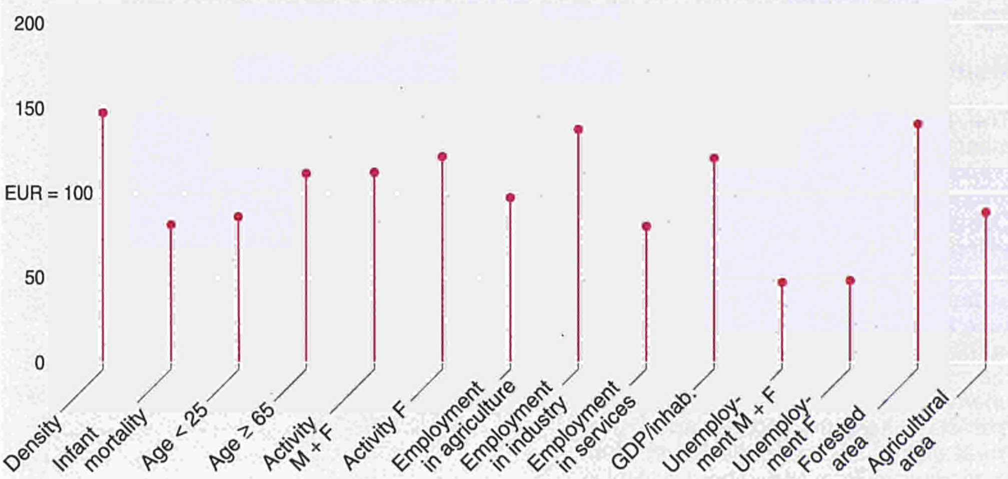
The landscape of Central Franconia is characterized by the terraced relief of the Franconian Stufenland. In the south and east, the landscape is dominated by the dry, flat upland areas of the Jura with their karst-like features. The limestone slabs that are quarried in and around Solnhofen have excellent lithographic properties.

The western part of Central Franconia consists of the barren landscapes that were formed during the Keuper period. The lack of large-scale industry here has prevented the growth of major towns, the exception being Ansbach, the administrative centre of the region.

Around half the population of Central Franconia lives in the Nuremberg-Erlangen-Fürth conurbation. The region is divided up administratively into five kreisfreie Städte (Ansbach, Erlangen — home to Bavaria's second largest university — Fürth, Nuremberg and Schwabach), seven rural districts with 205 municipalities.

Nuremberg is Bavaria's second-largest conurbation after Munich.

Mittelfranken in the Community



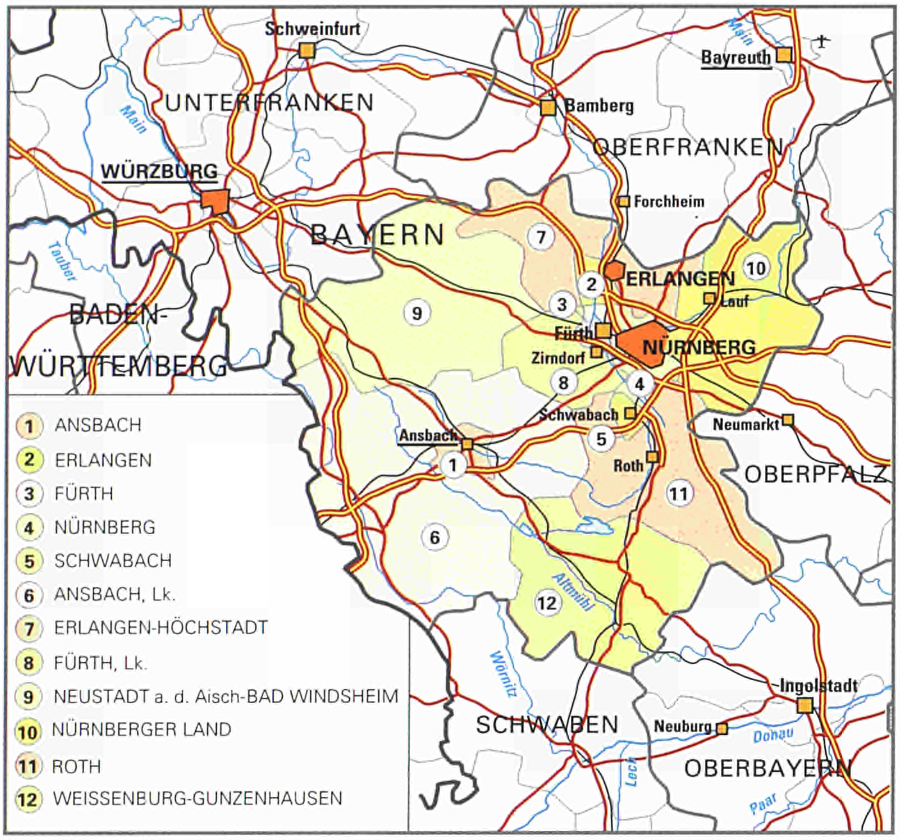
Central Franconia shaped by the economic area of Nuremberg

The Nuremberg-Erlangen-Fürth conurbation is, after Munich, the most important economic area in Bavaria, and it makes Central Franconia one of the most heavily industrialized regions of the *Land*. At its heart lies the former imperial city of Nuremberg, itself home to almost a third of Central Franconia's industrial firms and some 35% of the region's industrial workforce. The electronics industry is centred on Nuremberg and Erlangen and employs a total of 90 000 people, making this the most important branch of industry (Siemens and Bosch). Electrical engineering is followed by mechanical engineering (where there have been job losses over the past decade), the manufacture of iron, sheet metal and metal products, the production of plastic goods, the food-processing industry, and the production of toys.

The distributive trades play an important role in Central Franconia, and employ around 99 000 people. A comprehensive network of sales outlets for the various branches and for businesses of all types and sizes has developed. A well-known example is Quelle, the Fürth-based mail-order firm.

Tourism plays a major role in the western part of Central Franconia. The historical imperial towns of Rothenburg ob der Tauber, Feuchtwangen and Dinkelsbühl have seen major increases in the number of overnight stays over the past few years. Tourism is also set to play an important role in the Neues Fränkisches Seenland (new Franconian lake district), an area of artificial lakes in the western part.

Since the Nuremberg port on the Rhine-Main-Danube opened in 1972, this branch of transport has become increasingly important for the Nuremberg conurbation. In 1990 it handled around 1.1 million tonnes of goods.



Scale 1 : 1 500 000

Which EC regions are similar to Central Franconia?

Area:
± 7 200 km²
Canarias; País Vasco (E)

Population:
± 1.6 million inhabitants
± 200 inhabitants per km²
Alsace (F)
Canarias (E)

Employment:
± 45% in industry
Cataluña (E)
Tübingen (D)

Two different economic regions in Central Franconia

Central Franconia can be split into two regions: the central region around Nuremberg, and the western part of Central Franconia, which is still largely rural in character, and has a lower population density.

Over the past couple of decades the Central Franconian industrial region and the western part of Central Franconia have tended to converge in terms of economic power. Particularly large increases in the number of people in employment have been recorded in both the peripheral zones of the former (e.g. the Roth rural district) and in areas such as Ansbach.

The unemployment rate in the west of the region is lower than that of the heavily industrialized Nuremberg area.

The Würzburg-Ulm and Heilbronn-Nuremberg motorways that were built in the 1970s and 1980s have given an economic boost to the lightly industrialized west of the region in particular.

	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	1987	1987	1987	1989
Ansbach KS	0.1	37	372	− 3.1	58	3.0	2	35	63	161
Erlangen KS	0.1	101	1 312	0.2	59	3.8	1	56	44	211
Fürth KS	0.1	101	1 593	2.7	63	6.2	1	49	50	132
Nürnberg KS	0.2	486	2 614	0.3	62	4.9	1	39	60	179
Schwabach KS	0.0	35	852	0.0	62	3.8	2	53	46	95
Ansbach LK	2.0	162	82	4.2	61	2.0	19	46	35	71
Erlangen-Höchstadt	0.6	111	197	14.8	62	3.5	8	56	36	75
Fürth LK	0.3	97	315	7.9	65	3.7	8	53	38	53
Neustadt a. d. Aisch-Bad Windsheim	0.8	87	69	3.2	60	2.2	23	39	38	70
Nürnberger Land	1.3	154	192	5.2	62	2.9	7	54	40	80
Roth	0.9	108	120	6.3	62	2.9	13	41	46	62
Weißenburg-Gunzenhausen	1.0	88	91	4.1	60	2.7	15	47	38	81
Mittelfranken	7.2	1 566	216	3.4	60	3.8	6	45	50	120
Deutschland	248.7	62 679	252	2.1	57	5.2	4	41	55	112
EUR 12	2 253.7	327 931	146	3.2	54	8.3	7	33	60	100

DEUTSCHLAND

UNTERFRANKEN

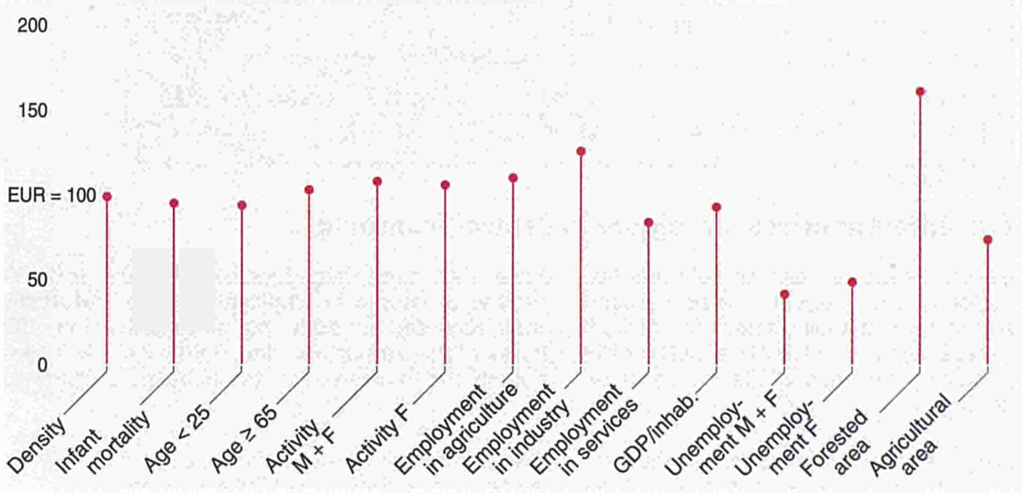
Geologically, much of the area belongs to the Franconian Stufenland. The Haßberge mountains and the foothills of the Steigerwald form its eastern boundary, whilst to the south lie the Franconian Gäulandschaften centred on Uffenheim. The Regierungsbezirk is bounded on the west by the Rhön, the Spessart and the Odenwald foothills. Lower Franconia has three main centres — the old cathedral and university city of Würzburg (which is also the seat of government), Schweinfurt with its famous ball-bearing factories and, to the west, the Aschaffenburg economic area, which spills over into the Rhine-Main region.

Lower Franconia is the centre of the Bavarian wine-growing industry. This focuses on the sunniest parts of the Main valley and a number of side valleys.

Administratively, Lower Franconia is divided up into three kreisfreie Städte (Aschaffenburg, Schweinfurt and Würzburg), nine rural districts and 304 municipalities.

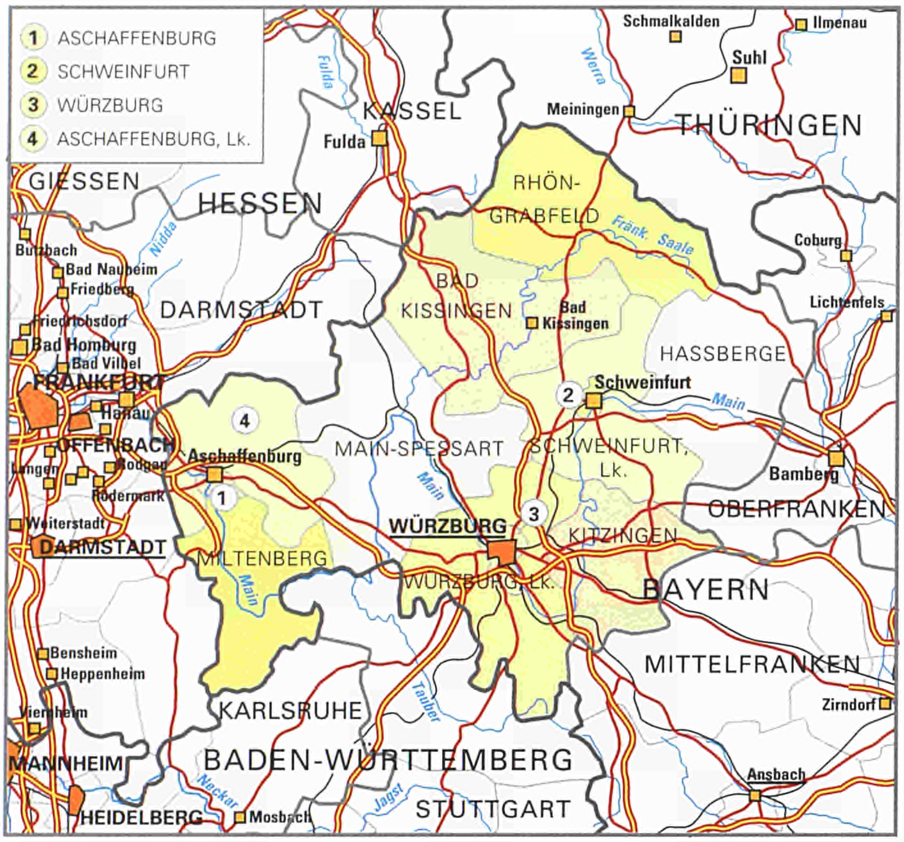
The cathedral and university town of Würzburg in the Main valley is the cultural and political centre of Lower Franconia.

Unterfranken in the Community



Lower Franconia, a balanced economic structure

The area of the lower Main around Aschaffenburg is the centre of the clothing and cellulose industries as well as mechanical engineering and vehicle construction, though the latter are even more prominent in Schweinfurt (FAG Kugelfischer, Fichtel & Sachs, Schwedische Kugellagerfabriken SKF). Some of the rural districts of the Main-Rhön region in the northeast previously experienced structural adjustment problems owing to their position along the 124 km-long border with the former GDR. By contrast, the good transport connections in the Würzburg and Aschaffenburg areas are a definite asset. These areas are at the junction of the motorways from Frankfurt am Main to Nuremberg/Munich and from Hanover to Stuttgart/Ulm. The same is also true of rail transport. The Rhine-Main-Danube canal, which serves as a link to the North Sea ports and the Ruhr, has become an important economic factor. The Main ports of Aschaffenburg, Würzburg and Schweinfurt together handled 2.3 million tonnes of goods in 1989. Good transport links with the conurbations of Munich, Nuremberg, Frankfurt am Main, Stuttgart, the Ruhr and Hanover make Lower Franconia an outstanding industrial region. Würzburg's accessibility (in terms of both time and distance) and its many sights make it a popular conference centre.



Scale 1 : 1 500 000

Which EC regions are similar to Lower Franconia?

Area:
± 8 500 km²
Umbria (I)

Population:
± 1.2 million inhabitants
± 150 inhabitants per km²
Friuli-Venezia Giulia (I)

Employment:
± 8% in agriculture
over 40% in industry
Piemonte (I)

Important industrial areas in the Lower Main region and around Würzburg

The three sub-regions of Lower Franconia — the lower Main region, the Würzburg area and the (former) border region — are all different economically. The lower Main region centred on Aschaffenburg is closely linked to Frankfurt am Main, the industrial and commercial centre of Hesse, and has considerable economic potential. The Würzburg area benefits from particularly good transport connections. By contrast, the (former) border region of Lower Franconia is underdeveloped because of its previous peripheral location. Even so, the economic strength of this area has increased considerably since the border with Thuringia opened up.

Unemployment in Lower Franconia is approximately the same as the average for Bavaria. Differences do, however, exist, between the kreisfreie Städte and the rural districts.

Tourism plays a particularly important role in Spessart, the Main valley, the Bavarian Rhön, the Odenwald and the Steigerwald.

	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	1987	1987	1987	1989
Aschaffenburg KS	0.1	63	1 008	6.8	60	4.3	1	42	58	166
Schweinfurt KS	0.0	54	1 495	1.1	56	7.2	0	58	41	226
Würzburg KS	0.1	126	1 437	– 1.1	54	4.5	1	27	73	167
Aschaffenburg LK	0.7	158	225	6.8	61	2.8	4	59	38	78
Bad Kissingen	1.1	102	90	– 0.8	56	4.1	9	32	59	80
Haßberge	1.0	82	85	5.1	58	3.8	13	48	39	68
Kitzingen	0.7	81	118	2.1	59	2.6	17	41	42	78
Main-Spessart	1.3	125	94	4.0	58	2.8	9	55	36	85
Miltenberg	0.7	118	164	5.9	60	3.1	4	60	35	80
Rhön-Grabfeld	1.0	80	78	2.4	58	4.5	13	46	42	81
Schweinfurt LK	0.8	106	126	4.3	60	3.8	21	32	47	46
Würzburg LK	1.0	142	147	6.4	60	2.4	16	35	49	54
Unterfranken	8.5	1 235	145	3.7	60	3.6	7	44	49	93
Deutschland	248.7	62 679	252	2.1	57	5.2	4	41	55	112
EUR 12	2 253.7	327 931	146	3.2	54	8.3	7	33	60	100

DEUTSCHLAND

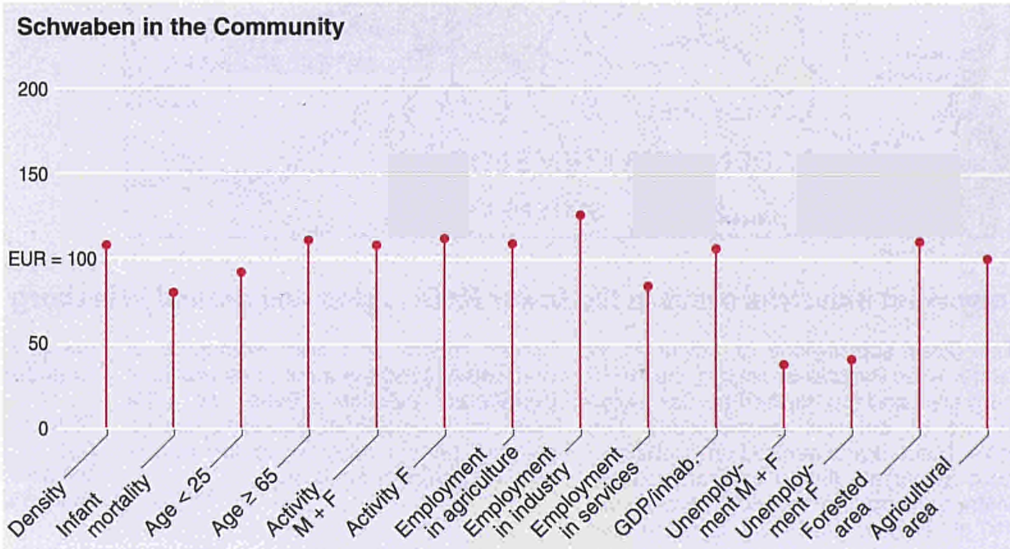
SCHWABEN

The Regierungsbezirk of Swabia is bounded to the west by Baden-Württemberg and to the south by Austria and Switzerland, whilst its northern part stretches into the terraced landscape of Franconia-Swabia. The Ries, which is of meteoric origin and has a geology and relief that are unique on earth, separates Swabia from Central Franconia. The old imperial town of Nördlingen is the economic and cultural centre. The Stufenland is bordered to the south by the broad sweep of the Danube/Lech plain. Then comes the Allgäu, as the Swabian part of the Alpine foothills is called. The former imperial town of Lindau also gives Swabia a footing on the shores of Lake Constance.

Augsburg, seat of the Swabian government is a former imperial town that was important throughout Germany in the late Middle Ages. Today, a population of around 250 000 makes this university town Bavaria's third largest after Munich and Nuremberg.

Around 61% of the total area is used for agricultural purposes. 26% is woodland, which is the lowest proportion for any of the Regierungsbezirke.

The entrance to the port of Lindau on Lake Constance which links Bavaria with Switzerland and Austria.



Small and medium-sized businesses predominate in Swabia

The structure of industry from a size point of view is much the same in Swabia as in the rest of Bavaria. Thus, the manufacturing industry is primarily centred around small and medium-sized businesses, although there are also nearly 90 large companies (i.e. with more than 500 employees). Most of the latter are found in Augsburg and the Neu-Ulm rural district. Half the Swabian textile industry (e.g. Gögginger Kammgarn-Werke) is still located in and around Augsburg, which was an early centre in this field, and accounts for a third of all people employed in the branch in Bavaria. Other prominent branches include food processing, electrical engineering (including the production of office machinery and data-processing equipment — Siemens/Nixdorf, NCR) and especially mechanical engineering (MAN), which alone accounts for one-fifth of the working population employed in manufacturing.

The Allgäu region, in the south of Swabia, is less heavily industrialized. Industry is centred on the towns of Kempten, Kaufbeuren, Memmingen and Mindelheim. Swabia has recorded strong growth in the services sector over the past few years.

One indicator of the stable economic situation is the rate of unemployment, which in comparative terms is very low indeed. It was Bavaria's lowest even in 1980, and was still below the *Land* average in 1990.

Scale 1 : 2 000 000

Which EC regions are similar to Swabia?

Area:
± 10 000 km²
Basilicata (I)

Population:
± 1.6 million inhabitants
Northern Ireland (UK)

Employment:
± 8% in agriculture
over 40% in industry
Piemonte (I)

The Allgäu: a popular tourist destination

The north of Swabia is much more heavily industrialized than the south. Whereas in northern Swabia good transport links mean that centres of industry turning out a wide range of products are distributed across much of the territory, such centres are limited to the larger towns in the south of the region. Climatic conditions and the geography mean that grassland husbandry predominates in the Allgäu and the Allgäuer Alps, whereas the land is farmed intensively in northern Swabia.

Tourism is an important economic factor in the Allgäu and Lake Constance area, over 14 million overnight stays being recorded in the region in 1989.

From a transport point of view, northern Swabia is well served by the Stuttgart/Augsburg/Munich and Würzburg/Ulm/Kempten (Allgäu) motorways. Augsburg is well connected to the other major economic centres of Germany via the Intercity rail links between Munich and Stuttgart and Nuremberg and Frankfurt. By contrast, southern Swabia is not as well served. However, the situation in the Allgäu region should improve in the long term with the extension of the Lindau-Munich motorway and that of the Kempten (Allgäu) motorway into Austria.

	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	1987	1987	1987	1989
Augsburg KS	0.1	250	1 700	1.7	61	4.5	1	42	58	147
Kaufbeuren KS	0.0	40	989	−6.2	60	2.9	1	41	58	123
Kempten (Allgäu) KS	0.1	61	965	6.4	60	4.1	1	32	67	147
Memmingen KS	0.1	39	551	2.1	61	2.6	2	46	52	145
Aichach-Friedberg	0.8	106	138	11.6	62	2.5	14	45	41	70
Augsburg LK	1.1	200	184	10.2	61	2.6	9	46	45	72
Dillingen a. d. Donau	0.8	82	103	5.1	60	2.0	14	44	42	88
Donau-Ries	1.3	119	93	3.1	60	1.9	15	45	40	97
Günzburg	0.8	110	144	1.6	60	2.4	10	43	46	148
Lindau (Bodensee)	0.3	72	222	4.5	61	2.1	10	45	45	99
Neu-Ulm	0.5	145	281	2.5	62	2.2	5	51	43	104
Oberallgäu	1.5	133	87	3.9	63	2.7	14	38	48	86
Ostallgäu	1.4	119	85	8.5	62	2.6	19	43	39	96
Unterallgäu	1.2	119	97	4.0	61	1.7	20	41	39	95
Schwaben	10.0	1 594	159	4.6	62	2.8	9	43	48	106
Deutschland	248.7	62 679	252	2.1	57	5.2	4	41	55	112
EUR 12	2 253.7	327 931	146	3.2	54	8.3	7	33	60	100

DEUTSCHLAND

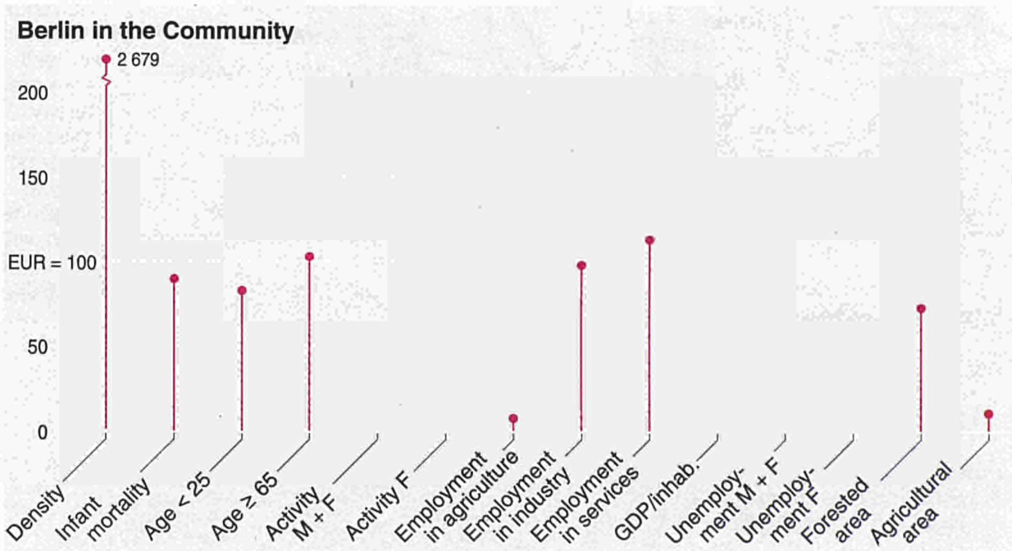
BERLIN

Berlin was given the dual status of *Land* and city under the terms of its constitution, which entered into force on 1 October 1950 and is still valid today. Although this status applied to Berlin as a whole — in accordance with Article 23 of the Basic Law of the Federal Republic of Germany — the partition of the city in 1948/49 meant in practice that it was limited to West Berlin. Furthermore, reservations on the part of the Allies meant that a number of rights deriving from the Basic Law and the Federal Constitution could not be applied. Thus did Berlin's special status come into effect. It was suspended by the unification of Germany on 3 October 1990, and formally brought to an end *de jure* by ratification of the Two plus Four Treaty by the countries concerned.

Berlin is the capital of the Federal Republic of Germany and, in accordance with the decision taken by the German Bundestag on 20 June 1991, the seats of government and of parliament.

The *Land* of Berlin today covers an area of around 889 km². Lying entirely within the new *Land* of Brandenburg, Berlin acts as a focal point for the region as a whole.

The Brandenburg Gate, symbol of a divided city's will to survive and scene of famous events in German history.

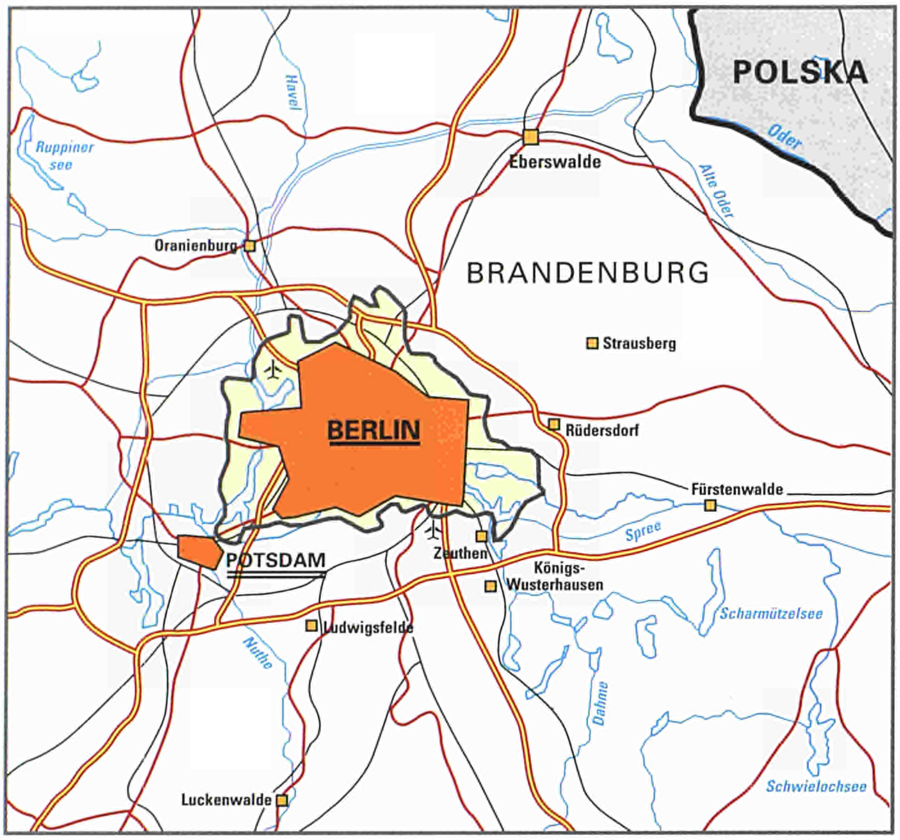


German metropolis in the heart of Europe

Berlin at the beginning of the 1990s is characterized by marked structural disparities between the two halves of the city. Opposing trends are particularly evident in economic life, with the west of the city experiencing rapid growth while the east feels the adverse effects of adapting to the West's economic, monetary and social system, with marked falls in industrial output and employment.

The city and region are heading towards a single economic system and labour market. The aim is to rapidly change the planned economy of East Berlin that has been in place for over 40 years into a market economy, and to make good the disparities between standard of living and income levels in West and East.

The outlook for the *Land* is good. With the political and economic opening-up of Eastern Europe, Berlin stands to regain its status as a central European city and to function as a focal point between the hitherto separate East and West. A number of other locational advantages give the city a bright outlook: considerable reserves of land, particularly in the east of the city, an efficient and expandable transport network, considerable labour reserves with a high proportion of skilled workers, a wide range of educational, scientific and research establishments, a famous trade-fair and conference facilities, a cultural scene of renown and scenically attractive recreational areas.



Scale 1 : 1 000 000

Which EC regions are similar to Berlin?

Area:
± 850 km²
West Midlands (county) (UK)
Madeira (P)
Hamburg (D)

Population:
± 3.4 million inhabitants
Darmstadt (D)
Lisboa e Vale do Tejo (P)
Ireland

Population density:
± 4 000 inhabitants per km²
Greater London (UK)

Crisis of transition in the east of the city

The special political situation of Berlin — with West Berlin isolated until late 1989 and East Berlin, former capital of the German Democratic Republic, a centrally planned economy — has left its mark on the development of the region as a whole. The isolated position of West Berlin had an inhibiting effect on industrial development, which was offset to some extent by special economic subsidies. Even so, industry in West Berlin did not achieve the prominence it did in the old *Länder.* Only around 30% of occupied persons in West Berlin are employed in manufacturing, with private- and public-sector services disproportionately accounting for the remaining 70%.

In East Berlin, the dissolution of the unwieldy State machinery and the much needed process of adjustment to market-economy principles in the wake of unification have led to a precarious situation on the labour market. Industrial production has fallen by around a half, and orders by a comparable amount. The length and severity of the crisis depend entirely on the speed with which businesses are restructured. In the mean time, trends in construction, the distributive trades and catering point to an upturn in some 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	1989	1990	1987	1987	1987	1989
Berlin (West)	0.5	2 131	4 436	11.9	61	6.9	0	30	70	112
Berlin (Ost)	0.4	1 279	3 172	12.4	:	:	1	36	63	:
Berlin	0.9	3 410	3 859	12.1	:	:	1	33	67	:
Deutschland (territory before 3.10.1990)	248.7	62 679	252	2.1	57	5.2	4	41	55	112
Deutschland	356.9	79 113	222	1.3	:	:	5	43	52	:
EUR 12 (territory before 3.10.1990)	2 253.7	327 931	146	3.2	54	8.3	7	33	60	100
EUR 12	2 362.0	344 365	146	:	:	:	:	:	:	:

Steady population growth

Around 60% of the population live in the west of the city. Slightly less than one-tenth of Berlin's inhabitants are foreigners, and of these only about 8% live in the east of the city. Turks are by far the largest group of foreign citizens (around 128 000 persons). Around 13% of foreigners are from other EC Member States.

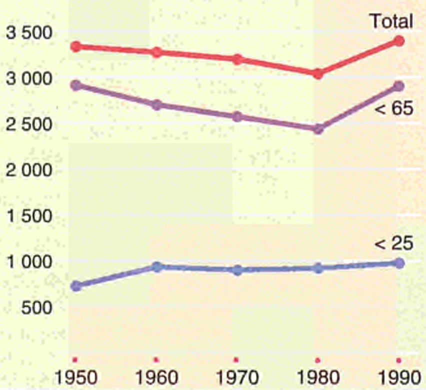
There have been opposing population trends in each half of the city. In West Berlin, the number of inhabitants fell steadily after 1964, and has been on the increase again only since 1984. In East Berlin, the population grew after 1961, a decrease being recorded only in 1989 as the political changes gathered momentum.

Natural population trends have also been different. In contrast to East Berlin, where there were regular surpluses of births, the more unfavourable age structure in West Berlin led to a surplus of deaths despite an increase in the number of births. Substantial net migration over the past decade, including a disproportionately high number of young people, has reduced the average age of the city's inhabitants. The 25-39 age-group now accounts for a good quarter of the population, whilst some 55% of the population are under the age of 40.

Population by age — 1990

	M + F 1 000	M + F %	M %	F %
< 15	536.9	15.7	17.1	14.6
15-24	448.1	13.1	14.0	12.4
25-39	859.9	25.2	27.4	23.3
40-54	752.1	22.1	23.7	20.6
55-64	319.8	9.4	9.2	9.5
≥ 65	493.0	14.5	8.7	19.7
Total	3 409.7	100.0	100.0	100.0

Population (1 000)



Berlin (West): Resident population of foreign nationality — 1990

	1 000	% of total population
Total	296.6	13.9
of which EC countries	38.3	1.8
of which non-EC countries	258.3	12.1
Turkey	128.1	6.0
Yugoslavia	34.1	1.6
Poland	21.9	1.0
Greece	8.7	0.4
Italy	8.4	0.4
United Kingdom	6.8	0.3

Demographic account — 1980-90 (1 000)

Population 1.1.1980	3 043
Births	365
Deaths	471
Net migration	+473
Population 1.1.1990	3 410

Labour reserves not exhausted

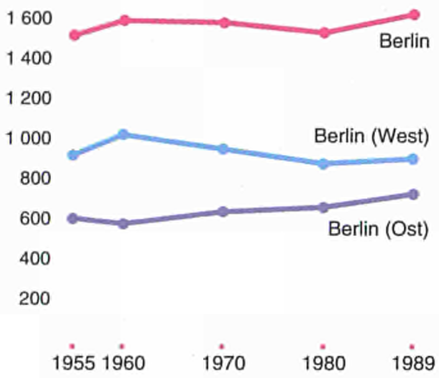
Around 2.4 million Berliners, or around 70% of the total population, are of working age, i.e. between 15 and 65. Some 50% of the work-force is made up of women. Around two-thirds of the active population are in employment. In other words, Berlin has a considerable reserve of manpower.

Training levels amongst Berlin's inhabitants are high. In the west of the city, over half the active population completed secondary education with more than the minimum qualification. A quarter also have specific vocational qualifications from a technical college, specialized institute of higher education or university. Comparable figures are not available for the east of the city, although training levels are probably much the same. With its three universities, 16 specialized institutes of higher education, nearly 100 technical colleges and around 80 vocational schools, Berlin in 1989 had a greater concentration of training facilities than any other German conurbation.

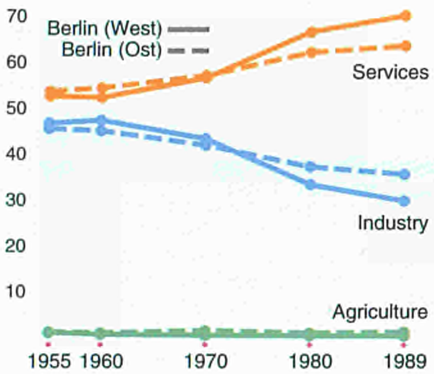
Number of pupils — 1990

	M + F 1 000	F %
Pre-school	139.4	:
Primary	140.8	49.0
Lower secondary	178.3	49.4
Higher secondary (technical)	69.0	42.4
Higher secondary (general)	21.3	50.8
Higher education	141.9	45.4
Total	690.7	43.2

Employment (1 000)



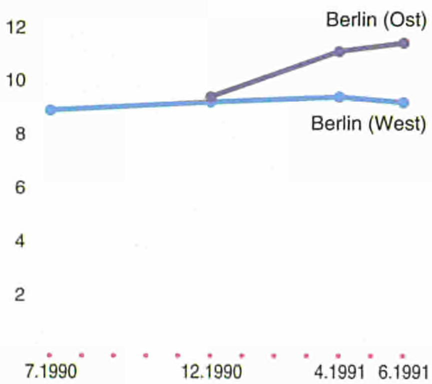
Employment structure (%)



Employment

No data available

Unemployment (%)



Focus on services

Separate political and economic development has resulted in differing employment structures in West and East Berlin. Even so, the services sector has become the focus in both parts of the city, accounting for around 70% of employment in West Berlin and almost 64% in East Berlin in 1989. In West Berlin, the manufacturing industry accounted for 266 000 people, or just under 30% of employment, the corresponding figure for East Berlin being 256 000 or 35.5%.

In both parts of the city, the distributive trades, transport and communications accounted for 177 000 people (just under 20% of employment) in West Berlin, and nearly 193 000 people (27% of employment) in East Berlin. Agriculture was of no significance in either West or East Berlin, with 0.3% and 1.1% of employment, respectively.

In 1989 17.3% of the working population in West Berlin were employed on a part-time basis . The equivalent figure for East Berlin was just 10.4%, although there is an upward trend here. There has been a marked increase in the number of self-employed in East Berlin which, in 1989, accounted for just 2.0% of employment, on account of the political system, compared with a figure of about 8.0% in West Berlin.

There are marked differences between East and West Berlin as regards hours worked. A manual worker in East Berlin at the beginning of 1991 put in an average of 40.7 hours per week, compared with 37.4 hours for his West Berlin counterpart. At the same time, manual workers in West Berlin also put in significantly more overtime than their East Berlin counterparts.

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
Berlin (West)	16	75	9	92	:	17	:	:
Berlin (Ost)	16	71	13	98	:	10	:	:

High rate of unemployment in the east of the City

The employment market in Berlin is divided. In the west of the city, the positive economic developments of 1990 led to increasing employment. At the end of 1990, 46 000 more were in employment than at the beginning of the year. However, there was no fall in the number of people out of work. Indeed, the rate of unemployment actually increased slightly to 9.4% during the first quarter of 1991.

In 1990, the vast majority of extra jobs were filled by commuters from East Berlin and the surrounding area. However, this failed to stem the sharp increase in unemployment in the east of the city. As a result of the break-up of the former East German civil service, which had been concentrated in the capital of the former GDR, and of competition-related job losses sustained in East Berlin's manufacturing industry, the registered unemployment rate in the east of the city rose to 9.3% in December 1990.

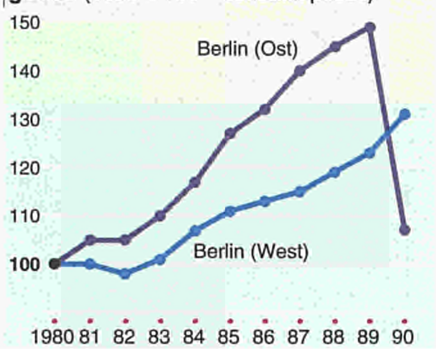
Experts expect the situation on the Berlin labour market to deteriorate further during 1991, and are anticipating an increase in employment to around 250 000 for Berlin as a whole. However, the positive stimuli from West Berlin, the upturn in some branches of the economy (including the east of the city) and the impetus provided by selective economic measures all point in the medium term to an improvement in overall economic performance and the labour market, especially in the east of the city but also in the region as a whole.

Economy dominated by small and medium-sized businesses

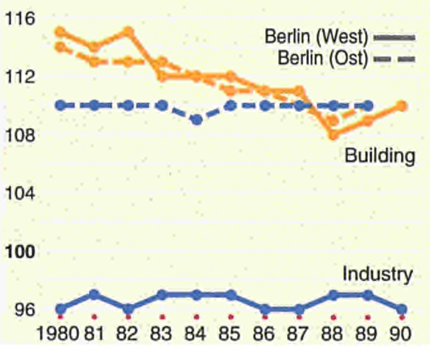
With the exception of one or two international companies, the economy of West Berlin is predominantly structured around small and medium-sized businesses. Of the 87 217 places of work recorded in 1987, a mere 1.5% employed more than 100 people. Just under 200 joint stock companies have their head office in West Berlin, as opposed to around 17 000 limited liability companies In terms of numbers of jobs, local authorities and social security (217 000), private-sector services (215 000) and manufacturing (200 000) are well ahead of the distributive trades (125 000). The most important areas of manufacturing in West Berlin are the food processing, electrical engineering, mechanical engineering and chemical industries. The turnover of industry in West Berlin was over ECU 24.1 billion in 1989, just under 15% of which was generated by exports.

The economy of East Berlin is in a state of turmoil. Prior to unification, almost all businesses were run by the State or as producers' cooperatives. They were run on centrally planned lines, suffered from unfavourable staff/cost ratios and were as a rule unable to compete on international markets, or at least only if subsidized by the State. The Treuhandanstalt (trust corporation appointed by the Federal government) is endeavouring to restructure and to a large extent privatize those enterprises that are capable of surviving. In terms of the number of businesses and the number of persons employed, the focal points of industry in East Berlin were mechanical engineering, car manufacturing, electrical engineering, consumer goods and the chemical industry. However, considerable shifts can be expected in the consolidation phase, so that statements about the production of East Berlin's industry are, as things stand, of limited value only.

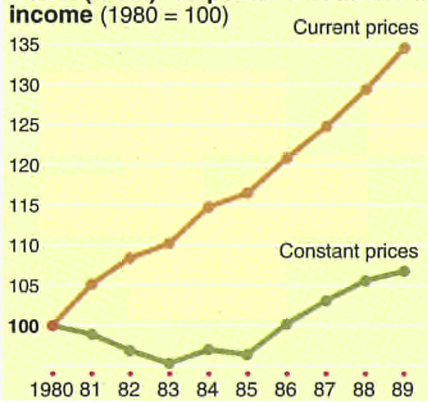
Berlin (West): gross domestic product
Berlin (Ost): production of industrial goods (1980 = 100 – constant prices)



Wages • Berlin (West): Deutschland (territory before 3.10.1990) = 100
• Berlin (Ost): ex-DDR = 100



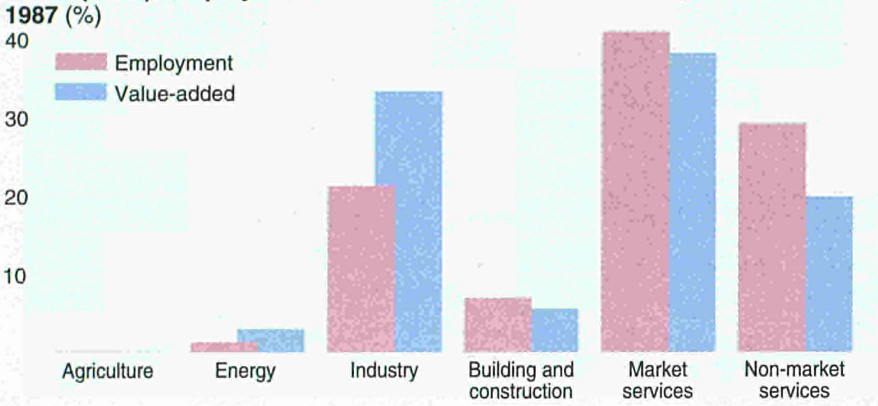
Berlin (West): disposable household income (1980 = 100)



Marked differences in earnings

In Berlin, there are not just the traditional differences between the earnings of manual and non-manual workers, men and women or individual branches of the economy. For a transitional period of at least five years there will be fundamental differences in earnings between East and West Berlin as the Western monetary, economic and social systems are gradually introduced into the territory of the former GDR. In 1991, the wage levels agreed for East Berlin amounted on average to approximately 60% of West Berlin levels. The initial differences in the cost of living, e.g. in rents, social security contributions and public transport, are now levelling out. The price of food, clothing and consumer durables had already risen to Western levels shortly after unification. The greater earning potential in professions where there are staff shortages in the West of the city and in the old *Länder* (e.g. nursing and infant teaching) thus caused people to move to areas with Western wage levels, leading to problems of care provision in the city's eastern districts. The fact that until 1989 average earnings in industry, construction and electrical engineering were higher in East Berlin than in the former GDR as a whole is a mere detail of history now that unification has gone ahead. Levels of earnings in West Berlin are on average about the same as in the old *Länder.* Even so, earnings in industry are still lower than in the former Federal Republic. Earnings are higher than average in the construction, energy and water, and banking and insurance sectors. The clothing industry, catering and the distributive trades are at the lower end of the earnings scale.

Berlin (West): Employment and value-added: distribution by branch – 1987 (%)



Berlin, a major provider of services

Agriculture and forestry employ fewer than 10 000 people, and generate well under 1% of gross value-added.

Of much greater importance in both parts of the city is the secondary sector, i.e. manufacturing and construction. Particularly prominent amongst high-turnover branches are electrical engineering, the chemical industry, mechanical engineering and the manufacture of office equipment and computer hardware and installations. Branches which benefited particularly from the 1990 boom, triggered by the opening-up of markets in East Germany, were consumer goods. In East Berlin, manufacturing (particularly metallurgy) and the energy, water and electrical engineering industries, will diminish in importance for the foreseeable future. In both parts of the city, expanding branches of the economy are construction, the distributive trades and the transport and communications sector, even though businesses in East Berlin are experiencing problems in adapting to the market economy.

Though there are some high-turnover branches in industry, Berlin is dominated by the services sector, i.e. private- and public-sector services. If the distributive trades and transport are included, the services sector not only provides the greatest number of jobs in absolute terms, but also generates a gross value-added well in excess of manufacturing.

Berlin (West): Agriculture

Number of holdings	2 660
Labour force	5 958 AWU
Agricultural area	1 000 ha
Livestock	4 000 LU
Gross value-added	3 185 ECU/AWU
Main products	
Flowers	35%
Poultry — eggs	4%
Pigs	2%

Main enterprises
Berlin (West)

Name	Activity
Siemens AG	Electrical goods
Hertie Waren- und Kaufhaus GmbH	Retail trade
Berliner Kraft- und Licht AG	Production and distribution of electricity
Schering AG	Chemical industry
AEG AG	Electrical goods
Sparkasse der Stadt Berlin	Banking and finance
Mercedes Benz AG	Car manufacturing
Karstadt AG	Retail trade
Berliner Bank AG	Banking and finance

Environmental problems no less acute

Although Berlin covers an area of only 889 km^2, a relatively high proportion of the city (approximately 25%) is taken up by woods, rivers and lakes. There are nature reserves, mostly in the west of the city. Even though considerable amounts of money have been spent on controlling air and water pollution (the manufacturing industry alone invested some ECU 240 million in 1988), many rivers and lakes are heavily polluted, and only one third of timber stock can be considered healthy. Around 20% of pines (the predominant tree type) have suffered moderate to serious damage, while deciduous trees, particularly oaks, are less seriously damaged. Since environmental legislation now also applies to the territory of the former GDR, Berlin is counting on the establishment of a sufficient number of monitoring stations in the eastern half of the city and, more especially, on considerable improvements in the control of air and water pollution.

The increase in the volume of traffic in Berlin since German unification and the sharp rise in car ownership in the east of the city (the result of access to Western markets) have led, even after just a few months, to an increase in emissions of pollutants. Improvements to the public transport system — extension of the underground and suburban train networks, better bus routes and the preservation of tram lines in East Berlin — are thus of particular importance.

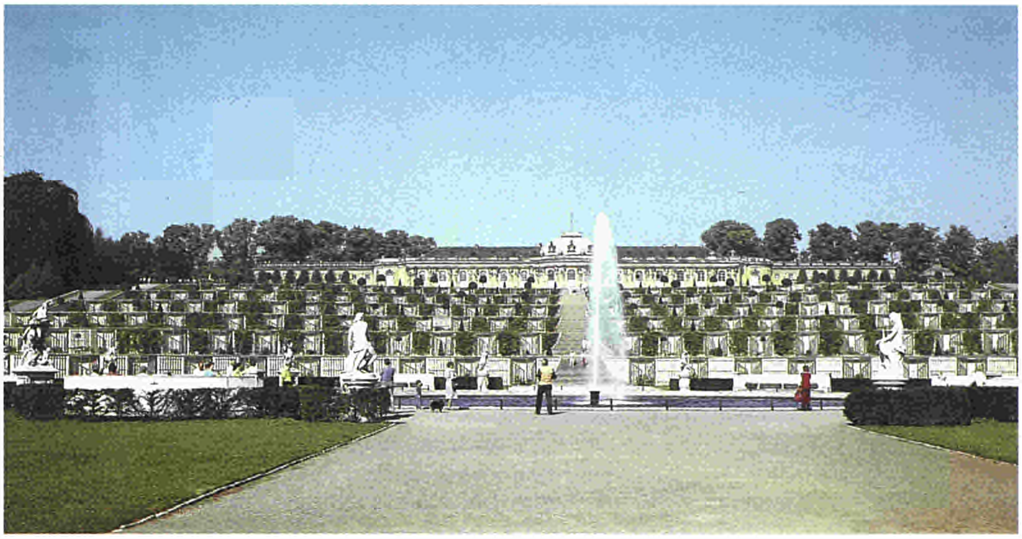
The city is having problems with the increasing volume of industrial waste, including special and household waste. Berlin has no large refuse tip capacity. However the use of sites in the former GDR, i.e. essentially in the new *Land* of Brandenburg, is controversial and a matter that needs negotiating. Berlin is thus counting on increased environmental awareness on the part of its inhabitants, on the successful implementation of current legislation on waste avoidance/recycling, and on state-of-the-art waste disposal methods.

DEUTSCHLAND

BRANDENBURG

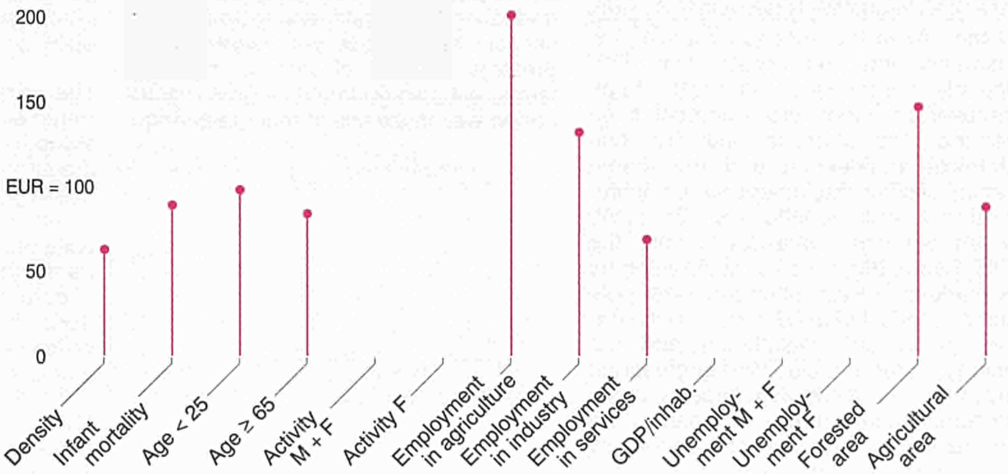
The son of Albert the Bear, margrave Otto of Brandenburg, added the red eagle to the shield symbolizing the rule of the Ascanians, and the chequered history of this land has been played out under this heraldic animal. Brandenburg has existed in its present form only since October 1990. This represented an attempt to recreate the approximate boundaries of the territory as they appeared in 1952. It consists of the former administrative districts of Potsdam, Frankfurt (Oder) and Cottbus minus the Kreise of Hoyerswerda, Jessen and Weisswasser, but with the Kreise of Perleberg, Prenzlau and Templin.

Brandenburg is made up of six kreisfreie Städte (towns constituting districts in their own right urban districts) and 38 Landkreise (rural districts). Brandenburg is, after Mecklenburg-Western Pomerania that borders it to the north, the most sparsely populated *Land* in the Federal Republic. The southern neighbours of its 2.6 million inhabitants are Saxons. In the west the *Land* is bordered by Lower Saxony and Saxony-Anhalt and by Poland in the east, 60% of the Federal Republic's border with this country being with Brandenburg. Berlin lies in the centre of Brandenburg. Many problems can thus only be solved jointly with Berlin. Around one-third of the *Land* is forested, and 3.3% is made up of lakes, rivers, etc.



Sanssouci Palace at Potsdam, the capital of the Land *of Brandenburg.*

Brandenburg in the Community



Infrastructures must be modernized

There are a number of problems to be resolved. The transition must be made from centralized structures and a planned economy to a democratic set-up and a market economy.

After the decades-long partition of Brandenburg into 'Bezirke', it must overcome the centralized structure and create one that meets its needs. A stable infrastructure is indispensable to the development of the economy. An efficient transport network is needed for Brandenburg as a whole. This means extending and modernizing existing transport links and constructing new ones. There is much catching up to do as regards waste disposal, communications and energy infrastructures for commercial, industrial and other areas. At present, only one person in 19 has a phone. There are no developed industrial areas as such, and there is no provision for mains water or sewage connections for those that are planned. Overcoming the unfavourable economic situation in the industrial, manufacturing and craft sector and the obvious lack of an efficient and future-oriented infrastructure is the principal objective of the development measures that are to be introduced.

BRANDENBURG

Scale 1 : 2 000 000

Which EC regions are similar to Brandenburg?

Area:
± 30 000 km²
Belgique/België
Galicia (E)

Population:
± 2.6 million inhabitants
Thüringen; Schleswig-Holstein (D)
Castilla y León (E)

Population density:
± 90 inhabitants per km²
Picardie; Pays de la Loire (F)
Galicia; Murcia (E)
Lüneburg (D)

Economy and environment in discord

The *Land* of Brandenburg consists chiefly of the former 'Bezirke' of Potsdam, Frankfurt (Oder) and Cottbus — areas which developed more or less independently of each other. Potsdam's industrial structure grew up around the metals and metalworking, mechanical engineering, motor vehicle, food and electrical and electronic engineering industries. The dominant sectors in Frankfurt (Oder) were chemicals, metals and food, and in Cottbus energy, fuels and chemicals. All of these sectors are now undergoing radical structural change.

Woodlands and watercourses are typical features of Brandenburg's landscape, but are threatened by the ecological burden of the recent past. Some 8 300 suspect sites of past industrial pollution have been identified to date. The areas worst affected are Zossen, Strausberg and Perleberg; those least damaged are Guben and Potsdam (urban and rural district). The survey is not yet complete; military property of the former NVA (National People's Army) is the subject of a separate investigation. Decontamination of the polluted sites will take decades and be very costly.

	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	1989	1990	1989	1989	1989	1989
Brandenburg	29.1	2 641	91	−0.5	:	:	15	44	41	:
Deutschland (territory before 3.10.1990)	248.7	62 679	252	2.1	57	5.2	4	41	55	112
Deutschland	356.9	79 113	222	1.3	:	:	5	43	52	:
EUR 12 (territory before 3.10.1990)	2 253.7	327 931	146	3.2	54	8.3	7	33	60	100
EUR 12	2 362.0	344 365	146	:	:	:	:	:	:	:

Emigration to the old *Länder*

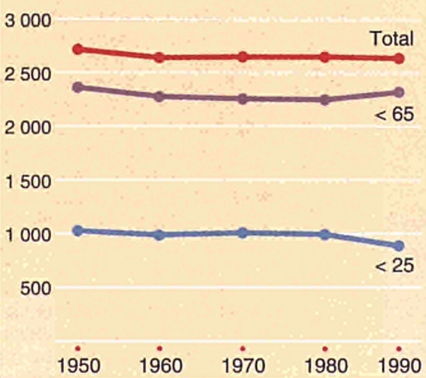
In 1990, 2.6 million people were living on the territory of Brandenburg. The migration in 1989 of around 30 000 inhabitants to the old *Länder* or Berlin (West) led to a decrease. This trend consolidated during the first few months of 1990. It was mainly young people that moved away from Brandenburg. The proportion of inhabitants under the age of 25 fell from 38% in 1980 to 34% in 1989. The age pyramid shows considerable shortfalls for birth years affected by the war period. Up to the age of 54, there are more men than women, and over the age of 54 there is a surplus of women.

The life expectancy is 69 for men and 75 for women. There are 15 000 citizens of Sorbian nationality resident in Brandenburg. They live in the southern part of the *Land*, mainly in Cottbus (town and rural district) and the surrounding rural districts of Calau, Lübben, Forst and Guben; 27 000 foreigners are permanently resident in Brandenburg. More than half of these are aged between 25 and 40, and the majority of them come from Vietnam and developing countries.

Population by age — 1990

	M + F 1 000	M + F %	M %	F %
< 15	538	20	22	19
15-24	357	14	14	13
25-39	644	24	26	23
40-54	510	19	20	19
55-64	279	11	10	11
≥ 65	314	12	8	16
Total	2 641	100	100	100

Population (1 000)



Resident population of foreign nationality

No data available

Demographic account — 1980-90 (1 000)

Population 1.1.1980	2 655
Births	380
Deaths	336
Net migration	−57
Population 1.1.1990	2 641

Change of direction for persons in employment

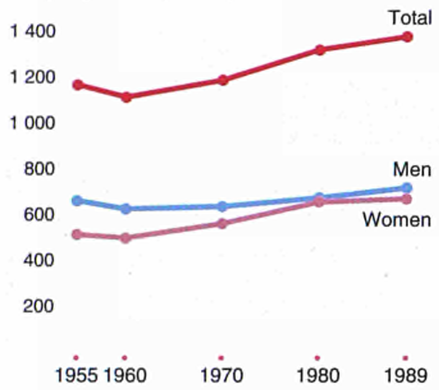
Two-thirds of the population of Brandenburg are of working age. Up until 1989 there was a very high rate of employment in the former GDR. Compared with the old *Länder*, a very high proportion of women were in work. The transition from a planned to a market economy changed things completely for many workers. Cuts in the number of jobs called for a change of direction towards areas that hold promise for the future. As new jobs were not created in the same numbers, many people sought employment in the old *Länder*. Others saw their chance in self-employment, this being reflected in the number of business registrations. In 1989, one-fifth of manual and non-manual workers had a qualification from a university or technical college, and around two-thirds were trained as masters or technicians.

The average working day was 8.75 hours; this is gradually being reduced in accordance with collective bargaining agreements.

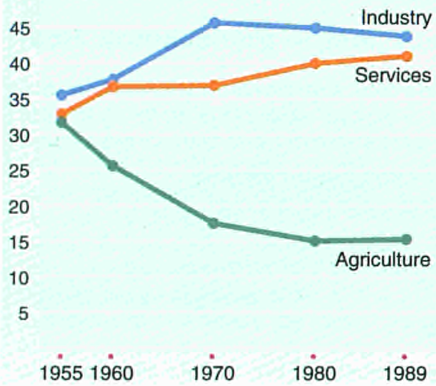
Number of pupils — 1990

	M + F 1 000	F %
Pre-school	:	:
Primary	146.8	49.0
Lower secondary	182.7	49.7
Higher secondary (technical)	47.7	36.1
Higher secondary (general)	6.5	57.6
Higher education	5.4	48.1
Total	389.0	47.9

Employment (1 000)



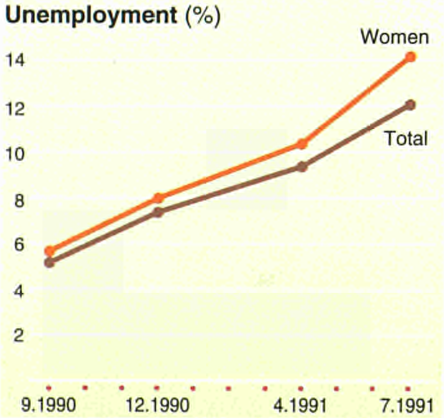
Employment structure (%)



Employment

No data available

Unemployment (%)



Changing structure of employment

Employment grew by 25% between 1960 and 1989 from 1.1 million to 1.4 million. The number of people employed in agriculture fell by 10% over the same period. The setting up of new industrial complexes, particularly in the metalworking, chemical, energy and fuel industries, brought about an increase of around 7% in industry between 1960 and 1970. The services sector recorded a slight increase only.

In 1989, 48% of the labour force were women and 52% men; 16.4% were under 25 and 13.7% over 55, whilst 10% of the labour force was engaged in part-time work. The latter were mainly women. 43,7% of the labour force was employed in industry and around 15% in agriculture. Only 2% of the labour force were self-employed or family workers. These proportions have already changed considerably as a result of the economic upheaval.

Characteristics of resident employment (%)

	< 25 years	25-54 years	≥ 55 years	Employees	Employees: part-time		Employees: full-time, temporary contract	
	1989	1989	1989	1989	1984	1989	1984	1989
Men	16	68	15	98	:	2	:	:
Women	16	72	12	98	:	20	:	:
Total	16	70	14	98	:	10	:	:

Unemployment on the increase

Unemployment had been unknown to the inhabitants of the new *Länder*. However, with the transition to the market economy, it became very evident, and is on the increase, with women harder hit than men. By the end of 1990, 101 000 people were registered unemployed and 286 000 as short-time workers; 19% of the unemployed were under 25, 0.9% were men over 60 and 2.3% women over 55. Unemployment and short-time work are particularly evident in the agricultural, fishing, food products, chemical and organization/administration sectors.

Measures to combat this problem have been introduced. These include retraining programmes, job-creation initiatives and schemes to encourage industry to create job security in the long-term. Individual initiative is of paramount importance here.

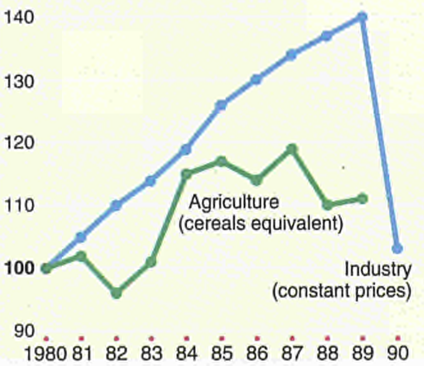
Moving towards the market economy

In Brandenburg, the energy, fuel, steel production and metalworking sectors play a leading role compared with the other new *Länder*. Adjustment to the new market conditions is necessary in all branches. Existing enterprises are modifying production or rationalizing. The search is on for investors to put money into setting up new enterprises or extending/adapting existing ones. There are already positive examples. The aim is to create a modern economic structure that also includes small and medium-sized businesses.

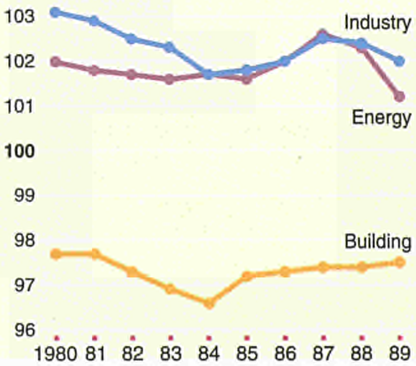
After monetary union in the middle of 1990, one-third of industry's turnover was generated by the raw materials and producer goods industry, with a further quarter coming from the mining and capital goods industries respectively, these employing 34.5% of the labour force. Important economic branches within the capital goods sector, which has the highest export share at 29%, include mechanical engineering, structural steel and alloy engineering, rail and road vehicle construction, and electrical engineering. Goods most frequently sold abroad include blast furnace, steel and rolled products, steel and alloy structures, locomotives, agricultural machinery, motor vehicles and engines, measuring and control instruments, raw materials for the chemical industry and spectacles. Small and medium-sized businesses dominate in mineral and ore extraction and processing, woodworking and processing, furniture manufacture and the food industry.

Tourism forms an important part of the region's economic policy, the countryside and places of historical interest attracting visitors from both Germany and abroad. Overnight accommodation facilities must be improved, as must the necessary tourism infrastructure.

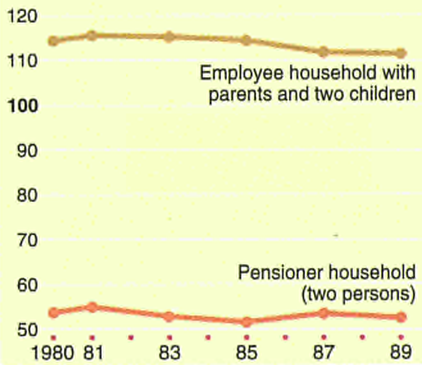
Production of industry and agriculture (1980 = 100)



Wages (ex-GDR = 100)



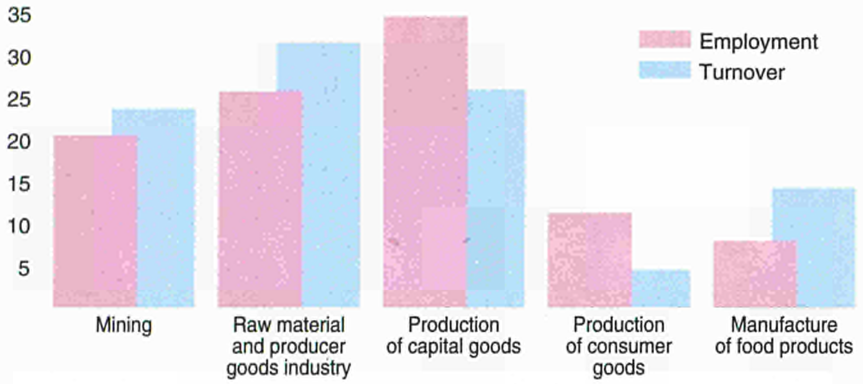
Net household income
(employee households = 100)



Earnings and what they are spent on

The net earnings of manual and non-manual workers have increased by around 25% since 1980, with an 18% increase for manual or non-manual workers with university or technical college qualifications, 24% for technicians or master craftsmen and 26% for unskilled workers. Women in full-time employment saw their earnings increase by 7% more than their male counterparts over the same period. The average monthly earnings for a manual or non-manual worker in industry was around ECU 570 in 1980 and around ECU 660 in 1989. However, figures vary from sector to sector. Wages were 10% higher in the energy sector and 11% lower in the textile industry. The average net household income for a manual or non-manual worker with two children was ECU 1 130 per month in 1989; 23% of this went on food, 8% on semi-luxury goods, 37% on manufactured goods and 2% on rent which was subsidized by the State. The high proportion of total expenditure accounted for by manufactured goods is mainly due to consumer durables with their high cost price. The increase in earnings and loans granted has meant that households are better equipped. For example, 59% of four-person households had a car in 1980, whereas this figure had already increased to 69% by 1989, even if the vehicles were often very old. Over the same period, the proportion of households with a colour television increased from 19% to 59%, the equivalent figures for freezers being 14% to 55%. The abolition of subsidies for and mark-ups on manufactured goods will bring about a change in the structure of expenditure, which will come more into line with that of the old *Länder*.

Employment (1991) and turnover (1990): distribution by branch (%)



Mark Brandenburg — poor, sandy soil

Around half of Brandenburg's utilizable area is given to agriculture and 39% to nature. Agriculture and forestry account for around 1.4 million and 1.0 million hectares respectively. Characteristic agricultural products are cereals, oilseeds, potatoes, fruit and vegetables. Brandenburg is also known as the Streusandbüchse (sand box) because of the poor quality of its soil. It has the lowest yields of any of the new *Länder* (35.2 decitonnes of cereals per hectare and 181 decitonnes of potatoes per hectare). Animal husbandry is intensive. Poultry and fatstock production are characterized by particular regional concentrations. Restructuring towards an agricultural system based on a social market economy has led to new agricultural holdings and a considerable reduction in the number of people employed in the sector. In addition to the previous farms and cooperatives, private agricultural holdings are also being established. Almost one-fifth of the farmland hitherto in use has been taken out of production. Concerted efforts are being made to make farming more ecological, which not only means improving the quality of products, but paying due attention to nature conservation and environmental protection.

Agriculture

Agricultural area	1 419 000 ha
Arable land	76%
Main crops	
Cereals	55%
Potatoes	9%
Sugarbeet	2%
Livestock	
Cattle	1 071 000 head
Pigs	2 049 000 head
Sheep	226 000 head

Main enterprises

No data available

A problem of lignite

In addition to its many open-cast lignite mines, Brandenburg is characterized by its largely unspoilt landscape of woods, rivers and lakes. Its 365 nature reserves make up 3.4% of the land area, which is twice as high as the national average. There are also 109 landscape protection areas and 10 wetland reserves. Around one-third of Brandenburg is forested, of which more than half is damaged, although proportions vary greatly within the *Land;* 3.3% of the area is covered by rivers and lakes, etc.

An inadequate environmental policy in the past has led to qualitative water pollution by industry, agriculture and communes. One-fifth of the running water analysed in 1989 was no longer fit for use as drinking water. Many areas of Brandenburg do not comply with the official limit values for air pollutants. The main offenders are power stations with ineffective waste gas scrubbers. In areas with a large proportion of old buildings, 50 to 60% of air pollution is caused by the use of lignite for heating purposes. Traffic is responsible for around 37% of emissions of nitrous oxides. Waste disposal is a general problem. Around 75% of tips did not meet the new legal requirements and had to be closed down. Those that are still in operation are being upgraded to ensure their continued use. In order to reduce the volume of waste, there are plans to introduce across-the-board biological waste collection schemes in the medium term.

DEUTSCHLAND

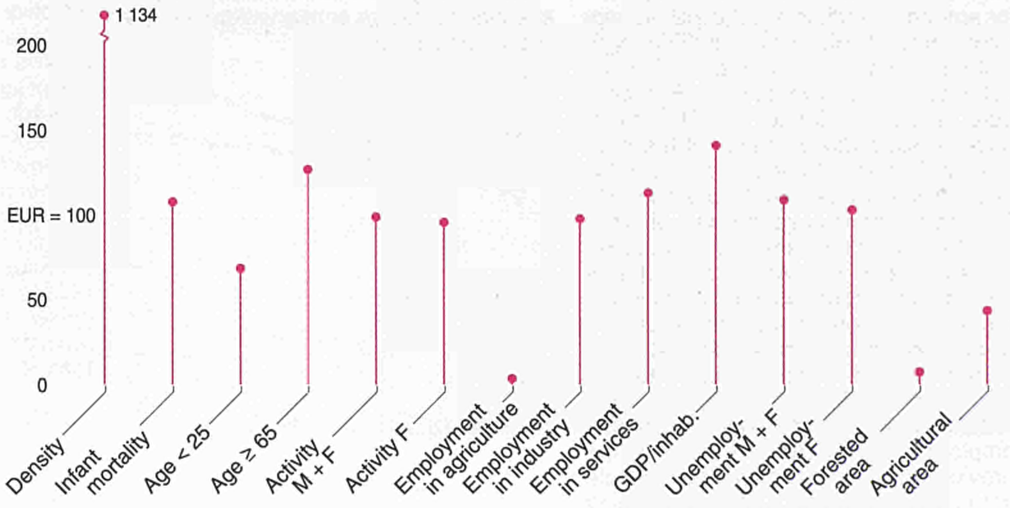
BREMEN

The free Hanseatic City-State of Bremen, the smallest of the 16 *Bundesländer* in the Federal Republic of Germany, consists of the cities Bremen and Bremerhaven, which are separated from each other by an approximately 65 km stretch of Lower Saxony. Whereas the smaller of the two cities, Bremerhaven, with a population of approximately 130 000 on 77 km^2, lies directly on the estuary of the river Weser, the city of Bremen, with a population of over 550 000 on 327 km^2, developed upriver, at roughly the place where the tidal waters from the North Sea gradually settle and allow a reasonably safe river crossing.

From the Middle Ages onwards, merchants in Bremen handled brisk trade between Norway and the Mediterranean. In 1358 Bremen entered the Hanseatic League. When the Holy Roman Empire of Germany fell in 1806, Johann Smidt secured the independence of the Free City of Bremen in the German Confederation. In 1827 he obtained from Hanover a strip of land running along the Weser, where a harbour basin was constructed: this was the basis of the present-day city of Bremerhaven. In the 18th century an era of prosperity began, due to trade links with Eastern Asia and America.

The market-place, where the people of Bremen like to meet.

Bremen in the Community



Far-reaching structural change continues

In economic terms the two-city State is a major regional centre.

The deepwater docks of the city of Bremen are maintained by continual dredging work. The trend towards containerization was recognized early on, with the result that Bremen's international port at Bremerhaven has, in recent years, seen the development of container handling facilities which are among the largest, most efficient and quickest in the world.

Recent years have seen the start of a far-reaching structural change, which is still continuing today. Against a background of redundancies, particularly in shipbuilding, fisheries and the iron and steel industry, Bremen is aiming to shift its economic base towards a combination of high-tech industries and foreign trade. The present-day political and economic challenge is to combine the city's long-established democratic, republican culture with economic innovation.

Scale 1 : 1 000 000

Which EC regions are similar to Bremen?

Area:
around 500 km²
Hamburg; Berlin (D)
Merseyside (UK)

Population:
0.7 million inhabitants
Baleares (E)
Thessalia (GR)
North Yorkshire (UK)

Population density:
1 000 to 2 000 inhabitants per km²
Greater Manchester;
West Yorkshire (UK)

Employment:
33% industry
66% services
Madrid (E)
Attiki (GR)

Imbalances between Bremen and Bremerhaven

As a result of its particularly narrow economic base consisting of only a few problem-ridden branches, Bremerhaven has for years had to contend with greater labour-market problems than the city of Bremen. The positive side of the equation, however, lies in the considerable investment recently sunk into developing the container port at Bremerhaven, which has grown into one of the most important in Europe, with a deepwater quayside that is the longest in the world.

	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	1987	1987	1987	1989
Bremen SK	0.3	544	1 666	− 2.1	53	10.2	1	34	66	150
Bremerhaven SK	0.1	129	1 669	− 6.9	52	11.5	1	31	68	103
Bremen	0.4	674	1 667	− 3.1	54	10.4	1	33	66	141
Deutschland	248.7	62 697	252	2.1	57	5.2	4	41	55	112
EUR 12	2 253.7	327 931	146	3.2	54	8.3	7	33	60	100

Demographic trend matches most other West German cities

The population has been subject to the demographic changes which have characterized nearly all big West German cities since the end of the Second World War.

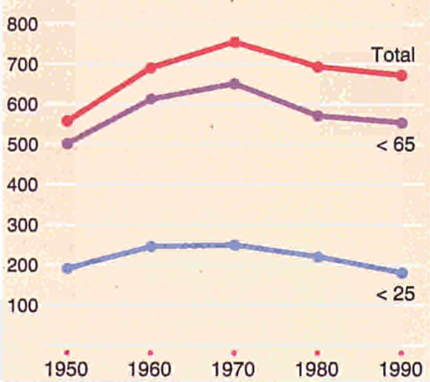
Following a rapid rise in the 1950s (refugees, returning Germans, migrants, excess of births over deaths), the 1960s saw limited population growth. From 1970 to approximately the end of the 1980s there were net population decreases (net mortality, migration beyond city boundaries). However, there have been net increases in the populations of Bremen and Bremerhaven since the end of the 1980s, particularly as a result of immigration. Between 1987 and the start of 1991, the percentage of non-Germans in the population rose from 6.8% to over 10%.

There has been a marked change in the age structure of the population since the end of World War II. Whereas in the 1950s, 1960s and even early 1970s more than 20% of the population in both cities was under 15 years old, this figure had fallen to just over 12% when the last census was conducted (25 May 1987). This contrasts with the rise in the percentage of over-75s, who accounted for 2.8% of the population in 1950, to 8.5% in 1987. More than two-thirds of the over-75s are women.

Population by age — 1990

	M + F 1 000	M + F %	M %	F %
< 15	87.3	13.0	13.9	12.1
15-24	93.8	13.9	15.0	12.9
25-39	152.3	22.6	24.3	21.1
40-54	146.3	21.7	23.4	20.1
55-64	75.5	11.2	10.9	11.5
≥ 65	118.5	17.6	12.6	22.2
Total	673.7	100.0	100.0	100.0

Population (1 000)



Resident population of foreign nationality — 1990

	1 000	% of total population
Total	58.7	8.7
of which EC countries	8.3	1.2
of which non-EC countries	50.4	7.5
Turkey	26.3	3.9
Poland	5.9	0.9
Yugoslavia	4.2	0.6
Portugal	2.0	0.3
Iran	1.5	0.2
Italy	1.5	0.2

Demographic account — 1980-90 (1 000)

Population 1.1.1980	695.1
Births	58.5
Deaths	86.9
Net migration	+7.0
Population 1.1.1990	673.7

Activity rate highest in 1987

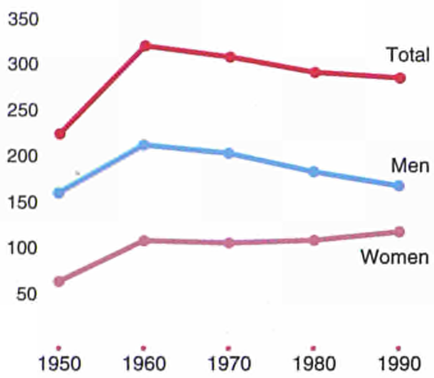
The activity rate peaked in 1987 compared with the censuses carried out since 1950. There was a sharp increase in their number over this period particularly in the 20 to 60 age-range, but compared with other centres of population the *Land* of Bremen still has a relatively low proportion of working women, due partly to the preponderance of heavy industry in Bremen's economy.

The proportion of the population with formal qualifications from further or higher education is noticeably lower than in other population centres, despite the fact that the proportion of pupils in the *Land* of Bremen who successfully complete secondary education is well above average. Many of these school-leavers move away to work in other areas with better employment prospects.

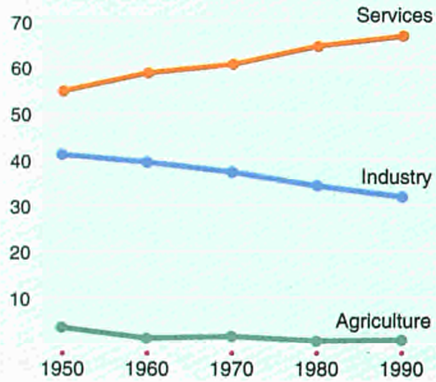
Number of pupils — 1990

	M + F 1 000	F %
Pre-school	12.9	50.7
Primary	22.8	49.3
Lower secondary	32.3	49.4
Higher secondary	39.8	48.7
Higher secondary (technical)	32.3	48.4
Higher secondary (general)	7.6	50.2
Higher education	21.0	41.4
Total	131.8	47.2

Employment (1 000)



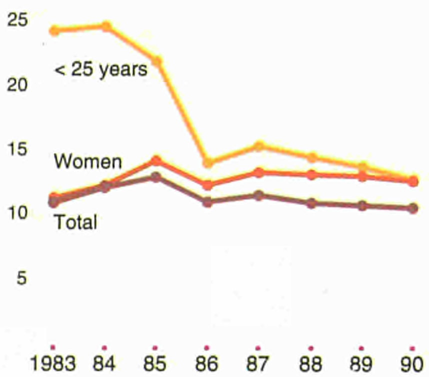
Employment structure (%)



Employment — 1987 (1 000)

Resident employment	270.8
+ Non-residents having a job in the region	96.0
– Residents having a job outside the region	19.6
= Internal employment	347.2

Unemployment (%)



One in four jobs taken by commuters

The *Land* of Bremen is a major regional centre as regards the labour market. In 1987, more than 25% of jobs, were taken up by people resident outside the *Land*. 99% of these commuters came from Lower Saxony, with 86% commuting from a 30 km radius within Lower Saxony. Roughly 81% of these commuters were employed in the city of Bremen, 19% in Bremerhaven.

In the opposite direction, approximately 19 600 residents in the *Land* of Bremen commuted to work in other *Länder*, mainly in the surrounding area of Lower Saxony and in other parts of this *Land*, but also in Hamburg (nearly 10% of commuters).

In 1989, approximately 47% of employees had a working week of at least 40 hours. Men accounted for an above-average proportion of this group, while for women the proportion was only about 1 in 3.

About 35% of the working population have benefited from negotiated reductions in the working week; again men account for an above-average proportion.

About 40% of employed males work between 31 and 39 hours a week, whereas for women the figure is about 30%.

Characteristics of resident employment (%)

	< 25 years	25-54 years	≥ 55 years	Employees	Employees: part-time		Employees: full-time, temporary contract	
	1989	1989	1989	1989	1984	1989	1984	1989
Men	12	77	11	91	2	1	8	11
Women	17	75	8	94	33	39	4	12
Total	14	76	10	92	14	16	6	11

Labour market beginning to pick up

Labour-market trends gave cause for concern in the 1980s. Year after year there were considerable increases in the number of unemployed and in some cases women were more severely affected than men. During this period the unemployment rate was consistently well above national levels. This adverse trend was not arrested until 1989, when for the first time in nearly 10 years there was a noticeable reduction in unemployment. However, there was no return to the much lower national rates.

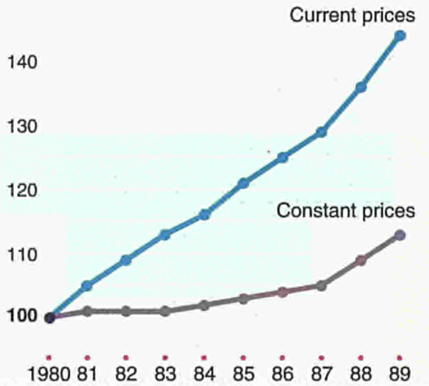
The fact that the labour market in the *Land* of Bremen is beginning to improve is primarily the result of higher economic growth. The *Land*'s economy grew in 1990, an increase in real gross domestic product in line with the national average after years of divergence. The result of this growth was that, within the space of a year, more than 10 000 extra jobs were created, benefiting qualified and/or younger members of the labour force in particular. A question mark still hangs over unemployed persons in the older age category (59 and over), where the unemployment rate is double the average overall unemployment rate.

Predominance of large companies highly geared towards exports

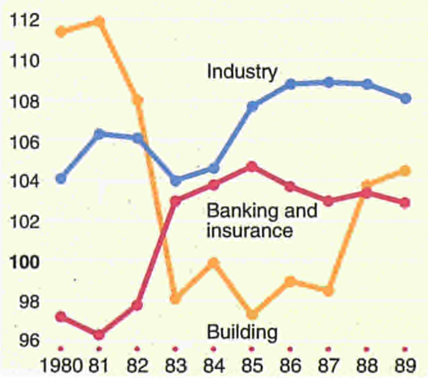
In the last two decades, traditional branches such as shipbuilding and the food, drink and tobacco industries declined very sharply, whereas the modern industries of motor-car, aircraft and aerospace construction took on more and more employees. However, the traditional industrial branches have also modernized their production processes in order to compete on the world market. Of course this willingness to invest is facilitated by the economic strength of the individual companies. Unlike in most of the non-city *Länder*, large companies play a dominant role in the economy of the *Land* of Bremen. Over 50 000 persons are employed by the 30 companies with 500 or more employees. These companies accounted for 84% of exports.

The strongest economic sector is the manufacturing industry, although it has suffered considerable losses in the last 20 years (especially shipbuilding and the food, drink and tobacco industries). However, it plays a somewhat lesser role in the economy of the *Land* of Bremen compared with the national average. In contrast, commerce and transport account for a much greater proportion of gross value added (26%) than the national average (15%) — a manifestation of the strong port activities and foreign trade.

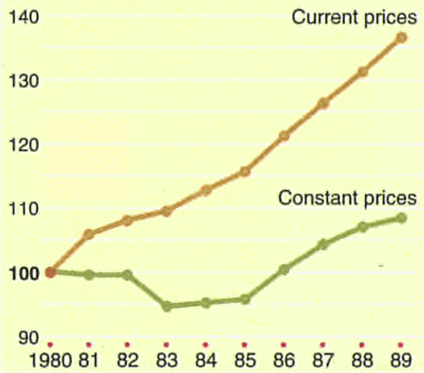
GDP (1980 = 100)



Wages (national level = 100)



Disposable household income (1980 = 100)



Differences in earnings

In 1988 it cost the manufacturing industry an average of ECU 26 422 to employ a manual worker and ECU 36 470 to employ a non-manual worker. The non-manual worker was therefore 38% 'more expensive' than the manual worker.

Labour costs for manual workers and employees were made up in roughly the same way: around 56% wages and 44% employers' contributions.

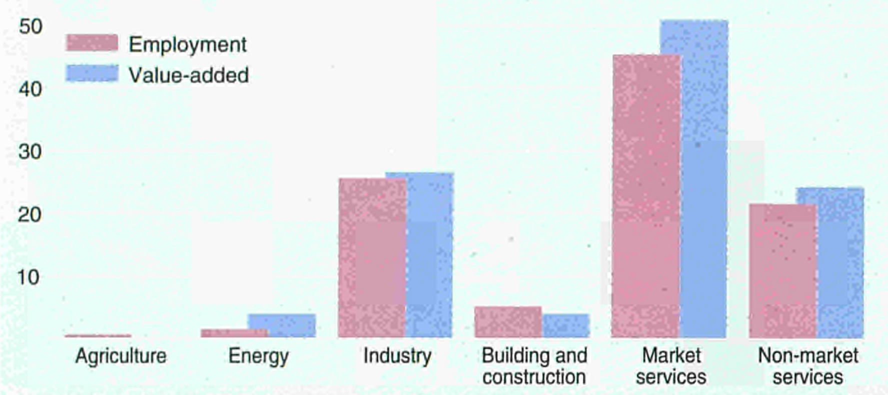
In 1989 the average gross annual wage of a manual worker in industry was ECU 22 887 and that of a non-manual worker in industry ECU 32 077, i.e. 40% more.

Comparing the earnings of men and women reveals further sharp differences. The gross annual wage of a male manual worker in industry was 45% higher than that of his female counterpart. At the same time, the earnings of male non-manual workers were 57% higher than those of their female counterparts.

Salaries in the services sector were considerably lower than those in industry. The average annual salary of male non-manual workers in the services sector was ECU 27 682, but this was still 44.5% higher than that of females in this sector.

The higher overall level of earnings in industry is largely the result of the concentration of employment in the capital goods industry, where earnings are above average: this industry employs nearly 60% of male manual workers and 43% of female manual workers, as well as nearly two-thirds of male non-manual workers and more than half of all female non-manual workers.

Employment and value-added: distribution by branch – 1987 (%)



The capital goods industry moves into the leading position

Nearly two-thirds of industrial workers in the *Land* of Bremen are now employed in the capital goods industry. It is here that in recent years the fundamental structural changes have taken place. The number of shipyard workers has fallen to less than one-third (7 000) of the former total. On the other hand, the numbers employed in the motor-car, aviation and aerospace industries have doubled to just over 20 000. The 6 000 plus employees in the consumer goods industry represent a smaller proportion than in the Federal Republic of Germany as a whole.

Besides shipbuilding, one of the main economic branches in the past was the food, drink and tobacco industry. Transfers of production and business relocations have reduced the number of jobs in the individual branches by much more than the average reduction for manufacturing as a whole. However, the last two years have seen employment rise again, to over 13 000, and a further increase in production can be expected in the coming years.

Agriculture and forestry are insignificant in the City-State of Bremen, accounting for only 0.2% of gross value added in 1989.

Agriculture

Number of holdings	:
Labour force	:
Agricultural area	10 000 ha
Livestock	13 000 LU
Gross value-added	:
Main products	
Flowers	30%
Milk	22%
Cattle	18%

Main enterprises

Name	Activity
Mercedes Benz	Car manufacturing
Klöckner	Rolling mill
Siemens	Electrical equipment
Vulkan/Krupp Atlas	Shipbuilding, electrical equipment
Bremer Lagerhaus Gesellschaft	Port services
Nordsee	Processing and distribution of fish
Werftenverbund Bremerhaven	Shipbuilding
Jacobs	Processing and distribution of coffee
Eduscho	Processing and distribution of coffee
Messerschmitt-Bölkow-Blohm/Erno	Aviation and aerospace construction

Investment in environmental protection determined by a few large companies

The 1980s saw annual levels of investment in environmental protection vary between ECU 12 and 34 million. These large variations were caused by the fact that a significant proportion of this investment was carried out by only a few large companies. This reflects a growing environmental awareness, which is receiving considerable financial support from the Ministry of Environmental Protection and Urban Development.

A total of 10 nature reserves have been designated since 1968, with areas ranging from 677 ha (Borgfelder Wümmewiesen) and 1 ha (Arsten-Habenhausen bird sanctuary). For a City-State within a population centre, the 2.8% of its total area covered by nature reserves represents an above-average proportion.

Nitrogen oxide pollution has reached a high level owing to the sharp increase in road traffic. One measure which has been in operation since 1987 to provide early warning of smog in poor weather conditions is the air monitoring system 'Blues', which now has four stations.

The people of the *Land* of Bremen have always been particularly concerned about the level of pollution in the Weser and the North Sea. However, as a small *Bundesland* on the Weser estuary, it has limited scope of its own to improve the quality of the water. There has been a significant reduction in the level of salt in the river since 1990 as a result of the restrictions placed on potassium production on the River Werra.

DEUTSCHLAND

HAMBURG

The free and Hanseatic city of Hamburg is both the second largest city as well as a *Land* in the Federal Republic of Germany. It lies in the northern extremity of the lower Elbe river valley, approximately 100 km upstream from the Elbe's North Sea outlet.

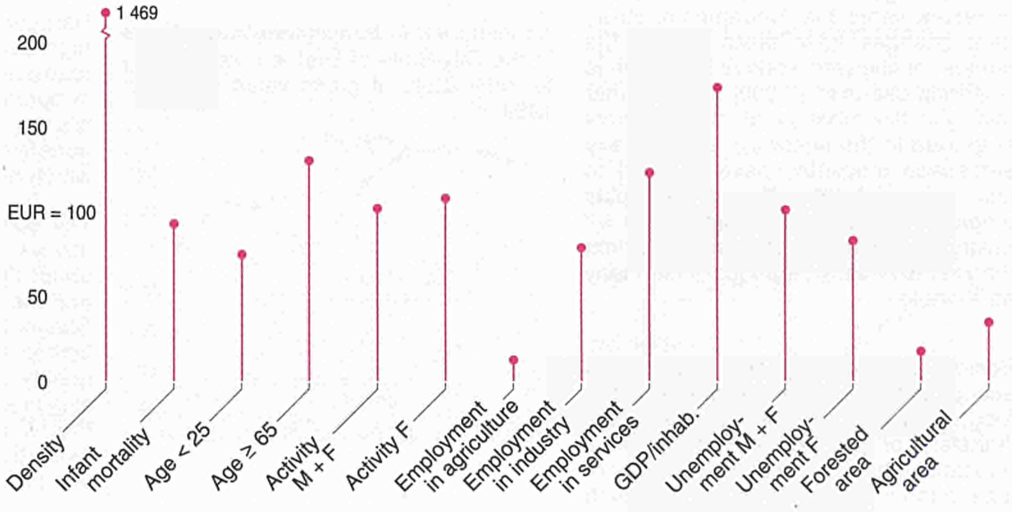
Hamburg has a maritime climate with mild winters. The annual average temperature is 9.3°C.

The city covers an area of 755 km², stretching 40 km or so both north-south and east-west. North of the Elbe, Hamburg borders on the *Land* of Schleswig-Holstein, in the south on the *Land* of Lower Saxony. 34% of the city area is buildings and surrounds, and 12% roads.

Hamburg has one of the largest seaports in Europe, handling 61 million tonnes of goods and 12 700 sailings in 1990. It also handles nine million tonnes of goods from inland waterways annually. The city has an international airport and is an important centre in the European rail network; every day around 700 long-distance trains (including high-speed trains) leave the city's stations. The total length of roads within the city is 3 900 km.

The central features of Hamburg are the Elbe river and the Alster river, which is dammed at the centre of the city to form a lake. One-tenth of the city area is dockland.

Hamburg in the Community



Centre for services and industry, and attractive residential location

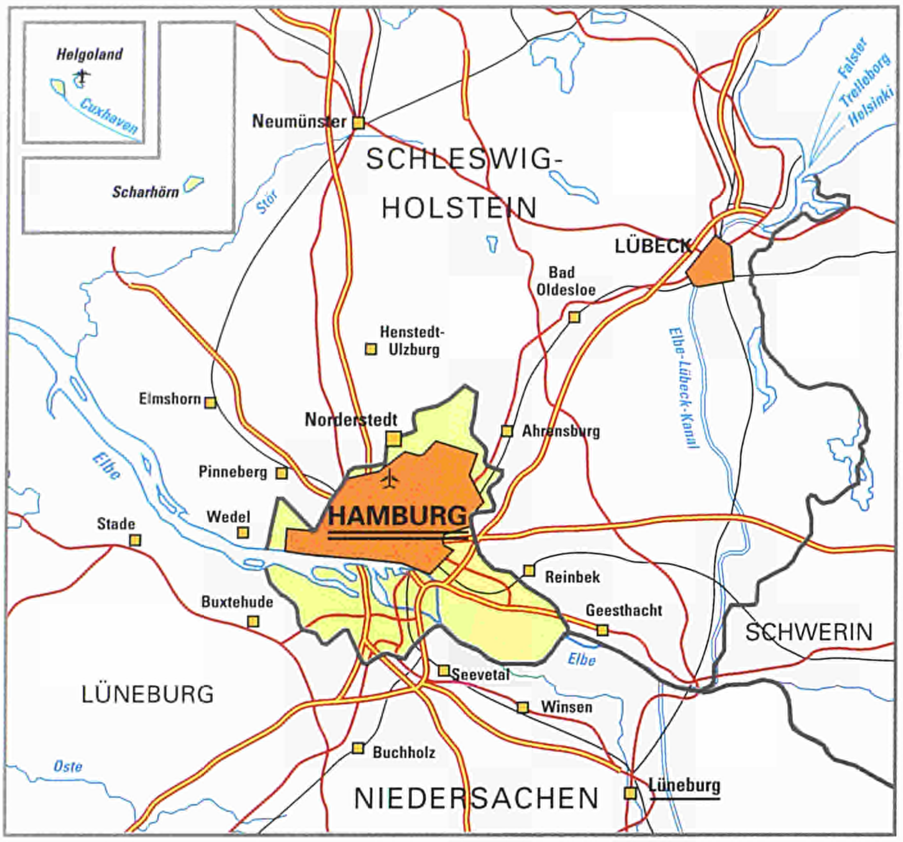
After a period of economic adjustment and intermittent crises, the start of the 1990s saw Hamburg emerge with above-average economic growth. Its range of activities is extended still further by the commerce, transport and other service branches, strongly represented on account of the city's traditional status as a port stretching back over 800 years; industrial production has been refocused towards future-orientated high technology.

The unification of Germany has given the city access to large areas of its natural hinterland, which together with the liberalization in Eastern Europe should provide further stimulus to the Hamburg economy.

For the first time in over two decades the population is rising again. The influx of additional residents is aggravating the already difficult situation in the low-cost housing market.

The city has a wide-ranging infrastructure, covering the economic and technical fields, education and health facilities and the cultural and leisure sector.

Hamburg is the centre of a conurbation which stretches beyond the city boundaries. The city's facilities are used by the residents of the surrounding municipalities, a considerable number of whom work in Hamburg. This gives rise to heavy traffic flows, despite the well-developed road network.



Scale 1 : 1 000 000

Which EC regions are similar to Hamburg?

Area:
± 800 km²
West Midlands (county) (UK)
Madeira (P)

Population density:
± 2 200 inhabitants per km²
Merseyside (UK)

Age:
± 20% aged over 65
Berlin (D)
South-West (UK)

Employment:
more than 70% in services
Île-de-France (F)
Brabant (B)
Zuid-Holland (NL)
South-East (UK)

Some parts of the city have more non-Germans than Germans

Every year, around a sixth of the population of Hamburg moves house. This phenomenon has produced structural changes in some areas of the city. In the past, the middle classes moved away from the older areas of housing close to the centre. The vacated, mainly low-cost accommodation in the inner city was taken over by low-income sections of the population, of which a large number were non-Germans, with the result that in some areas near the city centre the proportion of non-Germans is currently over 50%.

Since the building of residential housing in the last century, the location of the various social groups in the city has followed a stable pattern: the upper classes live predominantly in the residential areas along the Elbe to the west and along the Alster running through the city from north to south. Those on lower incomes, with lower levels of education and professional status, tend to live in the western district between the abovementioned areas and in the districts in the east bordering the Alste areas.

The main centre of employment is the city centre, the port area and the industrial areas east of the port. Purely residential zones are mainly found in the outer city. Many parts of the city are used for both commercial and residential purposes, though there is a long-standing trend towards expansion of the former.

	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	1989	1990	1987	1987	1987	1989
Hamburg	0.8	1 626	2 153	−1.6	58	8.0	1	24	75	173
Deutschland	248.7	62 679	252	2.1	57	5.2	4	41	55	112
EUR 12	2 253.7	327 931	146	3.2	54	8.3	7	33	60	100

Proportion of single-person households around 50%

Hamburg's highest population level so far was in 1964. From then on the population fell until 1986, before rising again until 1990.

Two-thirds of the population loss between 1964 and 1987 was due to the mortality rate exceeding the birth rate, and one-third to net migration out of Hamburg. Many of those who left did not break all ties with the city, but kept their job there and simply moved to a new residence in the surrounding municipalities. Since 1987 there has been net migration into Hamburg, with non-Germans accounting for around a half of this figure.

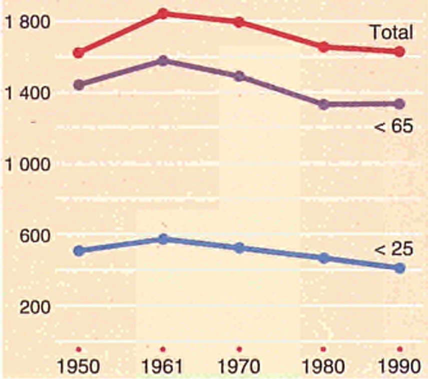
The net mortality rate is now lower but it still stands at a fairly high level; it would have been even higher if not for the excess of births over deaths among the non-Germans. 12% of the population are of foreign nationality.

Roughly one-quarter of the population lives alone, with around 50% of all households being single-person households. The average household size is 1.8 persons.

Population by age — 1990

	M + F 1 000	M + F %	M %	F %
< 15	200.6	12.3	13.5	11.3
15-24	214.9	13.2	14.1	12.4
25-39	375.6	23.1	24.8	21.6
40-54	363.3	22.3	24.1	20.7
55-64	180.9	11.1	10.8	11.4
≥ 65	290.8	18.0	12.6	22.6
Total	1 626.2	100.0	100.0	100.0

Population (1 000)



Resident population of foreign nationality — 1990

	1 000	% of total population
Total	207.5	12.4
of which EC countries	37.8	2.3
of which non-EC countries	169.7	10.2
Turkey	61.5	3.7
Yugoslavia	23.4	1.4
Poland	17.2	1.0
Iran	11.3	0.8
Greece	7.4	0.4
Afghanistan	5.4	0.3

Demographic account — 1980-90 (1 000)

Population 1.1.1980	1 653.0
Births	136.6
Deaths	224.0
Net migration	+ 60.6
Population 1.1.1990	1 626.2

High level of education among workers

A feature of the Hamburg labour market is the extremely large proportion of workers who commute from outside the city. Nearly one in four of the city's workforce lives outside the city. Among these commuters the proportion of more highly qualified workers is much greater than the average of all workers.

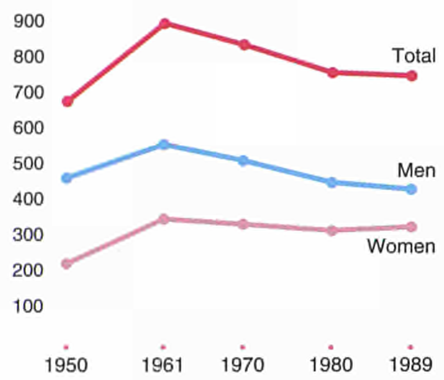
An above-average proportion of workers in Hamburg has received further education. More than 13% of workers in Hamburg under the social security system have successfully completed secondary or university level education (the national average is 9%). 30% of employees are under 30. Over 40 000 students are studying for vocational qualifications; the most popular course for both men and women is business studies.

Nearly 65 000 students, 25 000 of which are women, have registered at Hamburg's institutes of higher learning; the most popular courses are economics, law, medicine and teacher training.

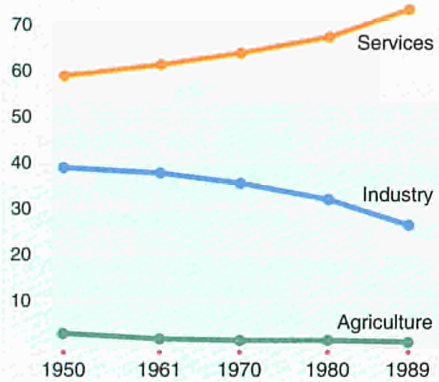
Number of pupils — 1990

	M + F 1 000	F %
Pre-school	35.8	49.7
Primary	51.6	49.5
Lower secondary	75.7	48.8
Higher secondary (technical)	60.3	46.9
Higher secondary (general)	18.8	50.3
Higher education	67.7	41.1
Total	317.3	46.8

Employment (1 000)



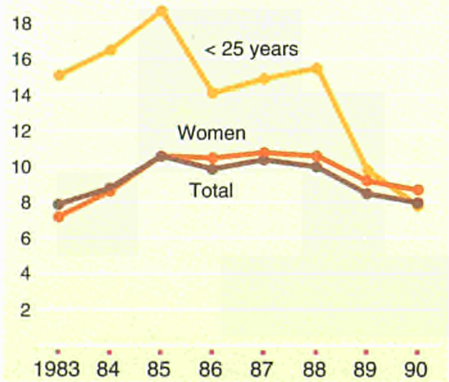
Employment structure (%)



Employment — 1987 (1 000)

Resident employment	689.4
+ Non-residents having a job in the region	213.4
– Residents having a job outside the region	38.6
= Internal employment	864.2

Unemployment (%)



More than 70% of the workforce is in the services sector

Between 1970 and the end of the 1980s the occupied population of Hamburg fell by 10%. However, the city's population in 1989 was roughly 10% below that of two decades previously.

There has hardly been any change since 1970 in the proportions of Hamburgers in self-employment and paid employment: the proportion in paid employment (non-manual and manual workers and civil servants) remains at 90%, with 10% in self-employment.

The growth of the services sector in the Hamburg economy is also reflected in the structure of the occupied population. In 1970, 63% of the occupied population was in the services sector, with over 35% in industry. Until 1990 this proportion of employees in the services sector increased to 72%. The proportion of non-Germans is 37% for industry and 62% for the services sector. The economic role of agriculture has never been very important for the city of Hamburg.

74% of all Hamburg males between the ages of 15 and 65 are gainfully employed, the figure for females being 58% (1990). Compared with previous years, male employment has decreased, while that of females has increased, and there are no longer sharp differences between employment of young males and females.

Characteristics of resident employment (%)

	< 25 years	25-54 years	≥ 55 years	Employees	Employees: part-time		Employees: full-time, temporary contract	
	1989	1989	1989	1989	1984	1989	1984	1989
Men	13	75	12	89	2	3	10	10
Women	17	74	9	94	30	29	8	9
Total	15	75	11	91	14	15	9	9

New jobs for many of the unemployed

There has been a sharp reduction in unemployment in Hamburg since 1987. The workforce has been expanded in nearly all branches of the economy, particularly in the services sector. The unemployment rate is still above the national average but the gap has been markedly reduced.

At mid-1991 the total number of registered unemployed in Hamburg was 62 000, with females accounting for 40%: 8 300 were under 25, and an estimated 8 000 were over 55. Roughly 30% of the unemployed had been out of work for over a year, half for over two years. There has been a particular improvement in the situation for those under 25, but the other categories of unemployed are also benefiting from the favourable trend in the labour market.

The reduction in unemployment is all the more remarkable when it is considered that a large number of the newly created jobs were not filled by former Hamburg workers but by others who had never worked in Hamburg before, including migrants from the former GDR and ethnic German immigrants from Eastern Europe, school leavers and those (mainly women) returning to work after being away for (mainly) family reasons.

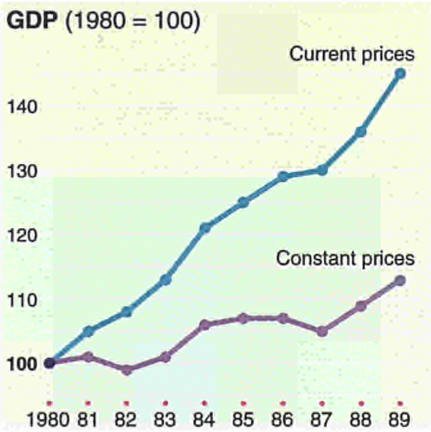
Successful restructuring of the economy

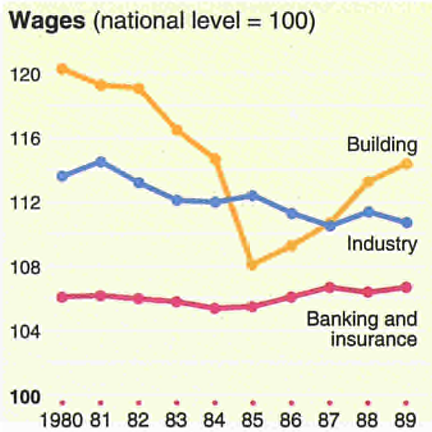
The businesses operating in Hamburg — the current estimate is 89 000 — are predominantly small enterprises: roughly 85% have fewer than 10 employees, only 1% employ between 100 and 500, with 0.2% employing over 500. However, the numerically small number of businesses with more than 100 employees account for well over half of all jobs.

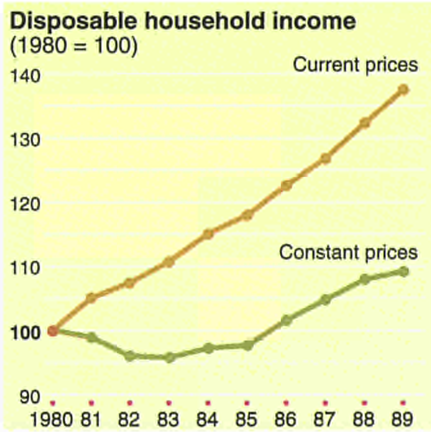
A characteristic feature of the Hamburg economy is its internationalism. Foreign activities are a considerable part of the business of many Hamburg companies. Numerous foreign companies have chosen Hamburg as the headquarters for their German or European operations. With 84 consulates, Hamburg has the second largest consular representation in the world. There are also a large number of foreign organizations of trade. Hamburg companies for their part have approximately 2 700 production centres or branches in other EC States.

Sectors under the most pressure to adjust during the last decades were those which have close links with the port or shipping. For instance, the shipyards had to undergo considerable retrenchment on account of the world-wide crisis in the shipbuilding industry, the oil refineries on account of rises in the price of oil and relocation of production, and the processing branches of the food, drink and tobacco industries on account of changes in the international division of labour.

The considerable restructuring may be illustrated by the play on words 'from ship to chip'. By developing new products and rationalizing production, industry has successfully opened up new markets at home and abroad.







20% growth in real wages within a decade

In 1988 it cost the manufacturing industry an average of ECU 34 850 in total to employ a full-time worker. In commerce, annual labour costs were noticeably lower. For every ECU 100 paid in wages, employers' contributions were ECU 83 and 60 in manufacturing industry and commerce respectively. Hourly labour costs in the industrial sector stood at over ECU 20, in commerce it was just under ECU 16. In other service branches, for instance in banking or insurance, labour costs were roughly half higher than those of commerce.

In 1990, the average monthly gross salaries in manufacturing, commerce, credit and insurance stood at ECU 2 570 for male employees and ECU 1 820 for female employees; in both cases they are 50% higher than 10 years ago (20% higher in real terms).

It is estimated that overall wages and salaries in Hamburg are roughly 13% higher than the national average.

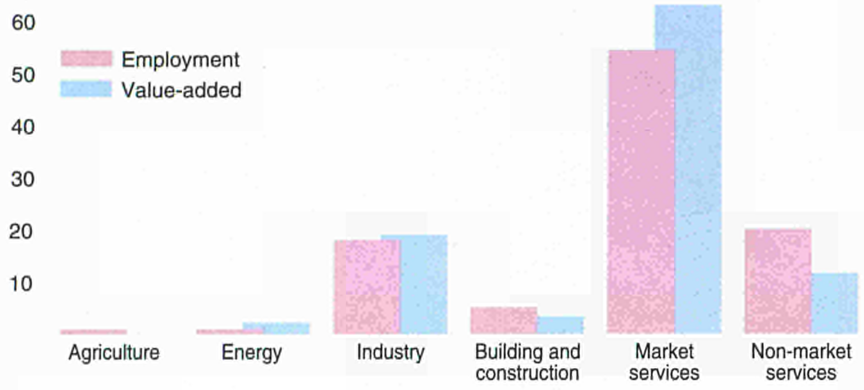
One in five of the city's population lives on a pension

In 1989, 16% of households had a net monthly income of less than ECU 585; these were mainly single-person households. 42% of households had an income of between ECU 585 and 1 220, 26% had an income of between ECU 1 220 and 1 950, and 16% had a monthly income of over ECU 1 950.

For the population of Hamburg, income from employment is the main source of income for 44 out of 100 people; for 22 out of 100 it is a pension. The proportion of people supported by relatives is 28%.

In 1988 each household in Hamburg had on average roughly ECU 8 000 in net monetary assets (i.e. after deduction of debts) in the form of securities, bank or building society accounts.

Employment and value-added: distribution by branch – 1987 (%)



Aircraft and oil — commerce and communications

The growth areas in the economy with a high level of innovation are electrical, mechanical and precision engineering, optics and the aircraft manufacturing industry (final assembly of the airbus A 321 will be carried out here).

Oil refining accounts for nearly 30% of total industrial turnover, and 5% of industrial employment; the headquarters and refineries of the largest German oil companies are located in Hamburg, as is Europe's largest copperworks.

Foreign trade has traditionally been of considerable importance for the port city of Hamburg. There are currently around 2 000 specialist import and export companies but there are also many other companies which conduct foreign trade. The domestic wholesale and retail trades, including several mail-order companies, are also strongly represented.

Financial services also have a long tradition. The Hamburg Fire Insurance Company, which was established in 1676, is the oldest insurance company in the world. Today the headquarters of 84 insurance companies are located in Hamburg. There are also 200 banks, around 50 of which are foreign.

Twelve of the 15 most popular German magazines are printed in Hamburg; 42 000 people are employed in publishing, cinema, radio, television, advertising, market research, audio-recording-equipment manufacturing and music publishing, which puts the city at the centre of Germany's media industry.

Agriculture

Number of holdings	:
Labour force	:
Agricultural area	15 000 ha
Livestock	11 000 LU
Gross value-added	:
Main products	
Flowers	43%
Vegetables	11%
Cereals	8%

Main enterprises

Name	Activity
Deutsche Shell	Petroleum industry
Esso	Petroleum industry
Deutsche BP	Petroleum industry
Deutsche Airbus	Manufacture of aircraft
Lufthansa Werft	Manufacture of aircraft
Toepfer International	Wholesale
Otto Versand	Retail sale via mail-order houses
Deutsche Unilever	Food products, soap and detergents
Philips	Electrical goods

Determined efforts are reducing environmental pollution

The city of Hamburg has a rural appearance. Parks and green spaces, streets and waterways lined with old trees are characteristic features of even the densely populated inner-city districts.

Even early on there had been considerable public awareness of matters relating to the environment and environmental protection. In 1978 the government of the *Land* established a separate ministry for the environment.

Air pollution caused by dust, sulphur dioxide and the oxides of nitrogen has been reduced by up to 50%. This considerable reduction was achieved mainly by cleaning up power stations and industrial combustion systems and further dismantling of the district heating system. The cleaner air has brought about an improvement in the condition of the city's trees.

Recent tests of water from the Elbe show a sharp reduction in pollution from heavy metals and deoxygenating substances. This is partly due to the closure of works in the new Bundesländer but also to measures taken in Hamburg, for instance the commissioning of an additional high-capacity purification plant.

It is becoming increasingly difficult to dispose of special waste with elements which are toxic or not easy to break down. The former practice of burning special waste at sea has been discontinued. In Hamburg itself there are no disposal sites for special waste, although there are waste incineration and treatment plants. Hamburg negotiates with other north German *Länder* to secure disposal sites for residual waste.

DEUTSCHLAND

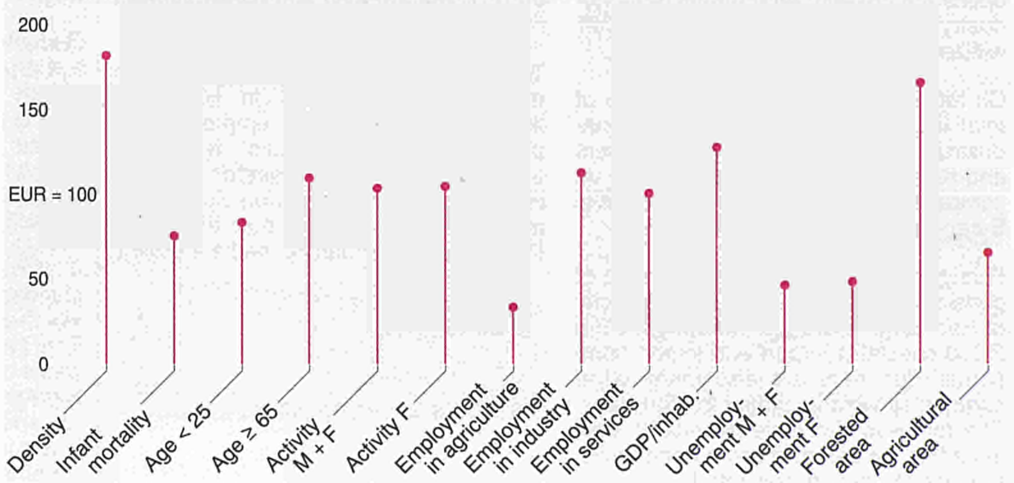
HESSEN

Hesse as it is today was created after the war through the merger of territories formerly belonging to Hesse and Prussia. It covers an area of 21 114 km² and has a population of 5.66 million. Since 1981 Hesse has comprised the Regierungsbezirke (administrative divisions) of Darmstadt, Gießen and Kassel, with a total of five kreisfreie Städte, 21 Landkreise and 421 municipalities belonging to a Kreis. The capital is Wiesbaden.

Hesse lies in the western part of central Germany. It stretches from the Neckar in the south to the Weser in the north, from the Rhine in the south-west to the Werra in the east. The landscape is varied and is divided by highlands, troughs and river valleys. Hesse borders on six other *Länder*, namely Baden-Württemberg, the Rhineland-Palatinate, North Rhine-Westphalia, Lower Saxony, Thuringia and Bavaria. Due to its central location Hesse has always been a crossroads between its neighbours and has an excellent traffic infrastructure. Since the earliest times it has been the focus of major routes between the Baltic, via the Rhine and Rhône valleys, and the Mediterranean, and today still links the west with the east of Europe. This accessibility has always marked its development.

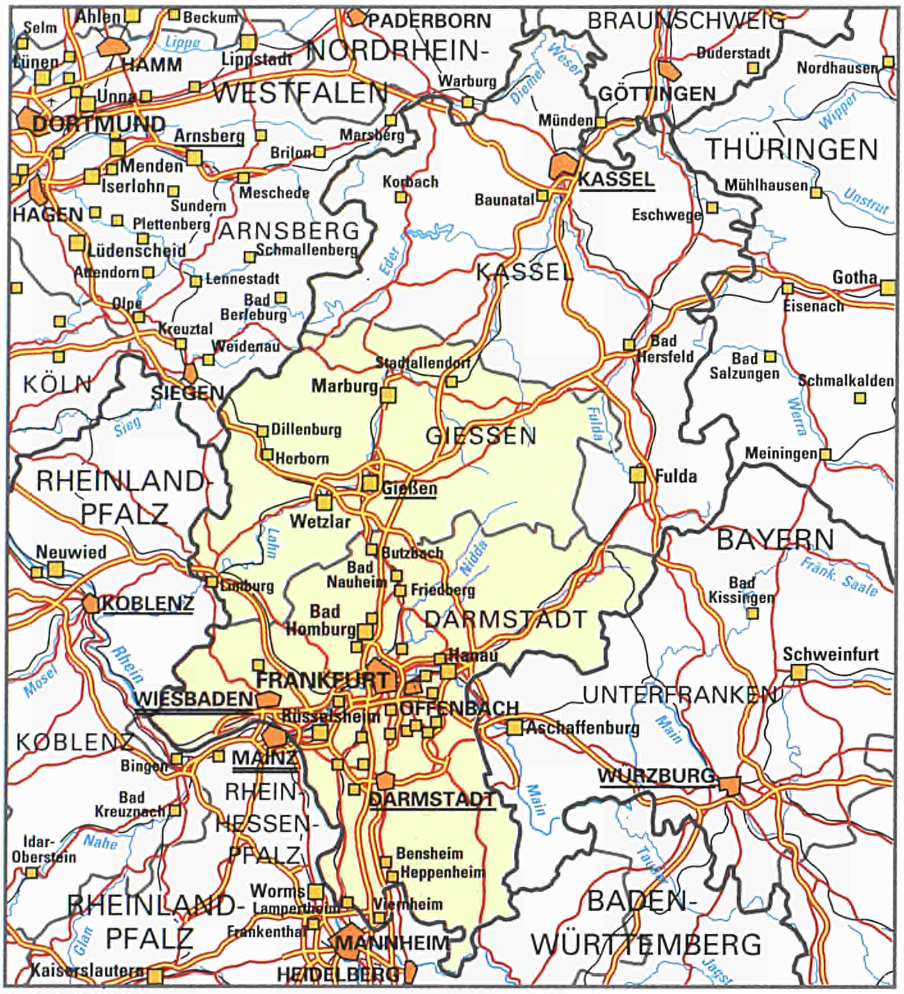
Frankfurt airport is a major hub of international air traffic and is used by 27 million passengers annually. It also provides more than 50 000 jobs.

Hessen in the Community



Central but a cut above the rest

Highly fragmented in the course of its history, Hesse was partly reunified in 1945. The newly created state was at first slow to develop its identity but events such as the annual 'Hessentag' (Hesse Day) have helped to cement Hesse's inner cohesion. The picture of a varied landscape in the heart of Germany with mainly small towns and villages can easily obscure the fact that Hesse, although poor in raw materials, is one of the major industrial *Länder*. It has a balanced economic structure, with advanced industries and a rapidly expanding business services sector. Its economic dynamism is linked to the population's high level of qualifications. The development of what was originally a poor agricultural region through the industrial phase and into the services era required it to be both territorially and intellectually open. From the very beginning culture and education — free education and learning aids were already introduced in 1949 — had high priority. The less positive sides of economic growth and activity rates are beginning to show themselves in the region's demographic structure: since 1985 there have been more old people than children in Hesse. The growing concentration of the population in urban centres is increasingly leading to social and ecological problems.



Scale 1 : 2 000 000

Which EC regions are similar to Hesse?

Area:
± 21 000 km²
Norte (P)
Wales (UK)

Population:
± 6 million inhabitants
Cataluña (E)

Employment:
37% in industry
60% in services
West-Vlaanderen (B)
Alsace (F)

Unemployment:
4-5%
Bayern (D)
Lombardia (I)

Dynamic south-north divide

Development is focused on two main centres. Firstly, in the south-west on the Rhine-Main area, with a population of 2.3 million (approximately 40% of the total) on 9% of the *Land* area. Secondly, on north Hesse, around Kassel. Between the two lies the smaller centre of central Hesse. Together with the population, businesses, administration, traffic, culture and science are concentrated in these areas. South Hesse alone, with the city of Frankfurt am Main, provides over two-thirds of the jobs in the *Land*. Like seldom elsewhere, however, areas that are relatively underdeveloped economically are to be found in close proximity to the high-technology highly populated regions. Neither the territorial and administrative reforms of the 1970s, nor the measures for regional economic development could do much to alter this south-north divide that was partly the result of proximity to the former GDR. The opening of the border to the east and the expected repercussions of an economic upturn in Thuringia provide the prospect of a more balanced structure in the long-term.

	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	1987	1987	1987	1989
Darmstadt	7.4	3 491	469	2.0	59	3.5	2	36	62	148
Gießen	5.4	982	182	1.6	57	4.5	4	42	55	91
Kassel	8.3	1 188	143	0.0	56	5.8	5	39	56	100
Hessen	21.1	5 661	268	1.5	58	4.1	3	38	60	128
Deutschland	248.7	62 679	252	2.1	57	5.2	4	41	55	112
EUR 12	2 253.7	327 931	146	3.2	54	8.3	7	33	60	100

Increase in the population through immigration

Since 1950 Hesse's population has increased from 4.3 to 5.7 million. A decline in the birth rate meant that in 1972 the number of births was for the first time smaller than the number of deaths. However, in most years this shortfall was offset by a positive migratory balance, with immigration increasing strongly towards the end of the 1980s.

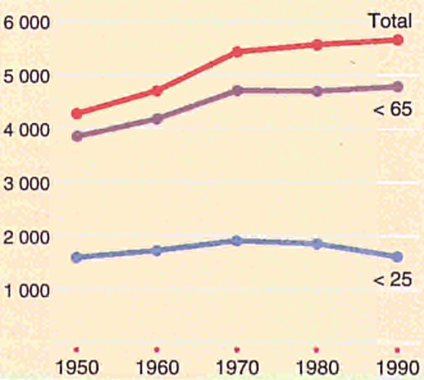
The age structure has changed radically in the past 40 years. Until about 1970 the percentage of under-15s remained practically unchanged at a constantly high level, but subsequently fell. At the same time, the percentage of those aged 65 and over increased appreciably. The changes in population groups of working age had less serious repercussions in the long term, since any opposite trends partly balanced each other out.

The shortage of labour in the 1960s was compensated for by increased employment of foreign workers. As a result, the number of foreigners living in Hesse rose sharply. At the beginning of 1990 one in 10 inhabitants of Hesse was a foreigner. The Turks were by far the largest group, their numbers being even higher than those of nationals of EC Member States living in Hesse. Immigration from Turkey raised the number of Muslims living in Hesse to 3%. A good half of the population is Protestant, and just under a third Catholic.

Population by age — 1990

	M + F 1 000	M + F %	M %	F %
< 15	823	14.5	15.4	13.7
15-24	783	13.8	14.6	13.1
25-39	1 334	23.6	24.8	22.4
40-54	1 203	21.3	22.5	20.0
55-64	636	11.2	11.3	11.1
≥ 65	881	15.6	11.3	19.6
Total	5 660	100.0	100.0	100.0

Population (1 000)



Resident population of foreign nationality — 1990

	1 000	% of total population
Total	552	9.8
of which EC countries	157	2.8
of which non-EC countries	396	7.0
Italy	157	2.8
Turkey	69	1.2
Yugoslavia	65	1.1
Greece	30	0.5
Spain	26	0.5
Morocco	19	0.3

Demographic account — 1980-90 (1 000)

Population 1.1.1980	5 576
Births	537
Deaths	631
Net migration	+ 179
Population 1.1.1990	5 661

Commuters from neighbouring *Länder* reduce manpower shortages

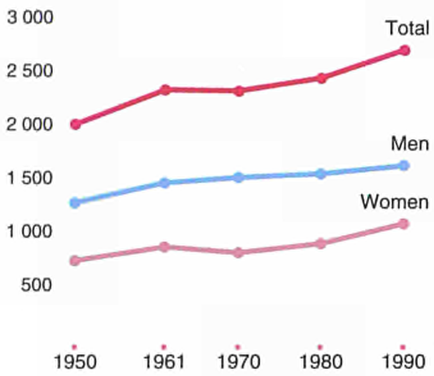
Female employment has increased substantially, but the male activity rate is far above that of women. In 1987 there were almost 70 000 more job vacancies in Hesse than people to fill them. Especially in the central Rhine-Main area, this deficit was made up for by commuters from neighbouring *Länder*.

Most school leavers today have a secondary education certificate or university entrance certificate; far fewer begin their working lives with a general compulsory education certificate. Whereas the numbers being educated under the dual system have been declining for several years, there has been substantial growth in student numbers at universities.

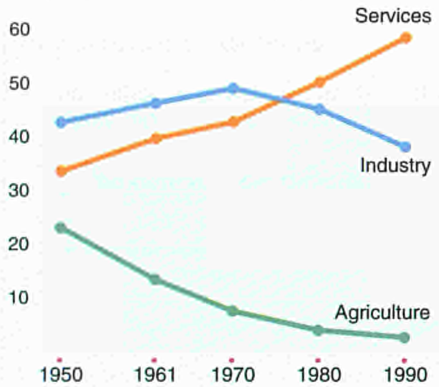
Number of pupils — 1989

	M + F 1 000	F %
Pre-school	153.2	46.7
Primary	219.0	48.9
Lower secondary	292.8	49.3
Higher secondary (technical)	179.8	44.5
Higher secondary (general)	53.2	51.1
Higher education	146.9	37.1
Total	1 062.8	46.3

Employment (1 000)



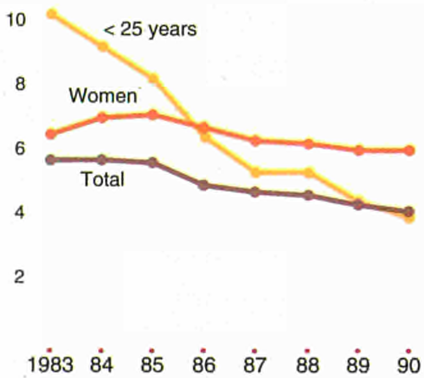
Employment structure (%)



Employment — 1987 (1 000)

Resident employment	2 483.7
+ Non-residents having a job in the region	90.2
− Residents having a job outside the region	69.0
= Internal employment	2 504.9

Unemployment (%)



Two out of five of the working population are women

Employment has grown substantially more quickly and strongly than the general population. Two out of five of the working population are women, of whom approximately one in three is in part-time employment. The long-term development of employment also mirrors the structural changes in the economy. This is particularly evident in occupational status and type of employment. A hundred years ago half of the working population was either self-employed or consisted of unpaid family workers; that proportion has now fallen to one-tenth. For a long period, manual workers constituted the largest group, accounting for almost half of the working population, before they were overtaken in numerical terms in Hesse as early as the 1970s by non-manual workers and civil servants. The latter together now account for over half of employment, and manual workers for just over a third.

The shifts between different sectors of activity in the past 30 years were even more pronounced. Starting from an equal balance between manufacturing and services, there was almost explosive growth in the latter. Only a quarter of the working population is now engaged in manufacturing. The loss of agricultural jobs was even greater in relative terms, added to which there is now an extremely unfavourable age structure in the 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	1984	1989	1984	1989
Men	14	75	11	89	1	2	7	8
Women	21	71	8	90	29	34	8	8
Total	17	74	10	89	12	15	7	8

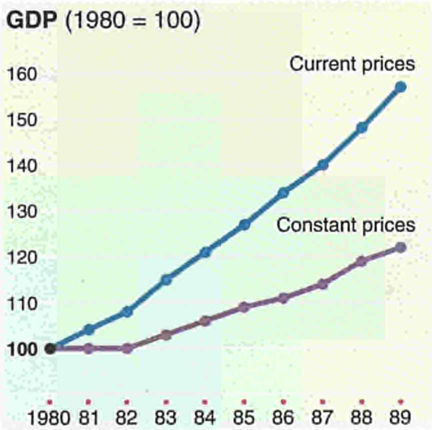
Unemployment in spite of many new jobs

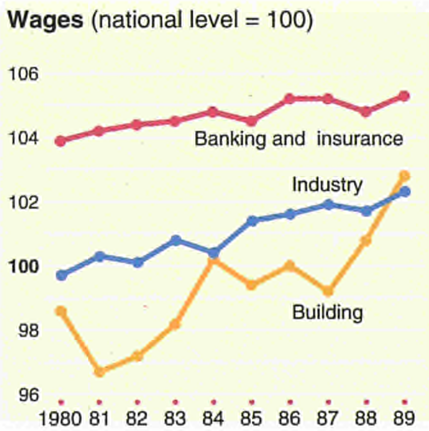
In an eight-year period of economic growth Hesse's economy created over 200 000 jobs (+ 9%). However, over the same period, the number of unemployed fell by only 38 000, due to an increase in the number of those seeking employment. In addition to immigration and population changes, this was also caused by the increase in female employment. In 1990, there was both underemployment and a lack of manpower in Hesse. As in Germany as a whole, the unemployment rate differed sharply from north to south. In the south Hesse rural districts of Groß-Gerau, Hochtaunus, Main-Taunus and Odenwald a two before the decimal point indicated full employment. On the other hand, the urban district of Kassel had an unemployment rate of almost 10%. In Hesse, only the city of Kassel and the Werra-Meißner district had a higher unemployment rate than the average in the old *Länder*. Whereas unemployment affected those aged below 20, men and non-manual workers to a somewhat lesser extent, foreigners and especially older and less qualified workers were affected to a higher-than-average degree.

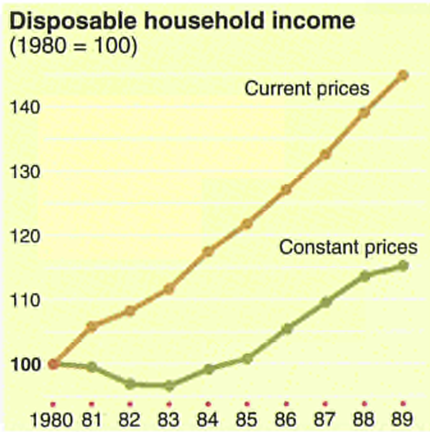
Balanced economic structure

In addition to a central and easily accessible position, a sound mixture of industry, crafts and trades, commerce, services and agriculture provides a solid basis for Hesse's economy and allows it to adapt to world-wide economic developments. In the primary sector (excluding mining) only approximately 54 000 agricultural and forestry holdings — run mainly as subsidiary businesses — now manage the 775 000 ha of agricultural land and 840 000 ha of forest. Hesse's wine, asparagus, onions and rose bushes are much in demand. The industrial structure of the Rhine-Main area is dominated by the chemicals, engineering, vehicle manufacturing and electronics industries. Vehicle construction dominates in Kassel, whereas the iron and steel industry, precision engineering and optics are particularly important in the Lahn-Dill area. The services sector provided the impetus for growth in the past few years. With Frankfurt am Main, Hesse is a major banking and insurance centre. Hesse is not a traditional holiday area but its spas have attracted generations of visitors. The large trade fairs and exhibitions play a major role in attracting international travellers.

Many small and medium-sized companies are based in Hesse. Only two in every 1 000 companies have 500 or more employees. However, these large companies account for more than half of all employees and also have a major presence in the services sector. Companies in Hesse account for 7% of German exports and 11% of imports, the main trading partners being the EC Member States. Because of the economic structure, trade is mainly in chemical products, machinery, road vehicles and electrical products.





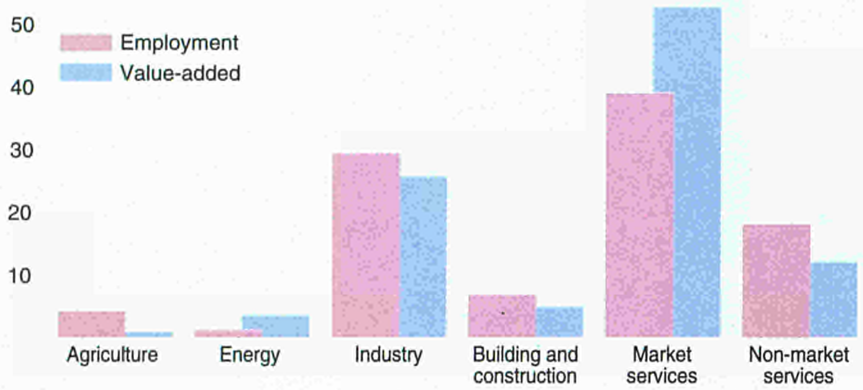


Above-average earnings

With gross annual average earnings (1989) of ECU 21 738 for industrial workers and ECU 28 700 for employees in industry, commerce, banking and insurance — women's earnings were 30% to 33% lower than men's, for a variety of reasons including length of working hours and qualifications — incomes are comparatively good in Hesse. In 1988 manufacturing companies' labour costs, which in addition to wages and salaries for work done also include approximately 45% in ancillary staff costs such as the employer's insurance contributions, bonuses, etc., were ECU 30 611 per full-time employee, compared with approximately ECU 31 334 in commerce, banking and insurance. In the chemicals, vehicle manufacturing, banking and insurance, energy and water supply sectors they were above the *Land* average and below it in the textile, footwear, clothing and retail sectors.

Between 1980 and 1989, the disposable income of private households rose by 43%, consumer prices by 25%. In the same year an average worker household (4 persons) had gross monthly average earnings of around ECU 2 657, of which over 80% was from paid employment. Once taxes and insurance contributions (compulsory and voluntary) had been deducted, together with any savings, 65% remained for private consumption. A quarter of expenditure went on food and drink and rent and energy respectively. 14% was spent on transport and telecommunications (including vehicle costs). Education, entertainment and leisure activities (excluding travel) took up 11%. The rest was spent mainly on furniture, household appliances and clothing.

Employment and value-added: distribution by branch – 1987 (%)



Importance of services

In no other German *Land* has the economy moved so far towards the services sector as in Hesse. Having accounted for less than half of the *Land's* gross value-added in 1966, the services sector in 1990 produced almost two-thirds of the total gross value-added, generated by commerce and transport, service companies, private households, private non-profit-making organizations and government. In the capital, Wiesbaden, in Frankfurt am Main and in the Main-Taunus district services already accounted for over 75% of gross value-added in 1988. At the other end of the scale, with 45%, was the Groß-Gerau rural district, where vehicle manufacturing predominates. Together mining, energy and water supply, the processing industries and construction accounted for just a third of gross value-added in 1990. With 1% of Hesse's gross value-added (excluding mining) the primary sector that used to dominate in the 19th century is no longer a major economic factor. At regional level agriculture and forestry account for a relatively high proportion of value-added only in the Vogelsberg district.

Environmental protection is society's responsibility

In the past decade it was possible to reduce substantially sulphur dioxide emissions from power stations and to uncouple the link between economic growth and energy consumption. Nevertheless, the forests continued to die. The last forestry damage survey showed signs of damage in 60% of all trees covered: 19% were clearly damaged and 41% slightly damaged. Increasingly, deciduous trees are being affected. The five hurricanes that occurred in spring 1990 also devastated the forest, bringing down 14 million cubic metres of timber, equivalent to four times the amount of timber felled in a year. Since the mid-1980s there has been more investment in sewage plant improvement programmes aimed primarily at reducing the amount of nutrients in the form of phosphates and nitrates entering the water. Other measures, including measures in agriculture, are needed to protect the groundwater. Problems continue to exist with rubbish disposal, although great efforts have been made to avoid refuse generation and to recycle waste. The new Refuse Law also comprehensively tackles the often expensive problem of how to deal with pollution created in the past.

Hesse's companies have succeeded in establishing a good position for themselves in the fast growing market for environmental protection goods.

Agriculture

Number of holdings	52 792
Labour force	58 223 AWU
Agricultural area	778 000 ha
Livestock	835 000 LU
Gross value-added	10 704 ECU/AWU

Main products	
Milk	25%
Cattle	17%
Pigs	15%

Main enterprises

Name	Activity
Opel Adam AG	Car manufacturing
AEG	Electrical goods
Degussa	Basic industry
Deutsche Bank AG	Banking and finance
Deutsche Bundesbahn	State railways
Dresdner Bank AG	Banking and finance
Hoechst	Chemical industry
E. Merck	Chemical industry
Philipp Holzmann	Specialized construction work
Rewe Bad Homburg	Retail distribution
Volkswagenwerk AG	Car manufacturing

DEUTSCHLAND

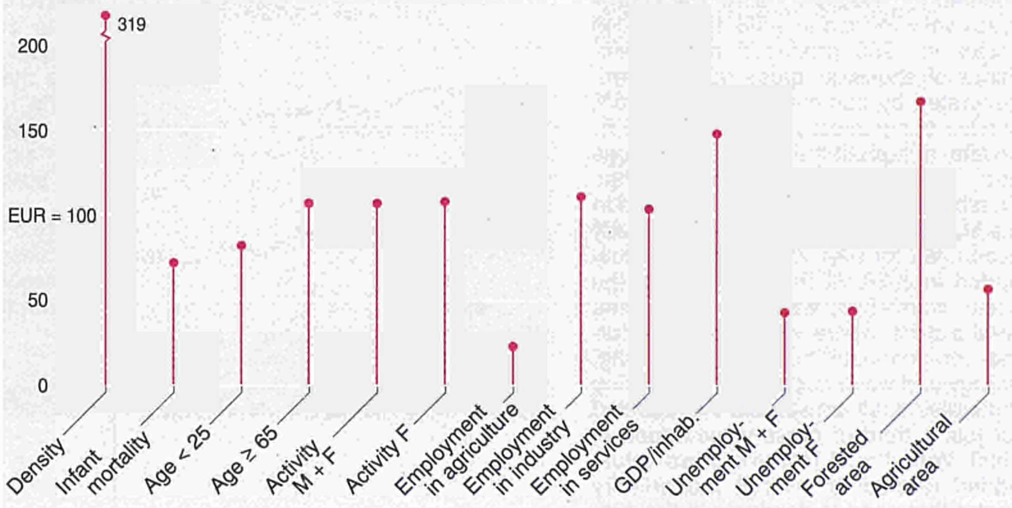
DARMSTADT

The Regierungsbezirk of Darmstadt comprises the southern part of the *Land* with the cities of Darmstadt, Frankfurt am Main, Offenbach am Main and Wiesbaden, together with 10 Landkreise. It is bordered primarily by the north and north-east section of the upper Rhine valley and the adjoining Taunus, Odenwald and Spessart mountain ranges. The centre of the region is the Rhine-Main triangle that extends south, east and west beyond the *Land* border, with the cities of Frankfurt am Main and Offenbach am Main as the main centres.

The Rhine-Main area is a major crossroads of European traffic routes. At peak periods over 100 000 vehicles use the motorways around Frankfurt. As the final destination or stopping-point for 15 long-distance routes and the planned European high-speed railway network, Frankfurt am Main is a hub for international rail traffic. In addition, the Rhine and Main serve as waterways. Frankfurt airport is one of the largest in Europe. Adjoining and within this conurbation, there are many country areas and wide expanses of forest, e.g. in Rheingau-Taunus, Hochtaunus, Wetterau, Main-Kinzig, along the Bergstraße and in the Odenwald.

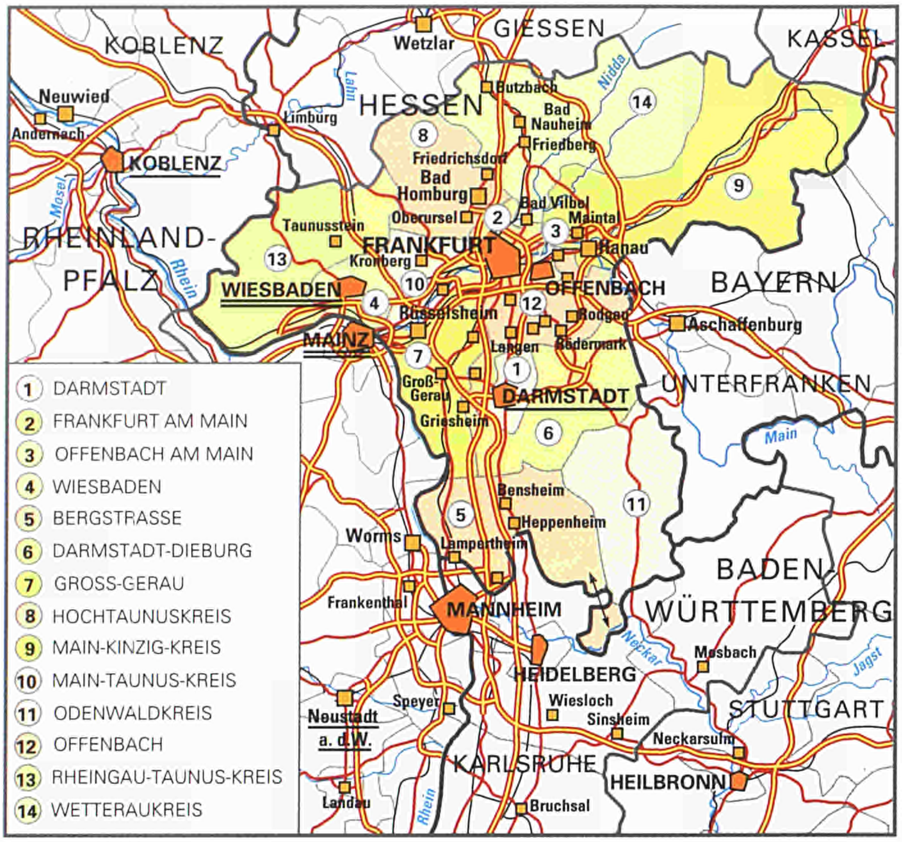
Frankfurter Römer and banks. Since the Middle Ages the old imperial city of Frankfurt am Main has been a major trade-fair and financial centre. Today the banks' skyscrapers overshadow the spot where emperors were once crowned.

Darmstadt in the Community



Rhine-Main economic powerhouse

Almost one-third of the population lives in the four cities of Darmstadt, Frankfurt, Offenbach and Wiesbaden which constitute an administrative authority of their own (urban districts). Approximately every eighth person is a foreigner. Compared with the other two Regierungsbezirke, Darmstadt has relatively more inhabitants of employable age, with a figure of 71%. Of these 66% actually have gainful employment, with a higher than average number of women. In addition, there is a large number of commuters, numbering some 400 000 in the four above-mentioned cities alone. The Regierungsbezirk is one of the economically strongest regions in Europe. Multinationals have their headquarters alongside a multitude of small and medium-sized companies (pharmaceuticals from Höchst and Darmstadt, cars from Rüsselsheim, leather goods from Offenbach, jewellery from Hanau, furniture from Kelkheim and frankfurters from Neu-Isenburg). Innovative sectors in mechanical engineering, electrical engineering, environmental engineering and information processing are increasingly dominating the scene. Frankfurt am Main, as a centre of services and finance, is a major factor in the economic strength of the region. In addition to the Bundesbank, over 400 credit institutions and the most important stock exchange on the continent are located in the city.



Scale 1 : 1 500 000

Which EC regions are similar to Darmstadt?

Area:
± 7 400 km²
North-West (UK);
País Vasco (E)

Population:
± 3.5 million inhabitants
Lisboa e Vale do Tejo (P);
Toscana (I)

Employment:
± 2% in agriculture
± 60% in services
Yorkshire and Humberside (UK)
Antwerpen (B)

The sunny and less sunny sides of the conurbation

The combination of intellect and money has been a tradition of this region since the days of the great Frankfurt founder families. The universities offer places for a total of 79 000 students. Renowned research institutes, museums and galleries, theatres and opera houses form the core of cultural life. The area is also the centre of the newspaper and publishing industry and of the electronic media sector.

There are environmental problems in the conurbation caused by air pollution, waste, sewage, traffic noise and not least, with 310 000 aircraft movements a year at the Rhine-Main airport, aircraft noise. A further factor is the demand for industrial land. There is also a lack of reasonably priced housing in the main cities. The negative aspects of openness, especially in the large cities, are increasing crime, the integration problems of a multicultural society and hidden and patent social poverty.

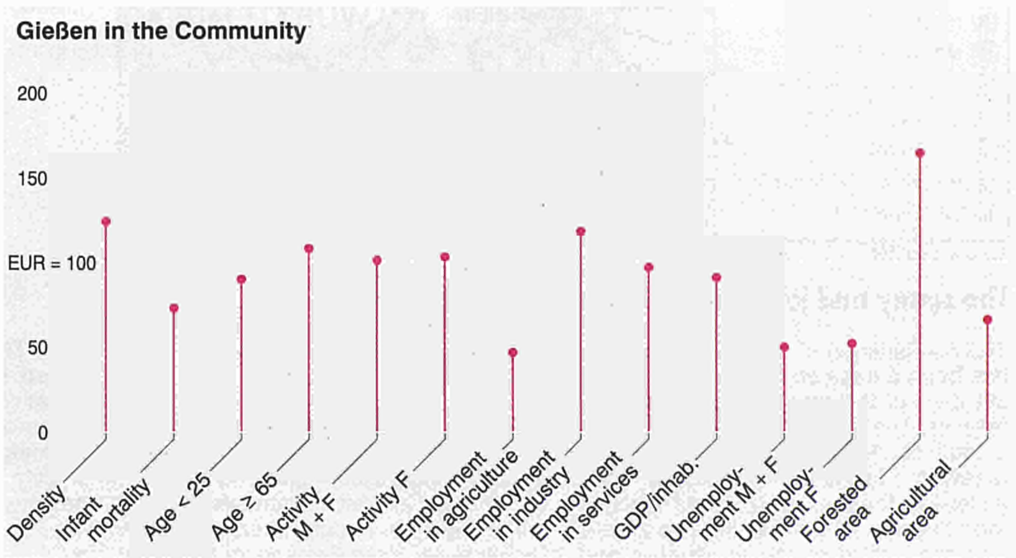
	Area	Population			Activity	Unempl.	Employment			GDP/inhab.
	1 000 km²	1 000	Inhab./km²	Change (%)	%	%	% Agricult.	% Industry	% Services	EUR (PPS) = 100
		1990	1990	1980-1990	1990	1990	1987	1987	1987	1989
Darmstadt KS	0.1	138	1 124	−0.8	55	4.0	0	37	63	226
Frankfurt am Main	0.2	635	2 557	1.1	61	4.2	0	26	74	320
Offenbach am Main KS	0.0	114	2 542	2.4	60	5.2	0	42	58	167
Wiesbaden	0.2	257	1 259	−6.0	57	3.6	1	26	73	163
Bergstraße	0.7	246	342	3.2	57	3.8	3	43	53	78
Darmstadt-Dieburg	0.7	257	391	4.9	59	3.0	4	44	52	72
Groß-Gerau	0.5	232	512	−0.7	60	2.6	2	53	45	126
Hochtaunuskreis	0.5	210	435	3.2	58	2.9	2	35	64	112
Main-Kinzig-Kreis	1.4	368	264	2.3	58	3.9	3	47	51	99
Main-Taunus-Kreis	0.2	205	923	2.3	60	2.5	2	33	66	114
Odenwaldkreis	0.6	89	143	6.4	57	2.9	5	54	41	84
Offenbach LK	0.4	312	877	6.4	61	3.0	1	46	53	101
Rheingau-Taunus-Kreis	0.8	169	208	4.5	58	3.1	5	41	55	70
Wetteraukreis	1.1	259	236	3.1	56	3.3	6	37	57	75
Darmstadt	7.4	3 491	469	2.0	59	3.5	2	36	62	148
Deutschland	248.7	62 679	252	2.1	57	5.2	4	41	55	112
EUR 12	2 253.7	327 931	146	3.2	54	8.3	7	33	60	100

DEUTSCHLAND

GIESSEN

The Regierungsbezirk of Gießen was re-formed in 1981 from parts of the former Regierungsbezirke of Darmstadt and Kassel. With an area of 5 381 km² it is the smallest of the three Hesse Regierungsbezirke and comprises the Landkreise of Gießen, Limburg-Weilburg and Marburg-Biedenkopf, the Lahn-Dill Kreis and the Vogelsberg Kreis. The region is surrounded by mountains, which stretch from the Taunus and Westerwald in the west to the Vogelsberg in the east. To the south it opens out to Wetterau. The region is linked together by the river Lahn and its tributaries the Dill and Ohm, in whose valleys the towns of Limburg, Wetzlar, Gießen and Marburg lie to the north, and Dillenburg and Biedenkopf to the west. The Regierungsbezirk is relatively close to the new *Land* of Thuringia and has close links with the European growth areas to the west and south. The change in traffic flows will impose new strains on the existing transport infrastructure (motorways, trunk roads and rail links).

Amöneburg is one of the oldest castles in Hesse and dominates the area between Lahntal and Vogelsberg from a great basaltic outcrop.

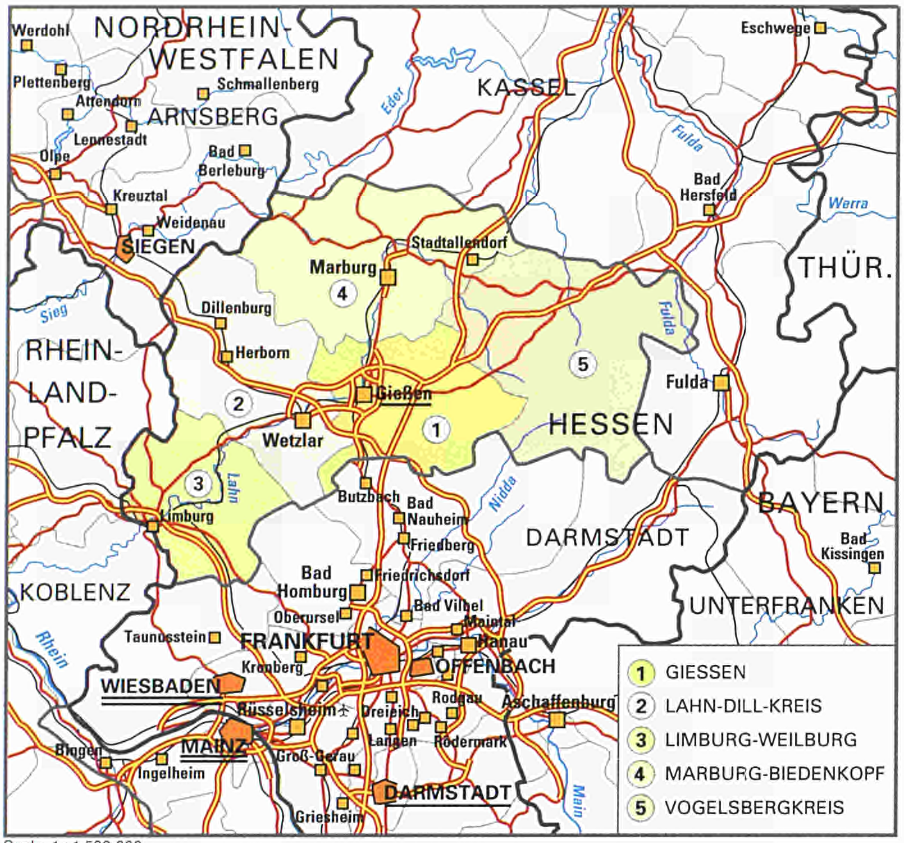


Ideally situated relief area

The proportion of young people is somewhat higher than in the other two Regierungsbezirke. Just under 70% of the population are of working age. Although Gießen and Wetzlar are also major towns to which people commute to work, far more people commute from those towns, mainly to the Rhine-Main area.

The area along the Lahn and Dill, originally an ore-mining and steel-manufacturing region, has undergone a transformation in the past few years based on small and medium-sized local industries, and a diversification of production. Major branches today include metal processing, the foundry industry, mechanical engineering, metal goods, precision engineering and optics. The high-technology field is represented by firms such as Behring (biotechnology and pharmacology), Philips (electronics), Heyligenstaedt (machinery), Leitz and Hensoldt (optoelectronics), and Buderus (energy and environmental technology). The services sector, on the other hand, is underrepresented especially in the fields of business services, banking, insurance, transport and communications. Nevertheless, there is a notable research and development potential.

The area, more rural than south Hesse, offers commercial and residential property that is relatively inexpensive and a labour market that is less tight in some sectors. The region's high standard of accommodation and recreation compensates for the disadvantages of the densely populated Rhine-Main area.



Scale 1 : 1 500 000

Which EC regions are similar to Gießen?

Area:
± 5 400 km²
Liguria (I)
Friesland (NL)
Cantabria (E)

Population:
± 1 million inhabitants
Cheshire (UK)
Liège (B)

Employment:
3-4% in agriculture
± 40% in industry
Limburg (B)

Variety of living conditions

Ten years after its creation, this Regierungsbezirk still has few coherent organizational structures. Administrative, legal, religious and party boundaries sometimes do not fully correspond to its boundaries. Areas such as Limburg an der Lahn and Lauterbach are dependent on external centres, whereas areas in other Regierungsbezirke such as north Wetterau and Frankenberg are dependent on Mittelhessen. Comparison of selected indicators for the Regierungsbezirk shows an average European region with marked contrasts in the political, social and economic fields. In 1989 the per capita tax revenue potential in the municipalities was three-quarters of the *Land* average, and ranged from ECU 512 in the Gießen Landkreis to ECU 395 in the Vogelsbergkreis. There are also marked regional differences in the labour market situation. At 4.5% in 1990 the harmonized unemployment rate was above the *Land* average, but below the figure for the Kassel Regierungsbezirk.

	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	1987	1987	1987	1989
Gießen LK	0.9	234	274	1.5	59	5.2	3	32	66	103
Lahn-Dill-Kreis	1.1	243	228	1.4	57	4.7	1	53	46	97
Limburg-Weilburg	0.7	156	211	3.5	56	3.8	4	40	56	75
Marburg-Biedenkopf	1.3	237	188	0.7	57	4.0	4	40	56	90
Vogelsbergkreis	1.5	111	76	1.4	56	4.3	12	44	44	77
Gießen	5.4	982	182	1.6	57	4.5	4	42	55	91
Deutschland	248.7	62 679	252	2.1	57	5.2	4	41	55	112
EUR 12	2 253.7	327 931	146	3.2	54	8.3	7	33	60	100

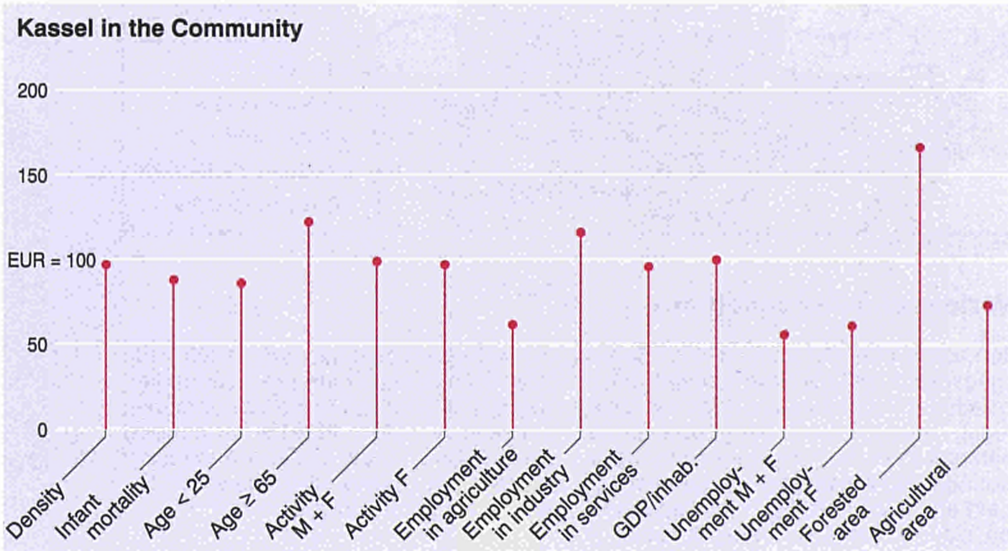
DEUTSCHLAND

KASSEL

The Regierungsbezirk of Kassel covers the north and north-east section of the *Land*, including the city of Kassel and six rural districts. With an area of 8 288 km², it is the largest Regierungsbezirk in Hesse. Its topography is characterized by the west and east Hesse mountains and the west Hesse depression running from north to south between them. The main settlements developed in the Schwalm, Fritzlar-Borken, Kassel and Fulda basins, and along the Fulda and Werra rivers.

Because of the geography and the boundaries resulting from the Second World War, the traffic routes run mainly in a north-south direction. The traffic links from the Ruhr and north Germany converge near Kassel. Following German unification, there are prospects for development to the east and consequently the Dortmund-Kassel-Erfurt-Leipzig railway line and the line to Halle are being improved. Kassel and Fulda are stopping points on the new high-speed rail link between Hanover and Würzburg. Kassel will thus in future be the intersection for major north-south and west-east inter-city rail links.

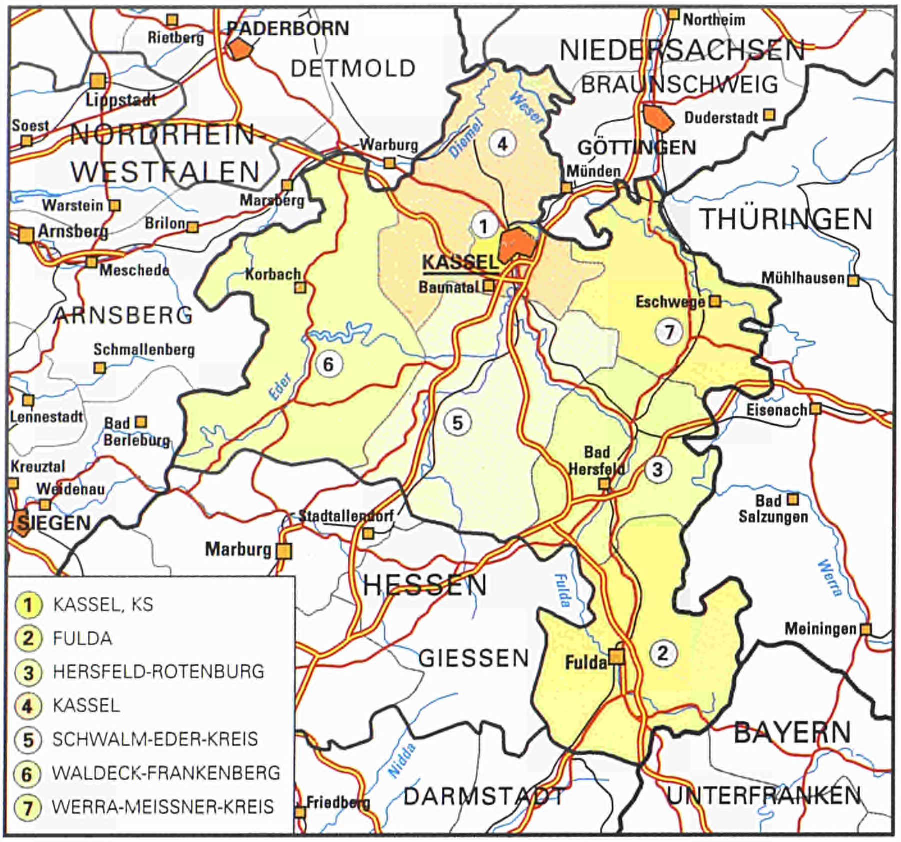
The Edertal dam, in the rural district of Waldeck-Frankenberg, is one of the largest in Germany. The 27-km-long reservoir provides a multitude of opportunities for water sports in a romantic setting.



Industry and tourism

The region has three major centres that attract commuters, namely Kassel, Fulda and Baunatal, but they do not have the same drawing power as the Rhine-Main region. Because of their former proximity to the GDR border, districts in north and east Hesse received numerous types of government financial aid. As a result, the Kassel Regierungsbezirk benefited from the creation of new jobs in the past few years. Nevertheless, there was no corresponding easing of the situation on the labour market.

Traditional sectors are agriculture, mining (brown coal and potassium), and textiles and clothing in east Hesse. The proportion of workers employed in the steel and light-metal construction industries and rubber processing is comparatively high. Notable are Continental's plant in Korbach and the rubber works in Fulda. But the main area in this sector is vehicle manufacturing with VW's works in Baunatal and the Daimler-Benz works in Kassel. Thanks to its natural beauty, the region is a major tourist area. It attracts over a quarter of the visitors who come to Hesse and accounts for over one-third of all overnight stays booked in the *Land*.



Scale 1 : 1 500 000

Which EC regions are similar to Kassel?

Area:
± 8 300 km²
Kriti (GR); North Yorkshire (UK)
Alsace (F)

Population:
1.2 million inhabitants
± 150 inhabitants per km²
Unterfranken (D)
Friuli-Venezia Giulia (I)

Employment:
± 4% in agriculture
35-40% in industry
Gießen; Koblenz (D)
Alsace (F)

From the periphery to the centre

The north-east of the *Land* suffered a particular handicap after the war when the historically close links with Thuringia were suddenly severed. The fall of the 'Iron Curtain' has remedied this situation and is opening up new growth opportunities for the domestic economy. This could provide the impetus for raising living standards in north Hesse. Three rural districts (Kassel, Schwalm-Eder and Werra-Meißner) attained only some 60% of the average Hesse per capita gross domestic product.

The Kassel conurbation should continue to remain the focus of the region as a centre of private and public services, a university city, the seat of major federal and *Land* courts and an international centre for modern art (Documenta). However, because of the nature of its landscape it will remain primarily rural. Its agriculture produces mainly traditional products such as grain, milk and meat. Cherry cultivation in Witzenhausen (Werra-Meißner district) and market gardening in the Schwalm-Eder district are important beyond the region's borders.

Tourists seeking peace and nature find a varied landscape that is thinly populated and has extensive agriculture and large forest 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	1987	1987	1987	1989
Kassel KS	0.1	192	1 794	−2.4	54	9.9	0	28	72	172
Fulda	1.4	194	140	2.0	54	4.2	5	42	54	95
Hersfeld-Rothenburg	1.1	127	116	−0.5	52	5.1	5	46	49	94
Kassel LK	1.3	227	176	3.4	57	5.1	5	49	47	79
Schwalm-Eder-Kreis	1.5	180	117	−0.6	55	5.1	8	37	56	78
Waldeck-Frankenberg	1.8	154	83	−0.3	54	4.8	7	42	51	96
Werra-Meißner-Kreis	1.0	115	112	−3.5	53	6.5	6	42	52	77
Kassel	8.3	1 188	143	0.0	56	5.8	5	39	56	100
Deutschland	248.7	62 679	252	0.2	56	5.2	4	41	55	112
EUR 12	2 253.7	327 931	146	3.2	54	8.3	7	33	60	100

DEUTSCHLAND

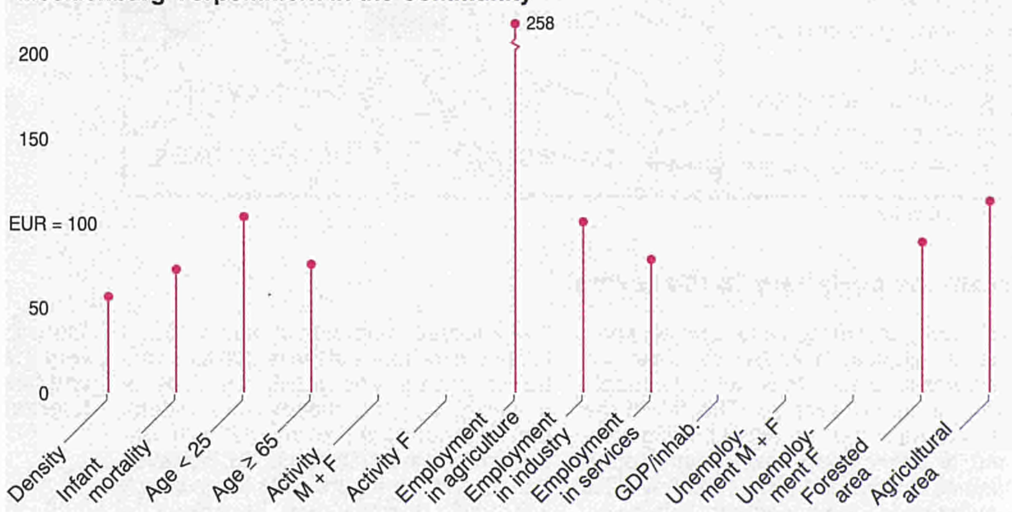
MECKLENBURG-VORPOMMERN

Mecklenburg-Western Pomerania was formed after World War II from the former *Land* of Mecklenburg and the western part of the former Prussian province of Pomerania. It was divided into the Bezirke of Schwerin, Rostock and Neubrandenburg as part of the administrative reforms of 1952, and was re-created in 1990 when the federal *Länder* structure was reintroduced in the eastern part of Germany. It comprises six urban and 31 rural districts with a total of 1 124 municipalities. The capital is Schwerin. Mecklenburg-Western Pomerania covers an area of 23 834 km^2, nearly 7% of the total surface area of Germany. It shares a common border with Poland and with three other *Länder*, namely Brandenburg, Sachsen-Anhalt, Lower Saxony and Schleswig-Holstein. To the north is the Baltic Sea. Mecklenburg-Western Pomerania's sea coast is 340 km long.

The landscape, which was formed in the Ice Age, displays many types of soil and vegetation. The countryside ranges from large tracts of woodland through the extensive Mecklenburg lake district to the fertile soils on the gently undulating ground moraines and less fertile ones in the sandy areas. Agriculture accounts for nearly 2/3 of the area in economic use. 21% of the land area is covered by forests and other wooded areas, and 5% by water. Much of the population lives dispersed among a large number of villages and small and medium-sized towns in the rural districts.

A typical Mecklenburg-Western Pomeranian landscape of lakes, woods and fields. (View of the lake at Pinnow, near Schwerin.)

Mecklenburg-Vorpommern in the Community



A *Land* in transition

Until this century, Mecklenburg was poor by German standards. Despite the economic restructuring undertaken after 1945, which transformed its economic structure from an agricultural one to an agro-industrial one, it lags behind in its development. In addition to agriculture and the food industry, the dominant economic sectors include shipbuilding, maritime and port activities, fishing and tourism. In qualitative terms, this structural transformation failed to match that in the western industrialized countries: the region's industrial structure bears a closer resemblance to that of neighbouring Schleswig-Holstein in the early 1970s than to the latter's present-day structure. As a result, the transition to the market economy will bring fundamental economic changes in the next few years.

A largely intact environment and beautiful countryside provide a solid basis for tourism, both on the coast and inland. However, the development of tourism and the expansion of the services sector will not be sufficient to absorb growing numbers of unemployed from other sectors. Rather, business activity will have to be expanded and new industries attracted if the economic survival of the entire region is to be guaranteed.

MECKLENBURG-VORPOMMERN

Scale 1 : 2 000 000

Which EC regions are similar to Mecklenburg-Western Pomerania?

Area:
± 23 800 km²
South-West (UK)
Lombardia (I)

Population:
± 2 million inhabitants
Languedoc-Roussillon (F)
East Anglia (UK)

Population density:
± 80 inhabitants per km²
Languedoc-Roussillon (F)
Andalucía (E)

Regional differences in economic potential and in areas of unspoilt nature

Although there is a high degree of concentration in the six urban districts of Rostock, Schwerin, Neubrandenburg, Stralsund, Greifswald and Wismar, and in the neighbouring rural districts and those bordering the Baltic, Mecklenburg-Western Pomerania has the lowest population density of all the German *Länder*.

Agriculture is distributed evenly throughout the *Land*. Industry is concentrated in a number of coastal towns (Wismar, Rostock, Stralsund, Sassnitz, Greifswald and Wolgast), the former Bezirk capitals (Schwerin and Neubrandenburg), and a few district towns (Güstrow, Parchim, Grimmen).

The excessive reliance in many areas on agriculture is such that the need to raise productivity to western levels is creating higher unemployment which other sectors cannot absorb in the short term. The transport network is still over-reliant on north-south routes. Efficient road links running from east to west, both in the coastal region and in the central part, are essential for improved communications between manufacturing, commercial and tourist centres. The construction of an east-west motorway is planned.

	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	1989	1990	1989	1989	1989	1989
Mecklenburg-Vorpommern	24.0	1 964	82	1.4	:	:	20	34	47	:
Deutschland (territory before 3.10.1990)	248.7	62 679	252	2.1	57	5.2	4	41	55	112
Deutschland	356.9	79 113	222	1.3	:	:	5	43	52	:
EUR 12 (territory before 3.10.1990)	2 253.7	327 931	146	3.2	54	8.3	7	33	60	100
EUR 12	2 362.0	344 365	146	:	:	:	:	:	:	:

Negative population growth due to waves of migration

Mecklenburg-Western Pomerania had two million inhabitants at the end of 1989. It has the youngest population of the new *Länder*. At the end of 1989, a higher percentage of the population than in any of the new *Länder* were children. The number of people of working age was also above average, this being due to the 'baby-boomers' who entered the labour market since the beginning of the 1970s.

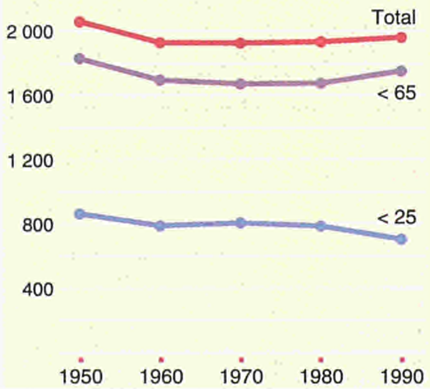
The tide of migrants from what was then the German Democratic Republic to the Federal Republic led to a population decrease in the period from 1950 to 1960. There followed a period in which migration was insignificant. The new wave which began in 1989, however, caused the population to fall by 14 900 compared with 1988 levels and by a further 18 500 in the first six months of 1990. The new migrants were predominantly of working age and many of them were no older than 40.

Internal migration from the small municipalities to the towns has been taking place for many years. In 1989, half of all the municipalities had fewer than 500 inhabitants. Areas along the former border between Mecklenburg and Western Pomerania have been particularly hard hit by this phenomenon.

Population by age — 1990

	M + F 1 000	M + F %	M %	F %
< 15	430.0	21.9	23.0	20.8
15-24	274.7	14.0	14.9	13.1
25-39	491.1	25.0	26.8	23.3
40-54	358.2	18.2	18.9	17.6
55-64	200.7	10.2	9.7	10.7
≥ 65	209.2	10.7	6.7	14.4
Total	1 963.9	100.0	100.0	100.0

Population (1 000)



Resident population of foreign nationality

No data available

Demographic account — 1980-90 (1 000)

Population 1.1.1980	1 939
Births	303
Deaths	226
Net migration	– 53
Population 1.1.1990	1 964

Large workforce and reduced number of job vacancies

At the end of 1989, when the workforce still enjoyed guaranteed full employment, more than 3/4 of the population of working age was in paid employment, due largely to the almost equally high level of employment among women. Assuming natural population trends and ignoring the effects of any continuing emigration, the population of working age will remain at its present level until about 1995. However, the declining number of jobs and the persistent earnings differentials between the eastern and western *Länder* are contributing to an accelerating rate of migration, particularly from the western part of Mecklenburg-Western Pomerania.

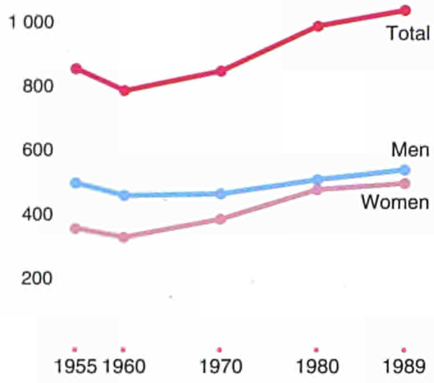
The workforce has a high level of training. Nevertheless, structural changes now require a comprehensive programme of training and retraining.

At the end of 1990, 33 151 young people were following apprenticeships, 38% of them being women.

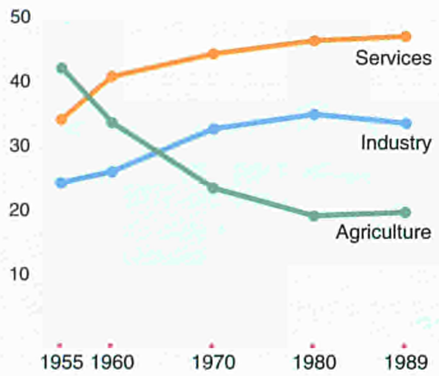
Number of pupils — 1990

	M + F 1 000	F %
Pre-school	:	:
Primary	123.0	49.2
Lower secondary	157.8	50.3
Higher secondary (technical)	40.7	37.6
Higher secondary (general)	5.6	59.8
Higher education	13.2	47.3
Total	340.3	48.4

Employment (1 000)



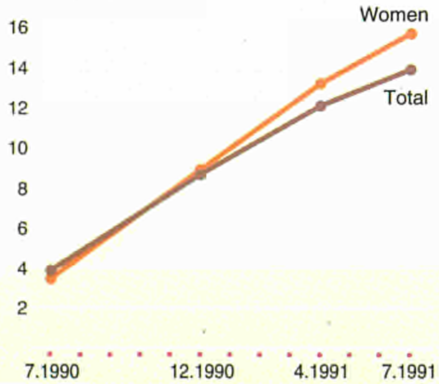
Employment structure (%)



Employment

No data available

Unemployment (%)



Large proportion of women in the workforce and of persons employed in agriculture

From 1970 to 1989, the working population grew by 22% to one million, compared with a population growth rate of 1.9%. The proportion of women in the workforce rose from 45 to 48%. At the end of this period, there were relatively few self-employed and family workers, however, the growing number of trading licences which are being granted, particularly in the commercial, catering and trades sectors, is expected to boost their ranks considerably. At the end of 1989, nearly 3/4 of the working population were in the 25-54 age group, but their proportion has declined since then as a result of migration to western Germany. In 1989, 20% of the workforce was employed in agriculture and forestry — nearly twice the figure for the five new *Länder* as a whole. Employment in the industrial sector is about 10% below the average for the new *Länder*, whereas that in the commercial and transport sectors is above average. The decline in economic performance following monetary union has led to mass redundancies and short-time working. The situation has been eased somewhat by older workers who have taken early retirement. In March 1991, 42 565 persons were drawing an early retirement pension and 12 417 a partial retirement pension.

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	13	72	15	98	:	1	:	:
Women	14	74	12	99	:	20	:	:
Total	13	73	14	99	:	10	:	:

Tight situation in the labour market

Unemployment has risen more rapidly than in the other new *Länder*. It is higher among women than among men and continues to rise at a faster rate.

For a realistic assessment of unemployment in Mecklenburg-Western Pomerania it is necessary to take short-time working into account. In April 1991, there were 229 000 short-time workers (nearly twice the number of unemployed). Half of them were working fewer than half of normal hours. This means that one in three of the working population is either unemployed or on short-time. The highest rates are in agriculture, the food-processing industry and fishing. The Bützow, Ribnitz-Damgarten, Bad Doberan, Lübz, Gadebusch and Röbel districts have been particularly hard hit. There is also high unemployment in the manufacturing industry and among managerial and clerical staff.

In 1991, the labour market continued to be affected by a decline or at best stagnation in job vacancies, which on average numbered only 3 000 in the first quarter of the year.

The number of workers taking part in training programmes and job creation schemes has been increasing since the beginning of 1991.

Economy dominated by maritime and port activities and food-processing industry

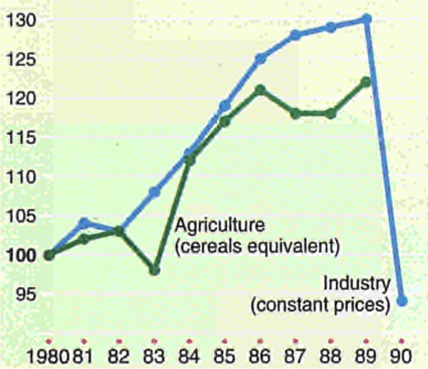
Mecklenburg-Western Pomerania suffers from structural weaknesses. The positive trends in its economic structure since World War II are reflected in its six construction docks, high-sea fishing, the extension of port facilities to accommodate ocean-going shipping and the needs of the building industry, increased capacity in the electrical and electronic industries and machine construction for the plastics, hydraulic, chemical and light industries. It had a large share of some of the former GDR's other manufacturing sectors: in 1989, it accounted for 87% of all wall and floor tiles, 32% of soft leather, 40% of telephone and telegraph transmission equipment, 29% of machines and equipment used in the plastics industry and 18% of cables and wires. It has to be said, however, that the range of products manufactured in Mecklenburg-Western Pomerania is fairly narrow.

The crafts have been forced into a sharp decline by post-war developments, and are now largely centred on services and repairs. Manufacturing industry in the GDR was organized in large enterprises and combines.

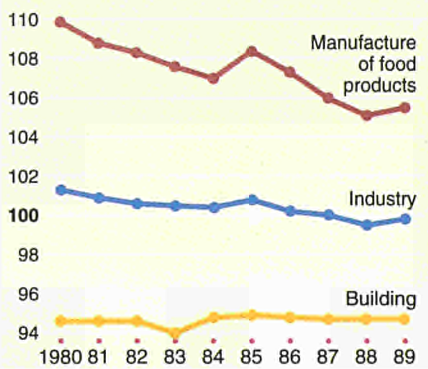
In view of the maritime and port activities, special importance attaches to the transport sector. In 1989, 25 million tonnes of goods were handled in the ports of Rostock, Wismar and Stralsund, plus another eight million tonnes moved by ferry services to and from Sweden, Denmark and the USSR.

Tourism is important (more than 42% of the tourist beds in the new *Länder*). Considerable hope is being placed in the ability of the building industry to lead an economic renewal. Mecklenburg-Western Pomerania lacks traditional industrial raw materials: chalk from the island of Rügen is of a high quality and is in demand in the paint, varnish, electrical and pharmaceutical industries.

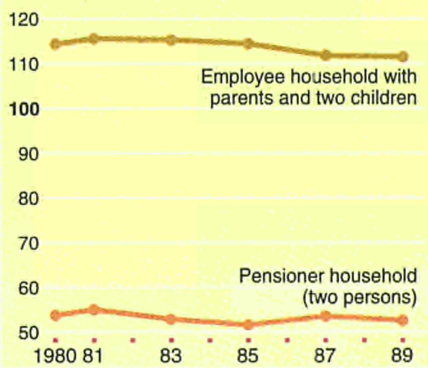
Production of industry and agriculture (1980 = 100)



Wages (ex-GDR = 100)



Net household income
(employee households = 100)



Average income of industrial workers broadly similar to that in the other new *Länder*

In 1989, the highest average monthly wages of industrial workers were paid in the machine and vehicle construction industries, and the lowest in light industry and textiles, which together employed about 14% of the industrial workforce. Wages in the building industry were about 5% below the average for the other new *Länder*.

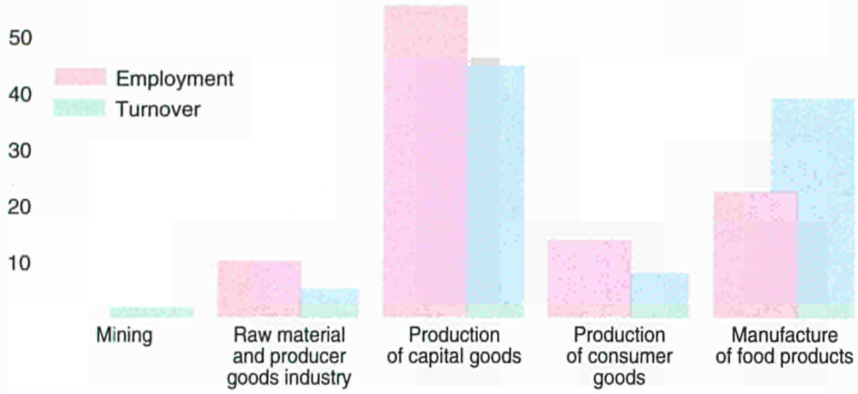
Provisional calculations indicate that in the second half of 1990, gross monthly wages and salaries in the new *Länder* were ECU 661, a bare 37% of those in the 'old' *Länder*.

In the GDR, the net incomes of households whose breadwinner was a manual or non-manual worker or a pensioner rose by about a quarter between 1980 and 1989. The net incomes of households whose breadwinner was employed on a collective farm rose by nearly a half, which was just sufficient to take them above the net incomes of the above-mentioned households. The net income of pensioners was about half that of persons in paid employment.

The first survey of its type in Mecklenburg-Western Pomerania, carried out on 30 September 1990, revealed that 5 535 households were receiving social assistance to help them meet the cost of living. These households comprised 11 806 persons, or 0.6% of the population. The main reasons were unemployment (in about 2/3 of the recipient households) and low incomes from employment (18%).

The highest percentages of persons receiving social assistance (measured in terms of the total population) were in most of the rural districts in the Neubrandenburg region, some eastern districts in the Schwerin region, and in Rostock.

Employment (1991) and turnover (1990): distribution by branch (%)



Transition to market economy requiring structural adjustment

Agriculture has a crucial role in the life of Mecklenburg-Western Pomerania, which in 1989 accounted for 25% of crop production in the former GDR and about 20% of the market value of its animal production. Nevertheless, productivity and yields are considerably lower than in, say, Schleswig-Holstein.

Raising productivity will require a major reduction in the workforce and the setting-aside of less productive land. It is expected that production of potatoes and field vegetables will decline sharply, but that the production of oil plants will increase.

In 1989, the food-processing industry, machine and vehicle construction (including shipbuilding) and light industry together made up 70% of gross industrial production. However, the products of many enterprises are proving uncompetitive under market conditions. It is therefore essential for existing enterprises to introduce new product lines based on modern production methods and for new enterprises to be set up.

The services sector employs more people than in the other new *Länder*. This is due to the importance of maritime and port activities and tourism. Business services will not develop until the economy has been restructured.

Agriculture

Agricultural area	1 508 000 ha
Arable land	75%
Main crops	
Cereals	42%
Root crops	9%
Oil plants	6%
Livestock	
Cattle	1 105 000 head
Pigs	1 969 000 head
Sheep	195 000 head

Main enterprises

No data available

The need to conserve areas of unspoilt nature

Mecklenburg-Western Pomerania's environment is relatively healthy. There are, however, local concentrations of environmental pollution and damage where load limits have been exceeded. Examples include emissions of dust, sulphur dioxide and nitric oxide in such places as Rostock and Neubrandenburg. High levels of carbon monoxide are also a problem, particularly in coastal areas.

The quality of some of the water has been adversely affected by the excessive use of fertilizers, particularly in predominantly agricultural areas and around some towns and large residential areas. Intensive farming practices, such as the widespread application of liquid manure and the liberal use of fertilizers and plant protection agents, are a major cause of environmental damage. These factors, plus the effluent generated by towns such as Rostock, Wismar and Stralsund, continue to threaten the ecology of coastal and other waters.

Nearly half of all woodland is now suffering damage caused by environmental pollution. The regional distribution varies widely according to the type of tree. The most severely affected species are pines and oaks.

Growing volumes of refuse are contributing to the critical state of waste tips. The treatment of waste water and sewage is also a problem. The proportion treated by sewage treatment plants is unsatisfactory; indeed, some rural areas lack modern sewage treatment plants altogether.

DEUTSCHLAND

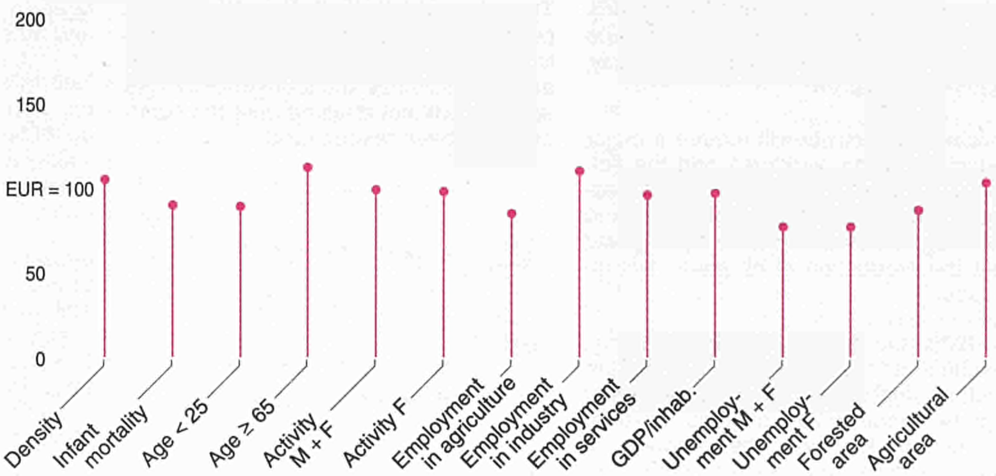
NIEDERSACHSEN

Lower Saxony, is the second-largest *Land* in the Federal Republic and covers a larger area than Denmark, Belgium or the Netherlands. It is bounded by the North Sea, Hamburg and Bremen, the Netherlands, North Rhine-Westphalia, Hessen, Saxony-Anhalt, Mecklenburg-Western Pomerania and Schleswig-Holstein. Lower Saxony has long played an important part in north-south links, and with the disappearance of the 549 kilometres of inter-German frontier, which until 1989 blocked almost all communication, east-west traffic is now also increasing. Lower Saxony is thus becoming a hub and crossroads for traffic in all directions. The A1 and A7 motorways, the Weser, the Ems and the Elbe-Seitenkanal provide north-south connections, while the A2 motorway and the Mittellandkanal run from west to east. The capital Hanover has a high-capacity airport and is a major railway junction (Hamburg-Munich and Paris-Moscow).

Lower Saxony is relatively thinly populated. Nearly two-thirds of its land area is used for agriculture, and another fifth is woodland. The *Land* has a wealth of attractive scenery, particularly in the Harz mountains, the heathland of the Lüneburger Heide and the tidal flats of the Wattenmeer with the East Friesian islands.

The Hanover Industrial Fair and the 'CeBit' computer fair. Every year they attract more than a million visitors from all over the world who come to show and to see the latest products in industry and information technology.

Niedersachsen in the Community



Still scope for economic development

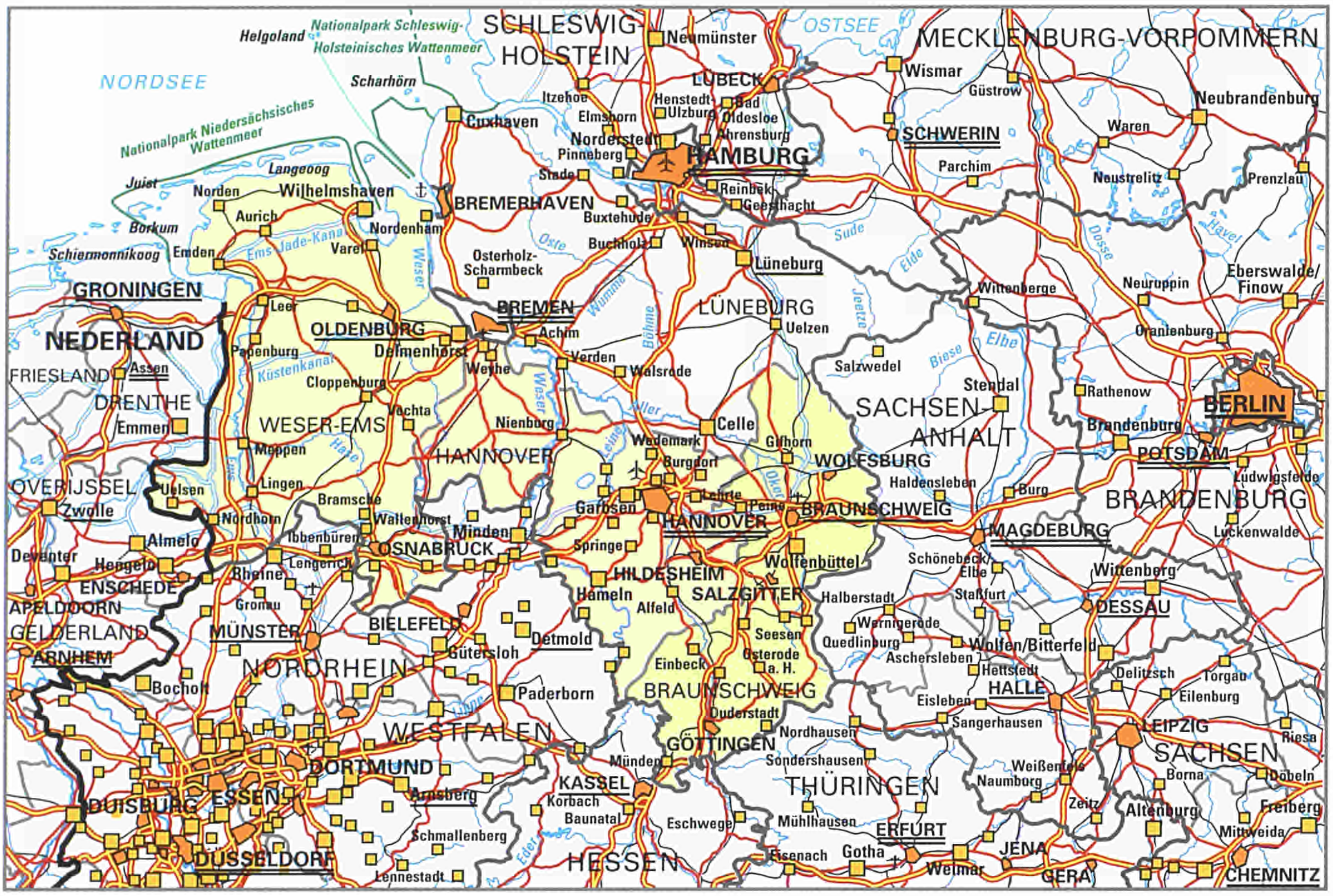
It is impossible to give a proper description of Lower Saxony's position without including the city-states of Bremen and Hamburg. In terms of economics and geography there are four major centres — Hamburg, Bremen, Hanover and the Braunschweig/Wolfsburg/Salzgitter area — around which a well-developed hinterland offers a wide variety of services. There are a number of establishments for basic and applied research.

Lastly, there is a plentiful supply of commercial premises at reasonable prices. The rates at which trade tax is levied are often well below the national average. Property prices and rents are low.

Since 3 October 1990 (German unification), instead of being on the fringe, Lower Saxony has come to occupy a central position in Germany and in Europe. For the foreseeable future, however, the Western industrialized countries will continue to be the main customers for Lower Saxony's products. The improvement in its geographical position is a medium and long-term opportunity rather than a guarantee of economic development in the short term.

As regards the structure of the economy, notable features in Lower Saxony are the relative importance of the public sector — including the army and border guards — and agriculture. The industrial structure cannot be regarded as well balanced, as it is highly dependent on the motor industry, with about one in four of all industrial workers employed in vehicle manufacture and the rubber industry.

NIEDERSACHSEN



Which EC regions are similar to Lower Saxony?

Area:
± 47 000 km²
Aragón (E)
Midi-Pyrénées (F)

Population:
± 7 million inhabitants
Andalucía (E)

Employment:
6-7% in agriculture
± 35% in industry
Toscana (I)
Picardie (F)

Population and jobs concentrated in the south rather than the north

In the rectangle formed by Hanover, Wolfsburg, Braunschweig/Salzgitter and Hildesheim a good third of manufacturing employment and a quarter of the inhabitants are concentrated on 8.5% of the land area. The inhabitants here (and in Lower Saxony's part of the Hamburg suburbs) have the highest incomes. Hanover and Braunschweig, together with Göttingen, also have a wide range of the pure and applied research activities which are so important for a modern economy. The technology transfer and innovation consultancy activities aimed at small and medium-sized businesses, on the other hand, are more widely scattered across Lower Saxony (technology contact points in universities and colleges, innovation consultants in chambers of trade and industry, etc.).

It is only in parts of the Regierungsbezirke of Lüneburg and Weser-Ems that agriculture is of any significance as a gainful activity, although its importance continues to decline. None the less, overall employment trends in the 1980s were markedly better here than in the two southern Regierungsbezirke.

	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	1987	1987	1987	1989
Braunschweig	8.1	1 614	199	– 1.1	53	7.8	4	43	54	109
Hannover	9.0	2 032	225	– 1.1	57	6.8	4	34	62	110
Lüneburg	15.3	1 467	96	1.4	57	5.9	10	28	62	78
Weser-Ems	15.0	2 170	145	3.3	54	6.6	8	35	57	89
Niedersachsen	47.3	7 284	154	0.7	55	6.8	6	35	59	97
Deutschland	248.7	62 679	252	2.1	57	5.2	4	41	55	112
EUR 12	2 253.7	327 931	146	3.2	54	8.3	7	33	60	100

Births still in surplus in the north-west

With more than 7.3 million inhabitants, Lower Saxony is among the four German *Länder* with the largest populations, coming after North Rhine-Westphalia, Bavaria and Baden-Württemberg. Population growth, which was somewhat below the national average between 1970 and 1989, has picked up again in the last few years and the increase in 1989 was the largest for decades.

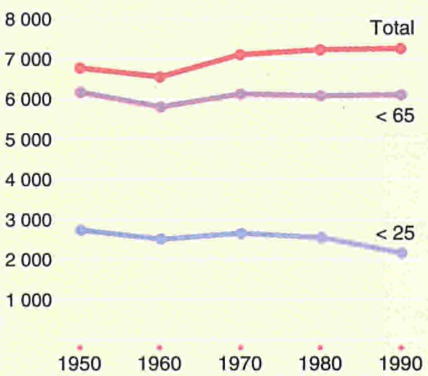
Natural population growth has been negative since 1972. The increase in Lower Saxony's population is due solely to immigration, especially from Hamburg and Bremen and now increasingly the countries of Eastern Europe and the new five *Länder*. Compared with the other *Länder* of the old Federal Republic, Lower Saxony has a low proportion of foreigners.

The low numbers of births each year for over 20 years have meant a marked decline in the percentage of young people in the total population. At the same time there has been an increase in the numbers of over-65s, both in relative and in absolute terms.

Population by age — 1990

	M + F 1 000	M + F %	M %	F %
< 15	1 101.6	15.1	16.1	14.3
15-24	1 075.5	14.8	15.7	13.8
25-39	1 632.3	22.4	23.8	21.1
40-54	1 503.2	20.6	21.9	19.4
55-64	816.4	11.2	11.1	11.3
≥ 65	1 154.7	15.9	11.4	20.1
Total	7 283.8	100.0	100.0	100.0

Population (1 000)



Resident population of foreign nationality — 1990

	1 000	% of total population
Total	310.8	4.3
of which EC countries	87.1	1.2
of which non-EC countries	223.7	3.1
Turkey	102.4	1.4
Yugoslavia	25.8	0.4
Italy	24.3	0.3
Poland	22.6	0.3
Greece	15.6	0.2
Netherlands	14.5	0.2

Demographic account — 1980-90 (1 000)

Population 1.1.1980	7 234.0
Births	714.7
Deaths	844.5
Net migration	+ 179.6
Population 1.1.1990	7 283.8

Untapped reserves in the labour force

An increase is expected in the average age of the working population and in the activity rate of women.

The standard working week has shown a slight downward trend since 1986. The standard working week in 1989 was between 38 and 39 hours, while in industry it was just over 40 hours per week.

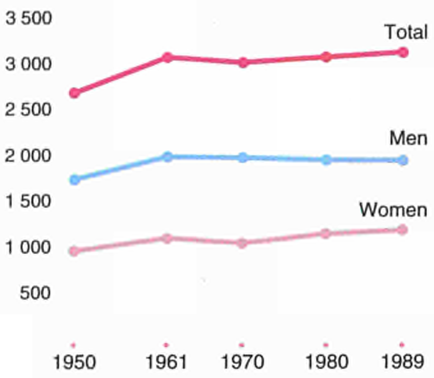
The geographical concentration of employment has reached an advanced level: more than a third of those in employment work outside the municipality of residence. The major centres for inward commuting are Hanover, Hamburg and Bremen, but Osnabrück, Göttingen, Oldenburg, Hildesheim, Emden, and the Wolfsburg-Braunschweig-Salzgitter area are also important commuter centres.

Almost all the inhabitants of Lower Saxony of working age have a general school-leaving certificate, and a good third have a higher qualification. A good 20% also have a particular vocational qualification, ranging from technical college to university level.

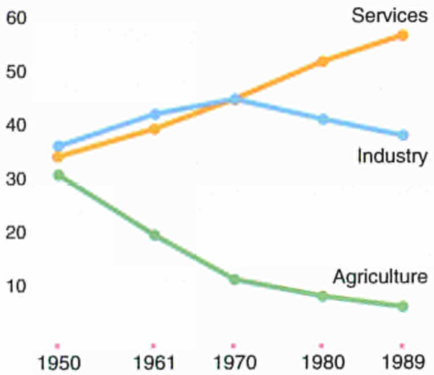
Number of pupils — 1989

	M + F 1 000	F %
Pre-school	176.4	50.3
Primary	289.1	48.9
Lower secondary	403.5	49.3
Higher secondary	338.8	47.2
Higher secondary (technical)	272.0	46.1
Higher secondary (general)	66.8	52.0
Higher education	164.8	42.5
Total	1 400.7	47.8

Employment (1 000)



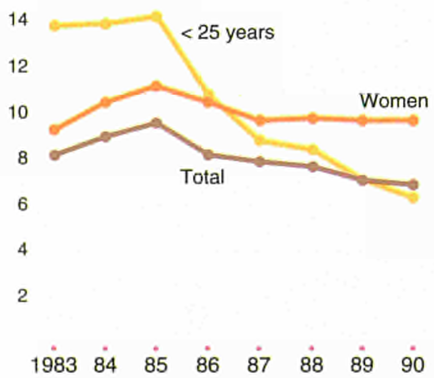
Employment structure (%)



Employment — 1987 (1 000)

Resident employment	3 018.9
+ Non-residents having a job in the region	52.1
− Residents having a job outside the region	190.9
= Internal employment	2 880.1

Unemployment (%)



60% of employment in the services sector

The number of persons in employment at places of work in Lower Saxony has for some time been between 2.9 and 3.0 million, with an upward trend since 1988. The proportion of women has grown steadily since the early 1970s. There is a net outflow of about 140 000 inhabitants of Lower Saxony to jobs across the *Land* boundary, mainly in Hamburg and Bremen.

Compared with the national average there are relatively large numbers with medium or low levels of qualifications and relatively few with high-level qualifications. Only just over a quarter of those liable for social security contributions have not completed any vocational training, while about two-thirds have completed such training and a bare 5% have a higher vocational qualification ranging from technical college to university level. The shortage of graduate jobs goes hand in hand with a below-average level of R&D activities. In occupational terms this is particularly clear in shortfalls in the technical professions and in highly-qualified careers in organization and administration. In part, however, these shortfalls can be explained by the central functions with regard to supplies and the labour market which are performed for Lower Saxony by the *Länder* of Hamburg and Bremen.

There is a differential with regard to qualifications between north-west and south-east, with the more demanding jobs in Lower Saxony to be found in the Hanover, Braunschweig and Göttingen areas.

Characteristics of resident employment (%)

	< 25 years	25-54 years	≥ 55 years	Employees	Employees: part-time		Employees: full-time, temporary contract	
	1989	1989	1989	1989	1984	1989	1984	1989
Men	16	72	12	88	2	2	9	12
Women	24	68	8	89	33	32	10	12
Total	19	70	11	88	13	13	10	12

Unemployment rate still above the national average

Due to a more favourable economic situation, unemployment has fallen by a third, somewhat more than nationally, after peaking in January 1985. All the same it remains above the national average.

On average during 1990 nearly half the unemployed were women, despite the fact that they have an appreciably lower activity rate than men. Since the number of women out of work has fallen much less since January 1985 than the figure for men, there has been a steady rise in the proportion of women among the unemployed. A significant percentage of these women are seeking part-time work. The unemployment rate for foreigners is also above the average. Most unemployed workers have a vocational qualification.

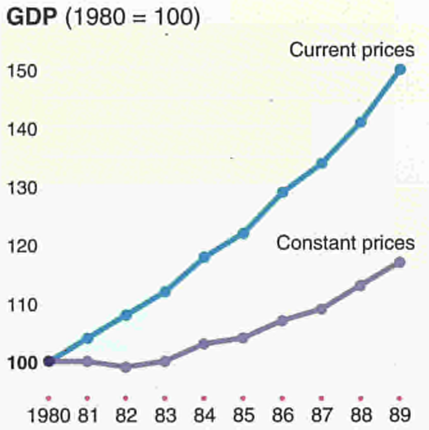
The age structure of unemployment also shows wide variations. The number of unemployed young people has fallen sharply. The number of unemployed aged 50 or more, on the other hand, has further increased in the last few years, especially long-term unemployment. The increase in the average length of unemployment, a continuing trend since 1984, has levelled off.

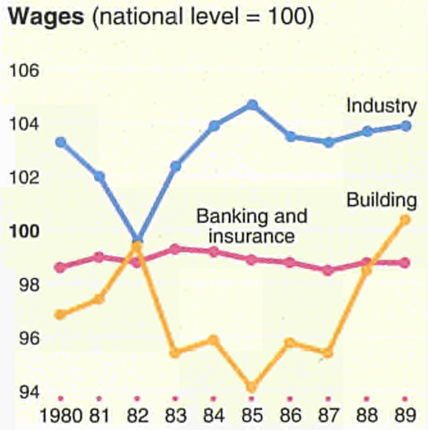
Dominance of the motor industry

Vehicle construction is by far the most important industrial sector in Lower Saxony. Other important branches are the food industry, mechanical engineering and electrical engineering, with the food industry being much more important than nationally while the other two branches are less significant than in Germany as a whole. 50% of employees are in companies with less than 500 staff, while the other half work in nearly 200 large companies.

Because of the importance of the export-oriented motor industry, a third of the turnover in manufacturing — i.e. more than the national average — is exported. The motor industry is spread across the region with plants in Wolfsburg, Hanover, Braunschweig, Salzgitter, Osnabrück and Emden. Other major export-oriented branches are mechanical engineering, chemicals and the iron and steel industry, but there are also a number of smaller branches with export shares of around 40% and attractive product ranges. On the other hand the branches and products with high export levels also include some which are subject to fierce price wars and competition from other exporting countries and are thus particularly dependent on economic developments in the producer and consumer countries.

Exports are concentrated on a relatively small number of Western industrialized countries and groups of goods, with just under 60% of exports going to EC countries. Vehicles account for a third of all exports; mechanical engineering, the chemicals industry, electrical engineering and the food industry account for about 10% each.





Marked differentials in labour costs and incomes

At ECU 17.94, costs per man-hour worked in industry in Lower Saxony are slightly below the average for the 11 old *Länder* of the Federal Republic but markedly above labour costs in Denmark, France or the United Kingdom. There are considerable differences from *Land* to *Land* in the branch-by-branch composition of industry and in productivity. 44.9% of labour costs are supplementary costs, which corresponds almost exactly to the national average.

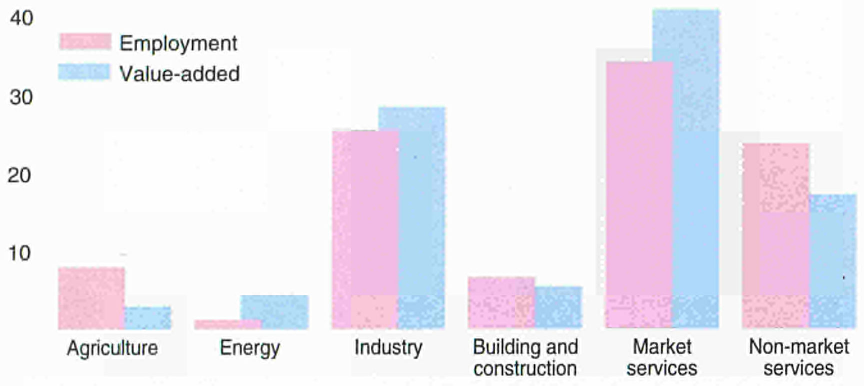
The gross hourly earnings of workers in industry amount to ECU 9.90. There are considerable differences between branches — from ECU 6.67 in the fish products industry to ECU 12.88 in petrochemicals — depending on workers' productivity and qualifications. White-collar earnings are highest in oil and gas extraction, where salaries are more than twice as high as in retail trade.

There are substantial differences in earnings between the sexes. Female salaried staff earn barely two-thirds as much as men, while female manual workers manage to get three-quarters of men's earnings.

These factors also lead to regional income differentials. Incomes are particularly high for employees in the vicinity of Hamburg, Bremen and Hanover and in Wolfsburg/Gifhorn. In peripheral areas such as Lüchow-Dannenberg, Leer, Wittmund and Cloppenburg, on the other hand, they are significantly lower.

More than 60% of Lower Saxony's gross product is accounted for by private consumption. In 1988 households had disposable income of ECU 69.7 million, of which 89% was spent and 11% saved.

Employment and value-added: distribution by branch – 1987 (%)



Leading role of cars and food products

Compared with the country as a whole, Lower Saxony is marked by the above-average shares in the economy of agriculture, distributive trades and the non-market sectors, while industry and business services lag behind the average.

Lower Saxony's major products are in the first instance the above-mentioned export items, particularly vehicles, but it must not be forgotten that there are also products sold mainly within the Federal Republic. Besides the production of natural gas and oil — where Lower Saxony's share in the German total is over 95% — the food industry, with a turnover of ECU 12.5 million and a relatively low export rate of around 10%, shows that there is a market in Lower Saxony and in Germany as a whole, which now has a population of nearly 80 million. A sector closely linked to the food industry is agriculture, which is characterized in Lower Saxony by large efficient farms. Their productivity is some 20% above the national average.

The construction industry is dominated by small and medium-sized businesses, and there is not one construction firm among Lower Saxony's 100 companies with the largest turnover.

The services sector (except retail trade and the local government/non-profit institutions sector), is placed below the national average. This is due to the importance of Hamburg and Bremen as centres for the surrounding areas in Lower Saxony, and to the weak position of industry in the north of Germany.

Agriculture

Number of holdings	108 289
Labour force	136 145 AWU
Agricultural area	2 733 000 ha
Livestock	4 185 000 LU
Gross value-added	25 352 ECU/AWU
Main products	
Milk	26%
Pigs	22%
Cattle	15%

Main enterprises

Name	Activity
Volkswagenwerk AG	Car manufacturing
Continental Aktiengesellschaft	Rubber industry
Stahlwerke Peine-Salzgitter AG	Steel industry
Preussag AG	Raw materials, transport, energy
Preussen-Elektra Aktiengesellschaft	Production and supply of energy
Blaupunkt-Werke GmbH	Electrical goods
Wilhelm Karmann GmbH	Coachworks, pressed parts, tools
Schmalbach-Lubeca GmbH	Packaging industry
Norddeutsche Landesbank Girozentrale	Banking and finance

A fifth of the total area is nature reserves or protected land

By German standards, Lower Saxony is a thinly populated agrarian region which has a high proportion of agricultural land but relatively little woodland. It has areas of outstanding ecological importance, in particular the Wattenmeer tidal flats, the largest remaining fen in Germany, important wetlands and Lüneburg heath. Everywhere conflicts of interest arise between use for industrial, leisure and military purposes on the one hand and the demands of nature protection and the environment on the other. 539 nature reserves and 1 492 countryside conservation areas have been set up, totalling one-fifth of the area of Lower Saxony. Although clean-air measures are having some effect, 43% of the woodland is damaged. The most seriously affected area is the Harz.

Lower Saxony has an abundance of groundwater and springs. Reservoirs in the Harz and the groundwater reserves of the Lüneburg heath supply Hamburg, Bremen and Hanover with quality drinking water. In rural districts with large-scale livestock farming (in particular Vechta and Cloppenburg), however, there are problems with contamination of groundwater by nitrates. Sewage from 85% of the population is now treated in biological purification plants. Since the opening of the inter-German border the water quality in the Elbe has improved as a result of reduced discharges of pollutants in Eastern Germany. The salt content of the Werra and the Weser will also be reduced by the expected run-down of potash mining in Thuringia.

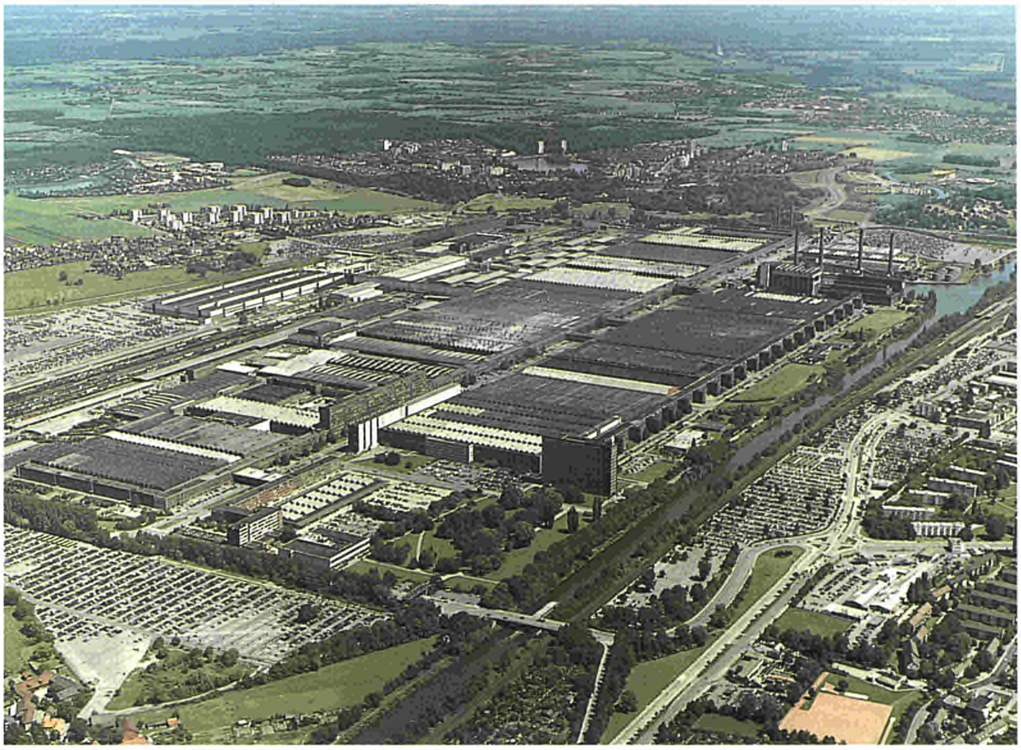
The quantities of waste produced by industry and households have increased. In Lower Saxony, the designation of new landfill sites is a controversial matter.

DEUTSCHLAND

BRAUNSCHWEIG

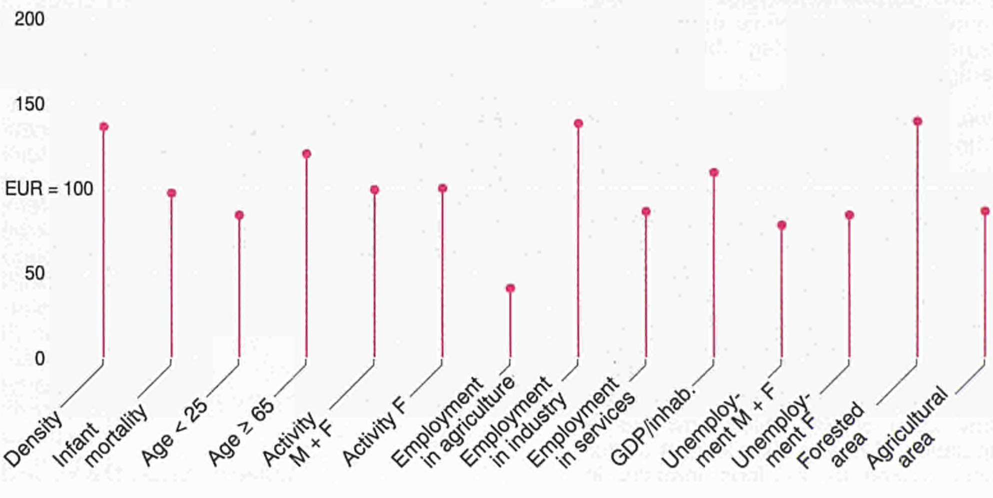
Braunschweig is the Regierungsbezirk in Lower Saxony with the smallest area.

Its population density is above the average for Lower Saxony. The northern half of the Regierungsbezirk is part of the north German plain and takes in sections of the Lüneburg heath and of the Aller basin. This is followed to the south by the Braunschweig hills and the industrial area of eastern Lower Saxony, which includes areas of intensively farmed agricultural land. The main hubs in this region are Braunschweig itself and the other two industrialized cities of Wolfsburg and Salzgitter. The southern part of the Regierungsbezirk comprises the western part of the Harz mountains, rising to nearly 1 000 metres, and the southern part of the hills between the Weser and Leine rivers, which are important areas for tourism with attractive scenery and picturesque old towns, including in particular the university town of Göttingen, which is a further major centre. Communications in the north of the Regierungsbezirk benefit from the east-west routes between Berlin and Hanover. The Mittellandkanal and the Elbe-Seitenkanal provide connections to the major seaports of north Germany. The south of the Regierungsbezirk is crossed by the north-south routes.



Wolfsburg is the home of Volkswagen: the largest car plant anywhere in the world.

Braunschweig in the Community



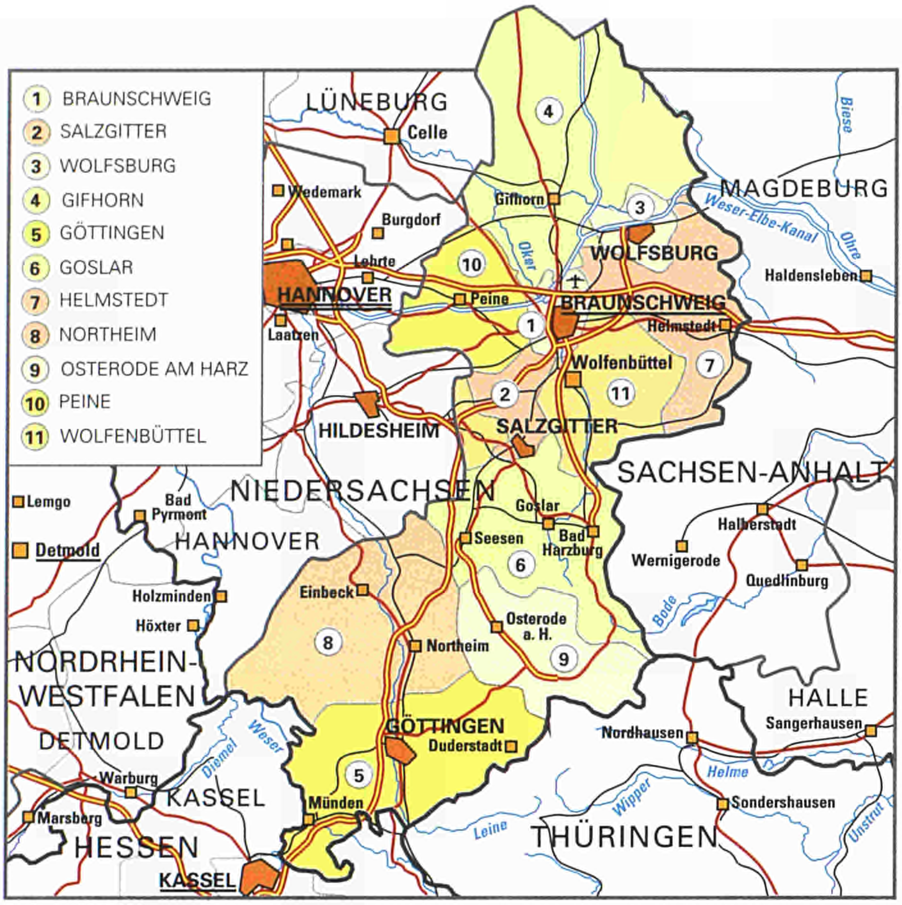
Resurgence of an old industrial region

Hitherto the disadvantage of this Regierungsbezirk, which stretches for nearly 200 km along the former inter-German border, lay in its peripheral position. The partition of Germany bisected the east-west routes and cut off economic links to the east. There was no way of making up for this loss, and the result was net emigration and an ageing population. In the industrial sector, which is dominated by the motor industry but has a considerable proportion of branches in decline, there were considerable job losses.

None the less, the strong industrial base with its long tradition must be regarded as a strength which could turn the previous geographical disadvantage into an advantage with the opening of the eastern border. This means new opportunities for growth. One of the Regierungsbezirk's strong points is the large research capacity in the universities of Göttingen, Braunschweig and Clausthal. Here there are wide-ranging possibilities for cooperation with industry which are already beginning to bear fruit, leading for example to the arrival of a large number of firms in the field of electronics and microelectronics.

In addition the Regierungsbezirk can boast two centres with an abundance of cultural facilities, and particularly in its southern part it offers a high quality of life with good leisure amenities. The Harz, in particular, is a major tourist area.

BRAUNSCHWEIG



Scale 1 : 1 500 000

Serious internal disparities

In Braunschweig, four major cities alone have nearly two-fifths of the inhabitants.

The geographical distribution of the population is also very uneven. Nearly half lives in the Braunschweig conurbation, which includes Wolfsburg, Salzgitter, Wolfenbüttel, Peine, Gifhorn and other towns. The concentration of employment opportunities and economic activity in this area is even greater, and it is here that gross value-added per employee and earnings are highest, particularly in Wolfsburg and Salzgitter. Unemployment is lowest in Wolfsburg, Wolfenbüttel, Peine, Gifhorn and Helmstedt.

Development trends are uneven from area to area. Thus between 1970 and 1987, employment rose in Wolfsburg and Salzgitter and in the rural districts of Gifhorn and Göttingen, but declined in all other parts of the region, particularly in the Peine, Helmstedt and Goslar.

Which EC regions are similar to Braunschweig?

Area:
± 8 000 km²
Koblenz; Arnsberg (D)
Madrid (E)

Population:
± 1.6 million inhabitants
± 200 inhabitants per km²
Alsace (F)
Mittelfranken; Tübingen (D)

Employment:
± 45% in industry
Cataluña (E)
Mittelfranken; Tübingen;
Niederbayern (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	1987	1987	1987	1989
Braunschweig KS	0.2	256	1 335	− 2.0	55	8.4	1	29	70	133
Salzgitter KS	0.2	113	503	− 0.7	53	9.7	1	64	35	142
Wolfsburg KS	0.2	127	621	− 0.2	57	6.4	1	73	26	248
Gifhorn	1.6	135	87	11.0	57	7.3	9	36	56	66
Göttingen	1.1	255	228	− 1.7	53	8.2	4	30	67	105
Goslar	1.0	159	164	− 7.9	52	8.0	4	32	64	89
Helmstedt	0.7	99	146	− 1.1	53	7.3	6	40	54	76
Northeim	1.3	148	117	− 2.4	53	7.3	8	41	51	79
Osterode am Harz	0.6	88	138	− 4.1	52	9.0	3	50	47	100
Peine	0.5	119	222	0.6	53	7.1	6	43	51	74
Wolfenbüttel	0.7	116	161	− 0.1	53	6.3	8	33	59	65
Braunschweig	8.1	1 614	199	− 1.1	53	7.8	4	43	54	109
Deutschland	248.7	62 679	252	2.1	57	5.2	4	41	55	112
EUR 12	2 253.7	327 931	146	3.2	54	8.3	7	33	60	100

DEUTSCHLAND

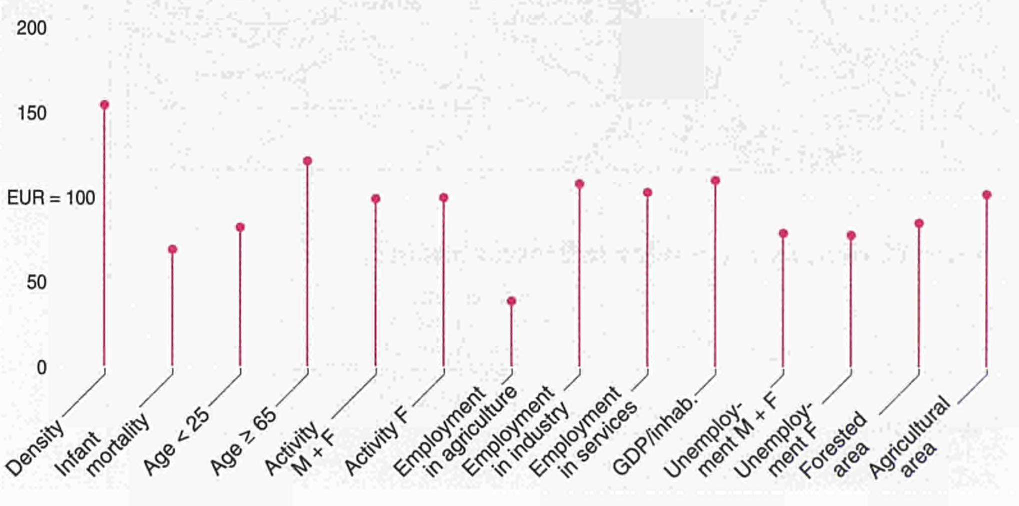
HANNOVER

The Regierungsbezirk of Hanover extends over an area of 9 041 km², with a length from north to south of 160 km and from east to west of 135 km. In the north it takes in part of the north German plain, in the middle section there are the agriculturally valuable loess soils and in the south we find the hills of Lower Saxony rising to heights of around 500 metres in the Solling range.

The Hanover conurbation in the centre of the Regierungsbezirk has excellent transport connections: Hanover is a junction for north-south and east-west motorways and railways, is situated on the Mittellandkanal east-west waterway and also has a major airport with international connections. The north-western part of the region, the rural districts of Diepholz and Nienburg, benefit from the Hanover-Bremen motorway and railway and are also served by improved trunk roads. Hameln-Pyrmont and Holzminden in the hills of the south are connected to the north-south and east-west motorways by improved trunk roads.

Hanover: with its square kilometre and more water reaching into the heart of the city from the south, the Maschsee is the people's number one choice for recreation on their doorstep.

Hannover in the Community

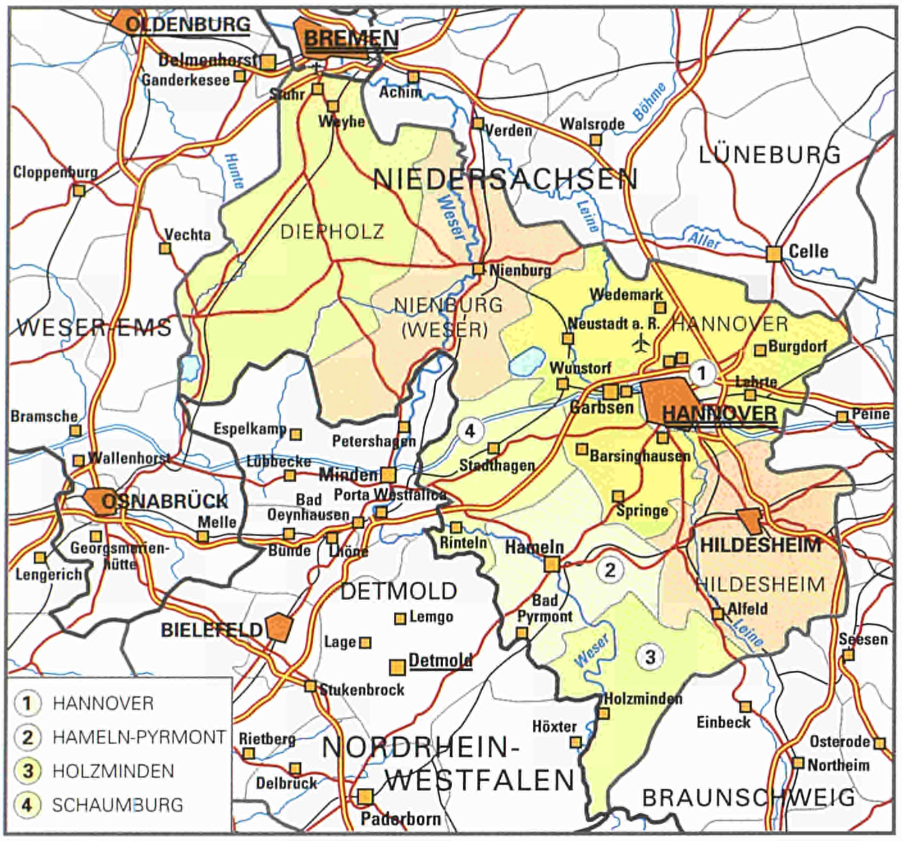


Problems in industry, good prospects in the services sector

The Hanover conurbation combines an optimum transport system and connections with a wide range of services and a good cultural and business infrastructure. With the plains to the north and the hills to the south the Regierungsbezirk offers good amenities for local recreation and leisure. Hanover hosts a number of important trade fairs. In the year 2000 Hanover is to hold the world exposition under the title 'Man, Nature and Technology'.

In recent years the services sector has developed relatively well.

The picture is different, however, in the industrial sector. Decline and low growth rates still play an important part in the economy. The area around Hanover in particular is directly and indirectly (via the rubber industry) dependent on the economically sensitive motor industry, which is particularly exposed to international price competition. Secondly, the branches which generally have a promising future, such as electrical and mechanical engineering, do not always offer the latest products, nor use the latest processes. None the less, a good business infrastructure with regard to consultancy and the transfer of new products and technological innovations (by chambers of trade and industry, professional organizations and banks, but also by universities and research institutions) provides the right conditions for the modernization of industry.



Scale 1 : 1 500 000

Which EC regions are similar to Hanover?

Area:
± 9 000 km²
Ipeiros (GR)
Tübingen (D)
Grampian (UK)

Population:
± 2 million inhabitants
200-300 inhabitants per km²
Avon, Gloucester, Wiltshire (UK)
País Vasco (E)
Freiburg (D)

Employment:
± 3 % in agriculture
± 35 % in industry
Vlaams Gewest (B)
Wales (UK)
Alsace (F)

Concentration in the Hanover conurbation

In the Hanover conurbation more than half the population and a good 60% of the jobs are concentrated on a quarter of the Regierungsbezirk. If we include the rural districts of Schaumburg and Hildesheim, which are closely interwoven with Greater Hanover, 46% of the land area has just under three-quarters of the population and nearly 80% of all jobs.

The lowland area is relatively thinly populated, and here agriculture and the food processing industry are still economically important. Other industrial sectors are the extraction of oil and gas and chemicals and plastics.

The two Kreise (rural districts) forming part of the uplands of Lower Saxony, Hameln-Pyrmont and Holzminden, are more densely populated. Industry is relatively important, and the industrial infrastructure is more varied, significant sectors being mechanical engineering, electrical engineering and wood processing, together with the food industry and the manufacture and processing of glass.

Development since 1984 has brought hefty increases in employment in the two lowland Kreise of Nienburg and Diepholz and in the Greater Hanover area, while the two upland Kreise have managed only slight improvements.

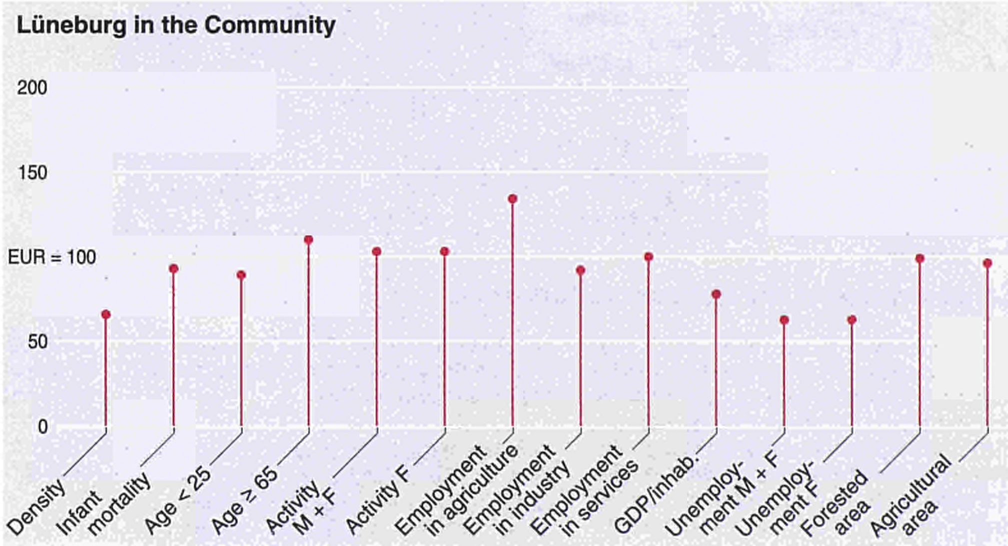
	Area	Population			Activity	Unempl.	Employment			GDP/inhab.
	1 000 km²	1 000	Inhab./km²	Change (%)	%	%	% Agricult.	% Industry	% Services	EUR (PPS) = 100
		1990	1990	1980-90	1990	1990	1987	1987	1987	1989
Hannover KS	0.2	506	2 480	−5.6	58	8.3	0	30	69	203
Diepholz	2.0	186	93	2.0	58	4.5	14	30	56	77
Hameln-Pyrmont	0.8	156	196	−2.2	55	7.8	4	36	60	97
Hannover LK	2.1	556	267	2.6	60	6.0	4	35	61	69
Hildesheim	1.2	282	234	−1.0	55	7.1	4	41	55	91
Holzminden	0.7	80	116	−4.7	53	8.2	5	46	49	91
Nienburg (Weser)	1.4	115	82	0.4	55	4.8	13	32	54	83
Schaumburg	0.7	153	226	−0.1	54	6.2	5	37	58	70
Hannover	9.0	2 032	225	−1.1	57	6.8	4	34	62	110
Deutschland	248.7	62 679	252	2.1	57	5.2	4	41	55	112
EUR 12	2 253.7	327 931	146	3.2	54	8.3	7	33	60	100

DEUTSCHLAND

LÜNEBURG

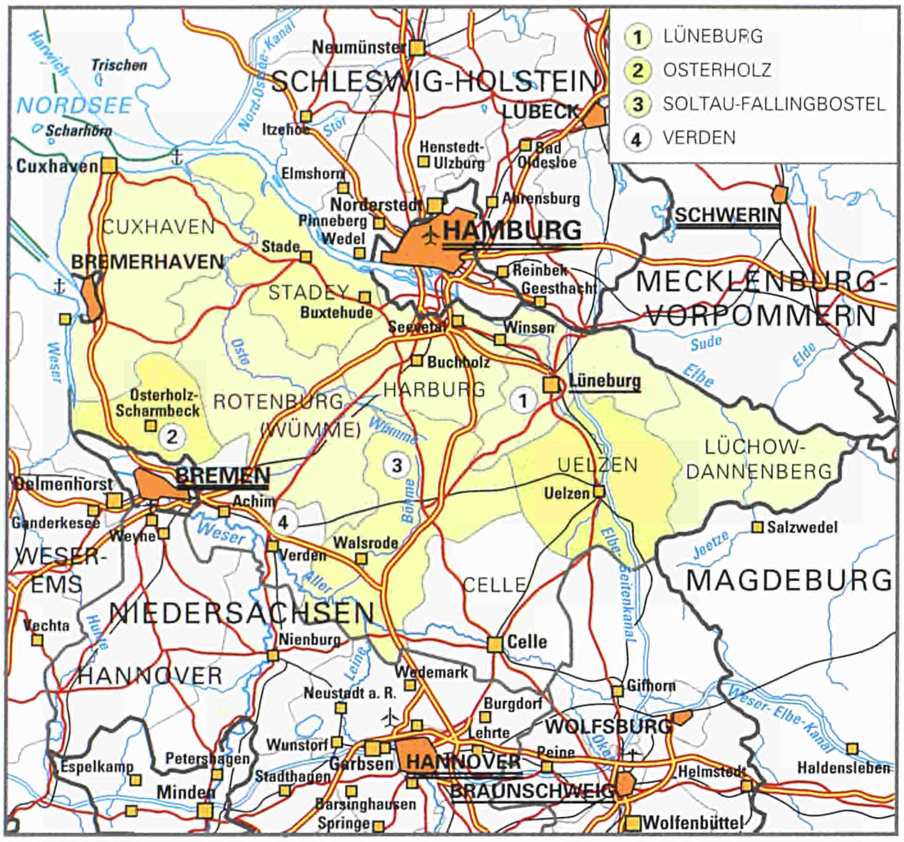
The Regierungsbezirk of Lüneburg is the second-largest in area but also the most thinly populated in western Germany. Bounded by the Elbe, Weser and Aller rivers and the North Sea coast, it includes the scenic areas of the Lüneburg heath, the Wendland and the Altes *Land* on the lower Elbe, which attract many visitors. On the borders of the district are the major cities of Hamburg, Bremen and Bremerhaven. For these cities and for Hanover, which is not far away, the otherwise agricultural Lüneburg Regierungsbezirk provides residential areas and leisure facilities. It has no major cities, but there are a number of important and historic medium-sized centres such as Celle, Lüneburg, Cuxhaven, Stade and Uelzen. On the Lüneburg heath near Munster and Fallingbostel there are extensive army training areas, and other parts of the Regierungsbezirk are also used for military purposes. For bulk goods transport there is access to the ports of Hamburg and Bremen, together with Stade and Cuxhaven, via the navigable rivers Elbe and Weser and the Elbe-Seitenkanal. Inter-city trains on the Hamburg-Munich line stop in Lüneburg and Celle, and the A1 and A7 motorways provide rapid connections to Hamburg, Bremen and Hanover with their airports.

Horse breeding has a long and worthy tradition in the district of Lüneburg. Each year at the 'Celler Hengstparade' the pick of the thoroughbreds are presented to an international public.



Attractive towns between Hamburg, Bremen and Hanover

The accession of the new *Länder* to the Federal Republic changed the position of the Lüneburg Regierungsbezirk, which has borders to the east with Mecklenburg-Western Pomerania and Saxony-Anhalt. Until 1989 the routes to the east were cut and Lüneburg was at the front line between two rival systems. This resulted in a strong military presence, leading to conflicts with conservation and tourist interests. Since 1990 the Regierungsbezirk has no longer been on the periphery but in a central position, which means growth opportunities. The special assistance measures are being run down, and in some garrison towns the reduced military presence will be a mixed blessing. Lüneburg has an agrarian character since its industry — such as sugar refining in Uelzen or the fish products industry in Cuxhaven — is often dependent on agriculture for its raw materials or its customers. The low density of industry and population is both a strength and a weakness. On the one hand there are too few jobs available and no city with the cultural and service facilities of a major centre. Against this, however, nearly half the nature reserves in Lower Saxony are to be found here, and the natural beauty of the Lüneburg heath, the attractiveness of historic towns such as Celle and Lüneburg and the low level of emissions from industry and traffic mean that the region is beginning to interest people not only for excursions but also as a place to live.



Scale 1 : 2 000 000

Which EC regions are similar to Lüneburg?

Area:
± 15 300 km²
North;
Yorkshire and Humberside (UK)
Peloponnisos (GR)
Calabria (I)

Population:
± 1.5 million inhabitants
± 100 inhabitants per km²
Northern Ireland;
Cornwall, Devon (UK)
Basse-Normandie (F)

Employment:
± 10% in agriculture
± 30% in industry
Champagne-Ardenne (F)
Lisboa e Vale do Tejo (P)

A growth corridor between Hamburg and Bremen

Lüneburg has the lowest unemployment rate in northern Germany. Trends in its 11 Kreise vary, however. The Kreise between Hamburg and Bremen (Harburg, Stade, Verden, Osterholz, Rotenburg) have very few people out of work, while in the peripheral Kreise of Uelzen and above all Lüchow-Dannenberg the rate is above the average for Lower Saxony. Trends in employment from 1970 to 1987 show a similar picture: in the five districts around Hamburg and Bremen employment increased by a third or more. To the north (Cuxhaven) and to the south (Lüneburg, Soltau-Fallingbostel, Celle, Uelzen, Lüchow-Dannenberg) of this corridor the increase was less than 10%. The peripheral Kreise of Lüchow-Dannenberg and Cuxhaven have the lowest growth rates in the Regierungsbezirk. The inhabitants of the five districts around Hamburg and Bremen also have much higher disposable incomes than those in the others. The Kreise of Harburg and Verden in particular, where many people from Hamburg and Bremen have settled, have well-off populations: people work in the city and live in the country. The development prospects for the six rural districts outside the growth corridor between Hamburg and Bremen are much less rosy, their main assets being their attractive and largely unspoilt landscapes.

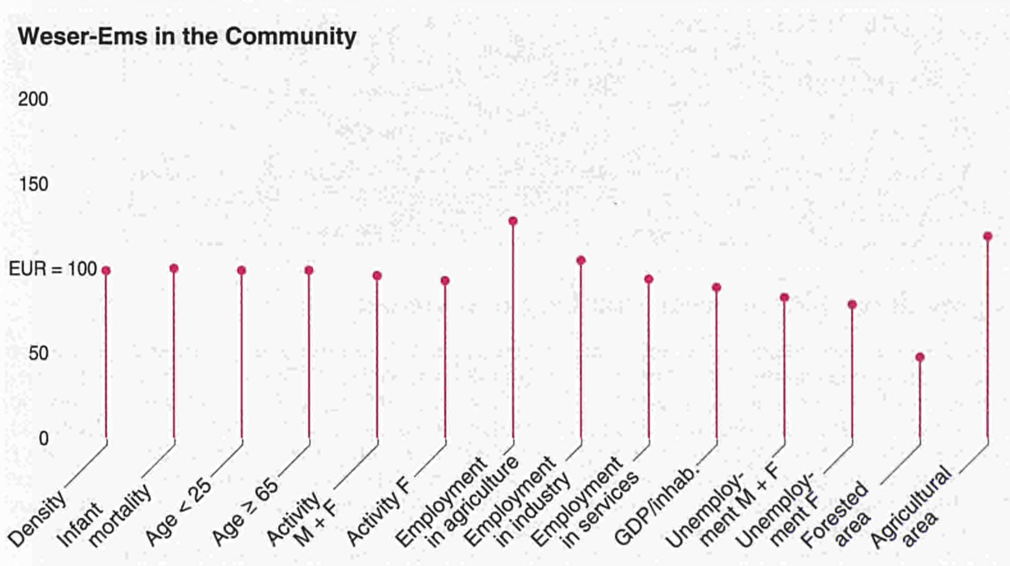
	Area	Population			Activity	Unempl.	Employment			GDP/inhab.
	1 000 km²	1 000	Inhab./km²	Change (%)	%	%	% Agricult.	% Industry	% Services	EUR (PPS) = 100
		1990	1990	1980-90	1990	1990	1987	1987	1987	1989
Celle	1.5	168	108	1.6	54	6.9	6	31	64	94
Cuxhaven	2.1	190	92	−1.3	54	5.5	16	24	60	63
Harburg	1.2	195	157	6.3	60	5.2	9	27	64	56
Lüchow-Dannenberg	1.2	48	39	−1.1	52	8.9	17	30	53	73
Lüneburg LK	1.1	135	126	2.6	58	6.7	5	28	67	91
Osterholz	0.7	95	146	2.1	59	5.4	10	27	63	58
Rotenburg (Wümme)	2.1	139	67	1.1	57	4.6	14	26	59	75
Soltau-Fallingbostel	1.9	124	66	−2.0	57	6.2	7	29	64	86
Stade	1.3	167	132	2.4	58	5.6	10	29	61	90
Uelzen	1.5	92	63	−4.1	54	6.7	13	27	60	94
Verden	0.8	115	147	5.0	58	5.3	7	34	59	82
Lüneburg	15.3	1 467	96	1.4	57	5.9	10	28	62	78
Deutschland	248.7	62 679	252	2.1	57	5.2	4	41	55	112
EUR 12	2 253.7	327 931	146	3.2	54	8.3	7	33	60	100

DEUTSCHLAND

WESER-EMS

The Regierungsbezirk of Weser-Ems has 12 Landkreise (rural districts) and 5 kreisfreie Städte (towns forming administrative units in their own right). The seat of administration is Oldenburg, with subsidiary administrative centres in Aurich and Osnabrück. The Regierungsbezirk extends about 100 km from the Netherlands border in the west to the river Weser and about 180 km from the North Sea to the Teutoburger Wald in the south. Over 70% of the area is used as pasture and arable land, 10% is woodland. The northern half is a plain with little woodland. The Osnabrück area, the third-largest economic centre in Lower Saxony and the area around Oldenburg, the seat of many administrative departments, are the main centres of population. Trains on the Intercity/Eurocity railway network stop in the university towns of Oldenburg and Osnabrück, which are near major motorway junctions on the A30 (Hanover-Netherlands), the A1 (Hamburg-Ruhr), the A29 (Wilhelmshaven-Hansalinie) and the A28 (Bremen-Leer). The A31 motorway (Emslandlinie) currently under construction will link the coast with the Ruhr. The main waterways are the Weser, the Ems, the Dortmund-Ems canal and the Mittellandkanal. The nearest major airport is Bremen, with regional airfields in Emden and near Osnabrück.

As the Dutch-style windmills near Greetsiel show, the exchange of goods, people and know-how with the Netherlands is a tradition going back centuries.



Strict nature conservation on the coast, problems with intensive livestock farming in the south

The East Friesian islands are the boundary between the North Sea and the 20 km wide tidal flats of the Wattenmeer. This unique habitat for waterfowl has been designated the 'Niedersächsisches Wattenmeer' national park. The most profitable source of income on the islands and along the coast is tourism. East Friesland (the districts of Aurich, Wittmund, Leer and Emden) together with a narrow strip along the Dutch border, is among the less favoured areas of Lower Saxony on account of its distance from markets and its structural weaknesses. Gross value-added per employee in 1988 was 10% lower in East Friesland than in Lower Saxony as a whole and some 14% lower than nationally. Unemployment rates here are much higher than in the rest of Lower Saxony. For these areas with little industry, particular importance attaches to job-creating projects, such as Daimler-Benz's test track, provided it can be carried out without harming the environment.

In the south of Oldenburg large-scale livestock farming has led to high densities of animals (1 140 pigs per 100 ha of agricultural land in the rural district of Vechta), and the problems of slurry disposal cannot be ignored. Weser-Ems produces 60% of Germany's oil and 80% of its natural gas. A large part of the oil and gas stocks are stored here in salt domes.

WESER-EMS

Scale 1 : 2 000 000

Competitive industry in the south and east, structural problems in the north-west

Economic activity is concentrated on the major centres of Osnabrück, Oldenburg, the Bremen area and Wilhelmshaven. These towns benefit from good road and rail connections. The exception is Wilhelmshaven, since the railway line to Oldenburg has still not been electrified. In the Osnabrück area it is the steel industry, metalworking and mechanical engineering, in Oldenburg services and public administration and on the lower Weser the capital goods industry and port activities which ensure a dynamic economy and high levels of employment. These areas are in contrast to the structurally weak areas along the Dutch border and in East Friesland. In some places employment in manufacturing is concentrated in single large industrial companies: in Papenburg, for example, there is the Meyer shipyard and in Emden the VW works. Weser-Ems has both the lowest (Osnabrück and Vechta), and the highest (Wilhelmshaven, Emden, Aurich and Leer) unemployment rates in Lower Saxony. The number of employees liable for social security contributions in the Regierungsbezirk as a whole, however, rose by 14 to 20% in the last five to six years. The increase in the eastern Kreise was considerably lower.

Which EC regions are similar to Weser-Ems?

Area:
± 15 000 km²
Calabria (I)

Population:
± 2.2 million inhabitants
Calabria (I)
Lorraine (F)
País Vasco (E)

Employment:
± 10% in agriculture
± 35% in industry
Centre (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	1987	1987	1987	1989
Delmenhorst KS	0.1	74	1 192	3.1	59	6.9	1	29	70	73
Emden KS	0.1	50	446	–2.9	51	9.2	1	53	46	180
Oldenburg (Old.) KS	0.1	142	1 382	4.5	58	9.0	1	19	80	130
Osnabrück KS	0.1	161	1 347	2.0	54	8.5	1	31	68	158
Wilhelmshaven KS	0.1	90	871	–9.4	56	9.7	1	22	77	112
Ammerland	0.7	95	130	6.2	57	5.9	11	21	67	70
Aurich	1.3	169	131	1.4	51	7.4	17	41	42	62
Cloppenburg	1.4	118	83	7.5	54	5.2	11	39	50	75
Emsland	2.9	260	90	8.6	52	5.7	8	35	58	88
Friesland	0.6	94	154	–2.6	56	6.5	8	35	58	82
Grafschaft Bentheim	1.0	118	121	2.0	53	5.4	10	47	43	83
Leer	1.1	144	133	2.1	51	8.1	12	25	62	63
Oldenburg (Old.) LK	1.1	102	96	5.6	58	6.0	16	32	52	61
Osnabrück LK	2.1	309	145	8.1	56	4.7	10	47	44	72
Vechta	0.8	104	127	5.7	56	3.8	12	42	46	93
Wesermarsch	0.8	89	108	–3.9	56	6.1	9	43	48	97
Wittmund	0.7	53	80	–0.9	53	8.0	17	18	65	69
Weser-Ems	15.0	2 170	145	3.3	54	6.6	8	35	57	89
Deutschland	248.7	62 679	252	2.1	57	5.2	4	41	55	112
EUR 12	2 253.7	327 931	146	3.2	54	8.3	7	33	60	100

DEUTSCHLAND

NORDRHEIN-WESTFALEN

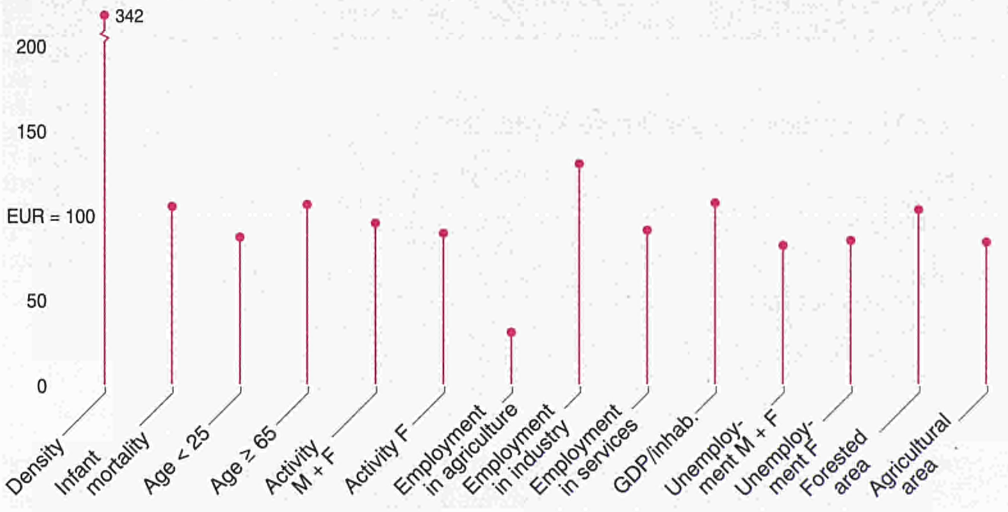
North Rhine-Westphalia is easily the most populated German federal *Land*; in terms of size, it is comparable with many independent states. Every fifth citizen in the Federal Republic and every 20th citizen in the EC lives here. The population density is more than 500 inhabitants per km², which is double the national and three times the EC average. Of the 84 German cities with at least 100 000 inhabitants, 30 are in North Rhine-Westphalia. The capital is Düsseldorf, but the largest city is Cologne with around 950 000 inhabitants.

Wooded and agricultural areas are 25% and 53% respectively, these figures being close to the EC average. Despite the high population density, economic progress and traditional industrial ways of life exist side by side with attractive and high-quality environments.

One-third of the surface of North Rhine-Westphalia is hilly (Rheinisches Schiefergebirge, Weserbergland). It is flanked by the north German plain. The river Rhine stamps its mark on a large part of the *Land*, since it flows through it over a distance of 226 km.

Solar façade belonging to the Aachen city authorities — an example of the use of renewable energy sources.

Nordrhein-Westfalen in the Community

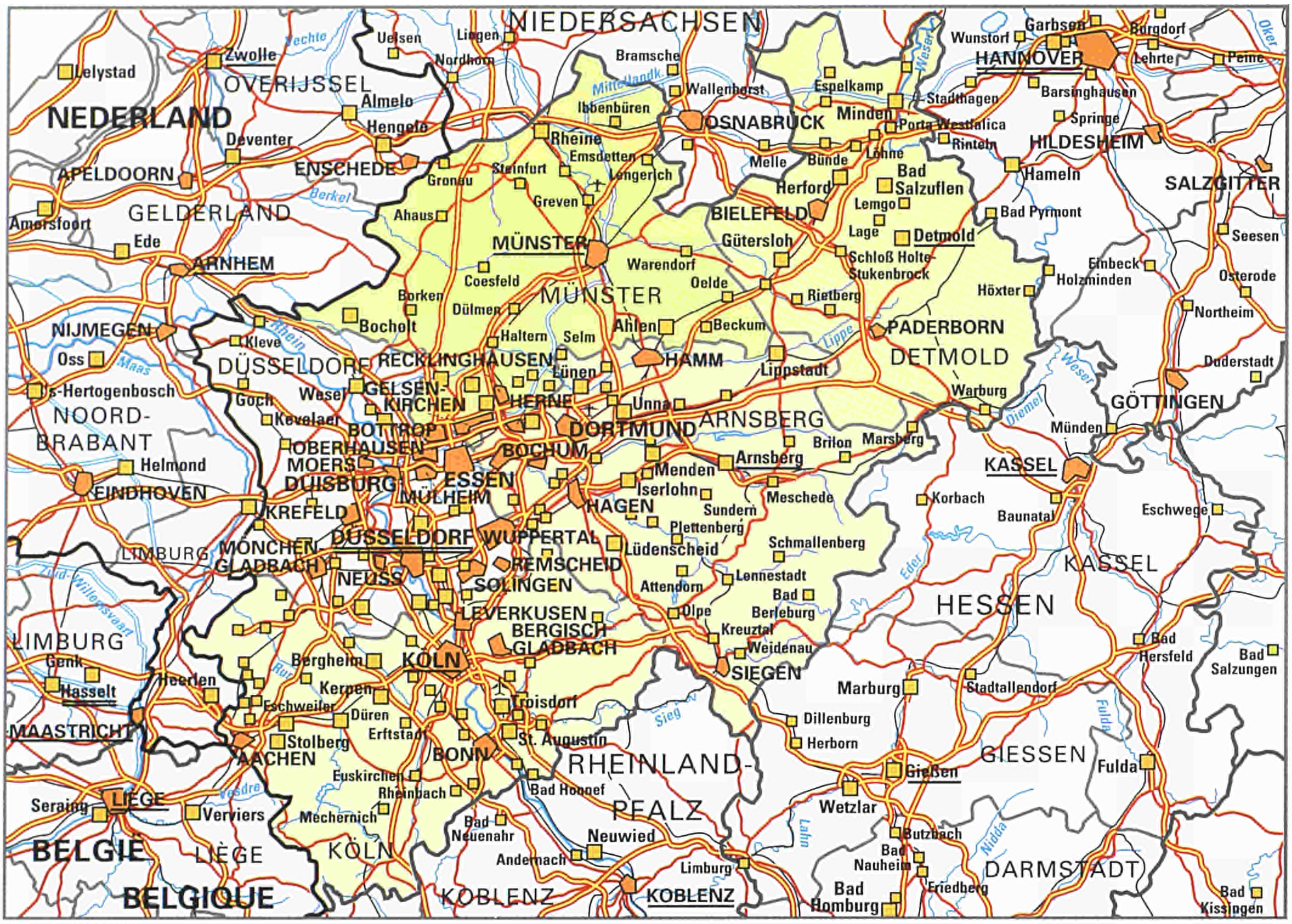


An economic powerhouse

Thanks to its central location in the European transport network and to an excellent sales potential — one in eight of the population of the European Community lives within 200 km of the *Land* capital, and around 140 million consumers are within 500 km — North Rhine-Westphalia has developed in recent years from a traditional industrial area to a modern, attractive and competitive economic centre. Evidence of this change is found in the high productivity of the whole economy, the level of income, the constant rise in direct foreign investment, the importance of the services sector and the above-average proportion of high-tech products. Comparing the *Land* with the world's leading export nations would place it in 10th position.

There are still structural disparities in the Emscher-Lippe area, the coal-mining areas around Aachen and Heinsberg and the eastern Ruhr area, which will continue to call for a great deal of effort from the *Land*. In the future, the relocation of the federal capital from Bonn to Berlin, will pose a problem.

A study carried out by Unesco places North Rhine-Westphalia among the five most important cultural regions in the world (100 theatres and opera houses, nearly 400 museums, 3 000 public libraries and countless cultural monuments). The *Land* also has one of the highest concentrations of universities in Europe: 49 institutes of higher learning with 479 000 students — more than four times as many as in 1970 — offer excellent local educational opportunities.



Scale 1 : 2 000 000

Which EC regions are similar to North Rhine-Westphalia?

Area:
± 34 000 km²
Pays de la Loire (F)
Cataluña (E)
Belgique/België + Luxembourg (grand-duché)

Population:
± 17 million inhabitants
more than 500 inhabitants per km²
South-East (UK)

Employment:
± 44% in industry
Lombardia (I)
Cataluña (E)

The varying fortunes of town and country

The historians report that the two parties to the marriage in 1946 between Westphalia and the northern part of the Rhineland looked somewhat askance at each other to begin with. This has long been forgotten. The feeling of belonging together grew stronger as joint achievements were made. There is no longer any feeling of being 'separated by the hyphen'.

A whole century previously, industrial development in the Ruhr took no notice of the division between Rhineland and Westphalia. A good quarter of the population of the *Land* live in this congested area, the main axis of which runs between Duisburg and Dortmund; it accounts for 3 865 km², or approximately a ninth of the entire surface area.

There are further concentrations along the 'Rhine track' from Bonn to Duisburg, along the diagonal line from Cologne to Dortmund and the line from Aachen to Duisburg; in addition, there are four 'island concentrations'. Taken together, these areas amount to 4 590 km² and hold 6.7 million people, considerably more than in the Ruhr.

Only a third of the population live 'in the country', though the rural areas, account for three-quarters of the surface area. They surround the congested areas and are quickly accessible from them.

	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	1987	1987	1987	1989
Düsseldorf	5.3	5 168	977	−0.2	53	7.3	2	40	58	119
Köln	7.4	3 963	538	2.0	55	6.5	2	36	62	110
Münster	6.9	2 438	353	1.9	53	7.2	4	39	56	92
Detmold	6.5	1 850	284	3.3	55	5.6	4	44	53	101
Arnsberg	8.0	3 685	461	0.6	53	7.3	2	45	53	101
Nordrhein-Westfalen	34.1	17 104	502	1.1	54	6.9	2	41	57	107
Deutschland	248.7	62 679	252	2.1	57	5.2	4	41	55	112
EUR 12	2 253.7	327 931	146	3.2	54	8.3	7	33	60	100

NORDRHEIN-WESTFALEN

Population still going up

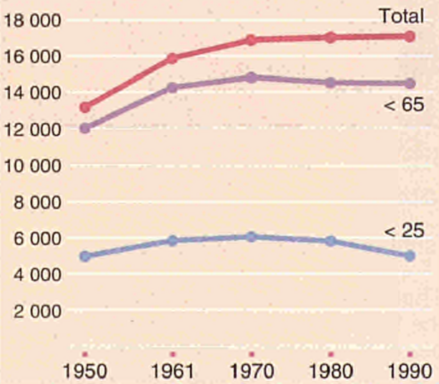
The number of inhabitants in North Rhine-Westphalia went up by around 50% from 1946 to 1975. There was a decline up to 1987 but it has since gone up continuously. The excess of births over deaths was considerable up to 1972, but the mortality rate had the upper hand from 1972 to 1989. Recently, there has been an increase in the birth rate, mainly because young women from the baby-boom years up to 1970 are now having their own children. All the same, the birth rate is still approximately a third below the level of the 1960s; it was higher than the mortality rate again in 1990.

Up to the beginning of the 1970s, migration into North Rhine-Westphalia was a major influence, being commonly several hundred thousand a year with the exception of 1966-67. There followed a decade in which the migratory balance was partly negative (1975-77, 1982-84) and partly positive. Since 1985, the incoming flow has grown steadily, under the influence in particular of persons from Eastern Europe and the former GDR.

Population by age — 1990

	M + F 1 000	M + F %	M %	F %
< 15	2 573.6	15.0	16.0	14.1
15-24	2 421.2	14.2	15.0	13.3
25-39	3 957.8	23.2	24.6	21.9
40-54	3 546.2	20.7	21.9	19.7
55-64	2 035.9	11.9	12.0	11.8
≥ 65	2 568.9	15.0	10.5	19.2
Total	17 103.6	100.0	100.0	100.0

Population (1 000)



Resident population of foreign nationality — 1990

	1 000	% of total population
Total	1 453.7	8.5
of which EC countries	411.3	2.4
of which non-EC countries	1 042.4	6.1
Turkey	551.4	3.2
Yugoslavia	143.9	0.8
Italy	132.7	0.8
Greece	94.5	0.6
Poland	69.4	0.4
Netherlands	59.2	0.3

Demographic account — 1980-90 (1 000)

Population 1.1.1980	17 017.1
Births	1 869.3
Deaths	2 110.8
Net migration	+ 328.0
Population 1.1.1990	17 103.6

Employment activity: women catching up

The activity rate of men (80%), is much higher than that of women (49%), the reasons being mainly the difficulties in reconciling family and career requirements and the type of industrial jobs which tend to be held down by men. Here, however, changes are becoming apparent: in 1970, the proportion of women at work was only 37%.

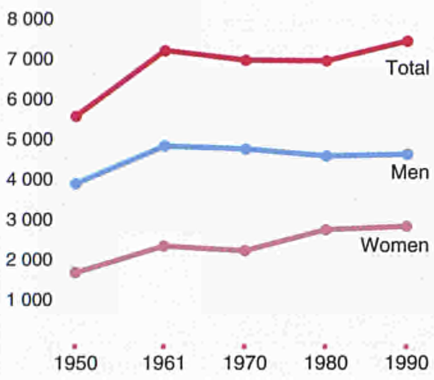
The topic of working hours has recently been an important element in wage negotiations throughout the Federal Republic. Industrial workers in North Rhine-Westphalia were paid for 40.2 hours per week in 1990; in 1980, the figure was 41.9 hours. These totals include overtime where time off in lieu is not given (1990: 2.2 hours per week).

Education with a view to future requirements was and still is of particular significance for structural change in the *Land*. Almost 480 000 students are studying at the 49 universities and colleges for a degree or similar qualification. Over 400 000 young persons are also being trained in firms in parallel with education in a vocational school.

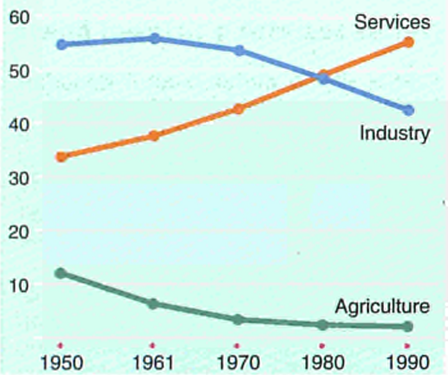
Number of pupils — 1989

	M + F 1 000	F %
Pre-school	418.8	49.2
Primary	681.8	49.0
Lower secondary	952.2	49.0
Higher secondary (technical)	576.5	46.6
Higher secondary (general)	173.1	50.1
Higher education	519.0	39.5
Total	3 407.8	47.0

Employment (1 000)



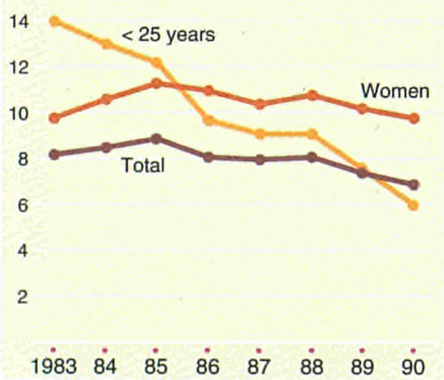
Employment structure (%)



Employment — 1987 (1 000)

Resident employment	6 930.5
+ Non-residents having a job in the region	64.4
− Residents having a job outside the region	34.8
= Internal employment	6 960.0

Unemployment (%)



High training level

Workers and entrepreneurs were equally responsible for economic progress in North Rhine-Westphalia. In 1950, four years after the founding of the *Land*, approximately one-fifth of the employed population were self-employed or family workers (particularly in agriculture), a good three-quarters were manual workers and non-manual workers, and civil servants accounted for 4%. At that time, 12% of the entire workforce were occupied in the agricultural sector, 33% in the services sector and 55% in manufacturing industry which contributed so much to the 'economic miracle' of the post-war years.

Today, the picture is quite different: 8% are self-employed and 1% are family workers — the consequence above all of the concentration in agriculture, which now accounts for only one in every 50 persons in employment. The manufacturing sector accounts for 43%. Well over half of the workforce (55%) are in the services sector — striking evidence of the move towards the services society. The proportions of manual and non-manual workers have also changed. At the beginning of the 1980s, manual workers were still the largest group, but they have now lost this position (1989: 43% non-manual workers, 40% manual workers). The figure for civil servants is 9%.

The level of training has altered drastically: 23% of the workforce having attained a B-level and almost 20% meeting university entrance requirements; 11% have completed a university-level course of study.

Characteristics of resident employment (%)

	< 25 years	25-54 years	≥ 55 years	Employees	Employees: part-time		Employees: full-time, temporary contract	
	1989	1989	1989	1989	1984	1989	1984	1989
Men	15	74	12	90	1	1	7	9
Women	21	70	8	93	26	28	8	10
Total	17	73	10	91	10	11	7	9

Upheavals on the labour market

The labour market has been affected by changes in economic and demographic structure for the last few decades. Although some 800 000 new jobs have been created in the services sector since 1970, a good 700 000 in the manufacturing trades and a further 100 000 in agriculture have been lost. At the same time, particularly numerous age groups have come on to the market, resulting in a rise in unemployment up till the middle of the 1980s; the situation has improved remarkably since then, with more than 600 000 jobs being created since 1984.

Persons who are out of work more frequently than the average are those who have not completed a vocational training course, the severely handicapped and the older age groups. Women are more often out of work than men. The numbers of persons who have been unemployed for longer than a year are on the decrease, but within this category, the number of older persons (over 55) is on the increase; their chances on the market are less good, even when the employment situation improves.

Unemployment amongst young persons is a far less dramatic problem than it was just a few years ago, with 1990 having the lowest figure since the middle of the 1970s. The main reason for the good prospects young people have of finding a job is the qualification they have gained through training.

Varied economic structure

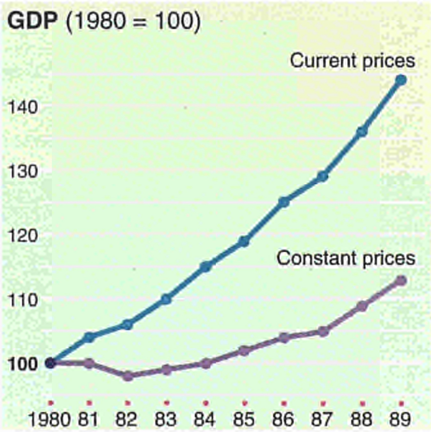
North Rhine-Westphalia has a modern economic structure of great variety and in quite different regions, each of which has specific geographical advantages. Apart from the Ruhr area with its wide range of branches, there are the major economic centres of the 'Rhine track' (chemicals, cars, banks, services), the Ostwestfalen-Lippe area (metalworking, machinery, textiles, furniture, foodstuffs), the Aachen-Düren area (brown coal, electricity generation, metalworking, glass and paper), the lower Rhine (clothing, textile machinery), Siegerland (steel, sheet metal, mechanical engineering), the Bergisch-Märkische region (cutting tools, hardware products) and Münsterland (foodstuffs, furniture).

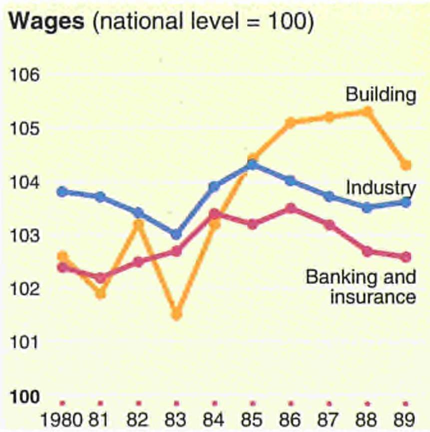
No fewer than 46 of the 100 biggest German firms are to be found here. At the same time, the most densely populated federal *Land* is also one of small and medium-sized businesses: approximately 520 000 of these in trade and industry, together with the liberal professions, account for 61% of all persons employed.

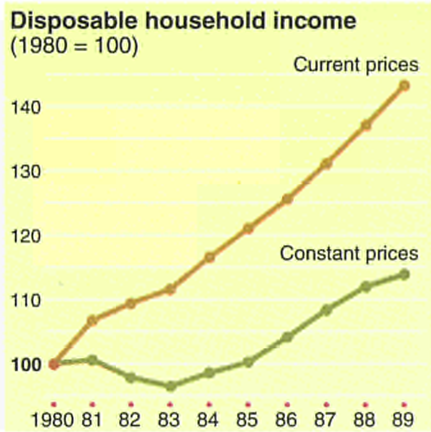
The GDP per person employed is more than ECU 44 000 and thus lies clearly above the national average.

In exports, North-Rhine Westphalia is easily at the top of all the *Länder*: in 1990, exports attained a level of ECU 79 000 million. Every fourth person employed works for the export trade; the most important goods are chemical products, iron and metal goods, machinery, vehicles, and electrical engineering products.

Trade fairs which are known all over the world are those of Cologne and the capital, Düsseldorf; the latter is also a financial centre. Tourism is becoming more and more important: the figure of 35 million overnight stays per year, 13 million of which are accounted for by the 56 spa, cure and health resorts, put the *Land* in third place behind Bavaria and Baden-Württemberg.







Clear rise in income

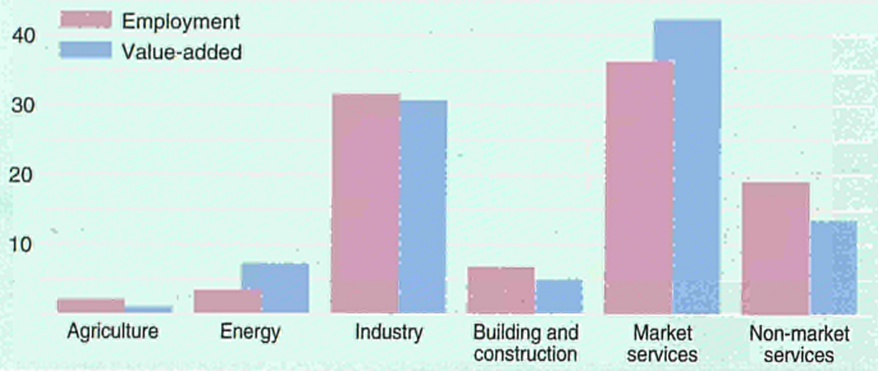
In 1988 labour costs per employee in manufacturing industry were ECU 30 973. This figure includes wages and salaries, employers' social security and pension contributions, subsistence payments, training allowances, etc. For every ECU 100 accounted for by wages or salaries, there were ECU 30.4 of such additional costs.

The income situation of workers has improved notably over the last 20 years. While the cost of living is approximately twice as high as it was at the beginning of the 1970s, gross annual earnings have risen in the same period by more than two and a half times. In real terms, therefore, there has been a considerable increase, though this has been slightly reduced by higher taxes and welfare charges.

A typical worker's household comprising four people and having an average income has to spend an average of 22% of its gross income on direct taxes and social security. Three-quarters of the remainder (around ECU 26 000 in 1990) go on private consumption, with food, drink and tobacco (18%) and rent (16%) being the major items. Here again, considerable shifts in emphasis have taken place over the years: 20 years ago, rents accounted for only 11% of the household budget but 22% went on food, drink and tobacco.

There are differences in the levels of workers' income, sometimes considerable ones, owing to varying employment structures in terms of training, type of activity, age, seniority, etc. In 1989, industrial workers earned ECU 22 395 gross per annum, with men averaging ECU 23 436 and women almost a third less. The non-manual employee earns more: ECU 31 912 gross in industry and ECU 23 844 in the services sector.

Employment and value-added: distribution by branch – 1987 (%)



Trend towards a services society

Although three-quarters of the surface area is used for agriculture or forestry, this sector accounts for only 1% of gross value-added in North Rhine-Westphalia. The cultivation of wheat, barley and sugar beet is important, as is the raising of pigs and cattle.

North Rhine-Westphalia is the most important industrial federal *Land.* The branches with the greatest turnover are the chemical industry (ECU 33 000 million) and mechanical engineering (ECU 28 000 million). The food industry, vehicle manufacture and electrical engineering all come in front of the iron and steel industry and mining.

Leading German commercial firms have their headquarters here: three of the four major department store groups for example. There are 780 banks and credit institutions represented, and 220 insurance companies. In all, there are almost 140 000 firms active in both the retail and wholesale trades, together with over 200 000 services enterprises and businesses serving the liberal professions. The significance of North Rhine-Westphalia for the economy of the Federal Republic can be seen by the concentration of the economic press: leading publications such as *Handelsblatt, Wirtschaftswoche, DM, Capital and Impulse,* all appear here.

Agriculture

Number of holdings	88 869
Labour force	110 319 AWU
Agricultural area	1 602 000 ha
Livestock	2 938 000 LU
Gross value-added	17 808 ECU/AWU
Main products	
Pigs	26%
Milk	20%
Cattle	13%

Main enterprises

Name	Activity
VEBA AG	Energy, chemical products
Bayer AG	Chemical industry
Thyssen AG	Steel, manufacture of machinery, trade
RWE AG	Energy
Ruhrkohle AG	Mining
Mannesmann AG	Tubes, manufacture of machinery
Fordwerke AG	Car manufacturing
Friedrich Krupp GmbH	Steel, manufacture of machinery, trade
VEBA Öl AG	Petroleum industry
ALDI GmbH	Retail trading

High standard of environmental protection

The economic development of the last 150 years liberated enormous productive forces on the Rhine and in the Ruhr but these had an adverse effect on the environment. North Rhine-Westphalia saw very early on that it was necessary to secure the basis of life for man, animals and plants in permanent fashion, and environmental protection has been written into the constitution.

Investment from 1978 to 1988 by manufacturing industry in environmental protection amounted to more than ECU 9 000 million. Much of the money went into controlling the sulphur and nitrogen produced by the power stations. Air pollution has clearly declined. However, this decline, which amounts to 87% for sulphur dioxide alone (since 1964), does not apply to all groups of pollutants: owing to the continuous increase in motor vehicle traffic, no clear reduction has been achieved in the case of oxides of nitrogen, benzols and carbon monoxide.

To safeguard the vital element water, more than 90% of dwellings are connected to central biological purifying stations. The increasing nitrate concentrations in groundwater are a cause for concern, particularly in intensive agricultural areas.

The increased awareness of environmental matters in the *Land* is also apparent in the high recycling of waste products. As regards household and bulk waste, the increasing utilization of collection systems for paper, glass, etc. led in 1987 for the first time to a slight decline in the amount of waste (379 kg per inhabitant a year), and almost half the production-specific waste from industry and trade is now reutilized.

DEUTSCHLAND

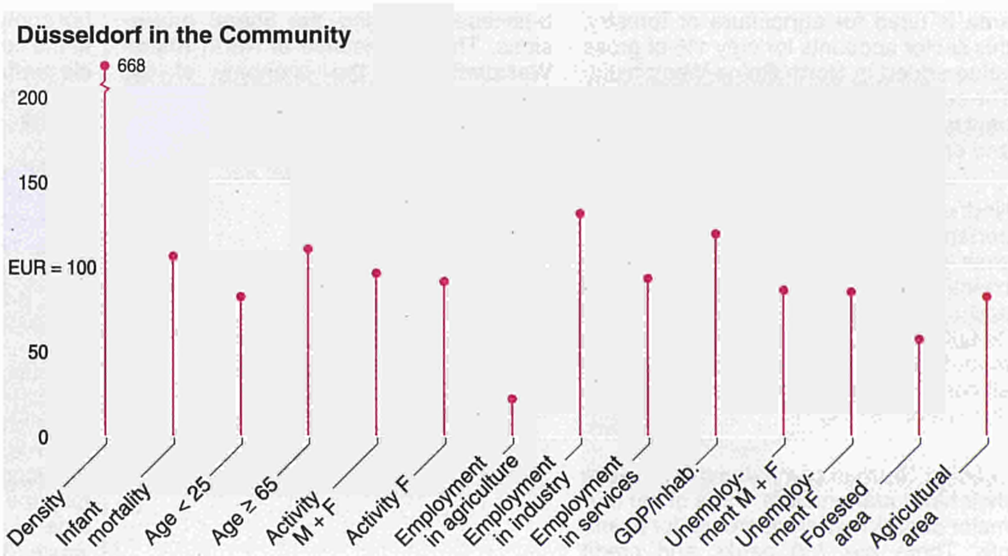
DÜSSELDORF

With 5.2 million inhabitants and a population density of 977 persons per km², the Regierungsbezirk of Düsseldorf is the most heavily and densely populated in Germany. Its density is approximately four times as high as the national average. Eleven of the 16 German *Länder* and three Member States of the Community have fewer inhabitants than this Regierungsbezirk.

A good two-thirds of the population live in the 12 cities which have more than 100 000 inhabitants. Despite the seeming urban structure of the *Land*, more than 50% of the area of 5 300 km² is used for agricultural purposes. The proportion of woodland in the overall area is approximately a seventh.

Industrial landscapes which have developed over the years alternate with newly created peripheral zones and rural areas. This leads to such varied regions as the green recreational areas of the lower Rhine, the highly industrialized western Ruhr area, the Bergisches *Land* with its smaller firms and the capital, Düsseldorf, as a services centre of international repute.

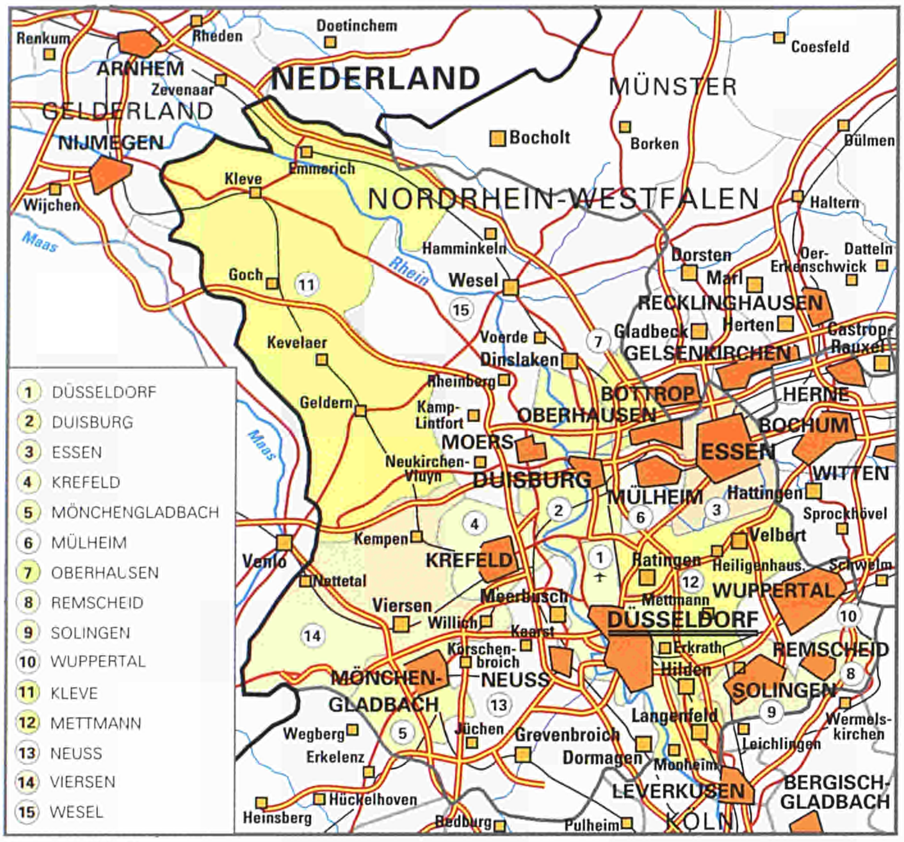
Duisburg, the largest inland port in the world.



One of the strongest regions in Germany

Owing to its diversified economic base, its central position in Europe and its excellent communications, the Düsseldorf Regierungsbezirk is regarded as one of the most economically powerful German regions. The energy generation and supply industry, the chemical industry, the steelmaking and metalworking industry, and a highly specialized and export-oriented batch of small and medium-sized firms characterize the manufacturing sector. Alongside this, a strong services sector has emerged, particularly in the Düsseldorf area. The function of the capital as a stock market and renowned trade-fair centre has contributed to this, as has the fact that as an international business, trade and financial centre it is also a favourite European location for numerous overseas firms, particularly from Japan and other Asian countries.

The completion of the single market may be expected to give a fresh boost to the area, which has a border 138 km long with the Netherlands; the region will therefore have further geographical advantages in an economy of European dimensions.



Scale 1 : 1 000 000

Which EC regions are similar to Düsseldorf?

Area:
± 5 300 km²
Friesland (NL)
Cantabria (E)

Population:
± 5.2 million inhabitants
Danmark
Lazio (I)
West Midlands (UK)

Population density:
± 1 000 inhabitants per km²
Attiki (GR)
Zuid-Holland (NL)
West Yorkshire (UK)

Successful structural change in the Ruhr

Regional disparities result from various industries in the area around the capital of the *Land* whereas the lower Rhine area has a more rural structure.

One of the key regions of North Rhine-Westphalia is the Ruhr area, surely the best-known German industrial region in the world. One part of this area lies in each of the Regierungsbezirke of Düsseldorf, Münster and Arnsberg. Forty years ago, a brief description of the 'Kohlenpott' would have said that coal and steel employed around 580 000 workers; if the dependent branches were included, it would have been around 1 million. Today, only 180 000 persons still work in these industries, or around 300 000 including the associated branches. If one then considers that the numbers employed in the Ruhr have been rising steadily since 1984, that more than 50% of all of these work in the services sector and that the export ratio of Ruhr industry is almost 30% today, the extent of the structural change in the Ruhr is clear, in both its eastern and northern parts as well as in its Rhine part, which belongs to the Düsseldorf Regierungsbezirk.

	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	1987	1987	1987	1989
Düsseldorf KS	0.2	574	2 645	−2.9	58	7.2	0	28	72	215
Duisburg KS	0.2	532	2 286	−4.5	51	9.5	1	45	54	115
Essen KS	0.2	624	2 969	−3.7	51	10.0	0	32	68	138
Krefeld KS	0.1	240	1 747	8.6	54	9.1	1	46	53	129
Mönchengladbach KS	0.2	256	1 501	0	53	7.8	1	42	57	105
Mülheim an der Ruhr KS	0.1	176	1 930	−2.5	52	6.9	1	47	52	103
Oberhausen KS	0.1	222	2 887	−2.6	51	11.1	1	42	57	97
Remscheid KS	0.1	122	1 633	−5.0	54	4.2	1	58	41	130
Solingen KS	0.1	163	1 821	−1.4	56	5.7	1	54	46	96
Wuppertal KS	0.2	378	2 247	−3.2	55	6.1	1	43	57	115
Kleve	1.2	266	216	3.9	51	5.7	11	35	54	82
Mettmann	0.4	493	1 212	3.2	57	5.3	1	46	53	95
Neuss	0.6	414	719	1.7	56	5.4	3	45	52	112
Viersen	0.6	267	475	3.0	54	5.1	5	44	51	75
Wesel	1.0	439	421	6.5	51	7.7	4	45	51	81
Düsseldorf	5.3	5 168	977	−0.2	53	7.3	2	40	58	119
Deutschland	248.7	62 679	252	2.1	57	5.2	4	41	55	112
EUR 12	2 253.7	327 931	146	3.2	54	8.3	7	33	60	100

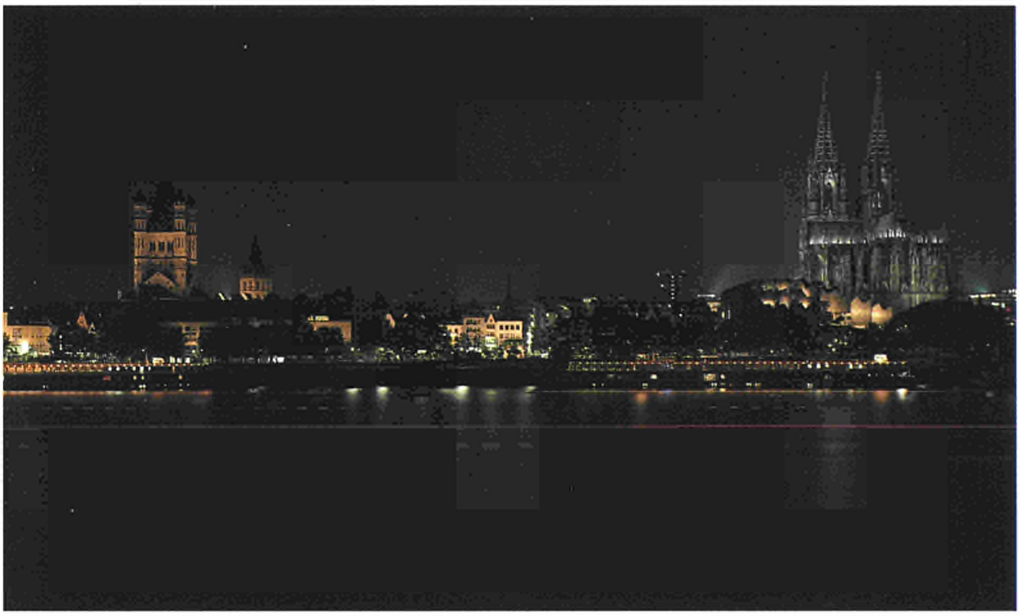
DEUTSCHLAND

KÖLN

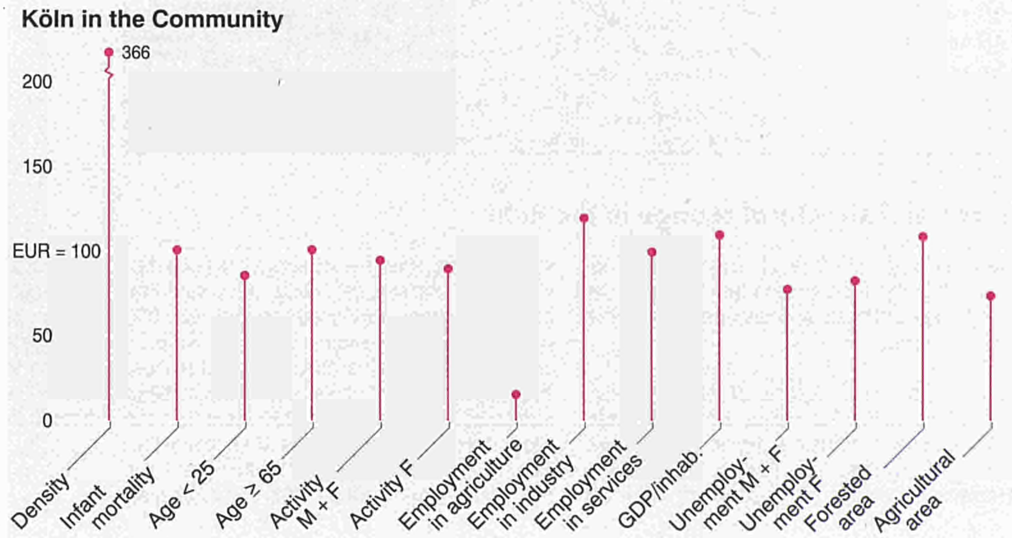
The Cologne Regierungsbezirk, which together with that of Düsseldorf forms the Rhineland part of North Rhine-Westphalia, has a population density slightly above the *Land* average. Its nearly four million inhabitants put it in second place of all the German Regierungsbezirke. Approximately half of the area is used for agricultural purposes; more than a quarter is covered by woods.

The main feature of the Regierungsbezirk is the lowland indentation which is traversed by the Rhine; this is open on one side only to the north German plain. On the other sides, it is flanked by the hills of the Rheinisches Schiefergebirge; two of these flanks, the pleasant southern Bergisches *Land* and the more unspoilt northern Eifel, are part of the Regierungsbezirk.

The population is concentrated in the urban belt along the Rhine, the southern part of the 'Rhine track'. Four of the five major cities in the Regierungsbezirk, including Cologne and Bonn, lie in this area. The fifth is Aachen, which is the centre of a second and smaller conurbation in the 'three-country corner' (Netherlands, Belgium, Germany) with its partner conurbations across the borders around Maastricht and Liège forming its mirror image.



Cologne: Culture, commerce, churches and carnival.

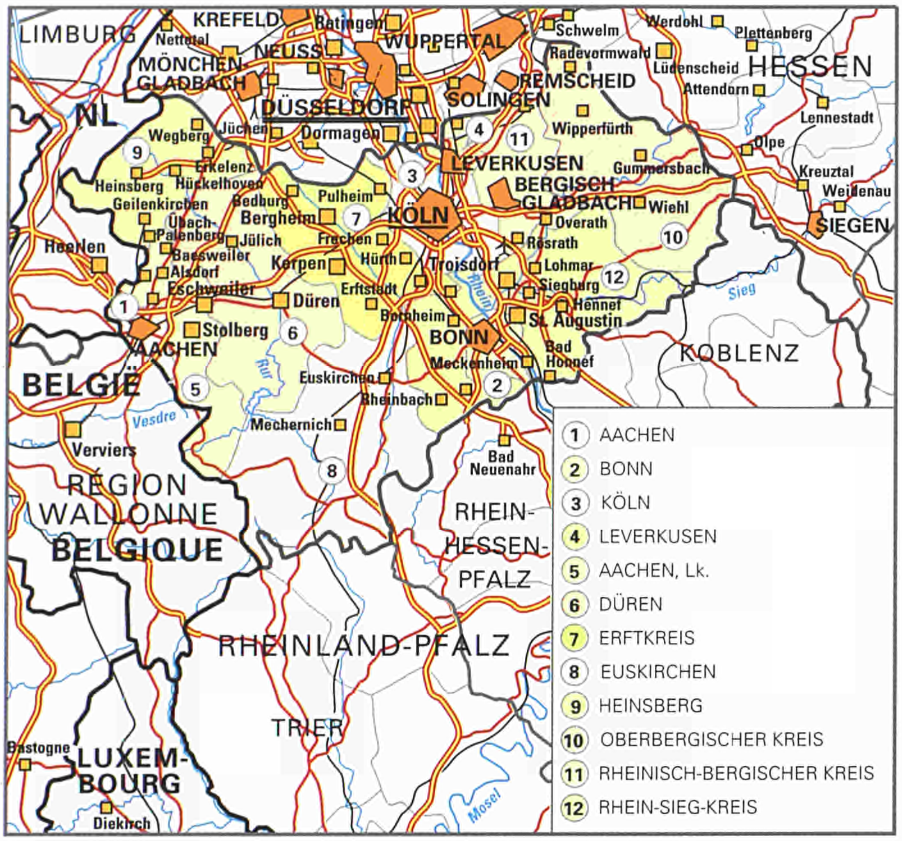


High technology in theory and practice

We can do no more here than cast a few rays of light on the enormous variety of the Regierungsbezirk as regards its landscape, economy and culture.

Apart from the city of Cologne, the economic powerhouse of the region, pride of place must be given to the brown coal basin in the city triangle Cologne/Aachen/Mönchengladbach. The biggest excavators ever built operate in the deepest open-cast workings in the world and remove overburden several hundred metres thick to reach the brown coal seams, which in turn are up to 100 m thick. More than 80% of the annual output of over 100 million tonnes goes to generate electricity. This fairly cheap form of energy is decisive for the location of firms (chemicals around Cologne and aluminium south of Neuss). On the other hand, the social and ecological problems inherent in the major impact on the whole countryside must not be overlooked (e.g. relocation of populations on a grand scale, lowering of the groundwater table with numerous secondary effects). More and more attention is being paid to these problems and great importance is attached to maintaining the ecological balance.

The Aachen area boasts a special prize in the Regierungsbezirk with its concentration of research and development capacity (Technical University, the Fachhochschule, and the Nuclear Research Center at Jülich).



Scale 1 : 1 500 000

Which EC regions are similar to Cologne?

Area:
± 7 400 km²
Darmstadt (D)
North-West (UK)

Population:
± 4 million inhabitants
East Midlands (UK)
Nord-Pas-de-Calais (F)

Employment:
1-2% in agriculture
± 40% in industry
East Midlands (UK)

Even the border area does not lie on the fringe

The Regierungsbezirk has clear differences in its internal structure. There is an excellent communications infrastructure which forms the link between the economic centres and the surrounding areas.

This is one of the factors which make the 'southern Rhine track' conurbation (from Leverkusen via Cologne to Bonn, including the peripheral areas on both sides) so attractive. The variety of its economy makes this region one of the most productive in Germany. Amongst other things, it is an important location for various news media.

The western conurbation around Aachen was in a much more difficult situation in the recent past, but its economic structure can be considered in balance today; there is no branch which accounts for more than a 10th of overall industrial turnover. Here too, more than half of all workers are in the services sector, particularly in business services and in trade; the old imperial city of Aachen is a favourite shopping place also for consumers from Belgium and the Netherlands — in this three-country corner, Europe has always been more of a reality than anywhere else.

	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	1987	1987	1987	1989
Aachen KS	0.2	237	1 474	−1.4	54	8.5	1	28	71	121
Bonn KS	0.1	287	2 033	0.8	55	4.7	1	16	83	133
Köln KS	0.4	946	2 336	−2.7	58	8.1	0	30	70	159
Leverkusen KS	0.1	159	2 020	−1.1	57	6.5	1	61	38	161
Aachen	0.6	291	532	1.6	52	8.1	2	48	50	71
Düren	0.9	239	254	2.0	54	6.3	4	42	54	91
Erftkreis	0.7	412	585	4.7	56	5.2	3	45	52	103
Euskirchen	1.2	167	133	7.1	53	5.5	6	35	60	80
Heinsberg	0.6	218	347	2.7	52	6.3	6	45	50	69
Oberbergischer Kreis	0.9	256	279	5.4	55	5.3	3	51	46	94
Rheinisch-Bergischer Kreis	0.4	257	588	4.8	57	5.4	3	41	57	73
Rhein-Sieg-Kreis	1.2	494	428	8.6	56	4.8	4	39	57	70
Köln	7.4	3 963	538	2.0	55	6.5	2	36	62	110
Deutschland	248.7	62 679	252	2.1	57	5.2	4	41	55	112
EUR 12	2 253.7	327 931	146	3.2	54	8.3	7	33	60	100

DEUTSCHLAND

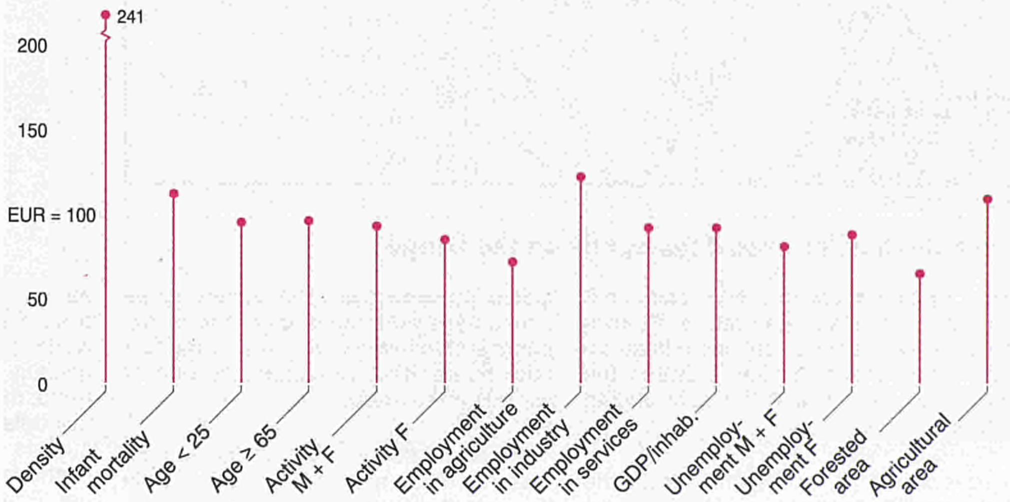
MÜNSTER

An old and still tradition-conscious farming area with lively and well-distributed regional and local centres, and a highly industrialized strip in the south — this is the Münster Regierungsbezirk. Almost all of it belongs to the Westphalian lowland indentation, separated only in the north-east by a narrow hilly strip from the extensive plain which runs from the north of France to Poland.

Around four-sevenths of the inhabitants and six-sevenths of the Regierungsbezirk area are considered as belonging to 'Münsterland' with its green park landscapes. Münster, which gives its name to the rest, is the only large city. In the southern portion, which belongs to the Ruhr area, there are three more large towns: Bottrop, Gelsenkirchen and Recklinghausen. The population density is below the *Land* average but clearly above the national average. More than two-thirds of the surface area is used for agriculture. As regards the proportion of the overall surface area accounted for by all the non-built-up types of use (85%), Münster heads the other Regierungsbezirke in North Rhine-Westphalia.

Münsterland: over 100 moated castles in lush green park landscapes.

Münster in the Community

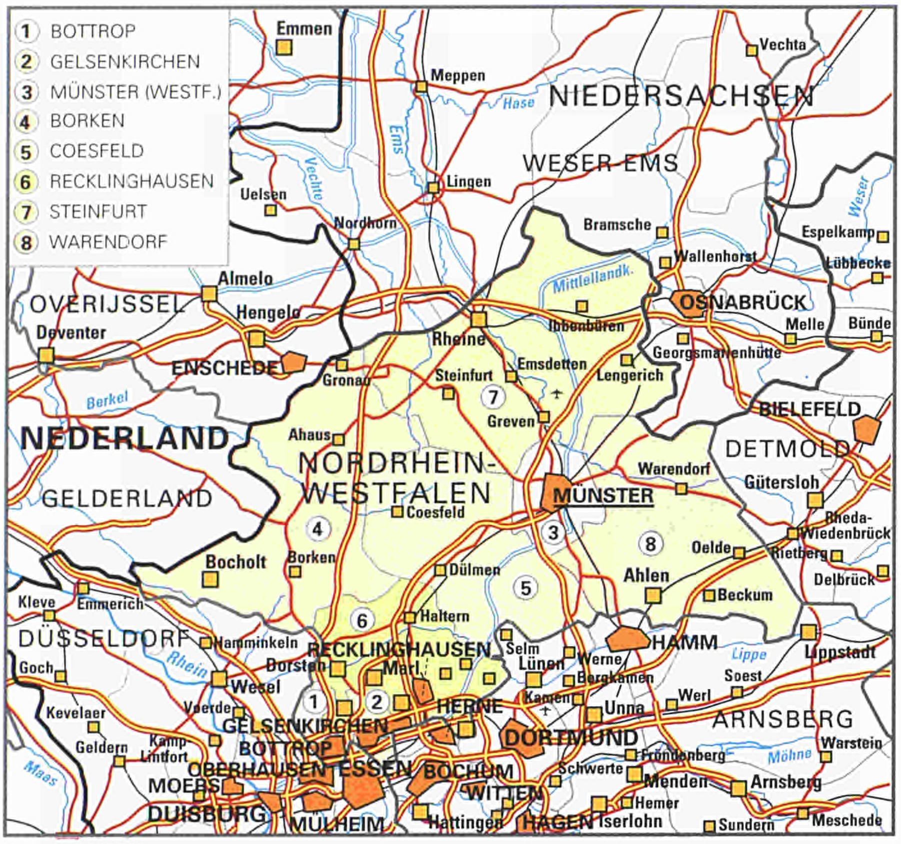


Flourishing economy at either end of the scale

Münsterland is still an area dominated by agricultural production, with its population centres wide apart and all of them generally looking towards one dominant central point which is the city of Münster. After Bonn, Münster is the city with the largest services sector in North Rhine-Westphalia, a major contributory factor being the second largest university in the *Land*.

In the districts lying around the city of Münster, industry predominates. Over the past few years, the region has overcome most of the negative effects of the decline in the textile industry, which once used to be easily the strongest branch and accounted for two-thirds of all industrial jobs. The textile sector is now clearly in second place behind mechanical engineering after successful restructuring operations, these two being followed by other branches on the road to recovery, such as wood processing and the electrical industry.

The comments made in the section on the Düsseldorf Regierungsbezirk with regard to the entire Ruhr area also apply to the northern Ruhr area, which belongs to the Münster Regierungsbezirk. Numerous initiatives taken to overcome structural weaknesses in the last few years are now bearing fruit and making the area increasingly attractive for investment. Mention must be made of the international construction exhibition Emscherpark, which not only positively influences the labour market but also forcibly promotes the ecological redevelopment of this industrial region.



Scale 1 : 2 000 000

Which EC regions are similar to Münster?

Area:
± 7 000 km²
Karlsruhe; Rheinhessen-Pfalz (D)
Cumbria (UK)

Population:
± 2.4 million inhabitants
more than 350 inhabitants per km²
Karlsruhe (D)
Surrey, East-West Sussex (UK)

Employment:
± 5% in agriculture
± 40% in industry
Franche-Comté (F)
País Vasco (E)

The country of 100 moated castles

However different from each other Münsterland and the northern Ruhr may be in numerous respects, the inner structure of Münsterland is extremely homogeneous if one excepts the city of Münster. Of course, the major industrial branches are not evenly distributed over the region; mechanical engineering dominates in the Warendorf district and the textile industry has its main centres around Steinfurt and in the Borken area, the latter also being a wood-processing stronghold. The factor contributed by the economy to the homogeneity of the region is rather the structure of the enterprises, these being small and medium-sized, and their external appearance which merges with the landscape as they are virtually free of large buildings and unpleasant emissions. It is the wide open countryside with its fields, meadows, hedges and small woods, its characteristic isolated farms, stately homes and moated castles, its villages and small towns, that makes up Münsterland and is rightly called a park landscape.

For the people living here it is a welcoming land. For many others, particularly for those from the neighbouring southern conurbations, it is a recreational area which begins right outside their own front door.

	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	1987	1987	1987	1989
Bottrop KS	0.1	118	1 168	3.1	50	9.8	2	43	56	72
Gelsenkirchen KS	0.1	290	2 764	−4.4	50	11.2	1	46	53	116
Münster KS	0.3	253	837	−4.5	55	5.9	1	18	81	150
Borken	1.4	317	224	6.5	54	6.1	8	45	47	82
Coesfeld	1.1	181	163	6.9	54	5.6	10	30	61	72
Recklinghausen	0.8	645	848	3.2	52	8.7	2	46	52	78
Steinfurt	1.8	383	214	2.0	55	5.3	7	40	53	83
Warendorf	1.3	252	192	3.2	54	5.0	7	47	46	90
Münster	6.9	2 438	353	1.9	53	7.2	4	39	56	92
Deutschland	248.7	62 679	252	2.1	57	5.2	4	41	55	112
EUR 12	2 253.7	327 931	146	3.2	54	8.3	7	33	60	100

DEUTSCHLAND

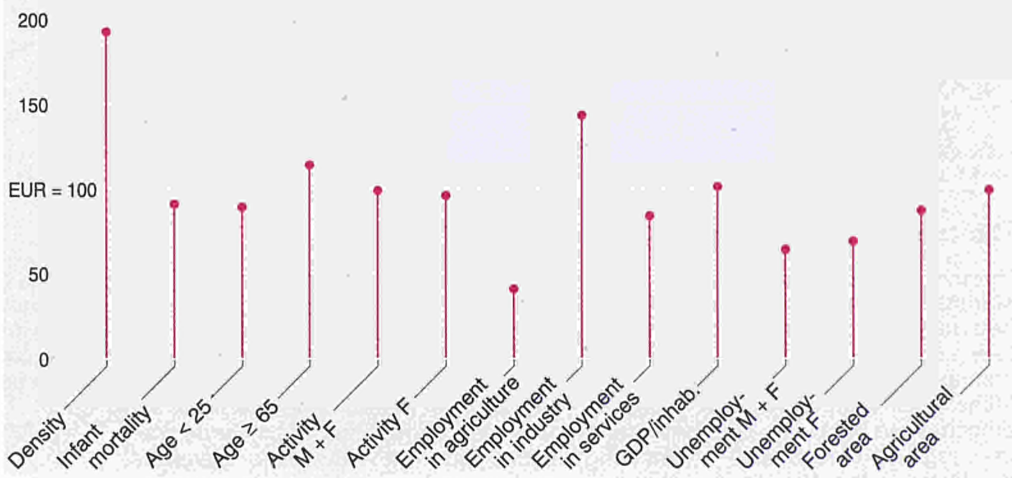
DETMOLD

The region of Ostwestfalen-Lippe, whose borders coincide with those of the Detmold Regierungsbezirk, lies between the conurbations of the Ruhr and the area around Hanover. In spite of this situation between two major centres, it is of considerable importance itself. The number of inhabitants and the population density are clearly lower than in the other Regierungsbezirke, and less than a quarter of the population lives in one of the two large towns of Bielefeld and Paderborn, but the economy has become a leading performer and its range of products is very diversified.

The scenery is varied; it is characterized by harmonious stretches of hilly country and other parts belonging to the north German plain. Of particular note is the narrow chain of the Teutoburger Wald, the 'backbone' of the Regierungsbezirk. More than 60% of the surface area is used for agricultural purposes, over 20% being covered by woodland. The centres of population are concentrated along the main communications routes via the passes of the Teutoburger Wald, as well as on the edge of the hills.

The friends of unspoilt landscape appreciate the idyll of Ostwestfalen-Lippe: the Externsteine, once a goal for pilgrims but now more for the hiker.

Detmold in the Community

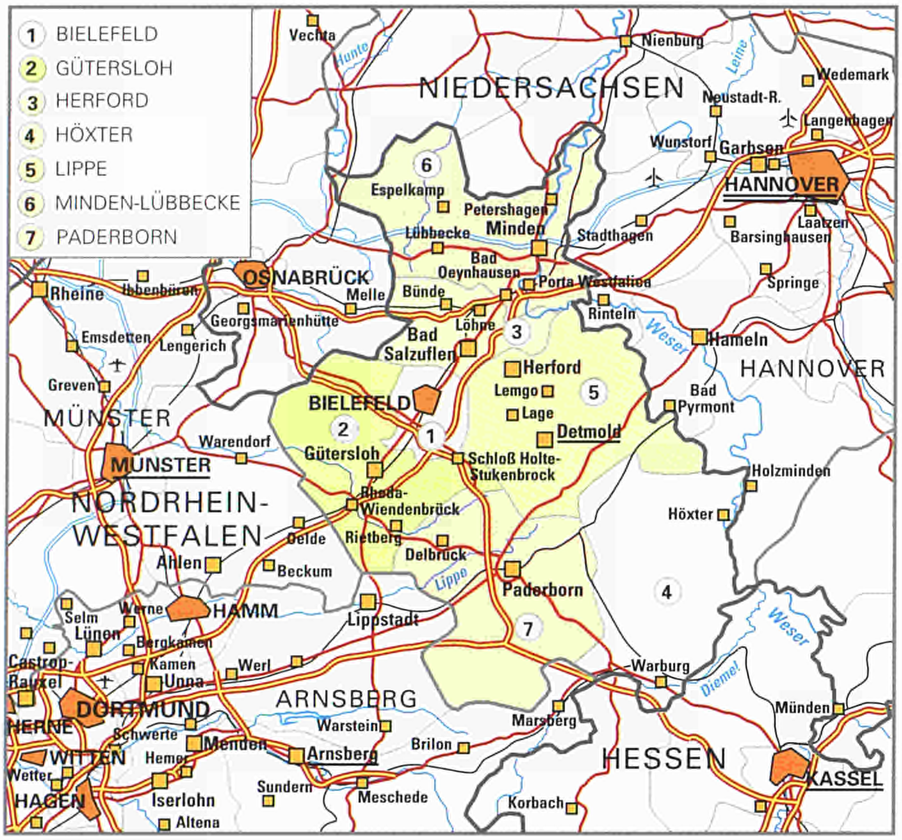


Broad spectrum of the economy in the midst of nature

A basic characteristic of this part of the *Land* is its equilibrium; extremes rarely occur. Many people consider this region particularly attractive and it certainly offers its inhabitants a high quality of life.

The reasonable rents and land prices make it possible for many to live in comfortable and spacious conditions, in many cases (45%) within their own four walls. The tendency to spoil an area, which sometimes goes hand in hand with this, will continue to be monitored critically to preserve not only the attraction of the settlements but also the beauty of the landscape.

Apart from some exceptions, the economy is based on small and medium-sized firms. The proportion of the services sector is slightly below the average, as one would expect in a region with many predominantly agricultural areas. The proportion of the manufacturing sector is above the average, but industrial areas in the true sense are not to be found. In the 1980s, the consumer goods industry lost some of its importance, as the capital goods sector began to strengthen; the proportion of employees in these two branches in relation to manufacturing industry as a whole today is 36% and 45% respectively. Special mention should be made of mechanical engineering and the furniture industry. Outside the industrial sector, the region's health spas are an important economic factor. The unemployment rate is lower than that of the *Land,* despite the considerable increase in the working population.



Scale 1 : 1 500 000

Which EC regions are similar to Detmold?

Area:
± 6 500 km²
Cumbria;
Shropshire, Staffordshire (UK)

Population:
± 1.8 million inhabitants
± 300 inhabitants per km²
Gelderland (NL)
Liguria (I)
Rheinhessen-Pfalz (D)

Employment:
± 47% in industry
Braunschweig; Arnsberg (D)

A system that works: division of labour over various centres

Ostwestfalen-Lippe is a fairly self-contained unit.

Bielefeld and Paderborn are two centres with special functions in trade and training amongst other things. There are also numerous medium-sized towns which have assumed the function of regional services centres and are industrial sites at the same time. Finally, the villages, where one often finds magnificent farmhouses, are surrounded by the agricultural landscapes which coexist with wooded hill-tops and ridges. The traditional spas have a special role to play in this region which is often referred to as the 'health garden of Germany', particularly the five largest ones Bad Driburg, Bad Lippspringe, Horn-Bad Meinberg, Bad Oeynhausen, and Bad Salzuflen. But many other places are tourist attractions as well.

Ostwestfalen-Lippe is crossed by major communications arteries which have become even more important since German unification. The north is crossed by the main Berlin-Rhine/Ruhr axis with railway, inland shipping and road routes. A second axis branches off towards the Netherlands. The south has the motorway linking the Ruhr area and Saxony.

	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	1987	1987	1987	1989
Bielefeld KS	0.3	315	1 223	1.5	54	6.6	1	37	62	115
Gütersloh	1.0	297	307	5.2	56	4.2	4	52	43	110
Herford	0.4	233	517	1.3	56	4.9	3	51	46	100
Höxter	1.2	143	119	0.6	49	5.7	9	35	57	78
Lippe	1.2	330	265	2.5	53	5.7	4	43	54	83
Minden-Lübbecke	1.2	290	252	2.8	54	5.4	5	42	53	101
Paderborn	1.2	241	194	9.1	52	7.2	5	43	52	112
Detmold	6.5	1 850	284	3.3	55	5.6	4	44	53	101
Deutschland	248.7	62 679	252	2.1	57	5.2	4	41	55	112

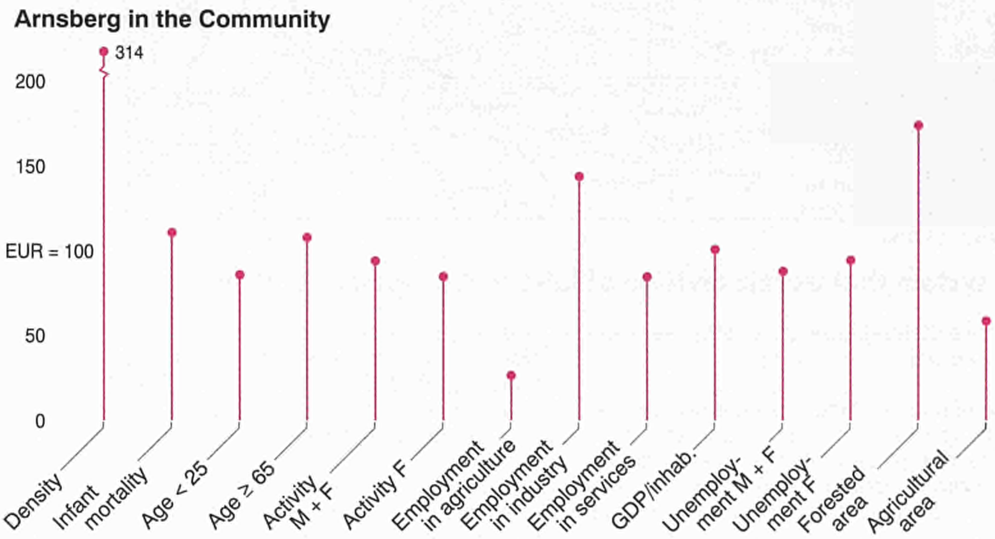
DEUTSCHLAND

ARNSBERG

The Arnsberg Regierungsbezirk, which is almost identical with the southern portion of Westphalia, offers its inhabitants very varied living environments. Global figures, for example population density or the proportion of agricultural land and wooded areas, are not representative of many individual parts. Population densities tend to decrease from north to south and from west to east, while the height of the hills increases.

Just under half of the inhabitants of the Regierungsbezirk live in one of the seven major towns, which are all in the north-west with one exception. This area is generally readily accessible — including via inland waterways — and is a junction for motorways and railway lines from all directions. Two of these communication axes interconnect the northern and western Sauerland and the Siegerland with the dense built-up areas: these are supplemented by the axes which come from Cologne. But the south-eastern Sauerland, an area for rest and recreation, is off the main traffic routes.

Research partnership between university and business: the Technology Centre of the University of Dortmund.



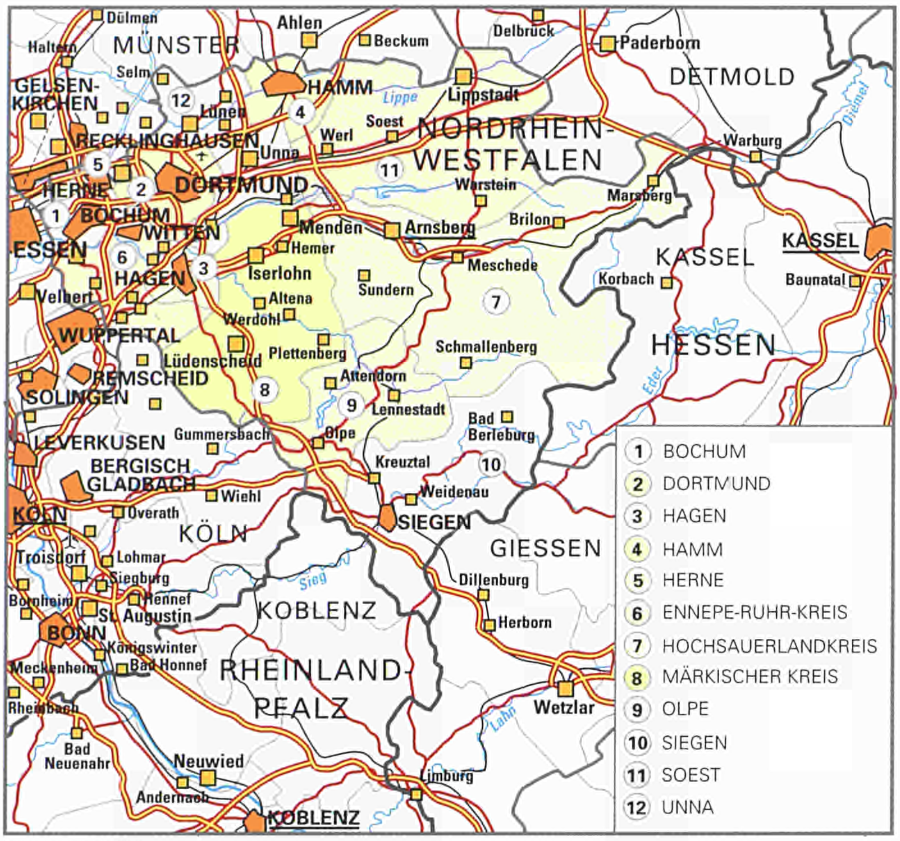
Harmonious opposites in an area with a tradition of technology

The heterogeneity of the region is a strong point rather than a weak one. The inhabitants of the north-west, for instance, would certainly view the dense built-up area in their immediate vicinity as more disadvantageous if distances were not so short to the quite different regions with their high recreational value and unspoilt nature. On the other side of the coin, not all people there would be satisfied with the limited amount of culture and of specialized services available if they could not fall back on the variety which the major centres, particularly Dortmund but Bochum and Hagen as well, have to offer.

As regards technology, the people in this region have long-standing experience. It is not by chance that we find two particularly interesting museums: the Mining Museum in Bochum and the open-air Museum of Technical Monuments in Hagen. The technology employed at the moment has nothing museum-like about it, however; it is ultramodern: despite the severe structural crises during which the former economic basis became a burden, adaptation to new conditions has generally been successful.

The importance of the capital goods sector in industry is very high (55% of workers), that of the consumer goods sector very low (10%). In respect of resistance to short-term trends, this may occasionally be a disadvantage but it is mainly an advantage in terms of growth.

ARNSBERG



Scale 1 : 1 500 000

Which EC regions are similar to Arnsberg?

Area:
± 8 000 km²
Madrid (E)

Population:
± 3.7 million inhabitants
Norte (P)
Toscana (I)
Comunidad Valenciana (E)

Employment:
± 48% in industry
Freiburg; Detmold (D)

From a sea of houses to a land of a thousand hills

In the north-west, the Regierungsbezirk encompasses part of the Ruhr area, that huge urban landscape which is almost totally built up. New arrangements of living, recreational, transport and industrial zones and the introduction of new branches have given this old industrial region a face-lift.

On its eastern edge, the Ruhr area touches the Hellweg area, named after a 1 000-year-old highway, which is quite different in character. A highly developed agricultural sector characterizes this transitional area between the hills and the plain, which is generally lacking in woods.

Towards the south, and occupying two-thirds of the surface area of the Regierungsbezirk, there is the hilly landscape of Sauerland and Siegerland, one of the most beautiful parts of the Rheinisches Schiefergebirg. Those who love streams, meadows, reservoirs and white wintry slopes will not consider the rather common 'blessing from above' (roughly 900 mm of rain and snow a year) a particular disadvantage. The wooded areas accounting for between 55% and 65% are widespread. The west of the hilly country is more densely inhabited; here there are traditional and highly specialized metalworking firms, often along rivers, as water power was formerly used to drive the machinery.

	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	1987	1987	1987	1989
Bochum KS	0.1	393	2 703	−1.7	52	8.9	1	42	58	130
Dortmund KS	0.3	594	2 120	−2.0	53	9.8	1	34	65	109
Hagen KS	0.2	213	1 325	−3.0	54	7.1	1	41	59	131
Hamm KS	0.2	179	792	3.8	51	7.6	2	43	55	92
Herne KS	0.1	177	3 433	−3.1	50	10.3	1	46	54	84
Ennepe-Ruhr-Kreis	0.4	345	845	0.1	55	7.1	2	54	45	84
Hochsauerlandkreis	2.0	264	135	−0.3	53	4.5	4	46	51	95
Märkischer Kreis	1.1	435	410	3.3	56	5.6	2	57	42	102
Olpe	0.7	128	180	5.5	53	4.6	3	54	43	88
Siegen-Wittgenstein	1.1	283	251	0.3	53	4.6	1	46	52	113
Soest	1.3	274	207	2.4	53	5.6	5	41	54	87
Unna	0.5	401	739	4.9	52	8.2	2	47	51	80
Arnsberg	8.0	3 685	461	0.6	53	7.3	2	45	53	101
Deutschland	248.7	62 679	252	2.1	57	5.2	4	41	55	112
EUR 12	2 253.7	327 931	146	3.2	54	8.3	7	33	60	100

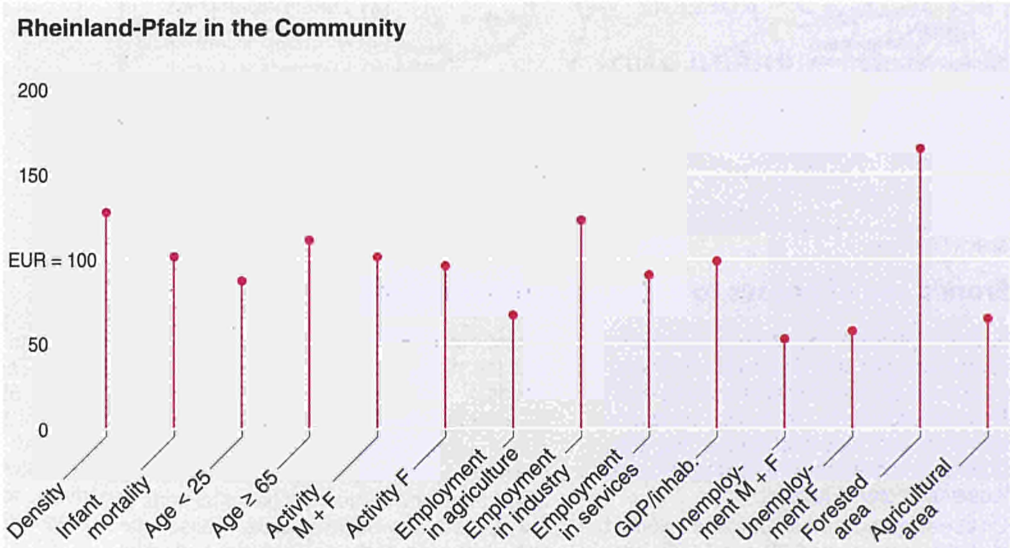
DEUTSCHLAND

RHEINLAND-PFALZ

The landscape of Rhineland-Palatinate is shaped by the four low mountain ranges of the Eifel, Westerwald, Hunsrück and Taunus, and by the Moselle and Rhine rivers. It borders the *Länder* of North Rhine-Westphalia, Saarland, Baden-Württemberg and Hesse, and the countries of Luxembourg, Belgium and France.

There are marked regional variations in the climate, from the warm, sheltered low-lying areas (e.g. the river valleys and much of Rhinehessen) to the much harsher conditions of the uplands. The land is farmed more or less intensively depending on location and soil type (some of the land is volcanic in origin). The Vorderpfalz and parts of Rhinehessen in particular are well suited to arable farming (particularly special crops). The valleys of the Rhine, Moselle, Saar and Ahr, together with much of Rhinehessen and the Vorderpfalz, are well situated and produce wines that have achieved a widespread reputation. The tourist industry also takes full advantage of the *Land's* varied countryside and numerous castles.

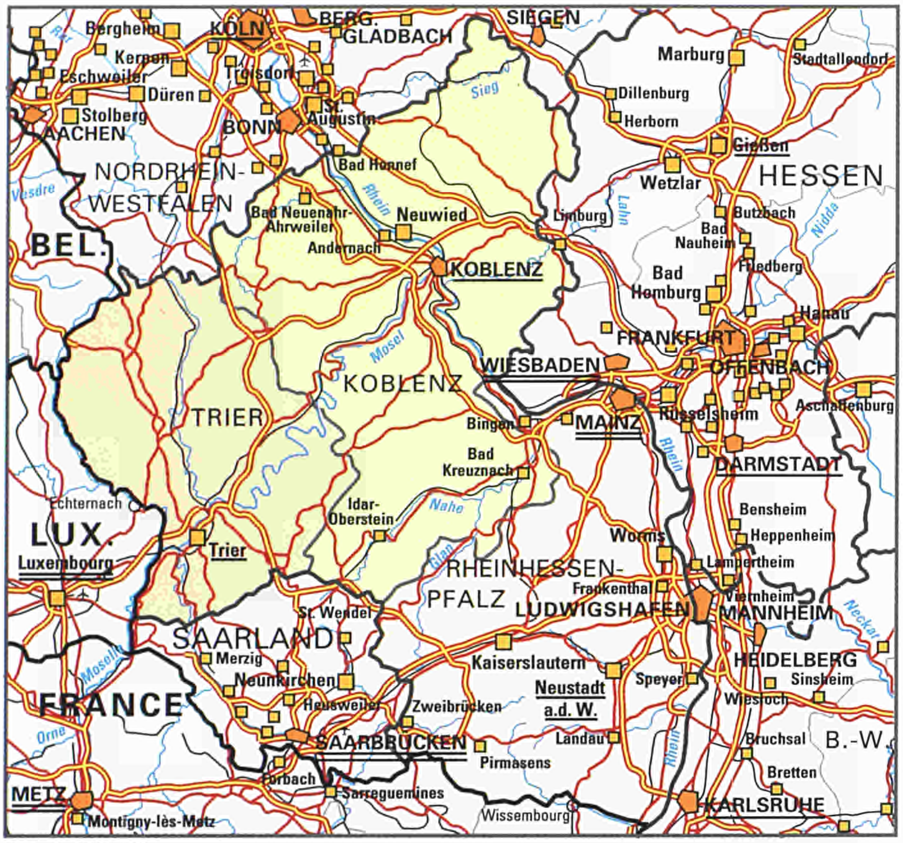
Mainz: The 'Deutschhaus' in the Land *capital is the seat of Rhineland-Palatinate's government.*



Challenges for the future

Rhineland-Palatinate is positioned in the middle of Europe's major supply and distribution markets. One indicator of the intensity of its economic links is its extremely high export ratio, and the dismantling of trade barriers will open up new horizons for the economy, making Rhineland-Palatinate even more attractive as a business location. In the medium term, the developments in Eastern Europe could also help to further stimulate the region's economy.

Viewed in terms of economic geography, there is a major structural difference within the *Land:* the centres of activity lie along the Rhine, which is Europe's longest inland waterway and flows through the *Land* for 290 kilometres. Those areas further away from the Rhine, however, suffer from structural weaknesses of varying magnitude. The tighter interlocking of international relationships presents a particularly good opportunity to the structurally weaker regions. In many of these areas, army garrisons have hitherto been of considerable importance to the local labour market, but with developments in Eastern Europe resulting in increasing *détente* and the redeployment of troops, an alternative policy will have to be implemented.



Scale 1 : 2 000 000

Which EC regions are similar to Rhineland-Palatinate?

Area:
± 20 000 km²
- Picardie (F)
- Puglia (I)
- Kentriki Makedonia (GR)

Population:
± 3.7 million inhabitants
- Norte (P)
- Comunidad Valenciana (E)

Employment:
± 5% in agriculture
± 40% in industry
- Franche-Comté (F)
- País Vasco (E)

The Rhine, the main artery of the *Land*

The economic situation in Rhineland-Palatinate is closely linked to the history of the area, since as a border region it tended to be neglected by distant political and administrative centres. As a result, the transport situation remained poor for a long time, which in turn had a very negative effect on the industrialization process.

Even nowadays the distribution pattern of business structures varies widely throughout the *Land*, with clear structural differences as one moves away from the Rhine corridor on the one hand and from south-east to north-west on the other, and this imbalance appears to be worsening if recent developments are also taken into account.

Looking at the internal structures does, however, only tell part of the story as regards the true economic circumstances, as Rhineland-Palatinate is surrounded by a number of industrial agglomerations. These are situated in the Rhine-Main and Rhine-Neckar areas, which extend over into Rhineland-Palatinate. The city of Mainz and its hinterland and the Ludwigshafen-Frankenthal area are Rhineland-Palatinate's gates to these areas of economic concentration. The industrial regions of southern Luxembourg, the Ruhr-Basin and Saarland are also within easy reach.

	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	1987	1987	1987	1989
Koblenz	8.1	1 377	170	1.2	56	4.5	5	38	58	92
Trier	4.9	478	97	1.6	54	5.1	11	33	57	84
Rheinhessen-Pfalz	6.8	1 847	270	2.5	56	4.3	5	41	54	108
Rheinland-Pfalz	19.8	3 702	186	1.9	56	4.5	6	39	56	99
Deutschland	248.7	62 679	252	2.1	57	5.2	4	41	55	112
EUR 12	2 253.7	327 931	146	3.2	54	8.3	7	33	60	100

Increased migration since 1988

Since the *Land* came into existence, its population has increased unevenly. The increase until 1971 was the result of both an excess of births and a positive net migration. The natural decrease in the population that subsequently occurred was offset by net migrations until 1973, after which there was another drop. Since 1988, this trend has once again reversed. The major influx of immigrants from the former GDR, ethnic German immigrants and persons seeking political asylum has led to considerable gains since 1988, meaning that the number of inhabitants has grown considerably in spite of continuing losses resulting from the natural population trend.

The age pyramid shows the following characteristics:

– major gaps caused by birth losses sustained during the First World War (plus the years following the world recession of 1930, the Second World War and subsequent years);

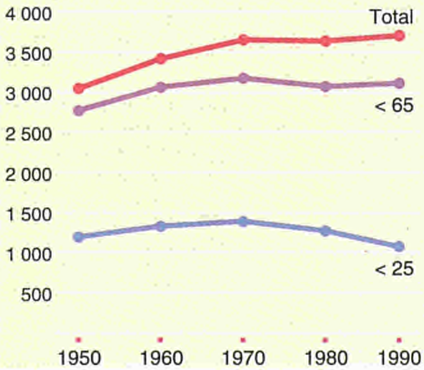
– large numbers of births between 1956 and 1969. These were caused in part by the number of children born between 1936 and 1941, these coming of marriageable age in the late 1950s and 1960s;

– an excess of women aged over 57, partly caused by the longer life expectancy of women, but largely by the losses of men during the wars.

Population by age — 1990

	M + F 1 000	M + F %	M %	F %
< 15	566.6	15.3	16.3	14.4
15-24	511.0	13.8	14.7	13.0
25-39	862.1	23.3	24.8	21.9
40-54	734.7	19.8	21.0	18.7
55-64	440.7	11.9	12.0	11.9
≥ 65	586.5	15.8	11.3	20.0
Total	3 701.7	100.0	100.0	100.0

Population (1 000)



Resident population of foreign nationality — 1990

	1 000	% of total population
Total	182.8	4.9
of which EC countries	53.9	1.5
of which non-EC countries	128.9	3.5
Turkey	55.8	1.5
Italy	23.6	0.6
Yugoslavia	16.8	0.5
Poland	12.5	0.3
France	7.4	0.2
Greece	7.0	0.2

Demographic account — 1980-90 (1 000)

Population 1.1.1980	3 633.2
Births	372.1
Deaths	431.0
Net migration	+ 127.4
Population 1.1.1990	3 701.7

Higher activity rates, better qualifications and mobility

Activity rates have increased steadily over the past 20 years. The trend is most marked for women, particularly married women. In parallel to this, part-time work amongst women has increased.

Over the same period, two further developments — both doubtless in line with the general trend — can be noted:

– a trend towards better qualifications: an indicator of this is that almost one-third of the population of working age had secondary education qualifications;

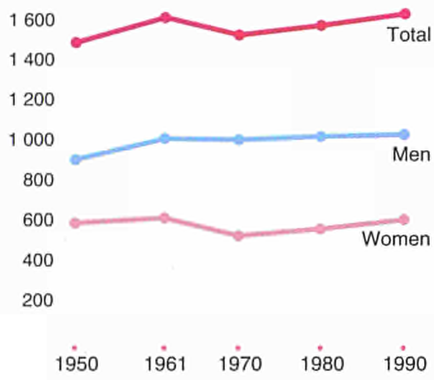
– the mobility of persons in employment has increased enormously: in 1987, 800 000 of the approximately 1.6 million people in employment who lived in the *Land* had to commute to another municipality on a daily basis. Of these commuters, 157 000 had their place of work in a neighbouring *Land* or another country.

Some 51 000 in-commuters came from the surrounding *Länder* to Rhineland-Palatinate.

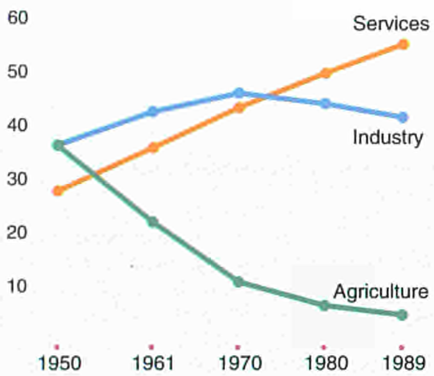
Number of pupils — 1989

	M + F 1 000	F %
Pre-school	117.8	49.1
Primary	150.8	48.9
Lower secondary	190.0	49.3
Higher secondary (technical)	116.3	44.4
Higher secondary (general)	31.1	50.8
Higher education	82.3	44.0
Total	701.3	47.6

Employment (1 000)



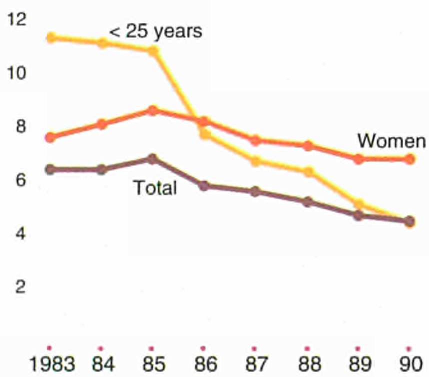
Employment structure (%)



Employment — 1987 (1 000)

Resident employment	1 561.0
+ Non-residents having a job in the region	51.2
– Residents having a job outside the region	157.0
= Internal employment	1 455.2

Unemployment (%)



Industrial employment remains high

A breakdown of persons in employment by status shows that manual workers still made up the largest group in 1987, followed by non-manual workers. Major shifts have, however, taken place since 1970. The number of self-employed and family workers has decreased since 1970, although the number of civil servants and people in training has risen. An increasing number of women have also started working over the last decade. Employment prospects for foreign citizens have improved during the last two years after the influx of workers in the early and mid-1980s. The weak economy at that time led increasingly to job losses among the immigrant population.

Clear shifts have taken place between the various sectors of the economy. Although manufacturing was still the largest economic sector in 1987, the number of people employed in this sector had fallen by 7% since 1970. The services sector is also relatively strong, employing nearly 50% more people than in 1970. The distributive trades, transport and communications sector has held its share of just under 17% of the labour force, whilst agriculture and forestry have seen their share fall from almost 11% to just under 5%.

Characteristics of resident employment (%)

	< 25 years	25-54 years	≥ 55 years	Employees	Employees: part-time		Employees: full-time, temporary contract	
	1989	1989	1989	1989	1984	1989	1984	1989
Men	15	73	11	89	1	1	8	10
Women	24	68	8	88	28	30	9	11
Total	18	72	10	88	11	12	9	10

Labour market trends better than at national level

The growth recorded over the past few years has noticeably eased the strain on the labour market, as can be seen from the increase in the number of jobs and the fall in unemployment in the recent past. A glance at the Federal level shows that Rhineland-Palatinate has fewer employment problems. In real terms this means a lower unemployment rate than at national level.

Particularly welcome developments can be observed amongst individual problem groups. Youth and immigrant unemployment has finally fallen at an above-average rate. The situation for the older unemployed is more problematic.

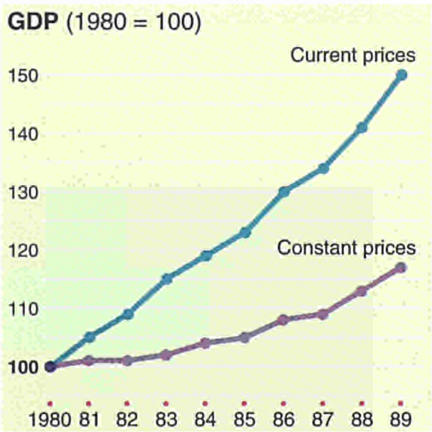
The forthcoming troop reductions are an imponderable as far as labour market trends are concerned. In some regions of the *Land*, jobs are threatened regardless of whether they depend directly or indirectly on the military sector. Similar problems are expected in the north of the *Land* as a result of the seat of government and parliament being moved to Berlin.

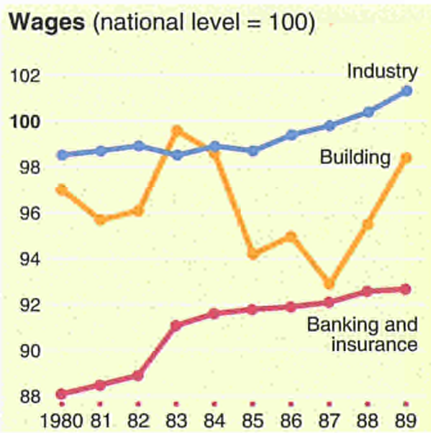
Completion of the internal market will also bring about changes on the labour market, with the increasingly close economic links with its European partners.

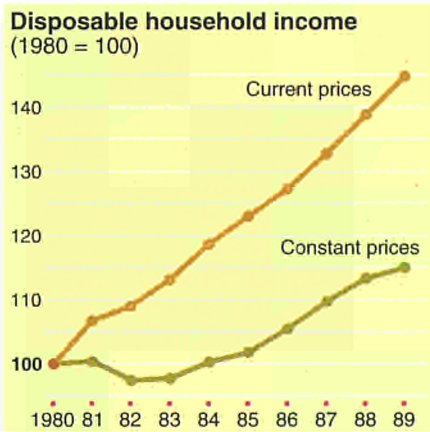
A wide range of products

The relative shares of individual branches of the economy in the *Land's* gross value-added show a shift from the primary and industrial sectors to the services sector. Whilst the manufacturing industry generated 48% of net product in the early 1980s, its share had fallen to 46% by 1990. Agriculture contributed to 2.6% of the *Land's* gross product in 1980, but a mere 2.1% by the early 1990s. The distributive trades and transport sector has seen its share steadily eroded over the past decade to 13%, as has the 'State, private households and non-profit organizations' sector (down to 14%). The only component of gross product to have increased steadily is that of private services, which stood at 26% in 1990. The expansion of business-related services has probably contributed to this.

In spite of these trends, the Rhineland-Palatinate economy is dominated by its resident industry. This includes the branches of industry with the highest turnover (chemicals, mechanical engineering and vehicle construction) as well as the manufacture of data-processing equipment, the production of special glass, the manufacture of ceramic products (from earthenware, clay and pottery through sanitary and industrial ceramics to ceramic products for building and standard fireproof ceramic products), the production of building materials made of pumice, the working of precious stones and diamonds, the extraction of mineral water and the production of sparkling wine and spirits.







Below-average labour costs in the services sector

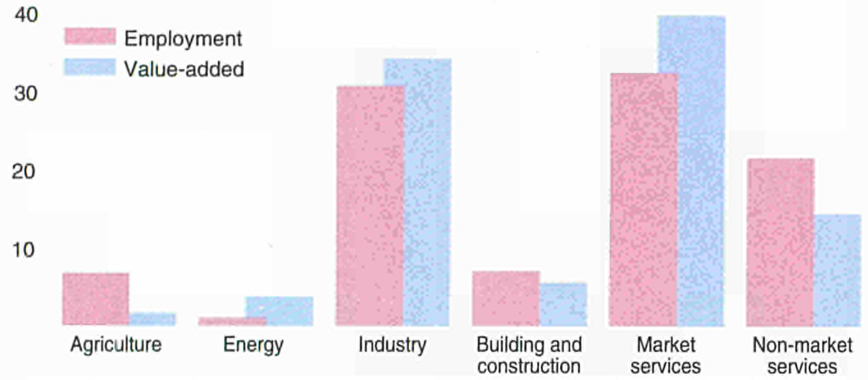
Most income taxpayers in Rhineland-Palatinate earn between ECU 14 620 and ECU 24 365.

In the manufacturing industry, the structure of labour costs is only slightly different from that for the Federal Republic as a whole. Only in the case of non-manual workers is there a discrepancy between the trends at *Land* and national level. This is mainly due to higher wage increases in branches of the economy that are only of minor significance in Rhineland-Palatinate. The highest staff and staff-related costs are in the chemical industry, and the lowest in the footwear and clothing industry.

Labour costs for wholesale distribution are much lower than at Federal level, whereas they are much the same for retail distribution, the structure of the latter being virtually identical at both *Land* and national level. In banking and insurance, which play a less significant role in Rhineland-Palatinate than they do in the city-states and some of the neighbouring *Länder*, remuneration for hours worked as well as staff-related costs have been well below the Federal average for many years.

Both the *Land* as a whole and individual municipalities are finding themselves increasingly burdened with social assistance, which is designed to provide needy persons with minimum subsistence. There has been a sharp increase in the number of recipients, particularly foreigners. Most of the aid given is in the form of subsistence allowances. The most common grounds for granting social assistance are unemployment, loss of job by head of household and insufficient insurance or maintenance entitlement. The number of people receiving housing allowance has also increased accordingly. The most common type of recipient is the single-person household, whilst the least common is the household with several children. The average monthly housing allowance is currently ECU 75.

Employment and value-added: distribution by branch – 1987 (%)



Increasingly export-oriented

The manufacturing industry is of particular importance to Rhineland-Palatinate, employing over 450 000 people. Many undertakings of international standing play a role here. There are also many highly specialized small and medium-sized businesses. The main branch of the economy is the chemical industry, followed by vehicle construction and mechanical engineering. Over the past couple of decades there has been a fall in the number of people employed in industry in Rhineland-Palatinate and a simultaneous tripling of turnover. This growth is largely due to the increase in foreign business. Export turnover for the region's industry increased by a factor of 5.5 over the period in question. The export ratio, which was still around 22% in 1970, had risen to almost 37% in 1990. The mainstay of the export boom is easily the chemical industry, followed by vehicle construction, the food, drink and tobacco industries, mechanical engineering and the plastics industry, the latter having become the fifth largest branch of industry in the *Land*.

Just under half the total land area is used for agricultural purposes. A good half of the farms still in operation are run on a part-time basis, and more than half of all holdings are involved in wine-growing.

Agriculture

Number of holdings	58 314
Labour force	70 667 AWU
Agricultural area	720 000 ha
Livestock	571 000 LU
Gross value-added	11 239 ECU/AWU
Main products	
Wine	22%
Milk	18%
Cattle	12%

Main enterprises

Name	Activity
BASF AG	Chemical industry
Mercedes-Benz AG	Car manufacturing
Adam Opel AG	Car manufacturing
MIP-Instandsetzungsbetriebe GmbH	Manufacture of transport equipment
Schott Glaswerke	Manufacture of glass and glass products
Pfaff AG	Manufacture of machinery
Boehringer-Ingelheim KG	Chemical industry
IBM Deutschland GmbH	Office machinery, computers
Zweites Deutsches Fernsehen (ZDF)	Television station
Klein, Schanzlin und Becker AG	Manufacture of machinery

Advances in environmental protection

Rhineland-Palatinate's low population density and predominantly rural character are important in determining the state of the environment. Dumping is still the mainstay of public waste disposal, in spite of diminishing tip capacity. Waste incineration makes a significant contribution to refuse disposal in the Ludwigshafen conurbation only. The ability of public tips in the 1970s and 1980s to cope with ever greater volumes of refuse was challenged by increased deliveries of construction waste, excavated earth and broken-up road materials. A network of processing plants and storage areas designed to enhance the recycling of these is currently being set up. Increasing willingness to collect reusable waste separately, particularly paper and glass, is doubtless the reason why less household waste, ordinary industrial waste and bulky waste has been recorded since the early 1980s.

For several decades now, environmental protection has concentrated on the improvement of waste-water treatment facilities, which has involved investing considerable amounts of public money. In addition to increasing the number of households connected to purifying stations (in rural areas this has meant building treatment plants and extending sewers), a technical improvement has been made to waste-water treatment by adding a biological treatment stage to existing plants of the mechanical variety and replacing old installations with highly efficient communal plants of the biological type. This has further reduced the gap between the sparsely populated northern and western parts of the *Land*, and the urban centres and the regions of Rhinehessen and Palatinate, which for many years have had virtually all their disposal needs met by biological plants.

DEUTSCHLAND

KOBLENZ

The Regierungsbezirk comprises the kreisfreie Stadt of Koblenz (seat of the district government and 10 rural districts with 1 109 of the *Land's* 2 304 municipalities). Most of the built-up areas are situated along the Rhine corridor between Koblenz and the border with North Rhine-Westphalia.

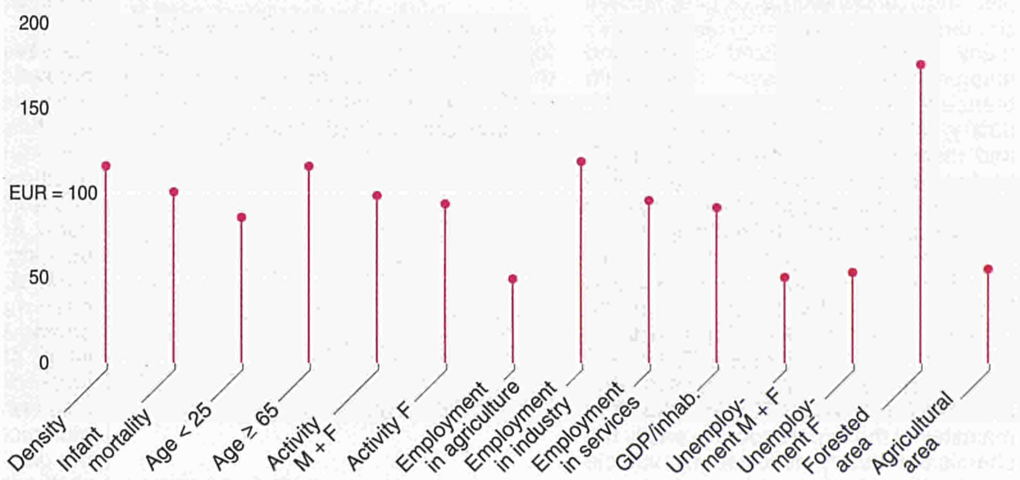
The landscape is shaped by the four low mountain areas and the valleys of the Rhine, Moselle, Lahn, Ahr, Sieg and Wied. The castles of the Rhine and the Moselle constitute the basis of a flourishing tourism sector.

In addition to the importance of the navigable Rhine and Moselle waterways, three motorways cross the region. The A61 runs from north to south and is an important traffic artery, whilst the A48 runs west from the A3/E5 via Trier to Luxembourg. A section of the A3/E5 lies in the north-east of the Regierungsbezirk, linking it to the Ruhr area and the Rhine/Main metropolis. A comprehensive network of federal and state highways caters for local traffic.

Koblenz station is on the Inter-city/European rail network, and a high-speed rail link planned to link Cologne and Frankfurt will pass through the Westerwald district.

Wine-growing involves much attention to detail. The photo shows the cellar of a wine-growing estate in Hatzenport on the Moselle.

Koblenz in the Community

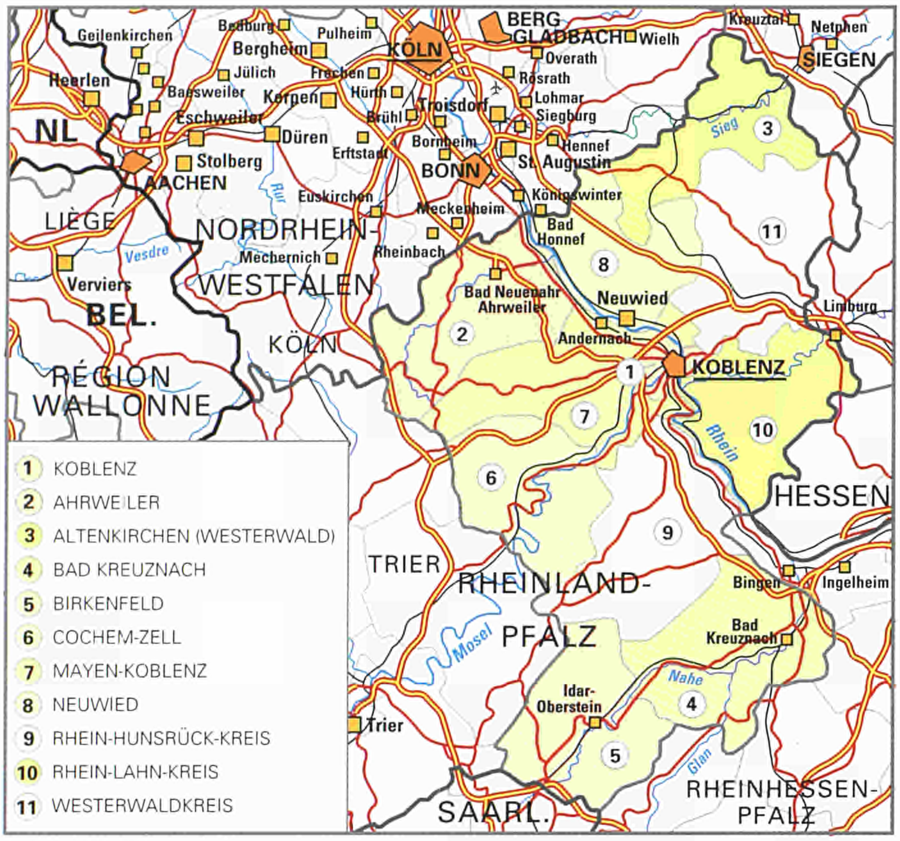


Bright outlook

The underdevelopment of certain regions is largely the result of historical factors. With expanding industrialization, the economic development of the area has an ideal basis in the form of the Rhine valley as a route for transporting goods by rail or waterway. Despite the uneven geographical distribution of economic power, the increase in private transport is going some way towards compensating for the lack of job opportunities in the upland areas. The importance of Koblenz as a regional metropolis is considerable, while the northern part of the Regierungsbezirk in particular has close links with the Cologne-Bonn area and Hesse.

There is a flourishing tourist industry in the Regierungsbezirk based on the wine-growing areas by the banks of the Rhine, Moselle, Ahr and Nahe and the many places of interest such as the castles of the Rhine and the Moselle.

The transfer of the Federal Republic's parliament and seat of government from Bonn to Berlin will create problems in the medium term.



Scale 1 : 1 500 000

Clay, natural stones and precious stones

There are still noticeable disparities in terms of economic strength and development between the conurbations in the valleys and the upland areas of the Rhenish Slate Mountains.

Situated on the southern rim of the middle Rhine basin, Koblenz is by far the largest town. It is the services centre and a major pole of attraction for a large catchment area in the Regierungsbezirk. Further north lies the Neuwieder basin, which is an economic area of great diversity. To the north-east in the Westerwald is the Kannenbäckerland, which is renowned for its ceramic products, and to the west of Koblenz there is the Eifel, which is a predominantly agricultural region of volcanic origin. As a result, mineral deposits in particular are of considerable economic importance. Industrial conurbations can be found in the south-west by the Nahe river. The valley towns, and Bad Kreuznach in particular, are centres of industry. Idar-Oberstein is well known for its jewellery and precious stone industry, as early agate finds in this area made it the centre of the German precious stone industry. Nowadays, however, it is mainly imported stones that are worked.

Which EC regions are similar to Koblenz?

Area:
± 8 000 km²
Alsace (F)
Madrid (E)

Land use:
± 42% forest
Franche-Comté (F)
Arnsberg (D)

Population:
± 1.4 million inhabitants
Marche (I)
Lancashire (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	1990	1990	1989	1989	1989	1989
Koblenz KS	0.1	108	1 028	−5.1	58	5.0	1	21	78	204
Ahrweiler	0.8	114	145	3.8	55	4.6	6	33	62	67
Altenkirchen (Westerwald)	0.6	124	193	1.6	54	4.1	3	50	47	81
Bad Kreuznach	0.9	148	171	0.8	57	5.7	7	37	56	82
Birkenfeld	0.8	86	108	−1.7	59	4.5	4	37	59	82
Cochem-Zell	0.7	61	85	−1.5	56	3.3	15	26	59	68
Mayen-Koblenz	0.8	191	234	0.7	57	4.2	5	42	53	106
Neuwied	0.6	160	256	4.1	56	4.6	3	44	53	85
Rhein-Hunsrück-Kreis	1.0	91	95	1.2	56	4.0	7	40	53	80
Rhein-Lahn-Kreis	0.8	119	152	1.0	56	4.0	5	33	62	70
Westerwaldkreis	1.0	175	177	4.7	56	4.2	3	50	47	79
Koblenz	8.1	1 377	170	1.2	56	4.5	5	38	58	92
Deutschland	248.7	62 679	252	2.1	57	5.2	4	41	55	112
EUR 12	2 253.7	327 931	146	3.2	54	8.3	7	33	60	100

DEUTSCHLAND

TRIER

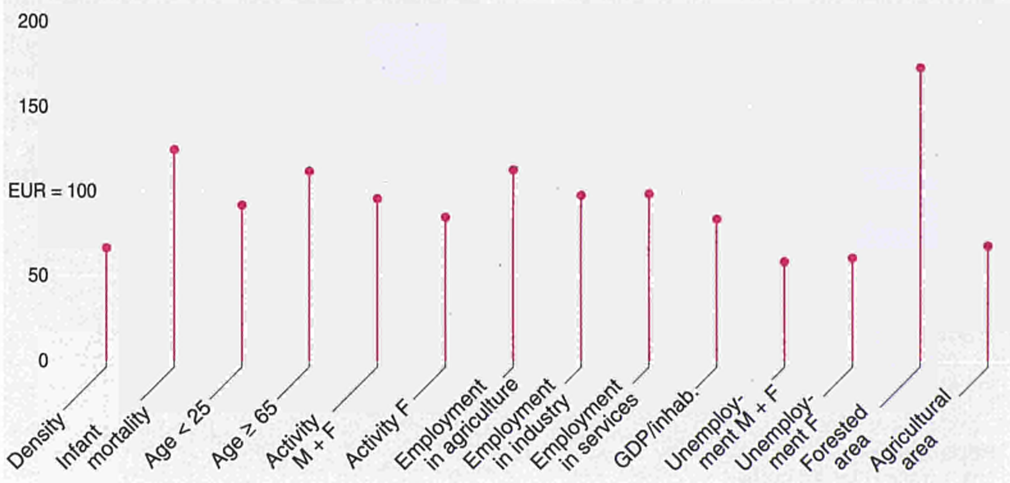
Since the administrative reform of 1970, the Trier Regierungsbezirk has comprised the city of Trier, which constitutes a district in its own right and is also the seat of government, and four rural districts. It is the smallest Regierungsbezirk in Rhineland-Palatinate in terms of both land area and population.

To the north of the Moselle valley, the Regierungsbezirk includes large sections of the western and eastern Eifel and part of the Gutland. The Moselle valley forms a quite separate geographical area, which has the Hunsrück on its southern border. These upland areas separated by the Moselle, the Moselle valley itself with its many castles, and Trier, one of Germany's oldest cities, all present ideal conditions for a flourishing tourist industry.

The main transport links in the area are the A48 motorway from Koblenz via Trier to Luxembourg, and the A1 to Saarbrücken, Kaiserslautern and Zweibrücken/Pirmasens. The Bundesbahn's inter-city rail network can be reached indirectly via Luxembourg, Koblenz or Saarbrücken.

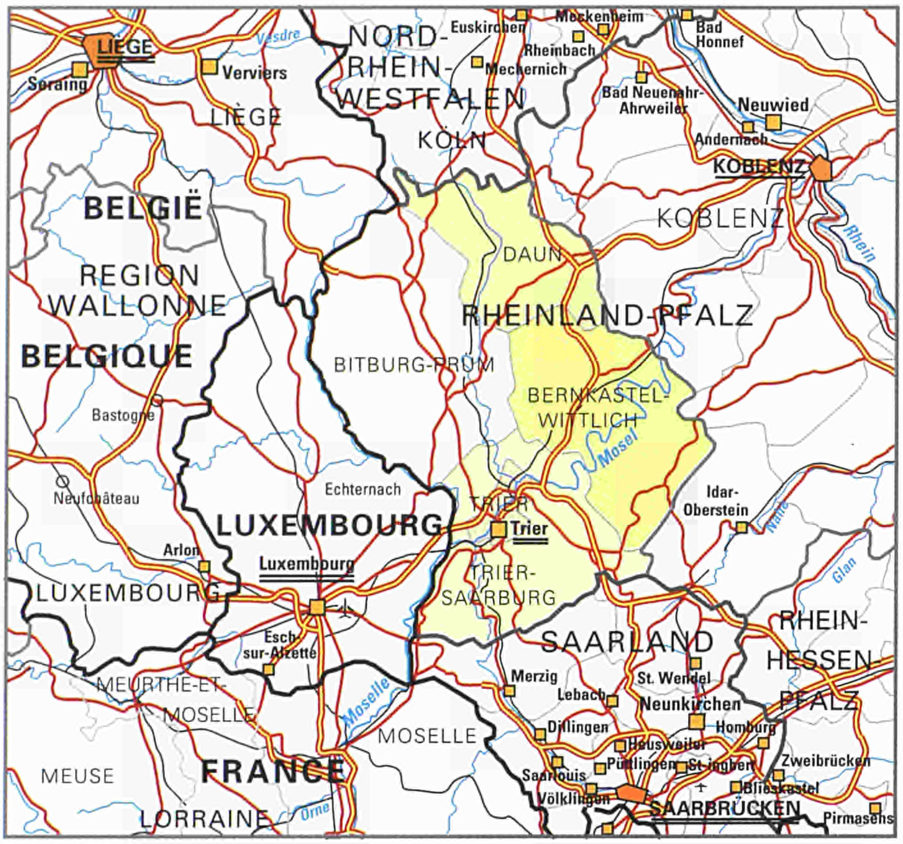
The Porta Nigra in Trier, built between AD 313 and 315, formed the north gate in the former Roman city wall.

Trier in the Community



No clear focal points to industry

The Trier Regierungsbezirk has been badly handicapped by its border position. In addition, it has never had mineral resources to stimulate industrial development. Consequently, the region is still geared fairly strongly towards agriculture. Wine-growing plays a major role and agriculture and forestry are important factors in the economy. The proportion of small holdings (less than 5 ha of utilized agricultural area) is higher than in the *Land's* other two Regierungsbezirke, and an overall economic comparison with these reveals that the Trier region suffers from the greatest structural weaknesses. While the Belgian and Luxembourg borders also often constituted economic barriers, the improved infrastructure, and more specifically the internal market, is opening up new possibilities. The adjoining regions have already got together to form the transborder Saar-Lor-Lux/Trier-West Palatinate trade area. The region's central access to European markets and the correspondingly short marketing channels will stand it in very good stead in the years to come. There is already evidence of much integration in this border region, e.g. with Luxembourg. On the one hand, many Luxembourgers come to Trier to shop, while many of those who work in Luxembourg live in the Trier-Saarburg rural district.



Scale 1 : 1 500 000

Which EC regions are similar to Trier?

Area:
± 5 000 km²
Algarve (P)
Leicestershire,
Northamptonshire (UK)

Population:
± 0.5 million inhabitants
± 100 inhabitants per km²
Cantabria (E)
Namur (B)

Employment:
8-10% in agriculture
± 33% in industry
Umbria (I)
Drenthe (NL)

Region with development possibilities

The city of Trier is the transhipment point, traffic junction and trade centre for the surrounding area whose economy is still largely dominated by agriculture and forestry. The focal point for industry is not so much the town itself as its immediate surrounds. During the Roman era, the town served as a supply centre, was provincial capital for a while, and between AD 293 and 395 the imperial seat and capital of the western Roman Empire. Under Constantine the Great, Trier became the largest town north of the Alps. A large number of archaeological remains bear witness to this early history.

With the exception of Trier, there are no large areas of concentrated economic activity, although smaller regional labour markets do exist in the towns of Wittlich, Bitburg, Bernkastel-Kues, Daun, Hermeskeil, Gerolstein and Saarburg.

Tourism is an important economic factor, with 1.6 million overnight stays being recorded in 1990.

Whilst the town of Trier with its many Roman remains is visited mainly by day-trippers, the average length of stay in the rural districts is much longer. Although visitors are attracted to the rural district of Daun for the scenic beauty of its mineral springs and volcanic lakes, most tourists spend their time in the municipalities in the Moselle valley.

	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	1987	1987	1987	1989
Trier KS	0.1	97	825	1.0	53	8.6	1	28	71	152
Bernkastel-Wittlich	1.2	107	91	0.1	55	4.3	15	35	51	84
Bitburg-Prüm	1.6	90	55	0.9	53	4.2	17	33	51	69
Daun	0.9	58	64	4.2	52	4.2	10	35	55	74
Trier-Saarburg	1.1	127	116	2.6	55	4.5	16	36	48	48
Trier	4.9	478	97	1.6	54	5.1	11	33	57	84
Deutschland	248.7	62 679	252	2.1	57	5.2	4	41	55	112
EUR 12	2 253.7	327 931	146	3.2	54	8.3	7	33	60	100

DEUTSCHLAND

RHEINHESSEN-PFALZ

The Regierungsbezirk of Rhinehessen-Palatinate (the *Land's* second largest Bezirk) is divided into 10 rural districts and 10 towns constituting districts in their own right (kreisfreie Städte). The seat of government is Neustadt. The kreisfreie Stadt of Mainz is the *Land* capital. There are 558 municipalities.

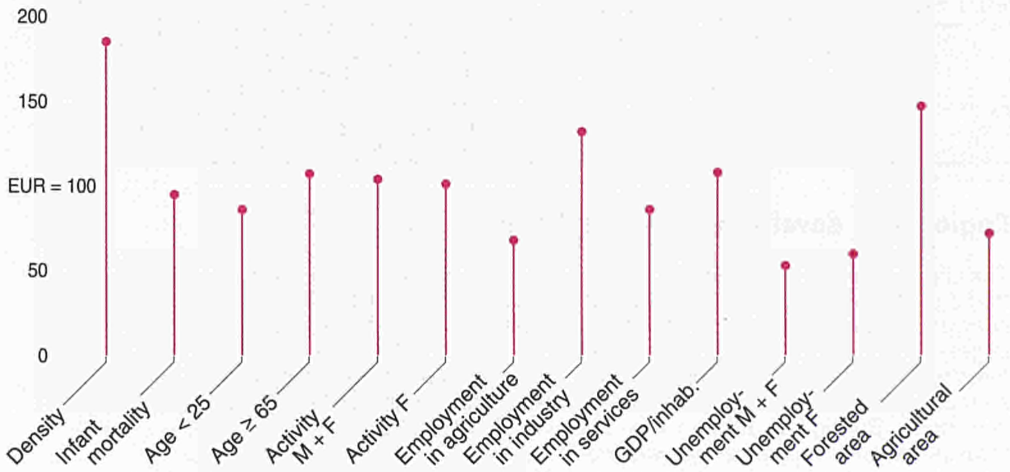
The town of Ludwigshafen is the largest conurbation in the region with a population density of over 2 000 inhabitants per km². Other agglomerations include the towns of Mainz, Worms, Frankenthal and Speyer.

To the south-west of the industrial centres along the Rhine are attractive areas of countryside, such as the Palatinate forest, which is a popular area with walkers. The restored towns and villages of the Palatinate also attract tourists from outside the region.

The region has good transport connections. The most important motorways are the A61 from Cologne via Koblenz, Ludwigshafen and Speyer (north/south), the A6/E12 from Nuremberg via Mannheim, Kaiserslautern and Saarbrücken (east/west), the A63 from Mainz to Kaiserslautern and the A65 from Ludwigshafen to Karlsruhe via Landau. Other sections of motorway, together with Federal and state roads, cross the region, allowing the major conurbations to be quickly reached. The Rhine is an important inland waterway. The Regierungsbezirk is linked to the Bundesbahn's Inter-city/European rail network via the towns of Mainz, Ludwigshafen/Mannheim and Kaiserslautern.

Hambach castle, near Neustadt an der Weinstraße, site of the first rally for a free and united Germany in 1832.

Rheinhessen-Pfalz in the Community



Economic activity dominated by the chemical industry

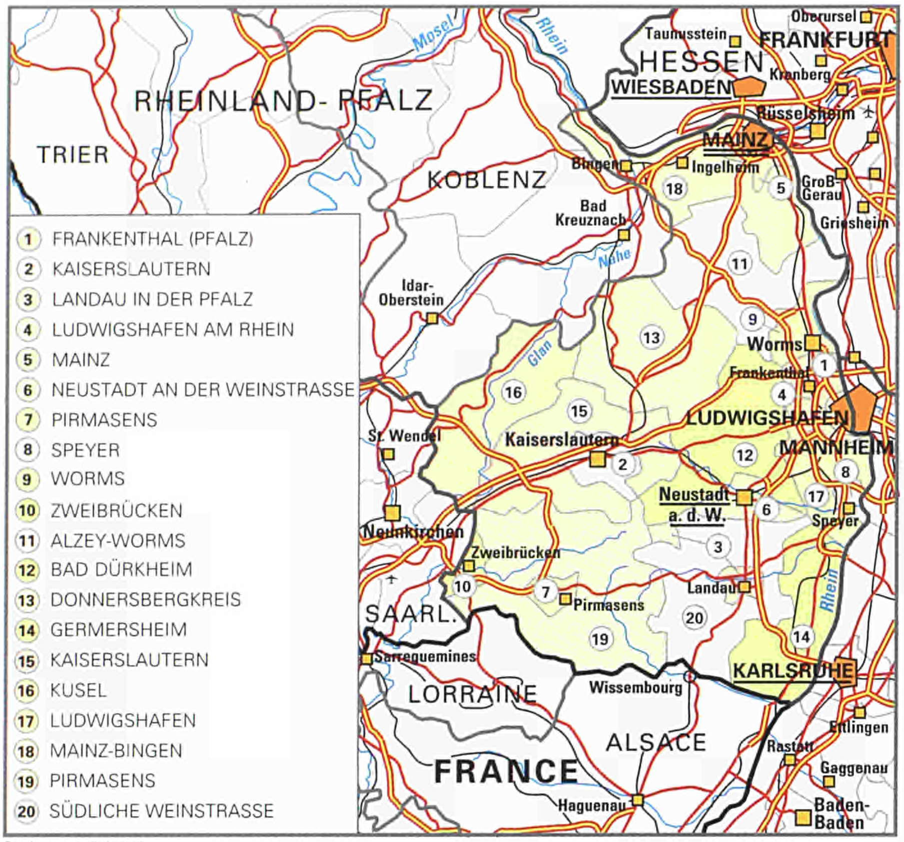
The diversity of industry and agriculture in the region is reflected in the broad range of products. On the one hand there is the wine and special crops that are a distinctive feature, and on the other there are chemical products, footwear from Pirmasens and sewing machines from Kaiserslautern.

Resident industry is heavily export-oriented and the sensitivity of undertakings to fluctuations in the dollar rate constitutes a major business risk. Industry has been a constant stimulus to growth, which has resulted in above-average GDP growth rates for the region, particularly in the conurbations. Existing links with neighbouring areas and countries have also had positive effects on industry. Examples include the Rhine/Main, Rhine/Neckar and Saar/Lor/Lux/Trier-West Palatinate economic areas.

The upkeep of agriculture, particularly wine-growing, is especially important here. 40% of Rhineland-Palatinate's agricultural holdings are in Rhinehessen-Palatinate. Of these, 50% are in the districts of Alzey-Worms, the Südliche Weinstraße (southern wine route) and Mainz-Bingen. A good two-thirds of the holdings in these districts are vineyards.

The planned troop reductions in the Federal Republic of Germany will create problems for the region. Formerly, Kaiserslautern was humourously referred to as the largest American town outside the United States. In addition to single-structure set-ups (the footwear industry in Pirmasens), this creates a second serious problem from an employment point of view. The next few years will show whether the measures taken to combat or adapt to such problems have been effective.

RHEINHESSEN-PFALZ



Scale 1 : 1 500 000

Heavily populated Rhine corridor

Differences in the economic structures of individual regions/districts within Rhinehessen-Palatinate have a direct influence on social and economic matters. Almost everywhere, there is a fairly glaring disparity between conurbations and less densely populated areas. The highest population densities are found in the districts along the Rhine. However, the conurbations seem to be reaching saturation point. The migratory balance gives no clear indication of increased moves to cities, partly because rents in urban areas are higher.

Which EC regions are similar to Rheinhessen-Palatinate?

Area:
± 6 800 km²
Cumbria (UK)

Population:
± 1.8 million inhabitants
Gelderland (NL)
Detmold (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	1987	1987	1987	1989
Frankenthal (Pfalz) KS	0.0	46	1 049	5.6	56	4.9	1	54	45	109
Kaiserslautern KS	0.1	98	699	– 1.6	55	6.4	1	33	67	141
Landau in der Pfalz KS	0.1	37	443	0.7	55	3.9	4	28	67	114
Ludwigshafen am Rhein KS	0.1	160	2 055	– 0.6	57	5.4	1	63	36	261
Mainz KS	0.1	177	1 811	– 4.9	57	3.9	1	29	70	211
Neustadt a. d. Weinstr. KS	0.1	51	438	1.6	54	4.0	6	25	69	100
Pirmasens KS	0.1	47	768	– 6.1	59	7.2	1	47	53	125
Speyer KS	0.0	46	1 073	4.6	57	5.3	1	39	60	130
Worms KS	0.1	75	693	2.5	54	5.7	3	43	54	110
Zweibrücken KS	0.1	34	474	– 4.5	53	4.7	2	38	60	116
Alzey-Worms	0.6	103	175	7.1	56	3.7	24	26	51	54
Bad Dürkheim	0.6	123	207	6.6	55	3.1	13	35	53	65
Donnersbergkreis	0.6	69	106	3.2	55	4.4	10	48	42	72
Germersheim	0.5	107	231	7.0	58	3.4	5	54	41	118
Kaiserslautern LK	0.6	98	153	2.3	55	5.0	5	37	59	50
Kusel	0.6	76	137	0.1	53	5.2	8	39	53	45
Ludwigshafen LK	0.3	134	438	8.0	57	2.8	9	35	57	43
Mainz-Bingen	0.6	169	279	7.6	57	2.8	13	38	49	64
Pirmasens LK	1.0	100	104	1.0	59	5.2	7	54	32	51
Südliche Weinstraße	0.6	100	156	4.7	57	3.9	18	34	49	63
Rheinhessen-Pfalz	6.8	1 847	270	2.5	56	4.3	5	41	54	108
Deutschland	248.7	62 679	252	2.1	57	5.2	4	41	55	112
EUR 12	2 253.7	327 931	146	3.2	54	8.3	7	33	60	100

DEUTSCHLAND

SAARLAND

After a varied history, Saarland became the 10th Bundesland (state) of the Federal Republic of Germany in 1957.

Saarland is bounded by the *Land* of Rheinland-Pfalz in the north and east, by France in the south and west and by Luxembourg in the north-west.

Saarland comprises one Stadtverband, five Landkreise (rural districts) and 52 municipalities. The capital is Saarbrücken. With 416 inhabitants per km² it is one of the most densely populated areas in Europe.

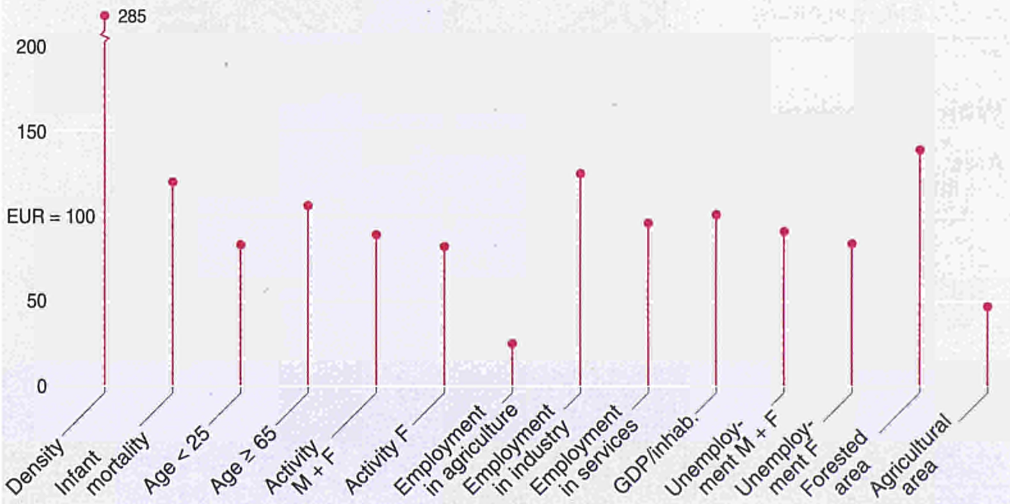
Saarland offers a varied landscape. In contrast to the rural character of the northern part and the Saar and Blies areas, the conurbations are in the industrialized southern part, where coal deposits have traditionally determined the location of industry.

Being one-third woodland and around 46% farmland, Saarland may be described as an industrialized land in a rural setting.

Arms of three European motorways run through the *Land*. In addition to connections with the European rail network, an airport and the river Saar as a major waterway provide very good transport links. Connections are also planned with the European high-speed rail network (TGV).

The bend in the river Saar near Mettlach, a landscape evocative of the region.

Saarland in the Community



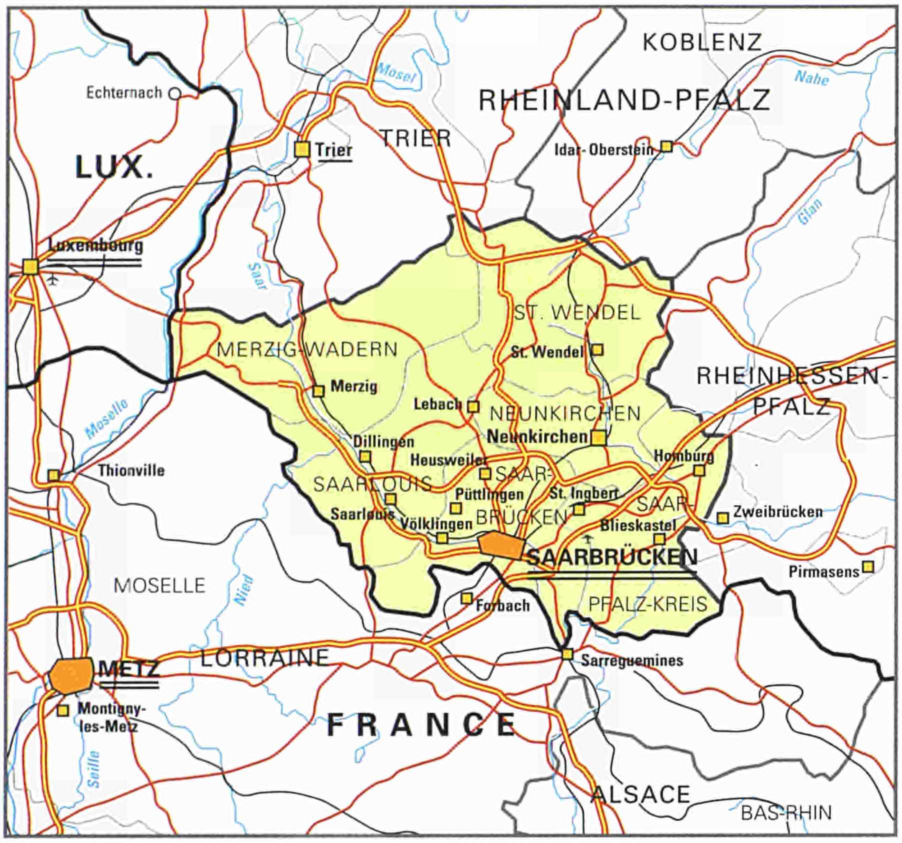
An industrial region in the throes of change

The process of European integration is further enhancing Saarland's central position as one of the most important economic centres in the EC. The close relationships with the neighbouring economic areas are based not only on a busy two-way flow of commuters, but also on intensive cooperation at political, economic and cultural levels. It has a highly developed traffic network and an admirable infrastructure, which, together with short lines of administration, foster cross-border cooperation with its neighbours.

The Saarland economy is undergoing radical change as a result of the continual decline in demand for local coal and steel products.

This process brought with it the loss of a large number of jobs and this, together with the social consequences for the workers, placed a heavy financial burden on the *Land*. There is a large pool of qualified workers; retraining programmes are preparing them for work in new, future-orientated sectors. However, despite considerable success in attracting new businesses, there are still not enough of the right jobs in many sectors, and this is forcing people, particularly the young, to leave Saarland or to become long-distance commuters in their search for work in other regions. This is the case for many graduates from the six colleges.

SAARLAND



Scale 1 : 1 000 000

Which EC regions are similar to Saarland?

Area:
± 2 500 km²
Luxembourg (grand-duché)
Drenthe (NL)
Limburg (B)

Population:
± 1 million inhabitants
Oberfranken (D)
Franche-Comté (F)
Murcia (E)
Utrecht; Overijssel (NL)

Population density:
400-500 inhabitants per km²
Vlaams Gewest;
Oost-Vlaanderen (B)
Campania (I)
Noord-Brabant (NL)
Derbyshire, Nottinghamshire;
Essex (UK)

Employment:
± 40% in industry
± 55% in services
Limburg (B)

Industrial and urban concentration along the Saar

The size of the *Land* hardly allows of inequalities between different parts. Nevertheless, there are considerable differences in the distribution of economic activities in particular. Whereas industry settled alongside the main transport routes in the *Land*, mainly along the Saar, thereby creating conurbations, the other regions retained their rural character and offer high-quality residential areas. The closures of collieries and steelworks led to an increase in unemployment in the surrounding areas. However, the relatively short travel times between old and new businesses prevented the rise of income inequalities between rural and industrial regions. Moreover, the north of the *Land* in particular is increasingly being discovered and promoted as an attractive tourist area.

	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	1989	1990	1987	1987	1987	1989
Saarbrücken SK	0.4	359	875	−1.9	52	8.2	1	37	63	139
Merzig-Wadern	0.6	101	181	0.1	51	6.0	2	47	51	69
Neunkirchen	0.2	148	596	−1.8	50	7.7	1	44	55	68
Saarlouis	0.5	211	460	1.5	52	7.8	1	49	50	97
Saarpfalz-Kreis	0.4	153	365	0.5	53	5.3	1	50	49	97
Sankt Wendel	0.5	93	195	2.4	51	6.0	2	41	57	58
Saarland	2.6	1 065	416	−0.3	52	7.2	1	43	57	101
Deutschland	248.7	62 679	252	2.1	57	5.2	4	41	55	112
EUR 12	2 253.7	327 931	146	3.2	54	8.3	7	33	60	100

Considerable immigration since 1989

There was a continuous rise in the population of Saarland from the end of the Second World War to the beginning of the 1970s. This was essentially the result of high levels of net migration in the initial post war years and also a considerable excess of births over deaths.

In 1971 an excess of deaths over births was recorded for the first time and this situation persists to varying degrees today. As early as the mid-1960s there was net migration, which persisted until 1988. 1989 and 1990 saw the return of net migration, particularly as a result of the wave of migrants from the GDR and ethnic German immigrants from Eastern Europe.

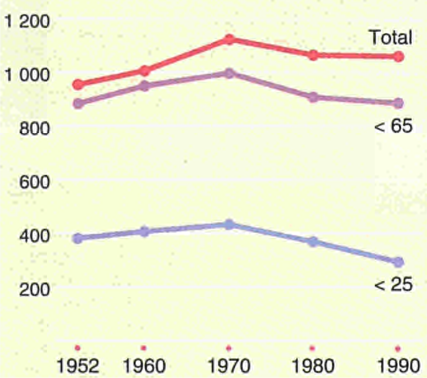
The Saarland population has also been subject to a sharp increase in the older age groups. Whereas in 1950 approximately one in four Saarlanders was younger than 18, by 1989 this had fallen to just one in 10. The proportion of those over 60, however, increased sharply over the same period and now stands at 22% compared with 12% in 1950.

The proportion of foreigners, which in 1951 was not even 1% of the population and more than half of whom were French, had increased more than sixfold by 1989. Today by far the largest group of foreigners is the Italians, many of whom are now second or third generation.

Population by age — 1990

	M + F 1 000	M + F %	M %	F %
< 15	153.5	14.4	15.4	13.5
15-24	141.8	13.3	14.2	12.5
25-39	257.6	24.2	25.9	22.6
40-54	216.4	20.3	21.4	19.3
55-64	130.6	12.3	12.2	12.3
≥ 65	165.0	15.5	10.9	19.8
Total	1 064.9	100.0	100.0	100.0

Population (1 000)



Resident population of foreign nationality — 1990

	1 000	% of total population
Total	50.8	4.8
of which EC countries	26.0	2.4
of which non-EC countries	24.8	2.3
Italy	16.8	1.6
Turkey	9.6	0.9
France	6.2	0.6
Poland	1.9	0.2
Yugoslavia	1.8	0.2
Sri Lanka	1.1	0.1

Demographic account — 1980-90 (1 000)

Population 1.1.1980	1 068.6
Births	103.1
Deaths	127.3
Net migration	+ 6.2
Population 1.1.1990	1 064.9

High qualifications with rising levels of employment

The last 20 years have also seen a marked change in the employment structure of the population. The decrease in the population over the same period has been matched by an increase in the total workforce. This trend has applied to both men and women, with the male employment rate hardly differing from the national average. The employment rate for women, on the other hand, is well below the national average despite above-average growth, and by 1987 it had merely reached the level which had been the national average in 1970.

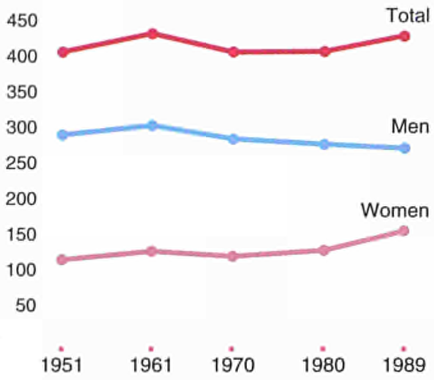
There have been significant shifts in the age at which people begin working life. The main reason for this is that young people in particular are remaining longer in full-time education.

24 000 trainees have a contract of apprenticeship as part of the 'dual' vocational training system, i.e. training at the workplace and theoretical training at college. More than 24 000 students are studying for degrees at the colleges in Saarland.

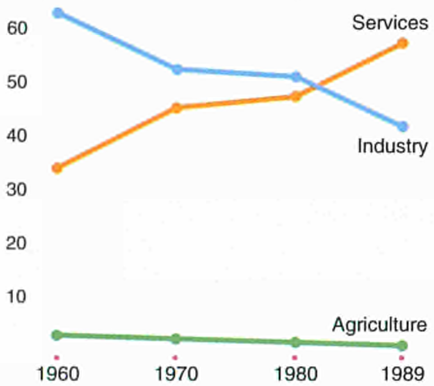
Number of pupils — 1990

	M + F 1 000	F %
Pre-school	31.8	51.4
Primary	41.0	48.7
Lower secondary	51.2	49.6
Higher secondary (technical)	35.0	45.8
Higher secondary (general)	7.4	47.9
Higher education	28.5	41.6
Total	198.3	47.5

Employment (1 000)



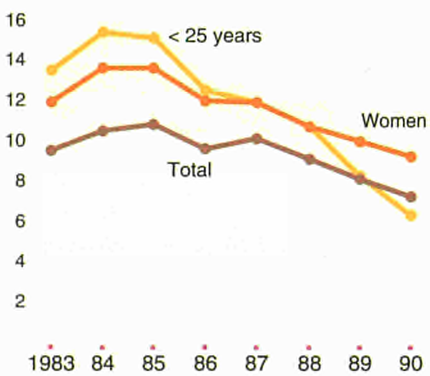
Employment structure (%)



Employment — 1987 (1 000)

Resident employment	409.0
+ Non-residents having a job in the region	15.3
− Residents having a job outside the region	10.5
= Internal employment	413.8

Unemployment (%)



More jobs for women

Between the 1970 and 1987 censuses the working population in Saarland rose by over 6 000. The restructuring of the Saarland economy away from heavy industry and the expansion of the services sector increasingly led to the creation of suitable jobs for women. The ratio of female to male workers changed from 1:2.4 to 1:1.9. Three-quarters of all working women are in manufacturing, commerce and services. The growth of the services sector led to a sharp rise in the number of non-manual workers while there was a fall in the number of manual workers particularly in the mining and steel industries.

Although manufacturing is the strongest area of the economy, the number of employees here as a proportion of the total workforce fell from 38% to 30% from 1970 to 1987, whereas it rose from 14% to over 21% in the services sector covering businesses and the professions. It is worth noting the employment trend in agriculture. In the last 20 years the workforce has been cut by more than half, to just under 4 000, marking the decline of this sector as an important employer.

According to the results of the job census and of agricultural statistics, there were approximately 47 000 businesses and places of work in 1987.

Characteristics of resident employment (%)

	< 25 years	25-54 years	≥ 55 years	Employees	Employees: part-time		Employees: full-time, temporary contract	
	1989	1989	1989	1989	1984	1989	1984	1989
Men	12	78	10	91	1	4	9	9
Women	25	70	5	92	24	24	10	11
Total	17	75	8	91	8	11	9	9

Unemployment down since 1986, but still relatively high

Whereas unemployment in Saarland was insignificant in the 1950s and 1960s, it became a considerable problem in the mid-1970s and especially in the 1980s; today, however, the situation has eased noticeably.

Between 1950 and 1970 the average number of unemployed was less than 5 000, but as a result of the crisis in the coal and steel industries this figure increased sharply up to 1980, and peaked in 1985. By 1990, however, favourable economic conditions had brought about a steady improvement in the labour market.

Unemployment affected the male workforce differently from the female workforce. In the last decade the unemployment rate among female workers was consistently above that of men, but in 1981 it was nearly twice as high.

Female unemployment peaked in 1986. There has been a very satisfactory fall in youth unemployment (persons under 20). However, there has been no significant change in the number of unemployed in the older age groups.

From manufacturing to services and research

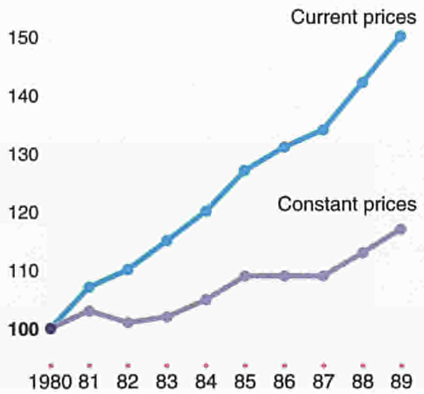
Today more than half the workers in Saarland are employed in the services sector, which accounted for nearly 60% of the region's GDP. The manufacturing industry, which accounted for 66% of jobs in 1950, is now in second place at 42%. Small and medium-sized firms play a significant role in the economy.

26% of workers are employed in small businesses with less than 10 employees, medium-sized businesses with between 10 and 499 employees account for 47% and large businesses with 500 or more employees, 27%. The corresponding national figures for small and medium-sized businesses are 7 percentage points lower.

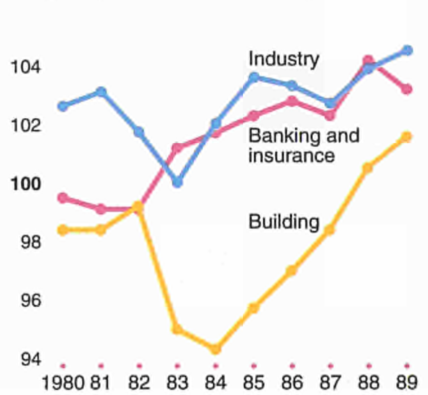
In 1990 the Saarland economy as a whole exported goods and services to the value of ECU 5 200 million. About 70% of this was exported to other EC countries — with France the most important trading partner, taking 30% of exports. The largest export industry is motor cars.

Over and above aid programmes for the economic restructuring of the region, the promotion of new technologies is specifically designed to support the competitiveness of the Saarland economy. Cooperation between the chambers of commerce, the colleges and the state government have resulted in the creation of technology transfer centres. The creation of a Faculty of Technology at the University of Saarland, the setting-up of the German Centre for Research into Artificial Intelligence, the Max Planck Institute for Information Technology and the Institute for New Materials have created important channels for future research.

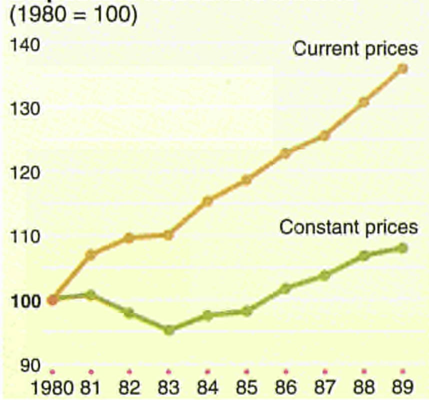
GDP (1980 = 100)



Wages (national level = 100)



Disposable household income (1980 = 100)



Good salaries in car manufacturing

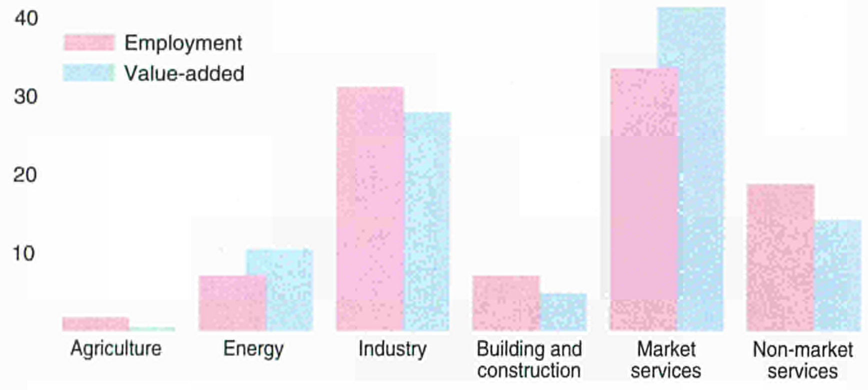
In 1988, the annual average wage costs in manufacturing were ECU 29 718 per employee, of which 54% was salaries and 46% social contributions. Working on average 39.5 hours per week, the average industrial worker in Saarland earned ECU 327 per week in 1990. 20 years ago the average weekly wage was only ECU 125, although the working week was 5 hours longer. Correcting for inflation over this time period, the industrial worker in Saarland earned 60% more in real terms in 1990 than he did 20 years ago.

Nevertheless, the trend in earnings has been quite different among the various sectors in the economy. For example, increases in wages in the food, drink and tobacco industries and the raw material and producer goods industries, have been below average. Steelworkers in particular have had to accept lower wage increases than workers in most other sectors.

On the other hand, wages increased at an above-average rate in mining, in the electricity, gas, district heating and water supply industries and in the capital goods industry. The fact that car manufacturing has become the most important branch of the capital goods sector has had a positive effect on earnings.

In 1988 the average annual household income in Saarland was ECU 15 498. 10.8% of households had an income of over ECU 23 000; 11.8%, under ECU 9 300.

Employment and value-added: distribution by branch – 1987 (%)



Preponderance of industry, services expanding

The services sector is becoming more and more important in Saarland too, with the main increases being in the professions and services. However, despite the growing significance of modern industrial branches, 27% of the 140 000 industrial workers are employed in the coal and steel industries even today. In 1990 mining was deposed from its traditional position of largest employer by car manufacturing, thanks mainly to the Ford works in Saarlouis. Other important industrial branches are engineering, electronics, rubber processing and ceramics. For example, the biggest manufacturer of tiles in the world, Villeroy & Boch, has its headquarters in Saarland. The excellent quality of Saarland beer enjoys a world-wide reputation. Saarland has always exported energy to other *Länder*. In the 1950s and 1960s it was coal, in the 1970s and 1980s electricity generated by coal-fired power stations that was exported to other *Länder* and to France.

Agriculture is increasingly being concentrated on fewer farms of greater size. At present about a third of the basic food requirement is produced by around 4 000 farms. As an area which has traditionally had a lot of small plots of land, Saarland has a very high proportion (nearly 70%) of farms run as a secondary business activity. This is why the image of the 'miner-cum-farmer' with his goat, known colloquially as the 'miner's cow', was long typical of the region.

Nowadays the focus in the animal sector is on quality dairy and beef products and in the crop sector, on fruit and cereals.

Agriculture

Number of holdings	3 537
Labour force	4 029 AWU
Agricultural area	68 000 ha
Livestock	63 000 LU
Gross value-added	15 082 ECU/AWU
Main products	
Milk	27%
Cattle	18%
Flowers	9%

Main enterprises

Name	Activity
Saarbergwerke AG	Mining of coal
Saarstahl Völklingen GmbH	Steel industry
Villeroy & Boch Keramische Werke KG	Ceramic products
Ford-Werke AG Saarlouis	Manufacture of motor vehicles
AG der Dillinger Hüttenwerke	Steel industry
Robert Bosch GmbH	Motor vehicle parts
Halberger Hütte GmbH	Smelting

Commitment to environmental protection

The industrial structure has tended to stereotype Saarland as a 'coal and steel' region. The present-day reality is that only a few of the traditional industrial centres are still dominated by chimneys, winding towers and blast furnaces — which in some cases are being preserved as monuments to an industrial past. Nowadays even the industrial conurbations have a more pleasant landscape thanks to the restructuring programme begun in the 1970s to promote manufacturing industries — for example, motor cars and engineering — and the services sector. The rationalization of the steel industry is producing fallow land on the sites of the great steelworks and this is undergoing ecological revitalization to prepare it for future redevelopment. Regular monitoring of emissions shows that there has been a considerable improvement in air quality since the restructuring of the coal and steel industries. Coal is still the most important primary source of energy in the *Land*. However, modern technologies allow it to be used today in an environment-friendly way.

Saarland has large reserves of high-quality ground- and drinking-water. Four-tenths of the land area has been designated as water protection zones. Nevertheless, some of the rivers, especially along the Neunkirchen-Saarbrücken-Dillingen lines, are still heavily polluted, although there have been 11 new purification plants in the last few years alone.

Damage to the forests in Saarland has not been as serious as in other industrial regions, probably because the tree population is relatively young. 5% of conifers and 15% of deciduous trees fall into the categories of ill, very ill or dead. Saarland currently has 62 nature reserves, covering 0.67% of the surface area.

SACHSEN

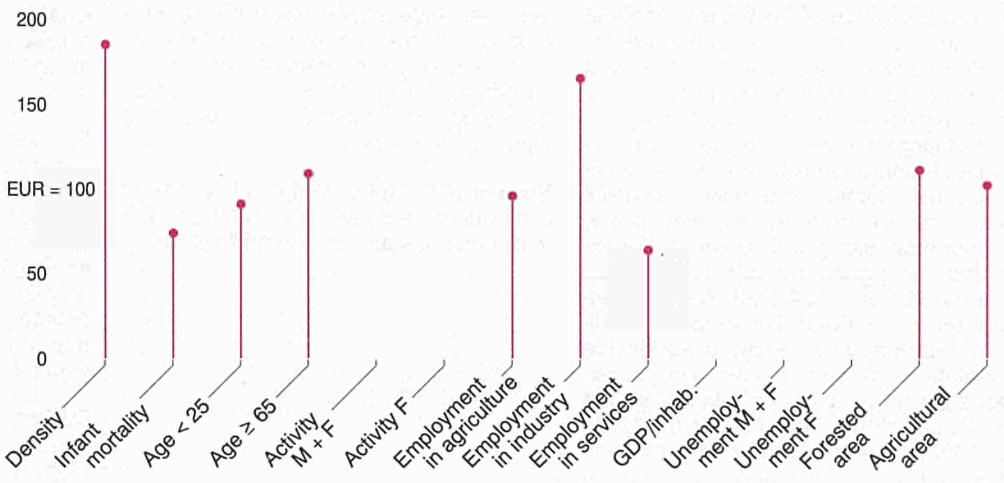
Situated in the eastern part of the Federal Republic of Germany, Saxony borders with Poland in the east and the Czech and Slovak Federal Republic (CSFR) in the south, and is therefore an important base for trade with Eastern Europe. Its neighbouring Federal *Länder* are Bavaria, Thuringia, Saxony-Anhalt and Brandenburg, and its borders extend for a total of 1 230 km.

Saxony comprises 54 Stadtkreise and Landkreise (urban and rural districts) and 1 623 towns and municipalities. Dresden, the capital, has 497 600 inhabitants.

The main elevations are the Erzgebirge with the Fichtelberg (1 214 m), the Elbsandsteingebirge, the Zittauer Gebirge and the Lausitzer Bergland. The 105 nature reserves and 159 wildlife sanctuaries make up 23.7% of the total surface area. The largest river is the Elbe, which plays a major role in goods transport between the CSFR and the North Sea. A number of European highways pass through Saxony and link Germany to the countries of Eastern and south-eastern Europe.

Renowned for its buildings and art treasures, Dresden, the capital of Saxony, is also a centre for scientific and economic activity.

Sachsen in the Community



Attractive to both tourists and investors

In the sixteenth and seventeenth centuries Saxony was the richest of the German territories. Its present reputation is based on culture and the arts, notably Saxon baroque and Dresden china.

Saxony's most recent history has been one of major set-backs inflicted by the devastation of the Second World War and the collapse of the socialist economic system.

From 1945 to 1989, virtually all enterprises in the mining sector, manufacturing industry and the building trade were State-owned, while agriculture and the craft industry were dominated by cooperatives. Inconsistency is the hallmark of the current situation as the transition to a market economy brings not only privatization and investment but also recession, closures and unemployment. The highly qualified potential labour force, comprehensive transport network and the region's integration into the powerful West German economy represent all the right conditions for a reversal of this situation.

Scale 1 : 2 000 000

Which EC regions are similar to Saxony?

Area:
± 18 000 km²
Veneto (I)
Basse-Normandie (F)

Population:
± 5 million inhabitants
Lazio; Sicilia (I)
Scotland,
Yorkshire and Humberside (UK)
Danmark

Population density:
± 270 inhabitants per km²
Hessen (D)
Liège (B)
Northumberland;
Tyne and Wear (UK)

Geographical differences but few social disparities

The current structures in Saxony are the result of historical and natural conditions. Around Chemnitz, Dresden, Leipzig and Zwickau and in Lausitz and Vogtland, the early industrial areas have continued to expand, and half the population lives in towns of over 20 000 inhabitants. The decisive factors which swayed young workers in particular to make the move from the country to the town were better living conditions and services, shorter journeys to the place of work and the possibility of earning more.

There are, however, no major social disparities associated with these geographical differences. The previous gulf between the standard of living enjoyed by town-dwellers and life in the country has been reduced. Home comforts in the country have improved, due primarily to the modernization measures carried out in the 1980s, such as the connection of a large number of municipalities to the mains drinking water and sewage networks. High incomes in agriculture, good transport links with the administrative centres of the Kreise and an increase in the number of motor vehicles have all contributed to a much better quality of life.

	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	1989	1990	1989	1989	1989	1989
Sachsen	18.3	4 901	267	−5.3	:	:	7	55	38	:
Deutschland (territory before 3.10.1990)	248.7	62 679	252	2.1	57	5.2	4	41	55	112
Deutschland	356.9	79 113	222	1.3	:	:	5	43	52	:
EUR 12 (territory before 3.10.1990)	2 253.7	327 931	146	3.2	54	8.3	7	33	60	100
EUR 12	2 362.0	344 365	146	:	:	:	:	:	:	:

Steady decline in population

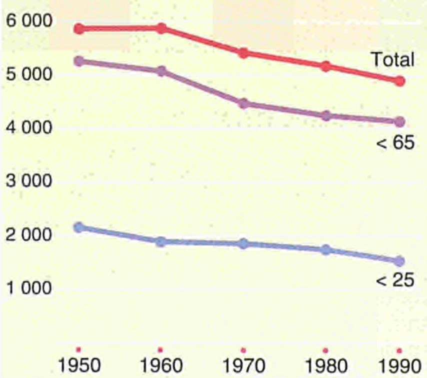
Over the last 40 years the population has fallen from 5.9 to 4.9 million. Around 80% of this decrease was due to a net migration loss, mainly caused by people moving to the western part of Germany. Even after unification, the differences in the labour market caused this trend to continue. Only 1.5% of the population are foreigners, mainly from developing countries. 31% of Saxony's population are Protestants and 5% belong to the Catholic Church; a large part of the population professes no religious faith.

The age structure of the population is irregular, bearing witness to the effects of two world wars, the emigration of young people in particular and the falling birth rate. Whereas 36.5% of the population in 1950 were under 25 years old, this figure had fallen to 31.4% in 1989. Meanwhile, despite the declining population, the number of citizens aged 65 and over rose by a remarkable 21.6%. For some years now, the number of births has not been high enough to maintain the current population, and at present only 1 531 children are born to every 1 000 women during the course of their lives.

Population by age — 1990

	M + F 1 000	M + F %	M %	F %
< 15	902.0	18.4	20.0	17.0
15-24	636.0	13.0	14.1	12.0
25-39	1 099.0	22.4	24.3	20.7
40-54	960.0	19.6	20.5	18.7
55-64	549.0	11.2	10.8	11.6
≥ 65	755.0	15.4	10.3	20.0
Total	4 901.0	100.0	100.0	100.0

Population (1 000)



Resident population of foreign nationality

No data available

Demographic account — 1980-90 (1 000)

Population 1.1.1980	5 191
Births	716
Deaths	744
Net migration	– 262
Population 1.1.1990	4 901

Diminishing reserves of manpower

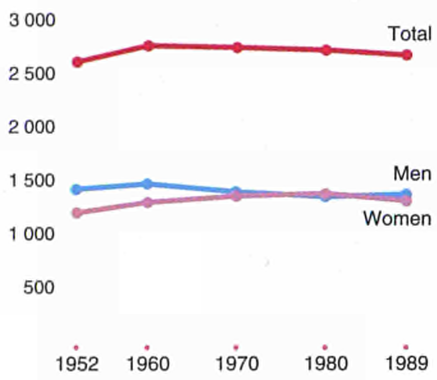
The demographic trends of the last few years have led to a reduction in the potential labour force. The contraceptive pill and the outward flow of young people to the old *Länder* have reduced the number of people of working age. In 1989, 15 to 65 year olds made up 66% of the total population. Special regulations introduced for the new *Länder* allowing unemployed persons to take early retirement are further diminishing the labour force. Nevertheless, there is still no way of avoiding an increase in unemployment as the economy is restructured, and since 1990 there have also been difficulties in providing training places.

The shortage of jobs has also led to an increase in commuters, with large numbers even making the trip over to the old *Länder.*

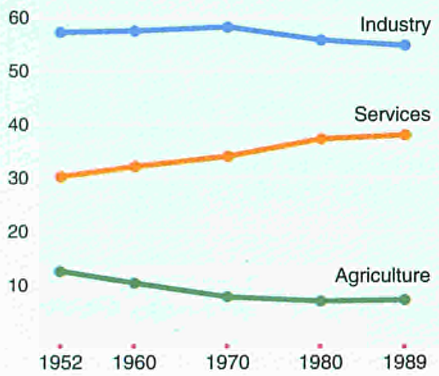
Number of pupils — 1990

	M + F 1 000	F %
Pre-school	:	:
Primary	242.7	49.1
Lower secondary	315.5	49.8
Higher secondary (technical)	90.8	39.0
Higher secondary (general)	12.6	59.6
Higher education	53.8	40.3
Total	715.5	47.7

Employment (1 000)



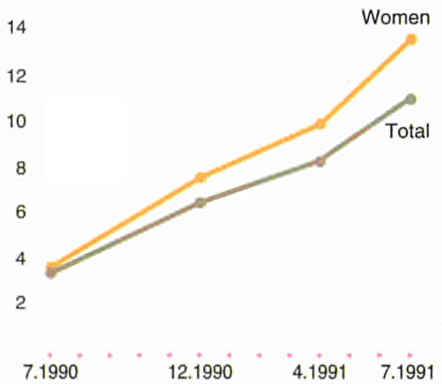
Employment structure (%)



Employment

No data available

Unemployment (%)



Upheavals in the structure of employment

Although the total number of 2.6 million persons in employment has remained much the same over the last 40 years, there have been major changes in the employment structure. The percentage of self-employed and unpaid family workers slumped from 17% (1952) to a mere 3% (1989). The main reasons for this were the nationalization of farms and the creation of agricultural cooperatives.

The drift of manpower away from agriculture has been considerable, with a 40% reduction in the labour force between 1952 and 1989. In 1989, 55 out of every 100 persons in employment worked in industry, seven worked in agriculture (in 1952 this had been 13) and 38 were employed in the services sector.

The level of training is high. Out of every 100 persons in employment in 1989, only 13 had no vocational qualifications, 62 were skilled workers, four had master's diplomas and 21 had followed a course of study at university or college.

The changes initiated in 1990 will transform the employment structure once again. The services sector is expanding rapidly, while there is a sharp fall in the numbers working in agriculture and manufacturing industry. The number of self-employed workers is rising again.

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	16	67	17	97	:	2	:	:
Women	16	69	15	98	:	29	:	:
Total	16	68	16	97	:	15	:	:

Current high level of unemployment

The transition to a market economy brought to light many of the flaws of the previous central economy, as high production costs due to dated technology, excessive staffing levels and the poor quality of many products led to falling sales.

After decades of apparent full employment came unemployment and short-time work. By the end of March 1991, the jobless total had risen to 211 000 — an unemployment rate of 8.0% — and the number of short-time workers to 624 000. Further rises are expected. Women are harder hit by unemployment than men (9.4 as against 6.6%), job losses having been greater in sectors with high female employment.

At 5.7%, unemployment among the under-20-year-olds is relatively low, partly due to the fact that this age group is highly mobile and is taking advantage of the good employment opportunities available in the old *Länder*.

Changing economic structure

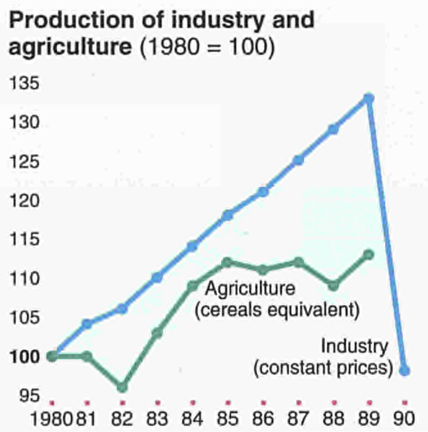
Saxony is potentially the most economically productive of the new *Länder*, providing one-third of the total turnover of these *Länder* in the mining and manufacturing industries. Many international enterprises have their headquarters here and the transition to a market economy has seen the emergence of a large number of new medium-sized enterprises.

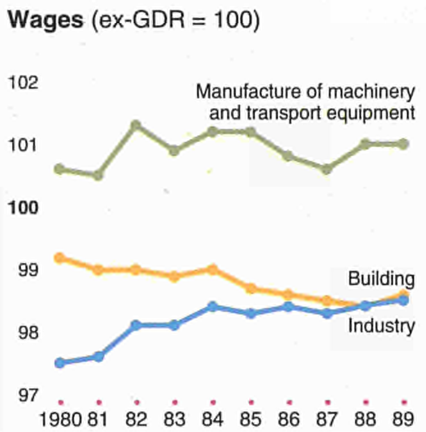
Traditionally, the dominant sectors within manufacturing industry are mechanical engineering, electrical engineering and the textile, clothing and food-processing industries.

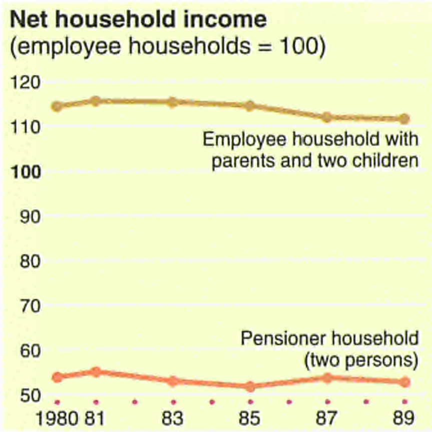
Industry is in the throes of a process of change, which involves more than just adapting to the free market. The former GDR's attempts to achieve self-sufficiency left a peculiar legacy, such as the way the power supply and chemical industries were geared towards the processing of lignite. The export market followed rules all of its own: goods were dumped on the markets of industrialized countries while trade with the east was carried out through government agreements and exchanges to bypass foreign currency transactions, resulting in distorted production structures which were out of tune with market trends. One consequence of this policy is the current slump in the mining sector, as the extraction of uranium and tin has been halted and lignite mining cut back drastically.

One-third of the total turnover of the building industry in the five new *Länder* is produced in Saxony. The house-building sector has been dominated by the construction of large industrial apartment blocks, and major efforts will need to be made in the communications sector. This need, together with the planned investment in industry, has given rise to hopes of a rapid upturn in the building trade.

Much of the research activity carried out in the former GDR was centred in Saxony, and the Technical University of Dresden has 14 000 students.







Moderate differences in earnings

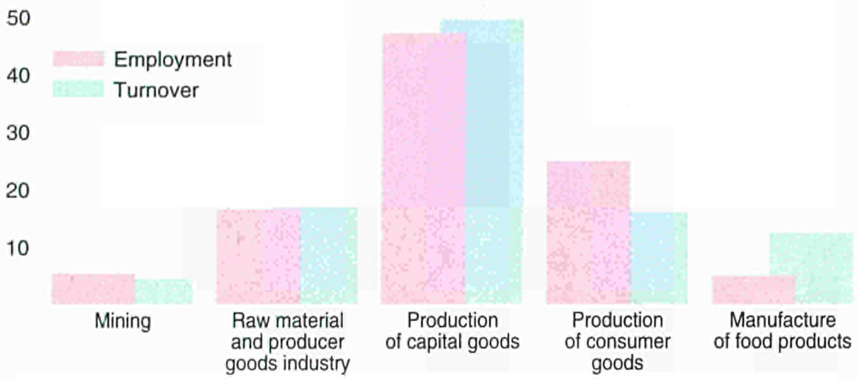
In 1989, the average earnings of a worker in industry were ECU 7 630, with the highest annual income of ECU 8 510 being recorded in the power supply and fuel industry. The mechanical engineering and motor vehicle industry is typical of the Saxon economy and earnings here averaged ECU 7 960, while a much lower average of ECU 7 100 was recorded in light industry, textiles and food processing. Incomes are around 10% higher in male-dominated sectors than in those traditionally associated with women. Annual earnings in the distributive trades were ECU 6 570, while the influence of overtime pushed the corresponding figure for the transport sector up to ECU 7 860.

Pattern of expenditure influenced by statutory price levels

In 1989, 37% of households had a net income of under ECU 9 400, while 13% had incomes of ECU 18 000 and over. Of those in the over ECU 18 000 bracket, 20% were agricultural households (members of cooperatives) but only 12% were the households of manual workers and salaried employees. The figures for the agricultural sector were influenced by the additional sale of a large number of fattening animals which had been kept on a private basis.

Up until 1989, the pattern of expenditure was determined by substantial price subsidies for services and foodstuffs on the one hand, and by highly inflated prices for a large number of manufactured goods and luxury items on the other. These high subsidies meant that in 1989 only 5% of household expenditure went on rent and heating. 32% of expenditure went on the purchase of food, drink and tobacco (43% in pensioners' households). A further 35% was set aside for the purchase of manufactured goods, while the 4% spent on transport, education, entertainment and leisure was way below the level for the old *Länder*.

Employment (1991) and turnover (1990): distribution by branch (%)



Economic restructuring

Industry is well established in Saxony, covering virtually every branch of economic activity, and it is a determining factor in the economy of the region. The machine tools and processing equipment sectors were particularly geared to export markets, with products such as WMW industrial machinery, Fortschritt agricultural machinery, Nagema packaging equipment, Polygraph printing equipment and Takraf cranes. Other items which illustrate the diversity of the product range include road vehicles and railway wagons, electric motors and computers, synthetic fibres, paints and varnishes, and traditional branded goods such as Dresden china and Plauen lace.

1.1 million ha of Saxony were utilized for agriculture in 1989. Three-quarters of this was arable land, with the main crops being cereals, potatoes and sugar beet. Following integration into the EC agricultural market in 1990, structural changes are being made to comply with the new conditions, leading to reductions in the number of persons employed, the areas utilized and the livestock population.

Under the planned economy, the whole of the services sector was underdeveloped. A large number of new jobs have already been created in the distributive trades, the hotel and catering trade, and the banking and insurance sector.

Agriculture

Agricultural area	1 052 000 ha
Arable land	72%
Main crops	
Cereals	34%
Potatoes	5%
Sugar beet	3%
Livestock	
Cattle	1 109 000 head
Pigs	1 494 000 head
Sheep	274 000 head

Main enterprises

No data available

Environmental neglect

The increase over the last few years in general awareness of environmental issues contrasts starkly with the level of environmental protection actually achieved. Saxony's above-average level of industrialization, its uranium extraction industry and the scars left on the landscape by open-cast lignite mining have posed it even greater problems than those encountered in the other new *Länder*. The reductions in air and water pollution achieved in 1990 were mainly due to the recession and the closure of uneconomic enterprises.

20% of the population do not regularly receive drinking water of an acceptable quality, primarily due to excessive nitrate levels. Urban and industrial waste water and intensive agricultural practices have rendered 60% of the flowing water partly or totally unfit for use.

In 1989, emissions of SO_2 exceeded two million tonnes, exposing 69% of the population to excessive doses. The average level of dust pollution was 100 kg per head of population. Major metalworking and chemical complexes recorded high readings for heavy metals, fluorine and sulphur compounds, and phenols. In addition to the levels produced by Saxony's own industry, further air pollution was caused by lignite-processing plants and power stations in neighbouring regions.

At the end of 1989 there was a major increase in the values for traffic-related emissions, particularly carbon monoxide, hydrocarbons and lead. 65% of the 439 600 ha of woods have also suffered damage, mainly caused by emissions from industry.

DEUTSCHLAND

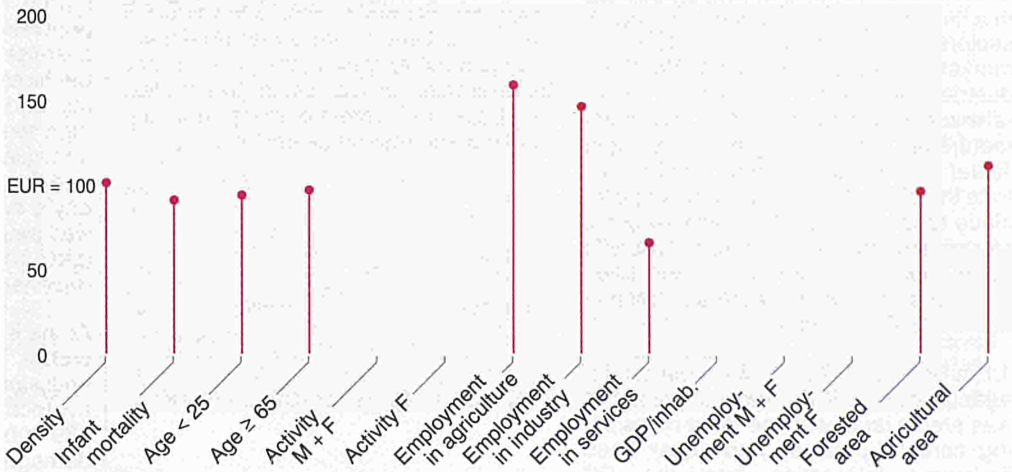
SACHSEN-ANHALT

Saxony-Anhalt borders Mecklenburg-Western Pomerania, Brandenburg, Saxony, Thuringia and Lower Saxony. Its varied landscape extends from the Altmark, a hilly area in the north, through the Magdeburger Börde and the Harz, a low mountain range criss-crossed by valleys, to the Thüringer Vorland. The main rivers are the Elbe, Saale, Unstrut and Bode; the highest mountain is the Brocken, 1 142 m.

24% of the population of the *Land* lives in the three major cities: Halle, Magdeburg and Dessau. The capital, Magdeburg, population 284 000, lies centrally. The largest city, Halle, and its heavily industrialized outskirts form part of a conurbation which extends into the Halle-Leipzig industrial belt of Saxony.

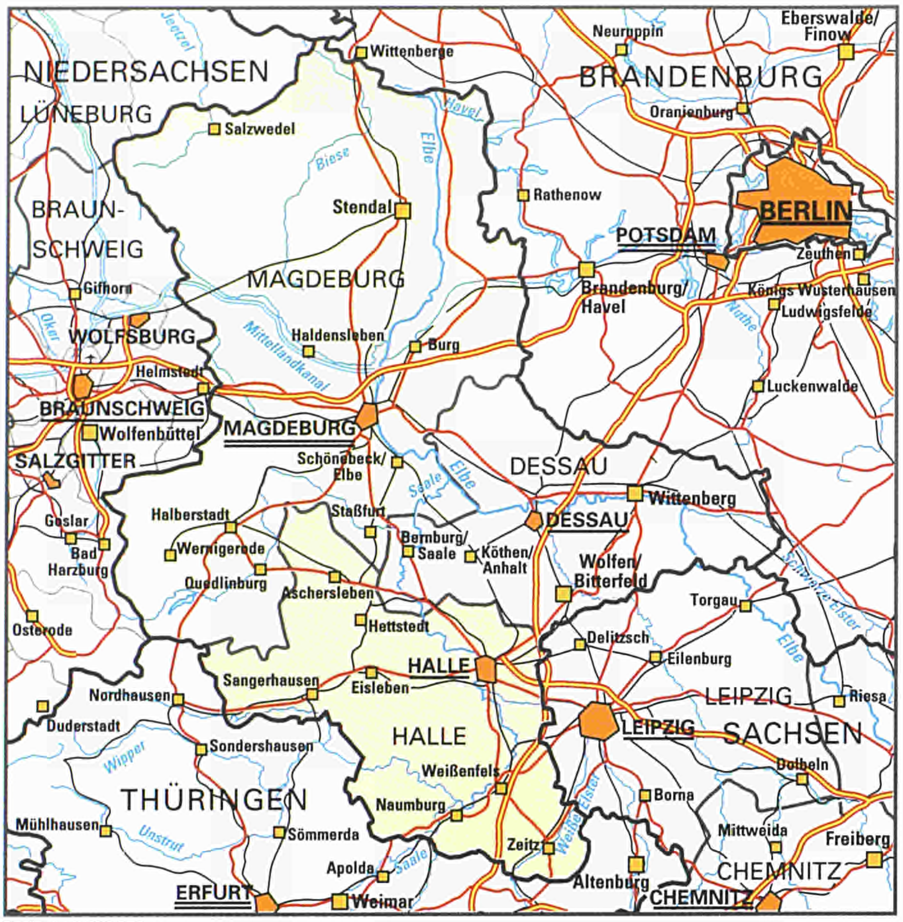
The Gothic dome of St Mauritius and St Katarina at Magdeburg: the economy of the Land *benefits from its privileged situation along the river Elbe.*

Sachsen-Anhalt in the Community



Favourable conditions need exploiting

Saxony-Anhalt lies more or less in the middle of the Federal Republic. After long years of neglected maintenance, modernization and replacement, its transport networks and installations, power industry, supply and disposal facilities and telecommunications are largely obsolete, prone to malfunction and hence inefficient. The rail, road and inland waterway networks link all regional centres with the cities of Halle, Dessau and Magdeburg, but the east-west connections are underdeveloped. Under the former economic system, highly concentrated industrial production, below-average farm production, dangerous levels of environmental pollution and an excessive concentration of the workforce in administrative posts became typical features of Saxony-Anhalt. Despite these problems, however, it has a number of strengths: its geographical position, potentially efficient industrial and agricultural sectors, considerable natural resources and areas suitable for recreation.



Scale 1 : 2 000 000

Which EC regions are similar to Saxony-Anhalt?

Area:
± 20 000 km²
Wales (UK)
Picardie (F)
Rheinland-Pfalz; Hessen (D)

Population:
± 3 million inhabitants
North; Wales (UK)

Population density:
± 145 inhabitants per km²
Niedersachsen (D)
Marche; Calabria (I)
Luxembourg (grand-duché)

North-south disparities

The wide structural discrepancies in Saxony-Anhalt are a result of its geographical and geological features. Typical of the north are sparsely populated farming communities with fewer than 50 inhabitants per square kilometre. Further to the south, in the foothills of the Harz, metals, coal and salt have been mined for centuries. The Elbe and Saale have always been major transport routes essential to trade. As long ago as the Middle Ages, the abundant salt deposits in particular made the city of Halle an important trading and Hanseatic city. Both the population and the industry of the *Land* are concentrated in the south: the largest populations, after the cities of Halle, Magdeburg and Dessau, are in the southern rural districts of Weissenfels, Bitterfeld, Merseburg, Eisleben and Zeitz, with over 200 inhabitants per square kilometre.

Mining and industry provided the local people with employment and the opportunity to earn good wages. Both industries are undergoing an extensive restructuring process. The highest rates of unemployment came in the wake of closures of open-cast and underground mines and industrial firms in the Harz and its foothills, the Wittenberg/Bitterfeld/Halle area and Magdeburg.

	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	1989	1989	1989	1989
Sachsen-Anhalt	20.4	2 965	145	−4.0	:	:	12	49	39	:
Deutschland (territory before 3.10.1990)	248.7	62 679	252	2.1	57	5.2	4	41	55	112
Deutschland	356.9	79 113	222	1.3	:	:	5	43	52	:
EUR 12 (territory before 3.10.1990)	2 253.7	327 931	146	3.2	54	8.3	7	33	60	100
EUR 12	2 362.0	344 365	146	:	:	:	:	:	:	:

Population dwindles by over a million in 40 years

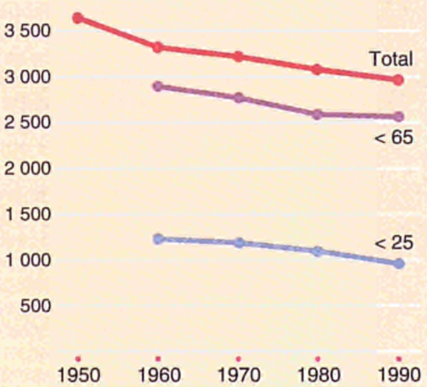
In 1950 the population of Saxony-Anhalt was 4.1 million. Since then it has fallen steadily as a result of emigration. Since 1972 the decline has been further exacerbated by the natural population trend and the associated excess of deaths over births. In the 1980s the population loss was concentrated in the heavily industrialized south of the *Land*, while the population of the northern areas, the Harz and the cities increased. The birth rate was relatively high in the 1960s but fell sharply in 1972; social incentives brought a further increase from 1978.

The proportion of young people is noticeably higher than elsewhere in rural areas, because of higher birth rates, and in the cities as sources of new accommodation. Ageing of the population is also conspicuous in places where much of the population has left because of structural and environmental problems. The gap left in Saxony-Anhalt's population structure by the exodus of 40 000 people in 1989 is extremely serious. The consequences for the future population will last well into the next generation, since most emigrants were young people.

Population by age — 1990

	M + F 1 000	M + F %	M %	F %
< 15	557	18.8	20.1	17.6
15-24	404	13.6	14.7	12.6
25-39	688	23.2	24.9	21.6
40-54	580	19.6	20.5	18.7
55-64	330	11.1	10.5	11.7
≥ 65	406	13.7	9.3	17.8
Total	2 965	100.0	100.0	100.0

Population (1 000)



Resident population of foreign nationality

No data available

Demographic account — 1980-90 (1 000)

Population 1.1.1980	3 089
Births	402
Deaths	415
Net migration	– 110
Population 1.1.1990	2 965

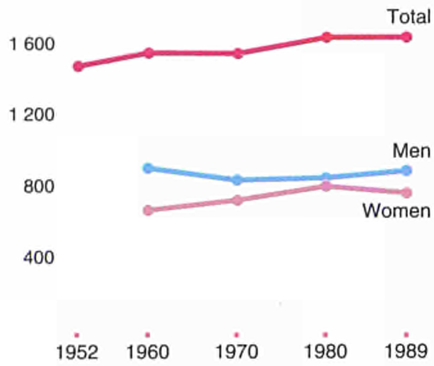
A high proportion of shift workers

At the end of 1989, 65% of the population of Saxony-Anhalt was of working age. Up to that year the *Land* had had a high employment quota which showed itself in a huge workforce in the industrial conurbations. Some 90% of industrial workers were concentrated in the central and southern areas of the *Land*, while 90% of workers in agriculture and forestry lived in the north and west. A high percentage of female workers was characteristic of Saxony-Anhalt's employment structure. Typical patterns were a 40 and 42-hour working week for engineering workers and a 12-hour production shift in the chemical industry in the Merseburg area. Another characteristic was the heavy commuter traffic by road and rail to engineering works in the city of Magdeburg and to the large chemical works in the Bitterfeld, Merseburg, Wittenberg and Zeitz areas and in the Mansfelder land.

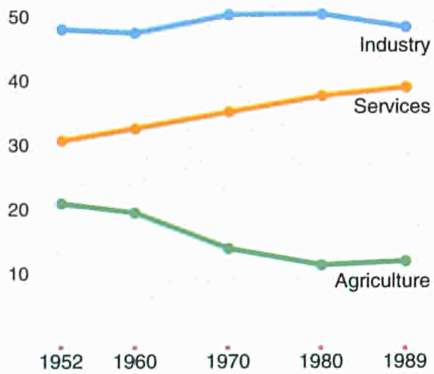
Number of pupils — 1990

	M + F 1 000	F %
Pre-school	:	:
Primary	148.7	48.9
Lower secondary	186.0	50.2
Higher secondary (technical)	58.3	37.5
Higher secondary	7.9	59.0
Higher education	20.9	50.0
Total	421.8	48.2

Employment (1 000)



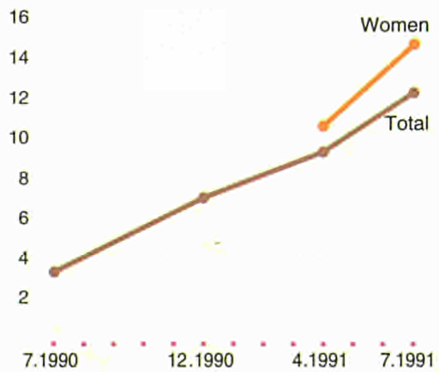
Employment structure (%)



Employment

No data available

Unemployment (%)



No small or medium-sized businesses

In 1955 Saxony-Anhalt had a workforce of some 1 446 000, of whom 1 125 000 were employed as manual or non-manual workers and 255 000 self-employed or family workers. In 1960, numbers of self-employed persons plummeted to 68 000 when the already small number of such businesses was suppressed by government policy. Numbers continued to fall each year until 1987, since the material and financial basis was lacking and only large-scale concerns were subsidized. The restructuring in the former GDR brought noticeable changes from the beginning of 1990: some 48 000 trade applications were submitted in that year alone, so establishing a basis for private enterprise. By the end of 1989, 39% of the workforce of 1 574 000 was in industry, 12% in agriculture, 10% in the distributive trades and 7% each in construction and transport. The economic structure is most heavily industrialized in the districts of Merseburg, Bitterfeld, Hohenmölsen, Schönebeck and Zeitz. The services sector is most evident in the cities of Halle and Magdeburg, and is severely underrepresented in the heavily industrialized districts of Merseburg, Bitterfeld, Gräfenhainichen and Hettstedt. The level of qualifications of the workforce was above average in 1989: 20% had degrees or technical diplomas, 62% were skilled workers and only 14% had no vocational qualifications.

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	12	71	17	98	:	1	:	:
Women	14	73	13	99	:	24	:	:
Total	13	72	15	98	:	12	:	:

Extremes of unemployment

Until 1989 there was no unemployment in Saxony-Anhalt. Every citizen of working age was entitled to a job or a place on a training course if he or she so desired.

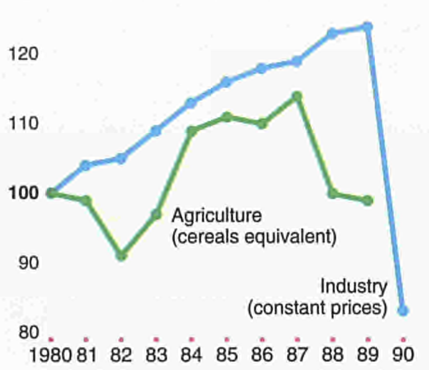
In 1990, many firms had to close or cut back production. The consequences were an explosion in unemployment and short-time working, and with it came insecurity. There were approximately 48 000 jobless in July 1990, over 113 000 by December 1990 and some 150 000 by April 1991. There is further, hidden unemployment in the high figure of 383 000 short-time workers, and these will boost the jobless figures still further by the end of 1991. The percentage of unemployed in April 1991 was 9.3%.

Until 1989 the proportion of working women was high, but female unemployment has increased rapidly since 1990. All areas of the *Land* are equally affected: redundancy in agriculture was the cause in the north, and closures of mines and metallurgical works in the central areas. Short-time working still conceals the true extent of the unemployment in the chemical works in the Halle, Merseburg, Bitterfeld, Wolfen and Wittenberg areas.

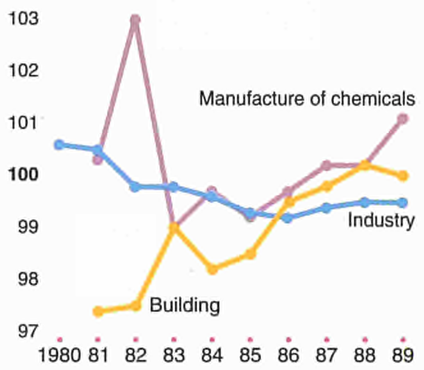
Dominant chemical and engineering industries

Over 22% of the gross production of the five new *Länder* came from Saxony-Anhalt in 1989, with mining, metallurgy and chemicals predominating. The region's large-scale complexes were the source of 47% of chemical production. There were no small or medium-sized businesses. Industrial complexes such as Leuna and Buna and the chemical works in Bitterfeld and Wolfen had built up a reputation. The engineering and vehicle-manufacturing industries, represented by the railway coachbuilding works in Dessau and Halle and the mechanical engineering works in Magdeburg and Halle, were internationally known. Refrigerated and long-distance vehicles and diesel engines were exported primarily to the Soviet Union. These plants also manufactured equipment for the metallurgical, mining and chemical industries. Chemicals were manufactured chiefly from petroleum and natural gas from the Soviet Union and were earmarked for domestic use in the former GDR. Saxony-Anhalt specialized in the production of basic chemicals and plastics, with the pharmaceutical and rubber industries less well represented. Electrical engineering, electronics, precision engineering, optics and textiles were subsidiary branches. The exploitation of open-cast and underground mines and a production system geared to quantity had a particularly harmful effect on the environment. With the economic and political changes in 1990, immediate steps were taken to reduce pollution, but these constituted a further burden for the already weakened economy. By the end of 1990 Saxony-Anhalt's production had slumped still further.

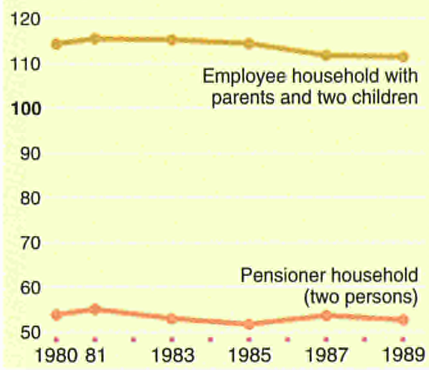
Production of industry and agriculture (1980 = 100)



Wages (ex-GDR = 100)



Net household income
(employee households = 100)



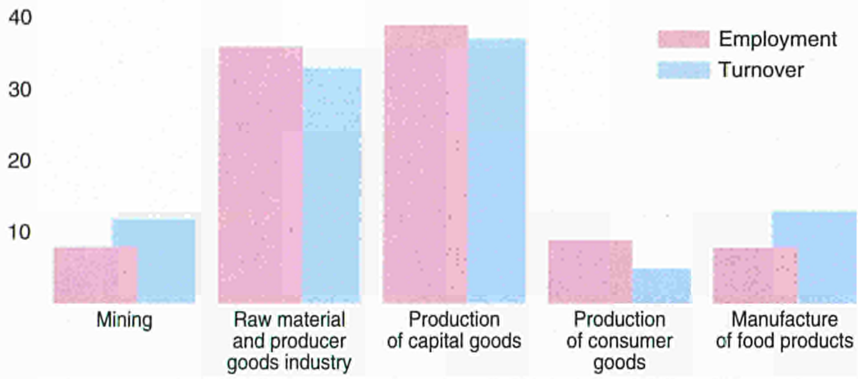
Increase in earnings and savings ratios

Earned income in 1989 was double its 1965 level and four times the level in 1950. Average gross monthly earned income in 1989 was ECU 504. Incomes were above average in construction, transport, the post office and telecommunications and industry, and unusually low in the distributive trades, banking and insurance. By the end of 1990 wages had increased by an average of 50%, particularly in construction and banking. An unemployed person is currently entitled to about ECU 350 per month. The fact that some 533 000 persons are now directly affected by unemployment and short-time working and their families indirectly, coupled with the rising cost of living, has led to widespread social uncertainty.

A four-person household in 1960 had to spend approximately 40% of its income on food, 10% on clothing and a little over 5% on rent. The 1989 figures were 20% on food, 8% on clothing and only 2% on rent, which was state-subsidized for all. In 1960 only 6% of monthly income was saved; by 1989 this had more than doubled.

The cost-of-living index is increasing month by month in the five new Federal *Länder*; by the end of April 1991 it was 8.5% higher than its level one year earlier.

Employment (1991) and turnover (1990): distribution by branch (%)



Flourishing agriculture, but industry dominant

Saxony-Anhalt's agriculture benefits from rich soils in the Börde area near Magdeburg and in the south and has medium and lighter soils in the Altmark and east of the Elbe.

Because of the favourable natural conditions, the dominant crops are barley, wheat, sugar beet and vegetables. The Süsser See in the Eisleben district has extensive orchards, chiefly growing apples but also cherries and apricots. Saxony-Anhalt is the second largest fruit supplier in the former GDR after Brandenburg. Europe's most northerly vine-growing region is to be found in the valleys of the Saale and Unstrut.

Animal husbandry is geared primarily to milk and meat production. Some areas of the Elbaue and the districts of Gräfenhainichen, Wittenberg and Rosslau and the Altmark are successful livestock-rearing regions.

Despite the flourishing agriculture, industry is the dominant sector of Saxony-Anhalt's economy, with manufacture concentrating on chemical products, diesel engines, railway wagons and passenger cars, tractors, gas cookers, colour television sets, bicycles and cement.

Agriculture

Agricultural area	1 297 000 ha
Arable land	81%
Main crops	
Cereals	42%
Potatoes	6%
Sugar beet	6%
Livestock	
Cattle	889 000 head
Pigs	1 956 000 head
Sheep	373 000 head

Main enterprises

No data available

A heavily polluted region

The southern part of the *Land* in particular suffers from severe pollution and ecological disturbance as a result of the concentration of large chemical, mining and cement works. Heavy emissions of atmospheric pollutants were the source of a pollution density well above average for the five new *Länder*. At 28 tonnes of dust, 59 tonnes of sulphur dioxide and 30 tonnes of carbon monoxide per square kilometre, Saxony-Anhalt still came a shameful second to Saxony in the rank order of pollution emitters in 1989. The most extreme pollution was in the Merseburg district, with 212 tonnes of dust and 690 tonnes of sulphur dioxide per square kilometre; the district of Salzwedel, with its 1.1 tonnes of dust and 3.5 tonnes of sulphur dioxide, seems almost clean by comparison.

Investment in the environment in 1989 was double that in 1985 but was still too meagre, and basic installations were too antiquated to bring a noticeable improvement. Some 70% of investment on environmental protection was spent on reducing air pollution, 12% on water pollution and 11% on harmless waste disposal. The heavy emissions of toxic substances have also damaged the forests, with some three-fifths of woodland, particularly conifers, affected. The discharge by industry and municipalities of inadequately treated effluent has rendered watercourses unfit for some purposes, so that cleansing measures are urgently needed. The collapse of the economy in 1990 brought a noticeable improvement to environmental conditions, particularly in the Bitterfeld/Halle/Merseburg area.

DEUTSCHLAND

SCHLESWIG-HOLSTEIN

Lying between the North Sea and the Baltic Sea, Schleswig-Holstein is the most northern Bundesland and is bounded by Denmark, and the Bundesländer Hamburg, Mecklenburg-Western Pomerania and Lower Saxony. It has four towns constituting districts in their own right and 11 districts, which are divided into 1 131 municipalities, but there are no Regierungsbezirke. The capital of the *Land* is Kiel.

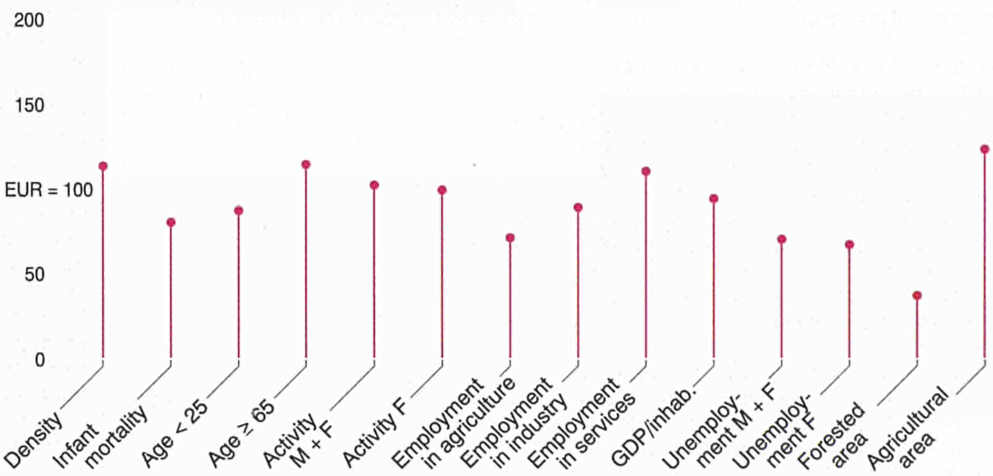
The *Land* includes Fehmarn island in the Baltic, Heligoland in the North Sea and the North Frisian islands with their tidal flats to the west.

Since the time of Charlemagne the northern border of the old empire had been formed by the river Eider running straight across the *Land*. Many centuries later the people of Schleswig in the north and those of Holstein in the south joined together. Friendly relations with Denmark were established after a varied history.

Schleswig-Holstein continues to act as a link and hub: the direct route via Fehmarn island and the ferry routes from Kiel and Lübeck are important gateways to northern Europe. The canal running between the North Sea and the Baltic Sea is one of the busiest man-made waterways in the world.

One of the two locks on the canal linking the North Sea and the Baltic Sea at Kiel-Holten; this canal is one of the busiest man-made waterways in the world (47 000 boats in 1989).

Schleswig-Holstein in the Community

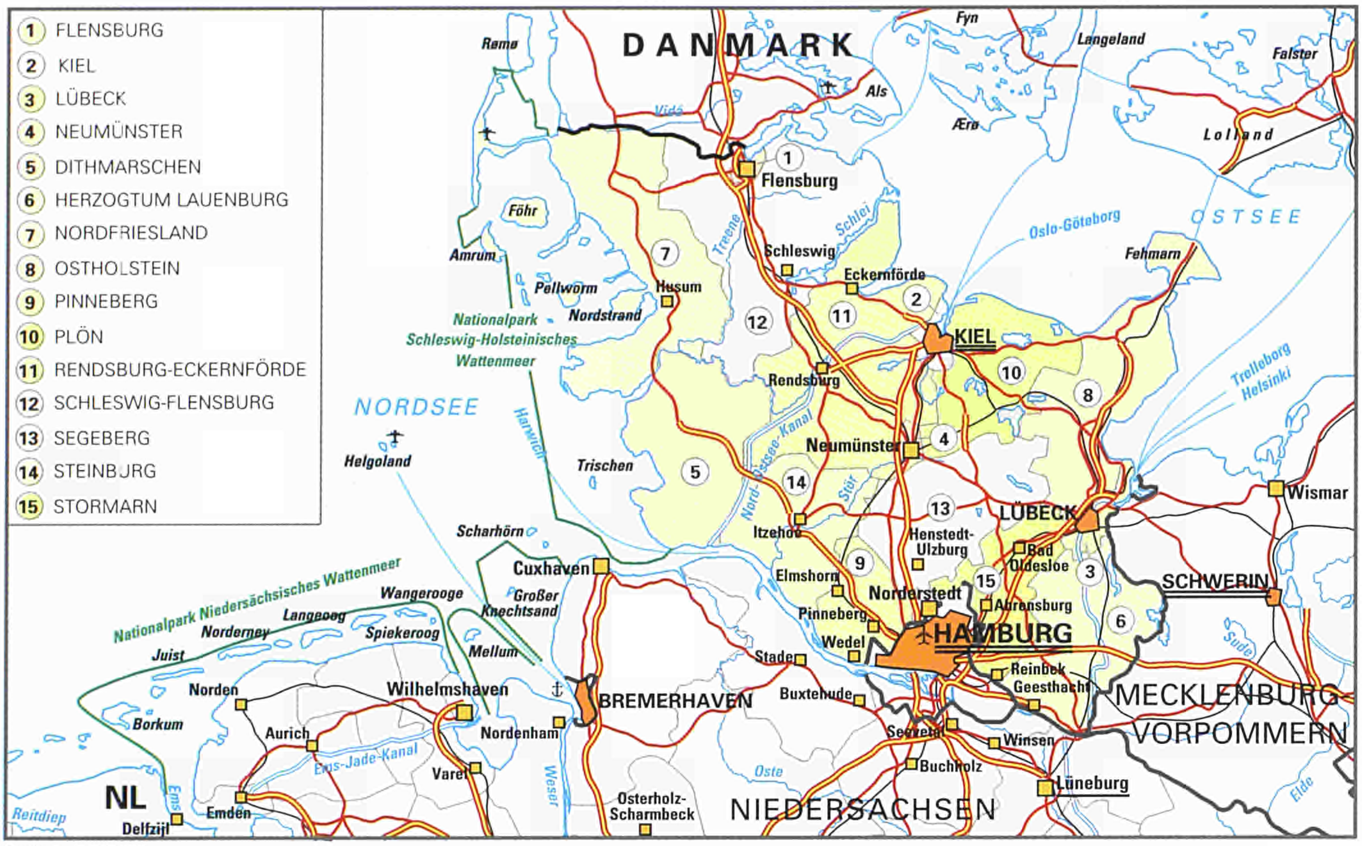


A shortage of industry but an unspoiled environment

Schleswig-Holstein is well suited to leisure pursuits. The Baltic coast with its undulating hills contrasts with the flat west coast, where marshland, mud flats and beaches combine to produce a stark beauty. The southern part bordering Hamburg is a popular residential area from which many commute to Hamburg.

However, the transport infrastructure does not reflect the geographical importance of the *Land,* which has increased still further with the opening of the border with Mecklenburg. Bottlenecks develop where road and rail traffic cross the Elbe by bridge or tunnel.

Industrial concentration in the *Land* is still below average. There is almost a complete absence of heavy industry, car manufacturing and aircraft construction. Many firms are subsidiaries of non-resident companies. The once important shipbuilding industry has experienced a few crises as it learned to adjust. As everywhere, agriculture has declined in importance, but it still makes a larger contribution to value-added than in any other of the old Bundesländer. However, present-day troop reductions are causing greater concern here than elsewhere, since the population of the region has always had the largest proportion of servicemen of any Bundesland.



Scale 1 : 2 000 000

Which EC regions are similar to Schleswig-Holstein?

Area: ±15 000 km²
North; Yorkshire and Humberside (UK)
Lüneburg (D);
Peloponnisos (GR)

Population: ±2.6 million inhabitants
Castilla y León (E)
West Midlands (County) (UK)

Employment:
±5% in agriculture
±60% in services
Danmark
East Anglia (UK); Région wallonne (B)

Differences between north and south and east and west

Shipping conditions on the Baltic coast are considerably better than in the North Sea. That is why the largest cities in the *Land* are in the east: on the Flensburg fjord, Kiel fjord and the bay of Lübeck. There was a difference in population distribution between east and west as early as the last century, which led to an economic differential in the course of industrialization. The chemical works at Brunsbüttel and the oil refinery at Heide account for the only important industries on the west coast. The west coast does not have any universities or technical colleges.
There is also a considerable economic disparity between north and south. After the Second World War there was a shift in population from the City of Hamburg to parts of southern Holstein, although many of those involved continued to work in Hamburg. The north was particularly affected by the structural changes in agriculture and shipbuilding; thanks to its proximity to the Hamburg metropolis, the south also saw the establishment of a large number of businesses. This resulted in economic growth above that of the *Land,* and a lower level of unemployment. The average income in the four districts bordering Hamburg is much higher than in Schleswig, the northern part of the *Land.*

	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	1987	1987	1987	1989
Flensburg KS	0.1	87	1 536	−1.4	57	10.3	0	28	72	142
Kiel KS	0.1	244	2 180	−2.2	56	8.2	0	26	73	140
Lübeck KS	0.2	213	994	−3.2	54	8.4	1	34	66	119
Neumünster KS	0.1	80	1 122	0.4	56	9.0	1	37	62	107
Dithmarschen	1.4	128	91	1.2	52	7.0	11	28	61	101
Herzogtum Lauenburg	1.3	157	124	2.1	56	4.8	8	36	57	72
Nordfriesland	2.0	151	74	−5.9	56	5.2	11	20	70	90
Ostholstein	1.4	187	134	−1.2	54	6.0	6	24	70	73
Pinneberg	0.7	266	401	2.9	61	4.7	7	38	56	86
Plön	1.1	118	109	3.8	56	5.6	10	24	66	57
Rendsburg-Eckernförde	2.2	245	112	0.8	56	6.3	9	29	63	86
Schleswig-Flensburg	2.1	179	86	−0.9	56	5.9	12	24	64	77
Segeberg	1.3	218	162	5.0	61	4.8	6	37	57	81
Steinburg	1.1	127	120	−0.6	56	5.9	9	35	56	99
Stormarn	0.8	197	257	5.5	59	4.2	4	44	52	91
Schleswig-Holstein	15.7	2 595	165	0.3	58	6.2	6	31	63	94
Deutschland	248.7	62 679	252	2.1	57	5.2	4	41	55	112
EUR 12	2 253.7	327 931	146	3.2	54	8.3	7	33	60	100

High levels of net migration from Hamburg

In the 1960s, growth was caused in equal measure by net migration and an excess of births over deaths, but this excess was transformed into rising net mortality. However, high levels of net migration in the 1970s more than compensated for the net mortality rate. The 1980s saw a marked drop in the level of net migration, which had always primarily been the result of people moving from Hamburg.

Since 1987 Schleswig-Holstein has played host to a large number of people seeking asylum and ethnic German immigrants from Eastern Europe as well as a large number of migrants from the former GDR following the lifting of the Iron Curtain. This led to a sharp increase of 33 000 in net migration in 1989. Although since 1985 the number of children born has once again been on the increase, this has fallen well short of compensating for the mortality rate.

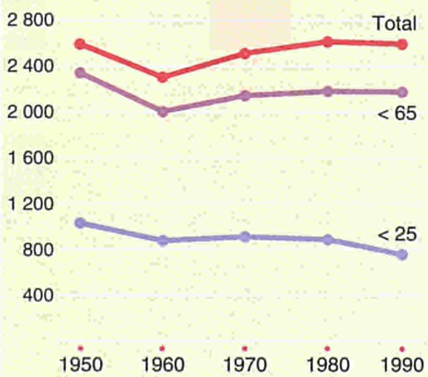
The majority of the population in Schleswig-Holstein is Protestant. Standing at 73% in 1987 this is easily the highest percentage of all the old Bundesländer.

No other old Bundesland can match Schleswig-Holstein's very low percentage of foreign residents (3%).

Population by age — 1990

	M + F 1 000	M + F %	M %	F %
< 15	377.9	14.6	15.5	13.7
15-24	382.5	14.7	16.0	13.6
25-39	565.5	21.8	23.1	20.6
40-54	576.4	22.2	23.6	20.9
55-64	275.8	10.6	10.4	10.8
≥ 65	416.4	16.1	11.4	20.4
Total	2 594.6	100.0	100.0	100.0

Population (1 000)



Resident population of foreign nationality — 1990

	1 000	% of total population
Total	90.8	3.5
of which EC countries	20.7	0.8
of which non-EC countries	70.1	2.7
Turkey	32.5	1.3
Poland	9.6	0.4
Denmark	5.1	0.2
Yugoslavia	4.9	0.2
Greece	3.1	0.1
Italy	3.0	0.1

Demographic account — 1980-90 (1 000)

Population 1.1.1980	2 599.0
Births	248.5
Deaths	310.8
Net migration	+ 57.8
Population 1.1.1990	2 594.6

One in seven of the workforce employed in Hamburg

Of a workforce of 1.1 million 143 000 work in Hamburg, which stands in contrast to the 34 000 who come to work in Schleswig-Holstein. There is no significant commuter traffic either way with Denmark.

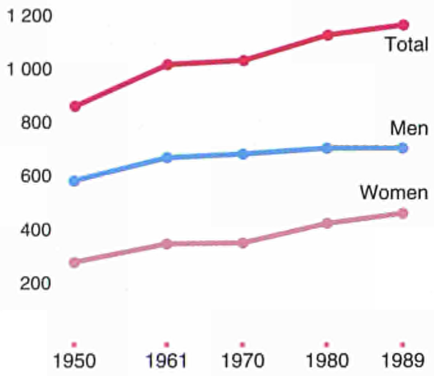
Many residents of Schleswig-Holstein receive their university or technical college education in Hamburg. At the end of 1990 Schleswig-Holstein itself catered for 40 000 students, which is a much lower proportion of the population than in any of the other old Bundesländer. There has been a university in Kiel for over 300 years and Lübeck has had a medical college since 1973. The two teacher-training colleges and two of the six technical colleges are located in Kiel and Flensburg.

The proportion of the resident workforce in Schleswig-Holstein with a university or technical college education stood at 9% in 1987.

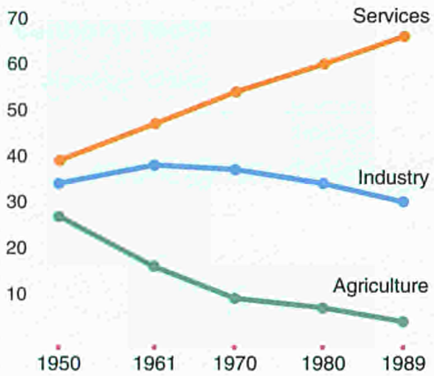
Number of pupils — 1989

	M + F 1 000	F %
Pre-school	68.8	50.0
Primary	97.7	49.3
Lower secondary	135.1	49.1
Higher secondary (technical)	92.7	45.2
Higher secondary (general)	21.6	51.2
Higher education	46.9	41.7
Total	475.7	47.6

Employment (1 000)



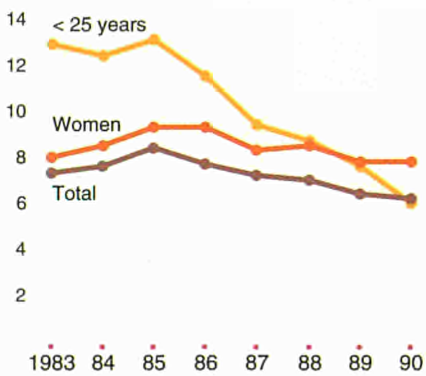
Employment structure (%)



Employment — 1987 (1 000)

Resident employment	1 114.3
+ Non-residents having a job in the region	34.4
− Residents having a job outside the region	145.0
= Internal employment	1 003.8

Unemployment (%)



Half of the workforce employed in the services sector

In 1950 more than a quarter of the workforce was employed in agriculture and forestry; by 1989 this figure had fallen to just one in 25. However, the output of this sector is a great deal higher nowadays than it was then. Over the same period industrial employment also declined in importance. Industry therefore accounts, as in the past, for a considerably lower proportion of total employment than in any of the other West German lowland states (except Hamburg and Bremen). Taken together, commerce, transport and postal services have moved from employing 16 to 21% of the total workforce. 'Other services' now employ 45% of the workforce.

In 1950 more than 25% of the total workforce in Schleswig-Holstein was self-employed or worked in a family-owned business. Today this figure has fallen to just one in nine, primarily as a result of the decline in agriculture and retail trade. The number of civil servants and non-manual workers has far more than doubled since 1950 to account for 55% of the workforce. Manual workers now make up only a third of the workforce. In the other old Bundesländer the proportion of self-employed and family workers is much the same, but the figure for civil servants and non-manual workers is markedly lower, with manual workers still accounting for 40% of the workforce.

Characteristics of resident employment (%)

	< 25 years	25-54 years	≥ 55 years	Employees	Employees: part-time		Employees: full-time, temporary contract	
	1989	1989	1989	1989	1984	1989	1984	1989
Men	15	73	12	88	2	2	14	14
Women	19	72	9	92	36	40	12	10
Total	16	73	11	90	16	17	13	12

Unemployment high but falling

In 1985, the unemployment rate reached its peak. There is a demographic explanation for this: the baby boom of previous years was putting pressure on the labour market. In 1985 nearly 25% of the unemployed in Schleswig-Holstein were under 25.

There has been a marked improvement in the situation since then. In 1990, only one unemployed in six was under 25. The unemployment person rate for women is still slightly higher than the overall rate.

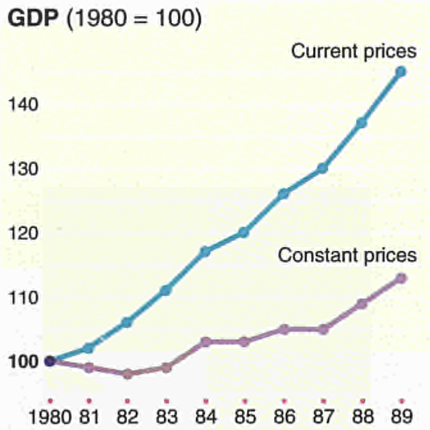
Since 1980, Schleswig-Holstein has had higher unemployment than the average for all the old Bundesländer. However, the gap has narrowed in recent years. Unemployment is a more significant problem in kreisfreie Städte and in the north and west than in the southern part near Hamburg.

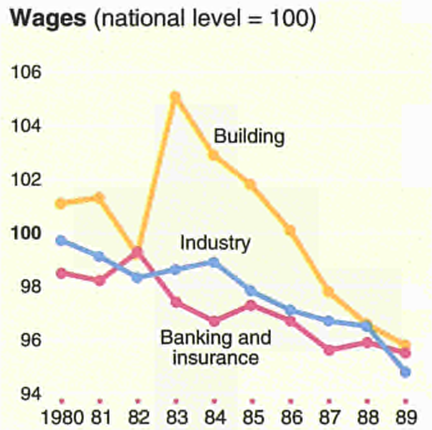
Services predominating

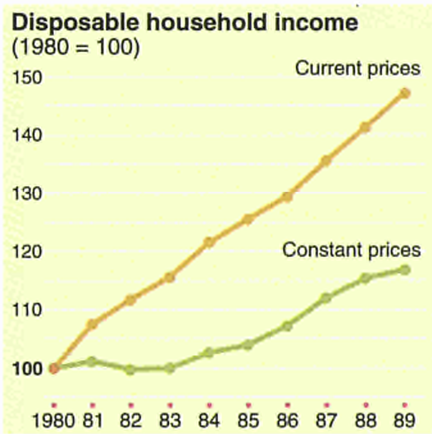
The Schleswig-Holstein economy has more small and medium-sized companies than any other Bundesland. At the end of 1990 there were only 19 industrial firms with over 1 000 employees. In any case many of the industrial concerns are extremely capital intensive, especially in the chemical, oil refining and power industries. In the 1980s the power industry built up a nuclear energy capacity which greatly exceeds the requirements of the *Land* and also supplies other regions with electricity.

Agricultural production takes place predominantly on very fertile land, with the exception of the Geest (sandy heathland). The food industry, processing local and imported products, accounts for a larger proportion of value-added than in any of the other old Bundesländer. The mainland between the two seas continues to provide good conditions for shipbuilding (which has nevertheless severely declined over the years) and its related industries, oceanography, and maritime and offshore technology. The chemical industry is also more important than in other *Länder* owing to the plants in Brunsbüttel. Other important manufacturing branches are mechanical and electrical engineering and printing.

However, for the last 20 years value-added in agriculture, fisheries, and the manufacturing industry has been lower than in the services sector. The State accounts for a higher proportion of value-added in Schleswig-Holstein than in any of the other old Bundesländer, as Schleswig-Holstein has the highest number of servicemen stationed there. Tourism is also of above-average significance. Shipping is not only an important economic factor in the natural harbours on the Baltic coast but also in the towns of Rendsburg and Brunsbüttel on the Kiel canal.







Slight difference in earnings compared with the other Bundesländer

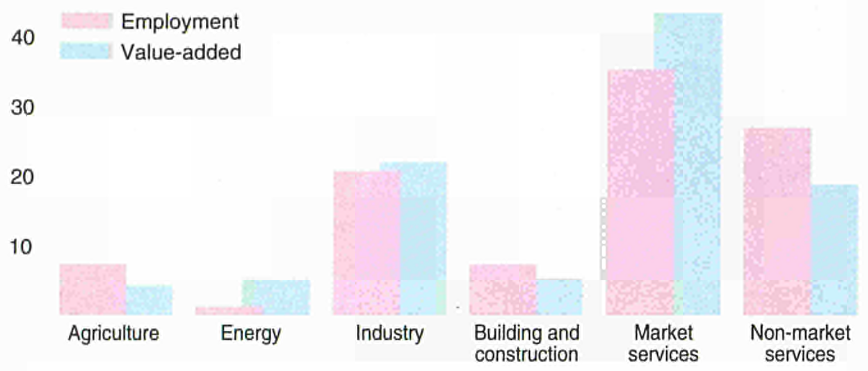
Industrial workers in Schleswig-Holstein earn on average slightly less than those in other Bundesländer. This slight difference, which emerged in the 1960s, disappeared in the 1970s only to re-emerge in the 1980s. There has been a small or not much sharper reduction in working hours in Schleswig-Holstein than in the other Bundesländer.

In 1989 mechanical engineering, shipbuilding, printing and especially oil refining paid more than the average hourly industrial wage in Schleswig-Holstein, which stood at just under ECU 9.5. On average, male workers earned over ECU 2.5 more than women workers.

The earnings differential between national and *Land* levels is greater for clerical and technical staff in industry and commerce (whose monthly salaries were the lowest of all the old Bundesländer in 1989) than for wage earners in industry.

However, it must not be forgotten that one in seven of Schleswig-Holstein's resident workforce is employed in Hamburg, where salaries and hourly wages are among the highest of all the old Bundesländer. Moreover, those who work in Hamburg but live in the surrounding districts, often enjoy above-average earnings, even by the standards of the Hamburg labour market. In 1986, for instance, average net income after tax was 25% higher in the four districts bordering Hamburg than in the rest of Schleswig-Holstein and was even 2% higher than that of the resident workforce in Hamburg. The average for Schleswig-Holstein as a whole was 3% below that of the other Bundesländer.

Employment and value-added: distribution by branch – 1987 (%)



Culinary, technical and maritime features

Schleswig-Holstein has long been a producer of top quality gastronomic delicacies. The three most famous of these are linked with the names of the three largest towns: Flensburg rum, Kiel sprats and Lübeck marzipan.

There are also industrial products with a long tradition and, in some cases, worldwide reputation, such as ships, ships' engines, gyrocompasses and other nautical instruments, locomotives, photo-engraving machines, medical and laboratory instruments, and, more recently, mobile phones, and components for the aviation, aerospace and other high-tech industries.

Schleswig-Holstein offers good conditions for energy production since there is a relative abundance of cooling water. The two nuclear power stations at Brokdorf and Krümmel, each with a capacity of around 1 300 megawatts, are among the largest in the world. There have also been continued efforts to develop wind power. The *Land* as a whole has approximately 250 wind power stations in operation, with the greatest concentration on the west coast.

The natural beauty of the *Land* is an asset to the tourist industry, which tends to be based on efficient, small-scale family businesses. Large-scale holiday accommodation facilities on the Baltic coast are the exception rather than the rule.

Agriculture

Number of holdings	30 590
Labour force	43 796 AWU
Agricultural area	1 082 000 ha
Livestock	1 453 000 LU
Gross value-added	22 747 ECU/AWU

Main products	
Milk	32%
Cattle	17%
Cereals	16%

Main enterprises

Name	Activity
Coop Schleswig-Holstein eG	Retail trade
Howaldtswerke-Deutsche Werft AG	Shipbuilding
Drägerwerk AG	Safety technology and electrical engineering
Jurid Werke GmbH	Motor vehicle parts
Krupp MaK Maschinenbau GmbH	Manufacture of machinery
Axel Springer Verlag AG	Printing, publishing
Danfoss-Flensburg GmbH	Manufacture of machinery
Schleswag AG	Energy

Good drinking water, efficient purification of waste water

Schleswig-Holstein is bounded by the North Sea, the Baltic Sea and the Elbe, in some parts of which organic life has been considerably impaired by toxic effluents. However, the responsibility for this lies more with Schleswig-Holstein's neighbours. Nearly all waste water from households and industry in Schleswig-Holstein is directed to purification plants, most of which use the biological mechanical purification process, although some, like those in Kiel and Flensburg, use an advanced process principally designed to remove phosphate. Schleswig-Holstein has hardly any large industrial concerns which discharge untreated effluent and, apart from cooling water, 60% of waste water from the manufacturing industry is treated and purified in-house, with public purification plants accounting for at least 20%.

Drinking-water in Schleswig-Holstein is drawn almost exclusively from underground sources, which is a comparatively good supply situation. However, before it is released for public consumption, it has to be treated to bring it up to drinking-water quality. The public water supply reaches 96% of all households; the remaining households draw their water from individual springs.

The amount of household refuse per head of population rose from 399 kg in 1975 to 416 kg in 1987. Over the same period, waste disposal was highly concentrated on a regional basis. Today the disposal of household refuse is handled by only 10 depots, four incineration plants and three composting units. In the more lightly populated regions, waste transport is rationalized through the use of 14 transfer depots where the waste is collected and compressed. In recent years there has been a strong move towards the separate collection of recyclable household waste products.

DEUTSCHLAND

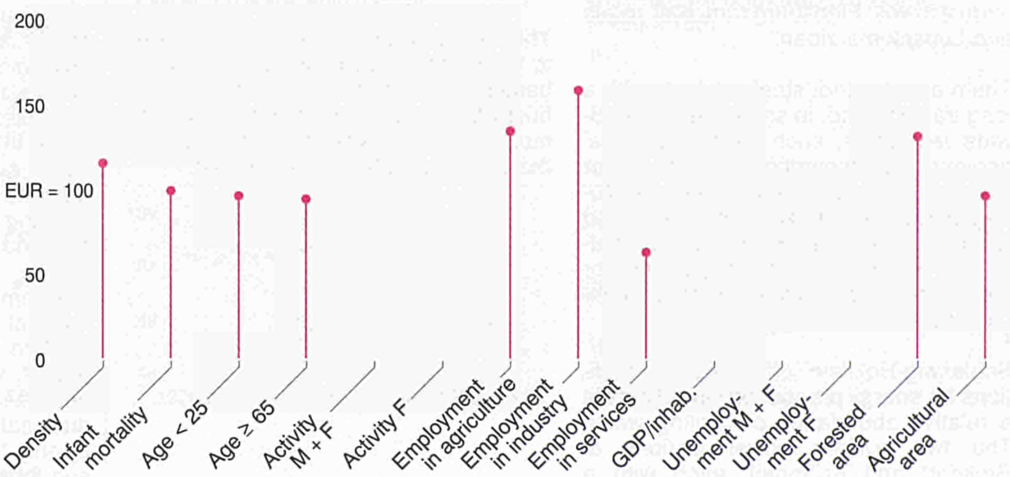
THÜRINGEN

Thuringia lies in the centre of Germany. With a total area of 16 251 km² and 2.6 million inhabitants, it is one of Germany's smallest *Länder*. Its maximum distances are 192 km from east to west and 159 km from north to south. The most distinctive features of its scenery are the Thuringian basin in the north, the Thuringian forest and slate mountains in the south and the Saale-Elster plateau in the east. It has borders with the other German *Länder* of Bavaria, Hesse, Lower Saxony, Saxony-Anhalt and Saxony. Over half of the land area is used for agriculture and a further third is forested.

Thuringia has 40 Stadtkreise and Landkreise (urban and rural districts) and a total of 1 710 towns and municipalities. Over 90% of the municipalities have less than 2 000 inhabitants. The main cities are Erfurt, the 1 250-year-old capital with over 200 000 inhabitants, Gera and Jena. Thuringia has an extensive network of roads, including sections of the A4 and A9 motorways.

The Wartburg — the symbol of Thuringia. Dating from 1067, this castle was the scene of a great many historical events over the centuries.

Thüringen in the Community

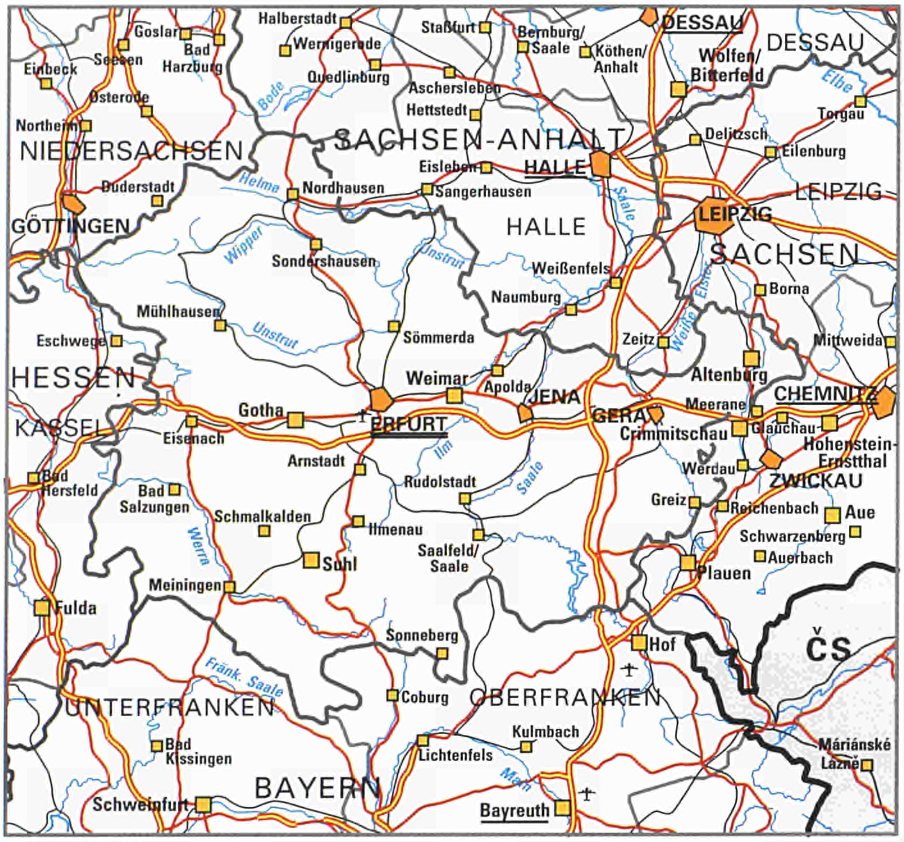


Thuringia is worth a visit

The traditions of Thuringia go back a long way, and over the course of many centuries it developed into one of Central Europe's most historically significant regions. It was the stage for a whole range of major historical events and cultural achievements. The main theatres of activity were the towns — Erfurt, Weimar, Eisenach, Mühlhausen, Jena and Arnstadt — where eminent figures such as Luther, Müntzer, Cranach, Bach, Goethe, Schiller, Herder, Liszt and Zeiss have all left their mark.

Thuringia possesses a vast number of objects of cultural and historical interest, 8 500 of which are designated as protected monuments.

These vestiges of the past combine with its scenic delights, rich tradition of handicraft skills and ancient customs to make Thuringia an especially attractive destination for visitors. At present, the traditional tourist industry already caters for almost as many visitors as the *Land* has inhabitants.



Scale 1 : 2 000 000

Which EC regions are similar to Thuringia?

Area:
± 16 000 km²
Région wallonne (B)
Franche-Comté; Limousin (F)

Population:
± 2.6 million inhabitants
West Midlands (County) (UK)
Castilla y León (E)
Brandenburg (D)

Population density:
± 165 inhabitants per km²
Schleswig-Holstein (D)
Comunidad Valenciana (E)
Norte (P)
Drenthe (NL)

Stabilizing whole areas through economic support measures

With the market economy, industry is having to undergo structural changes and a process of adaptation involving job losses and cut-backs in production. This applies particularly to those sectors where the former State combines are being reorganized. These include electrical engineering and electronics in the areas around Erfurt, Eisenach and Sömmerda, the potassium industry in the southern Harz and on the Werra, uranium ore extraction at Ronneburg near Gera, precision optics and opto-electronics especially in Jena, textiles and clothing in the north-west and the east of the region, the motor industry and ancillary industries mainly in Eisenach, Gotha and Suhl and, finally, steel production and the chemical industry in the Landkreise of Saalfeld and Rudolstadt. There are a number of places where the number of unemployed and short-time workers has risen particularly sharply, and at the end of April 1991, for example, the unemployment rate in the Sondershausen, Worbis and Ilmenau Kreise stood well above the regional average. Specific aid programmes to promote regional development and the allocation of generous funds are making an important contribution towards stabilizing the situation in whole 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	1989	1990	1989	1989	1989	1989
Thüringen	16.3	2 684	165	−1.6	:	:	10	53	37	:
Deutschland (territory before 3.10.1990)	248.7	62 679	252	2.1	57	5.2	4	41	55	112
Deutschland	356.9	79 113	222	1.3	:	:	5	43	52	:
EUR 12 (territory before 3.10.1990)	2 253.7	327 931	146	3.2	54	8.3	7	33	60	100
EUR 12	2 362.0	344 365	146	:	:	:	:	:	:	:

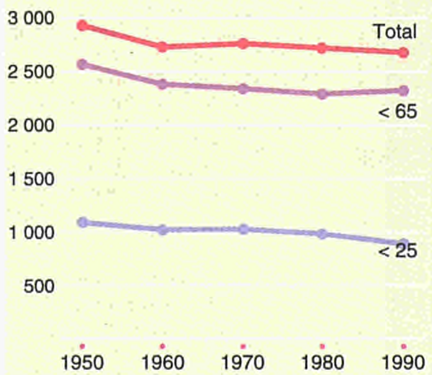
Population decrease caused by net migration loss

The reduction in the population over the last four decades is almost entirely due to migration losses, since in every year except for 1990, 1989 and the period from 1972 to 1977 there was an excess of births over deaths. The exodus from the towns was particularly significant. Around 32% of the total decrease in the population occurred during the upheavals of 1989 and 1990, and two-thirds of those who moved over to the western *Länder* in particular were aged between 18 and 40 years old. The migratory flow from the towns of Erfurt, Jena, Suhl and Gera and the Apolda, Arnstadt, Heiligenstadt and Worbis Landkreise was well above average. At the end of 1989, 19% of the total population of Thuringia were children and 13% were pensioners. The 25-40 age group formed the largest slice of those of working age. There are currently 1 094 women for every 1 000 men, with the surplus of women being particularly high in the older age groups (63 and older), partly as a result of the two world wars.

Population by age — 1990

M + F	M + F 1 000	M %	F %	%
< 15	521.0	19.4	20.7	18.2
15-24	368.0	13.7	14.7	12.8
25-39	635.0	23.7	25.2	22.2
40-54	516.0	19.2	20.1	18.5
55-64	286.0	10.7	10.1	11.1
≥ 65	358.0	13.3	9.2	17.2
Total	2 684.0	100.0	100.0	100.0

Population (1 000)



Resident population of foreign nationality

No data available

Demographic account — 1980-90 (1 000)

Population 1.1.1980	2 727.0
Births	369.0
Deaths	357.0
Net migration	– 55.0
Population 1.1.1990	2 684.0

Qualified pool of available labour

67% of the population of Thuringia are of working age, and half of these are aged under 40. There has been a constant increase in the employment rate, mainly due to the rise in the percentage of women in employment. Whereas in 1950 just over 50% of all women of working age were in gainful employment, in 1989 their number was almost as high as that for men, but one in every four women worked part-time.

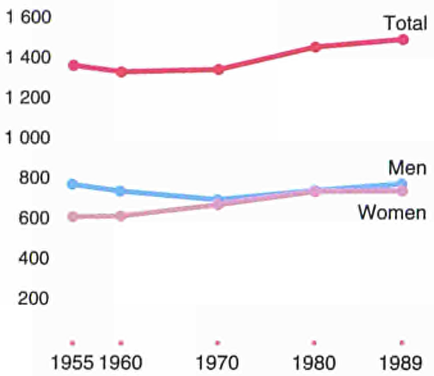
Since 1990, commuter traffic, particularly to the neighbouring western Bundesländer of Hesse, Bavaria and Lower Saxony has increased considerably.

Thuringia has a qualified pool of available labour. Of every 100 persons in employment in 1989, 63 possessed qualifications as skilled workers and 21 had received a university or college education. In spring 1991, there were 34 000 students attending six universities and 46 technical colleges.

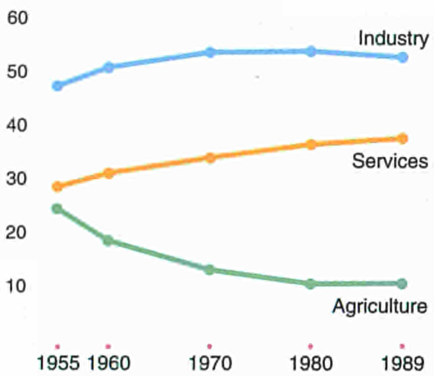
Number of pupils — 1990

	M + F 1 000	F %
Pre-school	:	:
Primary	141.2	48.9
Lower secondary	177.5	50.0
Higher secondary (technical)	54.4	38.7
Higher secondary (general)	7.2	58.8
Higher education	13.7	44.2
Total	394.0	48.0

Employment (1 000)



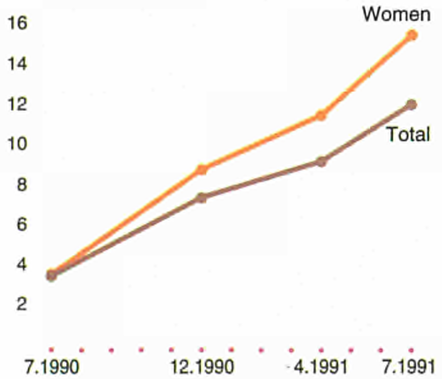
Employment structure (%)



Employment

No data available

Unemployment (%)



Every second employee works in industry

Industry and agriculture were the main branches of economic activity for decades. While increased productivity caused a gradual drop in the number of persons employed in agriculture from 27% of the working population to 10% in four decades, the industrial labour force grew. Decades of extensive industrial development, ineffective manufacturing structures and poor labour efficiency led to a considerable demand for manpower, with the result that by 1989 nearly every second employee worked in industry. Most of these worked in the following sectors: electrical engineering/electronics/manufacture of electrical appliances, mechanical engineering and the motor industry, mining, textiles and light industry. The direct consequence of the enormous requirement for manpower in industry was neglect and a shortage of employees in other branches of economic activity such as transport, postal services and telecommunications, health and social services, and domestic and urban services. New life has since been injected into the services sector by the structures resulting from the free labour market of 1990. Of the 20 400 jobs advertised in the first four months of 1991, almost 18 000 of these were in the distributive trades and other non-industrial and non-agricultural activities.

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	16	68	16	98	:	2	:	:
Women	17	70	13	98	:	26	:	:
Total	17	69	15	98	:	13	:	:

The problem of tackling unemployment

The introduction of the market economy in 1990 placed a considerable strain on the labour market. At the end of April 1991, the unemployment rate in Thuringia was 9.3% (national concept), and six out of every ten unemployed were women.

In general, the hardest-hit areas are those where the most radical structural changes have been implemented. These include eastern Thuringia, where uranium ore extraction has been halted, northern Thuringia, which is suffering from the drastic cutback in the extraction of potassium, and the south of the region and Erfurt area, where the production of bicycles and motorcycles and microelectronic components has been greatly reduced.

The brunt of the unemployment has been borne by those working in administration, the metalworking industry, mining, the agri-food sector, textiles and clothing, the distributive trades and transport.

In addition to the job losses, the above-mentioned branches have also seen the highest increase in short-time work, and at the end of April 1991 every fourth person in employment was working short-time. For almost half of the short-time workers, non-working time was over 50%.

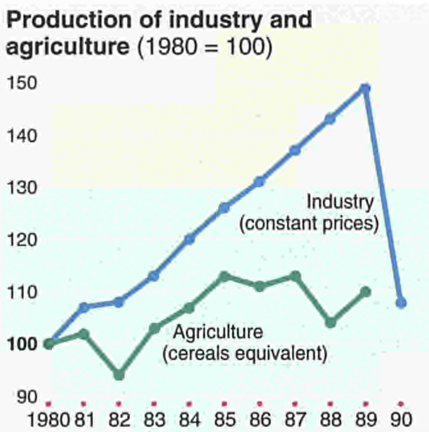
Structural change — the key to future opportunities

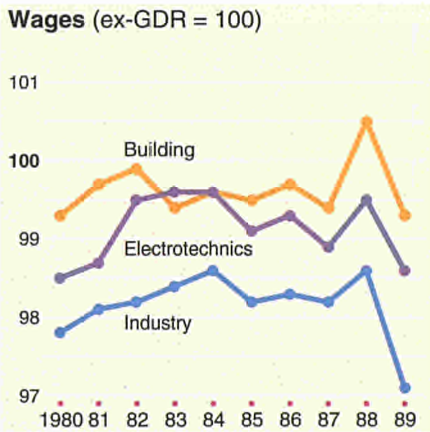
Industry, agriculture and tourism shape the economic structure of Thuringia. The industrial profile of the region is characterized by activities such as electrical engineering and precision optical engineering, textiles and light industry, mechanical engineering and the motor industry. Within a very short period of time, some branches of activity lost up to over 50% of their turnover, as a result of export orders for the eastern market being cancelled. Attempts are being made to help the economy adapt to the changed market conditions through extensive investment in industry; this is to be used in setting up, expanding or modernizing establishments and in introducing restructuring and rationalization measures. At the same time, it is hoped that the structure of industry can be made more flexible by extending the range of products offered and attracting small and medium-sized enterprises to the area.

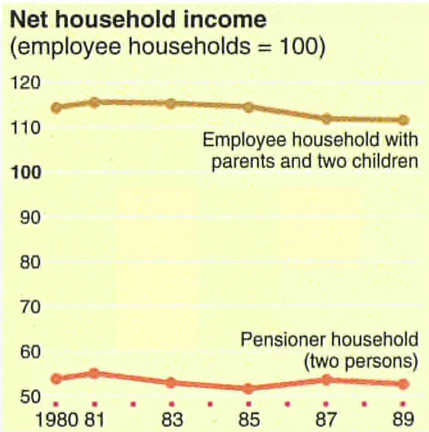
Opel, the car manufacturer, has set an excellent example for outside investors in Thuringia by its decision to set up a modern car factory in Eisenach.

Adjustment programmes are also needed in agriculture in order to create jobs outside the agricultural sector through setting up new enterprises and attracting others to the region.

The Thuringian forest and the Slate mountains offer excellent opportunities for the tourist trade. Considerable efforts will, however, have to be made to bring the businesses and tourist infrastructure up to European standards.







Difference in earnings

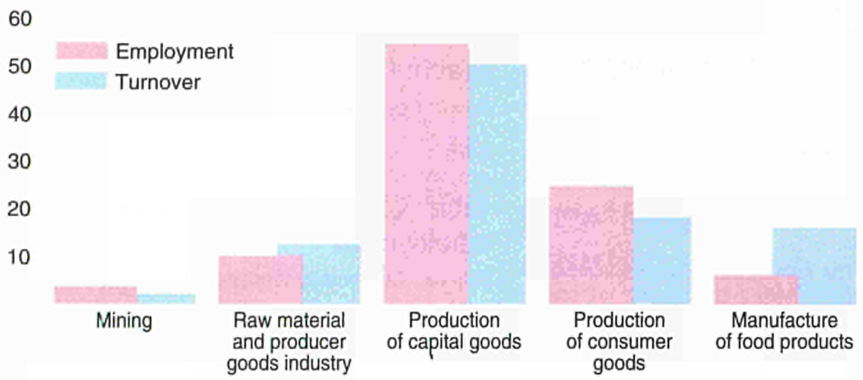
In 1989, the average earnings of employees in industry and the building trade were 25% higher than in 1980, while the increase for those working in the water, textiles and clothing industries was over 30%. The highest average earnings in industry were recorded in the metalworking industry, the power supply industry, the chemical industry and uranium ore extraction.

The basic collective agreements concluded between enterprises and the relevant unions contained the principle that there should be no difference in compensation between men and women or between different places within the *Land* for the same activities performed equally well. None the less, the average wage for women was lower than for men. One reason for this was the high proportion of women working part-time or in lower-paid jobs (crèches and kindergartens, the distributive trades, textiles and the food-processing industry).

New pattern of expenditure following introduction of the Deutschmark

The pattern of expenditure by households changed with the introduction of the Deutschmark. While expenditure on food, drink and tobacco remained much the same, there was a considerable increase in the amount spent on the purchase of manufactured goods, and private cars in particular. In 1990, over 158 000 more cars were registered in Thuringia than in 1989, a 25% increase. Electrical and electronic goods were also popular purchases. At a reduced price level twice as much money was spent on these items as the year before. There was a substantial reduction in the amount of money saved.

Employment (1991) and turnover (1990): distribution by branch (%)



Traditional product range in need of a revamp

Up until the Second World War, industrial development in Thuringia was centred on metalworking, mechanical, electrical and precision engineering, glass and chinaware production and the manufacture of textiles, wooden articles and toys, but these sectors have been subject to a major reorganization over the last few decades, which has led to a fundamental change in the product range. Symptomatic of this trend has been the increased production of microelectronic components, printing and computer equipment, machine tools and agricultural machinery, 'Wartburg' cars and light motorcycles, hunting weapons, knitwear, precision and optical measuring devices and planetarium instruments, potassium fertilizers, and the extraction of uranium ore. The process of adapting to the conditions of a free market economy will give the traditional product range a new look and radically change the structure of production.

In 1990, around three-quarters of the utilized agricultural area was farmed as arable land, with 50% of this total given over to cereals, especially wheat and barley.

The agricultural sector is also experiencing structural change, as seen by the considerable reduction in the livestock population which had already taken place by the end of 1990.

The green heart of Germany needs a course of treatment

In common with other regions of Germany, Thuringia has suffered high levels of environmental pollution for years. The measures taken in the past to improve matters were nowhere near sufficient to eliminate or even drastically reduce the causes of the pollution. For some time now, air pollution and the serious condition of woods, lakes and rivers have posed major problems to man and nature. Cause for particular concern are pollutants in the form of sulphur dioxide, carbon monoxide and dust. Over half the forests in Thuringia are damaged. The oxygen content is too low and the salt levels at times too high in many of the rivers, such as the Saale, Weisse Elster and Werra, while the condition of the ground-water has been impaired by excessive nitrate levels. There are no municipal sewage treatment plants in the towns of Saalfeld and Schmalkalden, and the performance of certain other plants is unsatisfactory. A considerable amount of work needs to be carried out to clear up the damage already done, reduce pollution and meet the challenges set by the concept of environmental protection. Despite the ecological problems and the damage done, there are valuable and noteworthy habitats in Thuringia which are home to interesting fauna and flora. The preservation of these habitats in the form of nature reserves, nature parks and biosphere reserves is a top-priority task. Progress is being made through the changes in the economic structure, e.g. through the de-concentration of industrial complexes responsible for high emission levels of pollutants, the elimination of radioactive waste by halting the extraction of uranium ore, or the reduction in liquid manure as a result of smaller livestock populations.

Agriculture

Agricultural area	881 000 ha
Arable land	74%
Main crops	
Cereals	54%
Potatoes	6%
Sugar beet	3%
Livestock	
Cattle	769 000 head
Pigs	1 291 000 head
Sheep	383 000 head

Main enterprises

No data available

Explanatory notes — Germany

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 was sent varied between Member States so that the Community totals may not always correspond exactly with the sum of the national totals.

The data for the new Federal *Länder* were collected and compiled on the basis of the methodological rules and the classifications of the Statistical Office of the former GDR. These data refer to the territory of each *Land* as of July 1990.

Original Federal *Länder* excluding Berlin

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, East Berlin and the French overseas departments).

Table: The subregions

Area, unemployment, GDP/inhabitant

Source: Eurostat — Regio

Activity rates

Kreise: 1987 population census adjusted to match the 1987-89 trend at *Länder*/Regierungsbezirk level calculated on the basis of the EC labour force sample survey.

Regierungsbezirk/*Land:* EC labour force sample survey.

Employment

Data refer to the place of work

SK: Stadtkreis (kreisfreie Stadt) — urban district
LK: Landkreis — rural district

Table: Number of pupils

Pre-school, primary and lower secondary: excluding special-needs schools
Total: including special-needs schools
Higher secondary (technical): full-time pupils only

Graphs: Employment Employment structure

Sources: Population censuses (1950, 1961, 1970, 1987) Mikrocensus (other years)

Note: Resident employment.

Table: Employment — 1987

Non-residents having a job in the region: excluding those resident abroad.

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

Graph: Wages

Source: Survey on gross annual earnings in industry and commerce

Graph: Disposable household income

Constant prices: Deflated by the cost-of-living index for all households (calculations by Eurostat)

Graph: Employment and value-added: distribution by branch

Source: Eurostat

Table: Agriculture

Source: Eurostat — Regio

AWU: Annual work unit; LU: Livestock unit

Table: Main enterprises

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Hessen: *Frankfurter Allgemeine Zeitung* of 6 July 1991; HLT Gesellschaft für Forschung, Planung, Entwicklung mbH. Die 500 größten Industriebetriebe in Hessen
Niedersachsen: Norddeutsche Landesbank Girozentrale
Nordrhein-Westfalen: *Die Welt*
Rheinland-Pfalz: Own inquiries
Saarland: Own inquiries
Schleswig-Holstein: Landesbank Girozentrale

Note: In order of the number of employees.

Berlin

Graph: Berlin in the Community

Reference year: 1989 (employment for West Berlin: 1987)

Employment: At the place of work

The indicators are expressed as indices related to the Community average (EUR 12 excludes the five new *Länder* of Germany, East Berlin and the French overseas departments).

Table: The subregions

Area, unemployment, GDP/inhabitant (West Berlin)

Source: Eurostat — Regio

Table: Number of pupils

West Berlin: Academic year 1989/90;
East Berlin: Academic year 1990/91
Special-needs schools only included in total

Graphs: Employment Employment structure

Employment measured at the place of work.

Graph: Unemployment

Source: Landesarbeitsamt, registered unemployment

Table: Characteristics of resident employment

Sources: West Berlin: 1987 population census
East Berlin: Employment survey (as at 30 September 1989)

Graph: GDP/Industrial goods production

Sources: West Berlin: Regional accounts
East Berlin: Annual production survey (price changes are eliminated)

Graph: Wages

Sources: West Berlin: Survey on gross annual earnings in industry and commerce
East Berlin: Average monthly gross earnings of full-time manual and non-manual workers

The indicator values for West Berlin are expressed in relation to the average for the Federal Republic of Germany (as constituted prior to 3 October 1990) and those for East Berlin in relation to the average for the territory of the former GDR.

Graph: Disposable household income (West Berlin)

Constant prices: Deflated by the cost-of-living index of all households (calculations by Eurostat)

Graph: Employment and value-added: distribution by branch (West Berlin)

Source: Eurostat

Table: Main enterprises

Source: West Berlin only: Berlin Chamber of Industry and Commerce

New Federal *Länder*

Graph: The region in the Community

The indicators are expressed as indices related to the Community average (EUR 12 excludes the five new *Länder* of Germany, East Berlin and the French overseas departments).

Table: Number of pupils

Pre-school, primary and lower secondary: excluding special-needs schools
Upper secondary (technical): full-time pupils only
Total: including special-needs schools

Graph: Unemployment

Officially registered unemployed persons as a percentage of the civilian labour force.

Graph: Production of industry and agriculture

Industrial goods production: price changes are eliminated
Total crop and animal production: based on the sum of all output converted into cereals equivalent

Graph: Wages

Average monthly gross earnings of full-time manual and non-manual workers expressed in relation to the average for the territory of the former GDR.

Graph: Net household income

The data do not refer to the region but to the territory of the former GDR as a whole.

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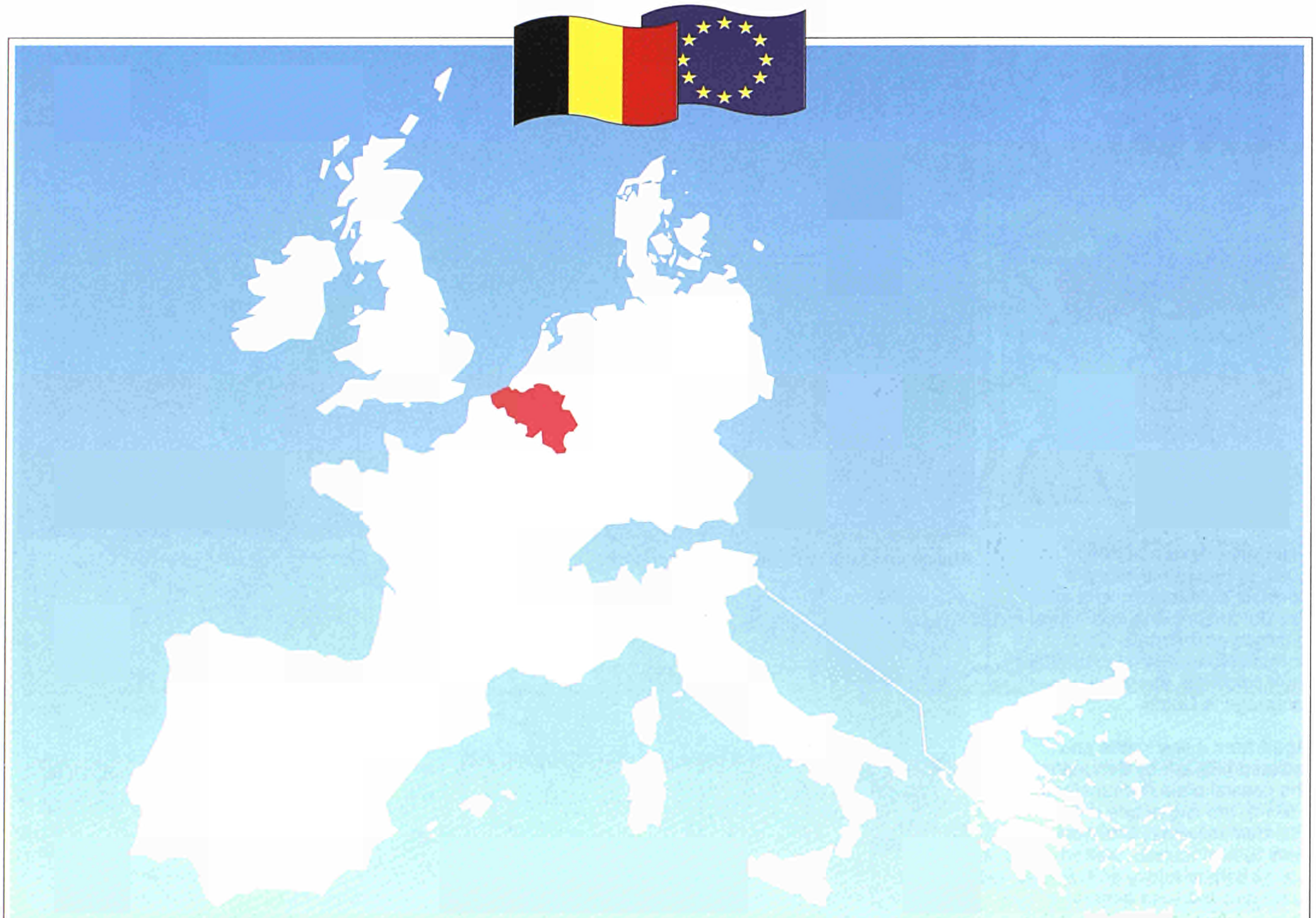
BELGIUM



The Kingdom of Belgium consists of three regions (NUTS 1), nine provinces (NUTS 2), 43 districts (NUTS 3) and 589 municipalities. In addition, Belgium has three communities.

The breakdown into provinces, districts and municipalities dates from when Belgium became independent. The administrative breakdown into regions and communities is more recent.

The Brussels Region consists of the district of the capital city of Brussels (19 municipalities). The Flemish Region comprises the provinces of Antwerp, Limburg, East Flanders and West Flanders and the Flemish/Brabant districts of Halle-Vilvoorde and Leuven. It comprises 22 districts and 308 municipalities. The Walloon Region, which has 20 districts and 262 municipalities, comprises the provinces of Hainaut, Liège, Luxembourg and Namur, and the Walloon/Brabant district of Nivelles.

When Belgium became independent it had 2 739 municipalities. After 243 municipalities were ceded to the Netherlands and G. D. Luxembourg in 1839, the figure increased to 2 675 in 1928, gradually declining thereafter until 1976. Following the mergers of 1977 the figure dropped to 596. Finally, in 1983, seven municipalities from the conurbation became part of the city of Antwerp.

Some of the mergers of municipalities necessitated changes in the boundaries of the districts and provinces. The main changes date from 1839, 1919, 1923 and 1963. The last changes were caused by the division of the Brussels district into the districts of the capital city of Brussels, Halle-Vilvoorde and Leuven (Province of Brabant) and the formation of the district of Mouscron (Province of Hainaut) from municipalities in the Province of West Flanders.

BELGIË/BELGIQUE

VLAAMS GEWEST

Flanders covers 13 511 km^2, or 40%, of Belgian territory. It consists of four provinces (plus the Dutch-speaking area of the province of Brabant), 22 administrative districts and 308 municipalities. The official language is Dutch.

Apart from a few knolls and isolated hills left by denudation of the coastal plain (Kemmelberg is 156 m), the landscape is flat. Flanders is largely urbanized, with 10% of its area built up. Its light to heavy soils (sand, loam and clay) are generally fertile: 41% of the land is arable and there is little woodland (8.2%).

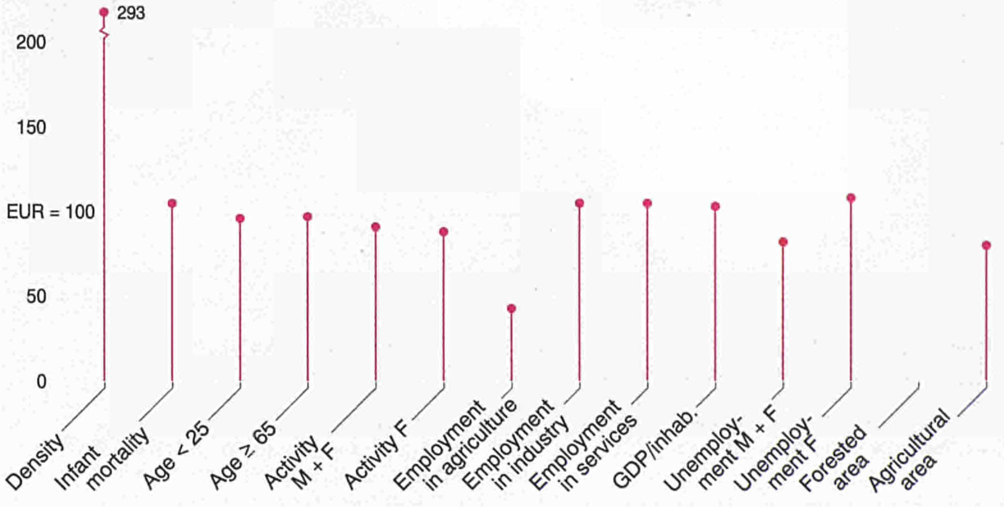
The mild west-coast climate is subject to widely fluctuating weather conditions caused by the prevailing cyclonic disturbances.

Flanders lies in the centre of the densely populated and prosperous rectangle formed by Rotterdam in the Netherlands, the Ruhr region of Germany and the industrial belts of northern France and south-east England.

A series of national reforms gradually increased the political autonomy of Flanders and in 1981 the region gained its own government.

Well-situated and with good connections.

Vlaams Gewest in the Community



A productive, open economy

Some of the region's advantages are:

– a favourable geographical location with an appropriate transport infrastructure: motorways and expressways forming or intersecting some of Europe's major north-south (E9, E411, E17) and east-west (E40, E313) routes; a very dense railway network; three sea ports (Antwerp, Ghent and Zeebrugge) serving an extensive European hinterland; Brussels international airport;

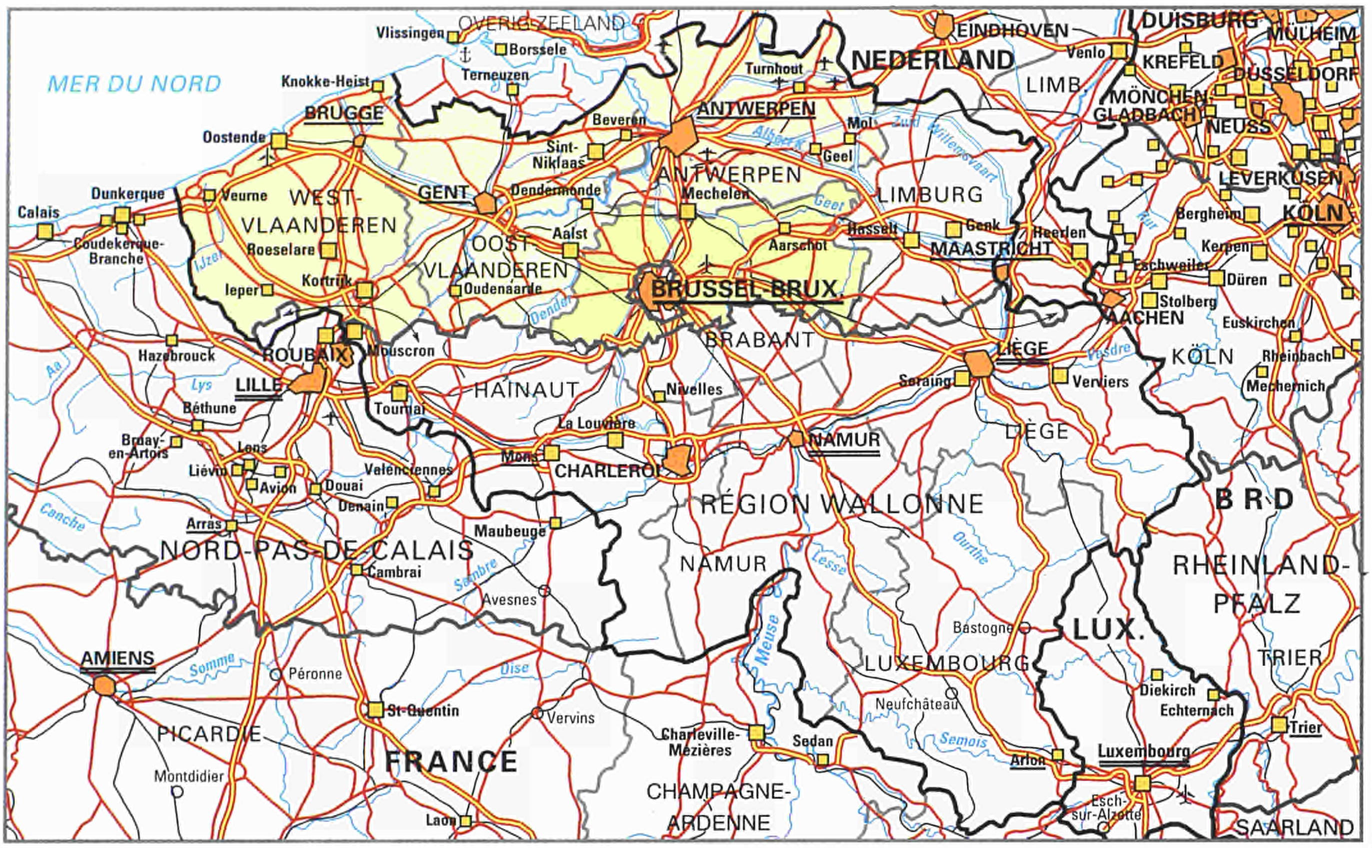
– an open economy (almost two-thirds of industrial production is for export) and an investment-friendly climate for the establishment of multinational companies;

– a stable and productive industrial infrastructure based on continuous renewal of technologies, a well-trained, polyglot work-force and a good social climate.

There are also some disadvantages:

– a gradual decline in the birth rate means an ageing population and a potential disruption of the region's economic, social and cultural balance;

– although the unemployment rate fell sharply during the second half of the 1980s, unemployment is still high compared with the otherwise strong performance of the Flanders' economy.



Scale 1 : 2 000 000

Which EC regions are similar to Flanders?

Area:
13 000 to 14 000 km²
Campania; Trentino-Alto Adige (I)
West Midlands (UK)

Population:
5 to 6 million inhabitants
± 400 inhabitants per km²
Campania (I)
West Midlands (UK)

Employment:
3% in agriculture
more than 60% in services
Scotland; Wales (UK)
Nord-Pas-de-Calais (F)

Land use:
8% forest
Schleswig-Holstein (D)
Sicilia (I)
Nord-Pas-de-Calais (F)

An urbanized region with a central focus

Flanders is a densely populated, urbanized region.

Its population and economic, social and cultural activities are largely concentrated in nine municipalities, each with at least 80 000 inhabitants. Antwerp is at the top of the list; next comes Ghent. Brussels, the national capital with its bilingual constitution which lies within but is administratively separate from Flanders, is home to large numbers of Flemings who belong to the Flemish community if not to the Flanders' region.

These nine urban districts are geographically fairly evenly distributed and interconnected by road and rail networks.

Flanders' economic heart is the central triangle of Ghent-Antwerp-Brussels. The Westhoek or 'western corner' and the east of the region (the province of Limburg and the Turnhout district) are regarded as development zones.

	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
Antwerpen	2.9	1 597	557	1.5	46	6.5	2	33	65	122
Vlaams-Brabant	2.1	963	457	4.0	50	4.2	3	25	73	81
Limburg	2.4	745	308	4.8	49	8.8	3	37	60	100
Oost-Vlaanderen	3.0	1 332	447	0.1	49	5.3	4	35	62	97
West-Vlaanderen	3.1	1 103	352	2.3	49	3.7	5	34	61	103
Vlaams Gewest	13.5	5 740	425	2.1	48	5.5	3	33	64	103
België/Belgique	30.5	9 948	326	0.9	47	7.6	3	27	70	101
EUR 12	2 253.7	327 931	146	3.2	54	8.3	7	33	60	100

VLAAMS GEWEST

An ageing population

The population of Flanders was 5 739 736 in 1990, i.e. 57.7% of the total population of Belgium and equivalent to a density of 425 inhabitants per km². 4.3% of the population is foreign.

The Flemish population has increased by 25.7% since the Second World War, compared with a rise of only 16.6% in Belgium as a whole.

The birth rate fell significantly between 1964 (18.41 per thousand) and 1989 (11.69 per thousand). The 1989 death rate was 9.9 per thousand.

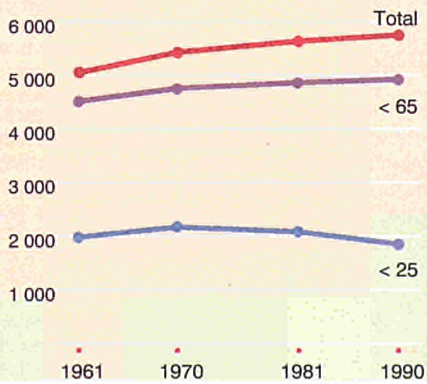
The latest forecasts predict a decline in the population of Flanders from 1995 onwards.

The salient feature of the demographic trend in Flanders is increasing ageing of the population. At the end of 1947 the population consisted of 32.3% young people (aged 0-19), 54.1% adults (aged 20-59) and 13.6% older people (aged 60 and over). According to the latest forecasts, the older population is expected to reach 34.5% by 2040 and the younger generation to fall to 19.2%.

Population by age — 1990

	M + F 1 000	M + F %	M %	F %
< 15	1 029.9	17.9	18.6	17.3
15-24	818.5	14.3	14.8	13.8
25-39	1 347.5	23.5	24.3	22.6
40-54	1 065.3	18.6	19.1	18.0
55-64	662.3	11.5	11.4	11.7
≥ 65	816.2	14.2	11.8	16.6
Total	5 739.7	100.0	100.0	100.0

Population (1 000)



Resident population of foreign nationality — 1990

	1 000	% of total population
Total	244.6	4.3
of which EC countries	130.7	2.3
of which non-EC countries	113.9	2.0
Netherlands	52.0	0.9
Turkey	40.6	0.7
Morocco	40.6	0.7
Italy	26.4	0.5
France	14.3	0.3
United Kingdom	10.6	0.2

Demographic account — 1980-90 (1 000)

Population 1.1.1980	5 618.9
Births	677.1
Deaths	581.3
Net migration	+ 17.5
Population 1.1.1990	5 739.7

A well-trained work-force

In 1989, the working population of Flanders showed an increase of 33 100 over 1983. An increase of 46 600 in the female work-force in this period was accompanied by a decline of 13 500 in the male work-force.

The activity rates for men are highest (93.5-97.8%) in the 25-49 age group; in the other age groups they have fallen since 1983, owing to an extension of compulsory education to the age of 18 and growing numbers taking early retirement.

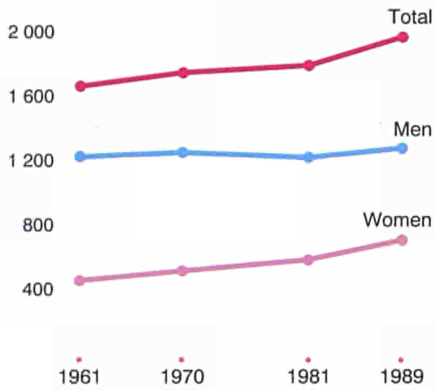
Women have their highest activity rates (80.5%) in the 25-29 age group; rates have risen since 1983 in the 25-49 group as a whole, while declining at other ages.

Flanders has a broad network of institutions providing general, technical and vocational education and training as well as universities and other higher education establishments.

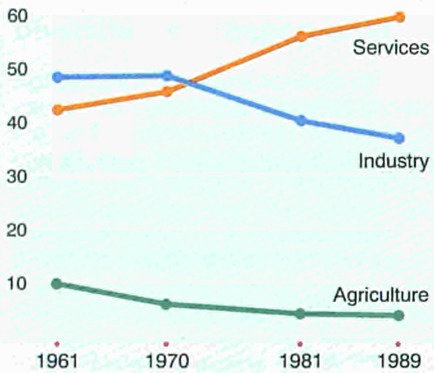
Number of pupils — 1990

	M + F 1 000	F %
Pre-school	206	48.5
Primary	425	48.6
Lower and upper secondary (technical)	86	41.9
Lower and upper secondary (general)	347	50.7
Higher education	119	49.5
Total	1 183	48.8

Employment (1 000)



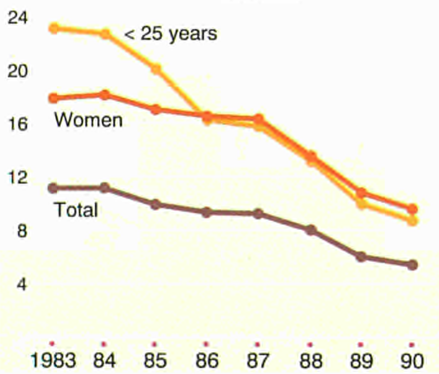
Employment structure (%)



Employment — 1989 (1 000)

Resident employment	2 181
+ Non-residents having a job in the region	42
– Residents having a job outside the region	259
= Internal employment	1 964

Unemployment (%)



Most unemployment in the services sector; more part-time working

The introduction of new technologies has left a deep impression on the amount and type of employment available. Between June 1980 and June 1983, numbers of jobs fell by 47 400 in industry excluding the building trade, and by 39 600 in the building trade itself. The growth in service jobs (+10 600) and agriculture (+100) was not enough to offset this. Paid employment figures in mid-1983 were the lowest of the decade. The subsequent trend has been upward, thanks largely to the booming services sector. From 1983 to 1989 numbers employed in the services rose by 209 100, in building by 8 300 and in agriculture by 2 600. Employment in industry excluding the building trade continued to fall until 1988 (– 16 700) before increasing by 12 200 between 1988 and 1989.

At the end of June 1989 Flanders had 1 702 800 wage-earners, 62.3% of whom were employed in the services sector, 30.9% in industry minus the building trade, 6.2% in building and 0.6% in agriculture.

The increase in jobs is due not only to improvements in short-term economic trends, but also to the popularity of part-time work in its various forms. Numbers in full-time jobs dwindled by 28 260 between 1983 and 1988, while 166 500 more people opted for shorter hours.

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	9	81	2	2	3	2
Women	16	81	4	85	20	30	5	4
Total	13	81	7	82	8	12	4	3

Many older and long-term unemployed

The fall in employment and the growth in the working population led to an increase in unemployment between 1980 and 1984. The recovery of the economy, measures to combat unemployment and a substantial increase in part-time working then reduced the number of unemployed.

Of the 143 000 fully-unemployed individuals registered as seeking work:

– 66% are male and 34% female;

– 17% are aged under 25;

– 45% have been unemployed for at least two years;

– most were employed in the services, the distributive trades, the clothing industry and the building trade;

– most have only primary (45%) or lower secondary (24%) educational qualifications.

An international outlook

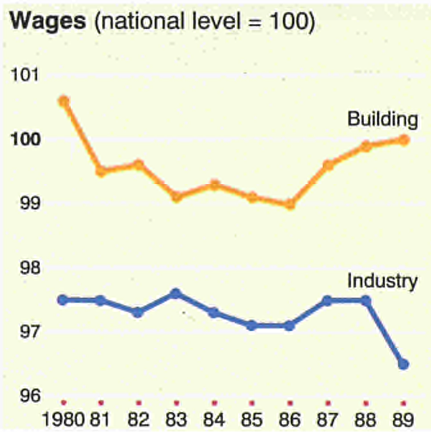
Flanders' high rate of productivity per worker brought with it vigorous post-war economic growth. As a result, the per capita productivity of the Flemish population as a whole caught up with that of Wallonia in 1965 and has since overtaken it. Per capita productivity in Flanders in 1988 was 101.9% of the national average.

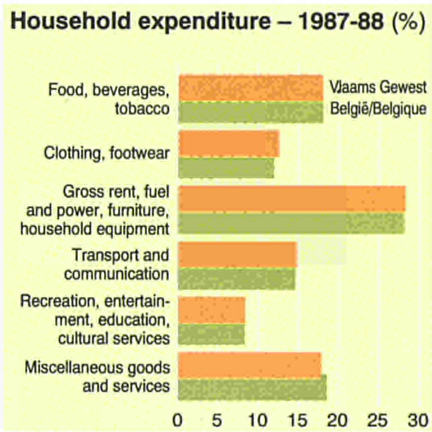
This growth came about through the arrival of a series of foreign multinational companies as well as the contribution made by a number of large Flemish firms and numerous small and medium-sized businesses. The Flemish government boosted innovation by encouraging the development and application of new technologies: microelectronics, biotechnology and new materials.

After the Second World War, agriculture's share of the region's gross domestic product dwindled to 2.5% in 1988 while the services sector increased its share to 60.7%. Metals and metalworking, including shipbuilding, is Flanders' foremost industry at 8.7% of GDP, followed by building (5.5%) and the chemical industry (4.8%).

Within the services sector, transport and communications account for a substantial 10.4% of Flanders' GDP, thanks largely to the three seaports and the national airport at Zaventem.

In 1987, 63.5% of the total output of Flemish industry was destined for export. Some industries showed above-average export figures for the region: iron, steel and non-ferrous metals (83.0%); rubber and chemicals (79.2%); metalworking and shipbuilding (75.8%); and textiles (67.7%). Together these industries account for some 75% of exports.





A prosperous region

On average, some 90% of the primary income of most Flemings is employment-related, 2% is income from fixed assets and 8% investment income.

The highest average gross hourly earnings of industrial workers in 1989 were recorded for the following branches: the petroleum industry (ECU 12.1), the chemical industry (ECU 9.6), the water supply industry (ECU 9.4) and the manufacture and primary processing of metals (ECU 9.1).

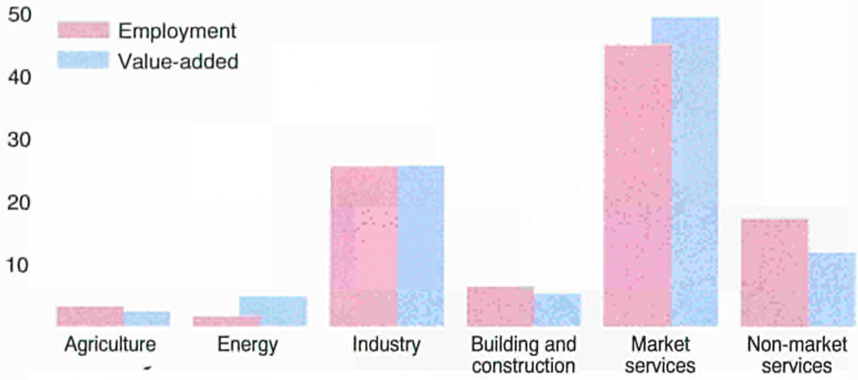
The lowest average gross hourly earnings were in the following branches of industry: footwear and clothing (ECU 5.6), other manufacturing and processing industries (ECU 5.7), the leather industry (ECU 6.0) and office and computer equipment manufacture (ECU 6.2).

The highest average gross monthly salaries of non-manual workers in industry in 1989 were in the following branches: the petroleum industry (ECU 2 665), the manufacture and primary processing of metals (ECU 2 373), the chemical industry (ECU 2 259) and the production and distribution of electricity, gas, steam and hot water (ECU 2 229).

The lowest average salaries of non-manual workers in industry were in other manufacturing and processing industries (ECU 1 248), footwear and clothing (ECU 1 391), the timber and wooden furniture industry (ECU 1 535) and the textile industry (ECU 1 658).

Net taxable per capita income (from salaries, wages, pensions, benefits, entrepreneurial, income, etc.) rose from ECU 4 394 to ECU 6 282 between 1980 and 1988.

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



Diversified and export-oriented

Agriculture in Flanders consists chiefly of cereal crop production, market gardening and livestock rearing. Flanders accounts for a large proportion (95.5%) of Belgian pig production, most vegetable crop production and floriculture. Sea fishing is restricted to Flemish ports.
Industry is highly diversified and export-oriented. Flanders' specialization in textiles dates back to the early Middle Ages. The industry persisted after the Second World War, despite some radical changes. Jute production disappeared and flax production dwindled while carpet manufacture boomed: Flanders is second only to the USA as the world's largest producer of carpets. In the metalworking branch, Flanders came to specialize in vehicle assembly (955 144 cars in 1988). The chemical industry, with the Antwerp conurbation as its main centre, and non-ferrous metals became Flanders' foremost growth industries.

The region is also well known for timber and furniture production and for diamond-cutting.

The Kempen coal mines are to close down by 1 January 1993 at the latest.

A further characteristic of Flemish industry is the high proportion of foreign firms.

Concern for the environment

Flanders still has a wealth of attractive scenery and recreational areas. Travelling west to east, the first of these is the North Sea coastline with its beaches and, behind them, polders, hills and woodland. The picturesque medieval city of Brugge (Bruges) is a famous tourist attraction. Further to the east are the Flemish Ardennes and the Zwalmstreek with their hills and watercourses. Along the meanders of the River Schelde (Scheldt) is the rich nature reserve 'het Verdronken Land van Saeftinge'. There are woods, moorland, land dunes and pastureland to the east of Antwerp. South of Brussels is the Pajottenland, a rural and farming district with the 'green lung' of the Zoniënwoud. The province of Limburg, especially its Kempen plateau, its cultural and historical heritage and its new facilities for recreation, is an attractive leisure resort.

Yet Flanders, too, is not immune to environmental hazards. Sulphur dioxide (SO_2) emissions in 1988 came from industry (84%), domestic heating (11%) and road transport (5%). Nitrogen oxide (NO_x) emissions were from road transport (63%), industry (33%) and domestic heating (4%).

Flanders consumes 49 000 litres of groundwater per person per year, which means that pollution from the atmosphere (acid rain, heavy metals), from direct application to the soil (fertilizer, pesticides) and from discharges into the soil (sumps, waste leachates) has to be reduced to a minimum. The quality of surface water, too, is affected by household, agricultural and industrial waste. An environmental management plan is being implemented in an attempt to meet the prescribed quality standards. Priority is given to preventive measures and recycling schemes.

Agriculture

Number of holdings	:
Labour force	:
Agricultural area	605 000 ha
Livestock	2 721 000 LU
Gross value-added	:
Main products	
Pigs	25%
Vegetables	16%
Milk	14%

Main enterprises

Name	Employees	Activity
Regie der Posterijen	21 400	Post
Nationale Maatschappij der Belgische Spoorwegen	18 300	State railways
Ford Werke Aktiengesellschaft	13 000	Car manufacturing
General Motors Continental	10 100	Car manufacturing
Regie van Telegrafie en Telefonie	9 700	Telecommunications
Grand Bazar — Innovation — Bon marché	9 600	Retail distribution
Électrabel	9 300	Production and distribution of energy
Philips Industrial Activities	9 000	Electronics
Agfa-Gevaert	8 000	Manufacture of chemicals
Bekaert	6 800	Manufacture of metal products

BELGIË/BELGIQUE

ANTWERPEN

The province of Antwerp, 2 867 km² in size, is situated on the Schelde estuary to the north of Flanders and consists of three districts: Antwerp, Mechelen and Turnhout.

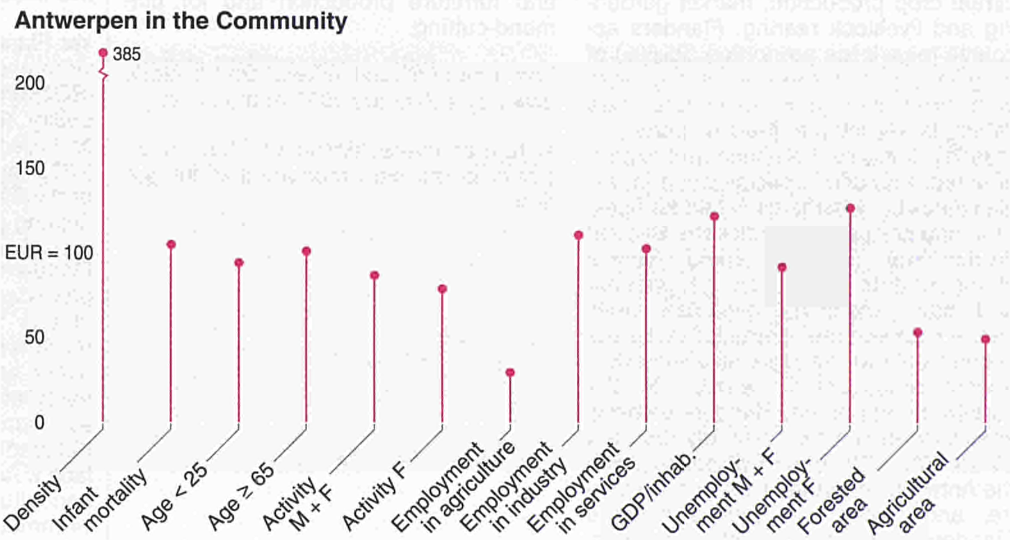
Geographically the province is entirely lowland plain, its height above sea level varying between 2 metres in the west (sea polders) and 30 metres in the north. Its highest point, near Postel, lies at 46 metres.

The soil is predominantly sandy, with a number of clay deposits near the waterways.

Since the region is criss-crossed by a dense network of canals and rivers, the most prominent being the Schelde, water management poses no problems.

Woodland is generally sparse, except for the Noorderkempen, and consists chiefly of coniferous trees.

The city of Antwerp, cradle and nucleus of an economic boom.



Metropolis and hinterland

The province of Antwerp has four great advantages:

– the port of Antwerp, Europe's second largest, with its central position, modern infrastructure, excellent connections (motorways and expressways, railways, canals and pipelines) and efficient services;

– a hinterland with a solid industrial base consisting of a number of international companies in the metalworking and chemical sectors and a network of flourishing small and medium-sized enterprises (SMEs);

– qualified work-force trained in the province's own schools, colleges and universities — a guarantee of high productivity;

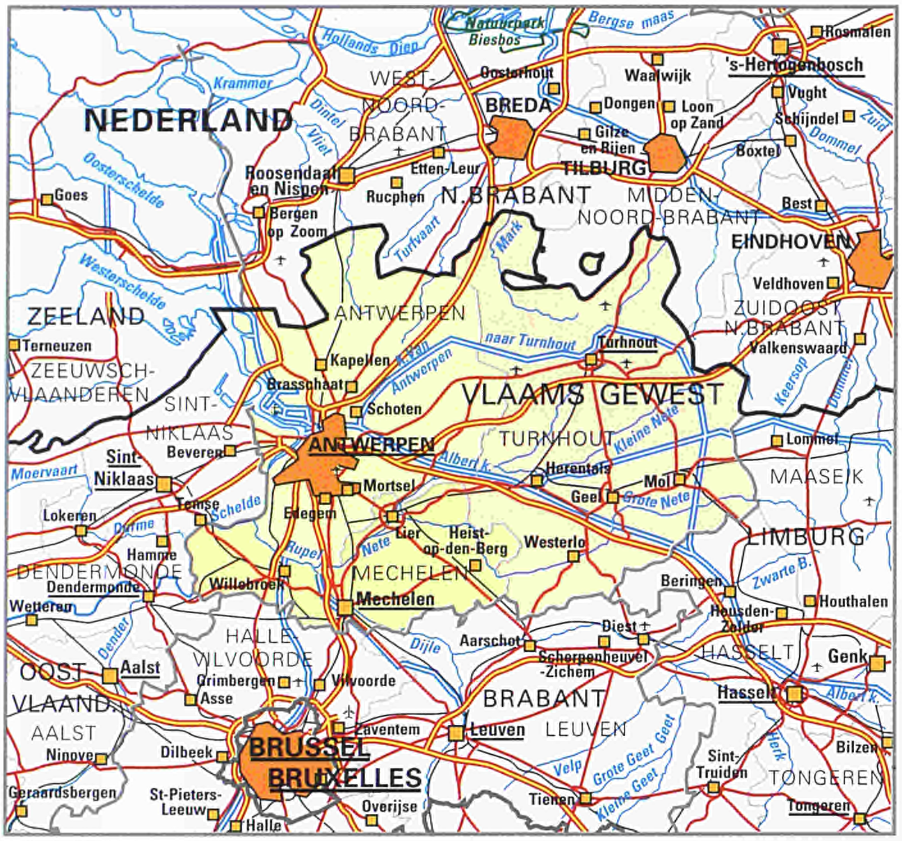
– the centre of the world diamond trade, with a substantial diamond industry.

The province also has three handicaps to contend with, typical of highly developed economies:

– a growing burden on the environment (industrialization, ever-increasing traffic and creeping urbanization);

– above-average dependence on foreign decision-making (high concentration of international establishments);

– an ageing population (falling birth rate), likely to have a harmful effect on the availability of qualified workers in the long term.



Which EC regions are similar to Antwerp?

Area:
nearly 3 000 km²
Groningen; Drenthe (NL)
Bedfordshire, Hertfordshire (UK)

Population:
1.6 million inhabitants
over 500 inhabitants per km²
Hamburg (D)
Bedfordshire, Hertfordshire (UK)

Employment:
35 to 40% in industry
60% in services
Yorkshire and Humberside; North (UK)
Darmstadt; Hannover (D)

A diversified region with multiple centres of population

The Antwerp district, with its city of the same name, forms the nucleus of the province. The international port is surrounded by an extensive industrial zone which provides the inhabitants of this densely populated region with a high standard of living. The port area is the country's foremost centre of industrial growth. The diamond sector and a well-developed services sector intensify Antwerp's central character.

The district of Mechelen in the south-west of the region has moist, loamy sand-based soils which make it an important horticultural centre. The country's major, strongly export-oriented, horticultural market is at Sint-Katelijne-Waver. The district's favourable position between Antwerp and Brussels is one of the main reasons for its sound industrial base.

The traditionally agricultural Turnhout district in the east of the province has evolved over the past few decades into a non-urbanized area with a high industrial reputation thanks to its infrastructure.

	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
Antwerpen (arr.)	1.0	923	922	−0.3	45	5.8	1	30	70	142
Mechelen	0.5	295	578	1.0	46	5.9	3	38	60	89
Turnhout	1.4	380	280	6.5	50	8.6	4	41	56	99
Antwerpen (prov.)	2.9	1 597	557	1.5	46	6.5	2	33	65	122
België/Belgique	30.5	9 948	326	0.9	47	7.6	3	27	70	101
EUR 12	2 253.7	327 931	146	3.2	54	8.3	7	33	60	100

BELGIË/BELGIQUE

LIMBURG

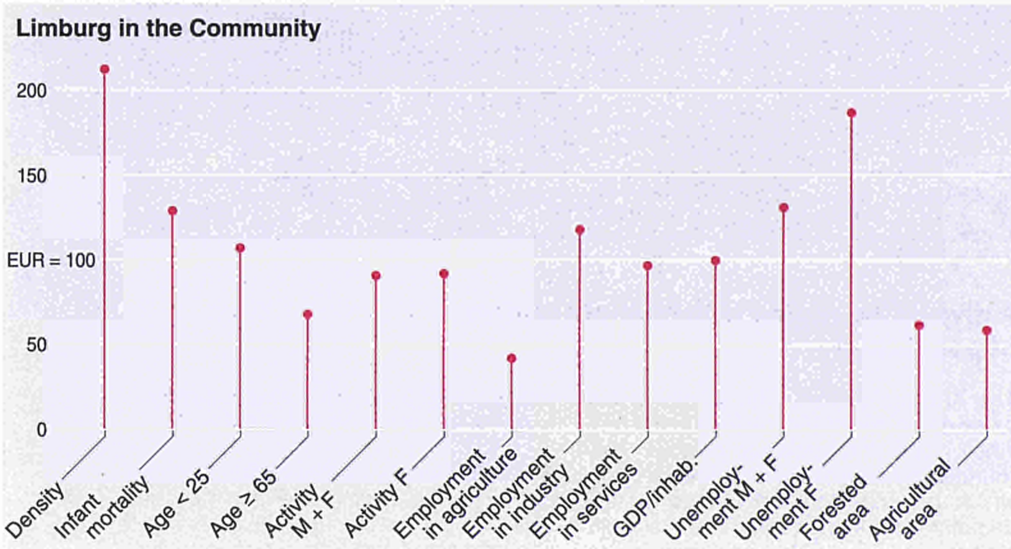
Limburg has three distinct areas. The fertile soils in the Haspengouw to the south are ideally suited to the cultivation of fruit and crops. To the north is the Kempen, a plateau 50-100 m above sea level, with sandy and marshy soils overgrown by woodland and heather. To the east is the Maasland, made fertile by silt from the River Maas, which forms the frontier between Belgium and the Netherlands.

The province has a modern transport infrastructure with motorways, expressways, canals and railways linking it in all directions with the rest of north-western Europe.

Limburg is a new province: new residential districts, modern public buildings and offices, extensive and generally unspoilt countryside with ample facilities for recreation and tourism.

30% of the province's area is built-up and the rest is made up of open spaces.

Extensive recreational facilities.



A young and dynamic province in the heart of Europe

Plus points:

– an outstandingly good position at the heart of western Europe;

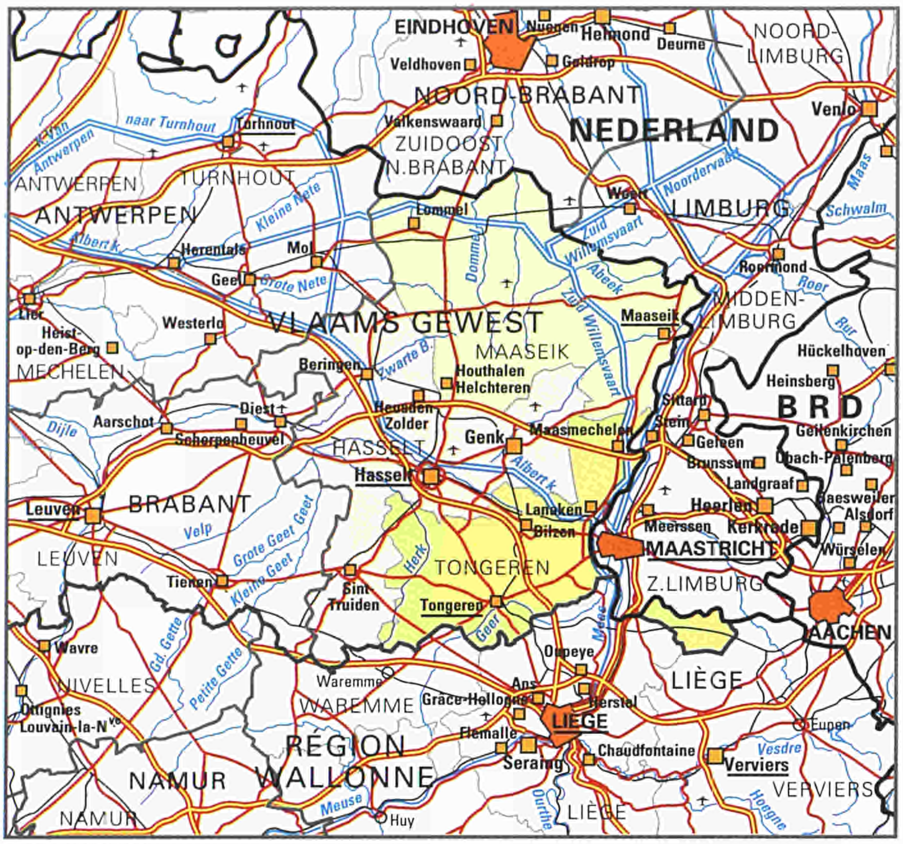
– a young and well-trained work-force: 35% of all Limburgers are aged under 25. A young and well-educated population with extensive language skills is a major advantage for the employment market;

– financial and tax incentives for businesses moving into the region.

Socio-economic problems:

– Limburg suffers from high unemployment, some 50% above the average for Flanders. The problem is primarily one of female long-term unemployment;

– next comes the progressive closure of the Kempen coal mines, where the number of jobs dwindled from 14 727 at the end of 1986 to 2 710 by the end of March 1991. All coal production is to stop by 1 January 1993 at the latest. The retraining and redeployment of former miners, reclamation of pit sites and renovation of miners' housing estates is therefore a major task.



Scale 1 : 1 000 000

Homogeneous development within the province

The province is divided into five areas, chiefly on the basis of socio-economic features: North Limburg and the Maasland to the east, which take in the Maaseik district, Middle and West Limburg, which encompass most of the Hasselt district, and South Limburg, which makes up roughly half of the Tongeren district.

North Limburg has a noticeably faster demographic growth rate (a younger population structure), as do Middle and West Limburg (immigration of guest workers). This is balanced by slower growth in South Limburg (an older age structure).

Industrial activity is centred mainly in Middle Limburg, which has 48% of the province's jobs but only 29% of the population. The services sector is also strongly represented and concentrated chiefly in the capital, Hasselt, where a supply and service centre operates throughout Limburg.

The declining Kempen coal mines are located in a belt stretching west-east from West Limburg to the Maasland. Male unemployment is strikingly high in this district.

High income-earners are to be found chiefly in Middle Limburg.

Which EC regions are similar to Limburg?

Area:
± 2 400 km²
Réunion (F)
Saarland (D)
Cheshire (UK)

Population:
± 750 000 inhabitants
Limousin (F)
North Yorkshire (UK)

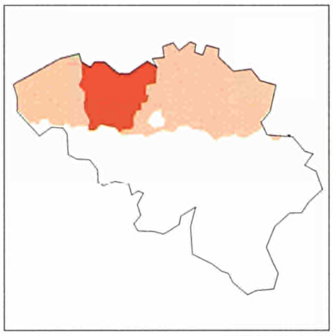
Age:
only 10% over 65
Campania (I)
Ceuta y Melilla; Canarias (E)

Employment:
3% in agriculture
40% in industry
West Midlands (UK)
Koblenz; Gießen (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
Hasselt	0.9	364	402	3.9	50	8.7	1	38	60	122
Maaseik	0.9	200	226	8.1	49	8.9	3	40	57	93
Tongeren	0.6	181	287	3.3	47	8.8	6	29	65	66
Limburg	2.4	745	308	4.8	49	8.8	3	37	60	100
België/Belgique	30.5	9 948	326	0.9	47	7.6	3	27	70	101
EUR 12	2 253.7	327 931	146	3.2	54	8.3	7	33	60	100

BELGIË/BELGIQUE

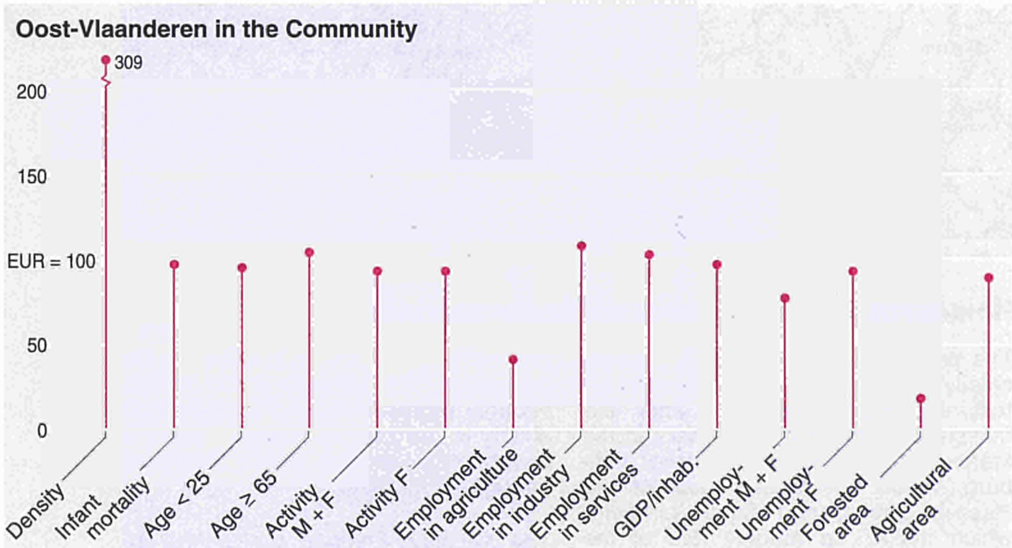
OOST-VLAANDEREN



East Flanders lies at the heart of the most densely populated and industrialized part of the region. It consists of six districts, four of which (Ghent, Aalst, Sint-Niklaas and Dendermonde) lie within the triangle formed by the three neighbouring conurbations of Brussels, Antwerp and Ghent: probably a megalopolis in the making. The districts of Oudenaarde and Eeklo are situated at the very edge of this 'golden triangle'.

The economy is based on four major sectors: metals, chemicals, textiles and foodstuffs. This highly industrialized province does, however, derive some colour from its floriculture centre. Ghent's azaleas and begonias and Aalster's cut flowers are world-renowned. The University of Ghent is a trend-setter in biotechnology, and plant genetics in particular.

The Graslei in Ghent — symbol of a glorious past.



Difficult past, promising future

For centuries, the textile industry formed the hub of the economy of East Flanders. The decline of this sector from 1950 had heavy socio-economic consequences, especially emigration which has led to an ageing population. Diversification, which is now under way, depends on local and foreign investment and retraining of the unemployed.

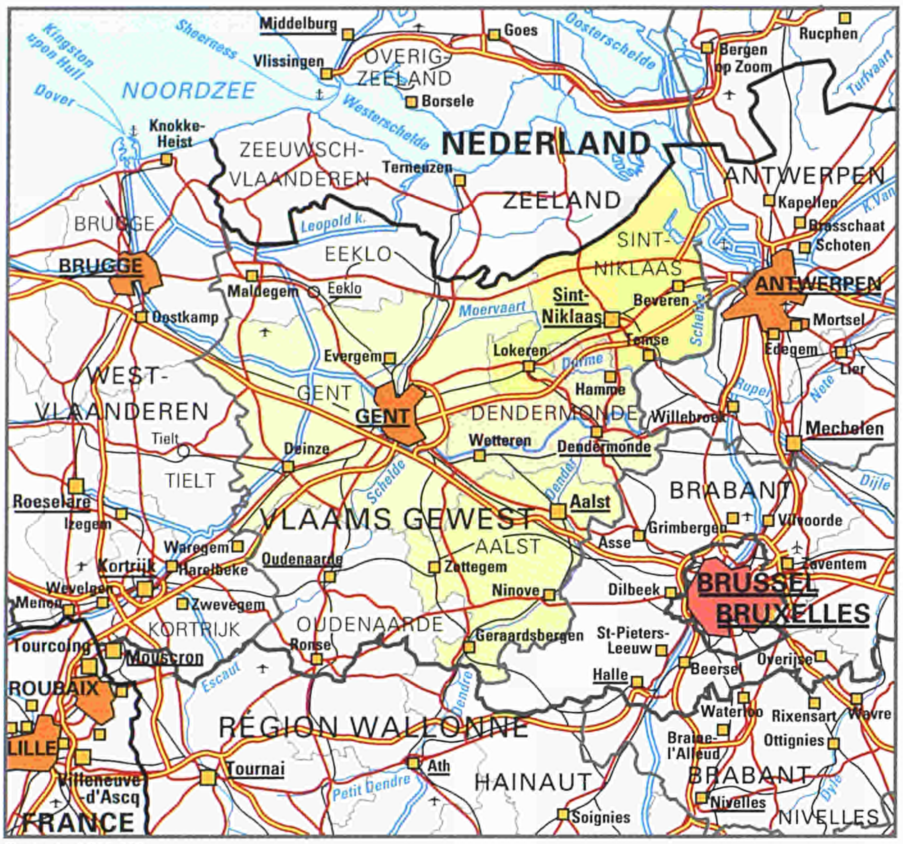
East Flanders has insufficient means to exploit its advantages at European level. Since the mouth of the maritime canal which crosses the region is outside its territory, it is unable to participate rapidly in any current maritime developments.

On the other hand, its position at the centre of the most densely populated and most industrialized region of Europe is a big advantage. Modern telecommunications, two seaports and a dense network of motorways, facilitate access to the region.

Several schools of engineering and the University of Ghent ensure a qualified work-force, and a multilingual population overcomes language barriers. Low absenteeism and low staff turnover makes staff-training a worthwhile exercise.

The fact that East Flanders has one of the highest concentrations of foreign companies in Europe bears witness to its favourable business climate.

OOST-VLAANDEREN



Scale 1 : 1 000 000

Which EC regions are similar to East Flanders?

Area:
nearly 3 000 km²
Groningen (NL)
Cleveland, Durham (UK)

Population:
1.3 million inhabitants
Lancashire; South Yorkshire (UK)
Hainaut (B)

Employment:
3% in agriculture
60% in services
Hannover (D)
Nord-Pas-de-Calais (F)
Wales (UK)

Land use:
less than 5% forest
Ireland
Noord-Holland (NL)

A closely packed province

The most densely populated areas are to be found in the districts within the triangular conurbation. The geographical distribution of employment follows the same pattern: this triangle now accounts for 47% of all employment in Belgium.

The industrial base is along the Ghent-Antwerp axis. The port of Ghent — distribution centre for raw materials for the food industry — is the site of the Flemish steel industry and the second largest centre of the Belgian chemical industry, the largest being the area around the port of Antwerp, which extends deep into the East Flanders' district of Sint-Niklaas. The area between the two ports is home to fine chemistry, precision engineering and the rolling stock and transport vehicle industries.

The largest concentration of rubber and plastics processing plants is in Ghent, Aalst and Oudenaarde. The East Flanders' textile and clothing industry, a major activity, is based in the south of the province. An electronics belt is gradually developing between Ghent and Oudenaarde.

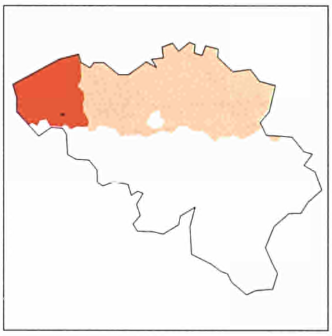
All these industrial developments have always had the advantage of a concentrated transport network linking each district of East Flanders with the major cities and industrial regions of north-western Europe.

As a result, East Flanders, with the provinces of Antwerp and Brabant, has the highest average income level in Belgium.

	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
Aalst	0.5	258	551	−1.7	51	5.8	3	35	62	73
Dendermonde	0.3	182	532	1.4	50	5.1	4	40	56	78
Eeklo	0.3	79	236	−1.3	52	5.7	9	32	60	77
Gent	0.9	486	515	−0.1	48	5.8	3	32	66	121
Oudenaarde	0.4	112	267	−0.6	50	3.5	5	45	51	92
Sint-Niklaas	0.5	215	453	2.7	49	4.6	3	35	62	96
Oost-Vlaanderen	3.0	1 332	447	0.1	49	5.3	4	35	62	97
België/Belgique	30.5	9 948	326	0.9	47	7.6	3	27	70	101
EUR 12	2 253.7	327 931	146	3.2	54	8.3	7	33	60	100

BELGIË/BELGIQUE

WEST-VLAANDEREN



The province of West Flanders lies in the most densely populated area of western Europe, bordering the North Sea, northern France, Zeeland in the Netherlands and the province of East Flanders.

West Flanders is flat, except for a row of dunes along the coast and a hilly area known as the 'Westvlaamse Bergen'.

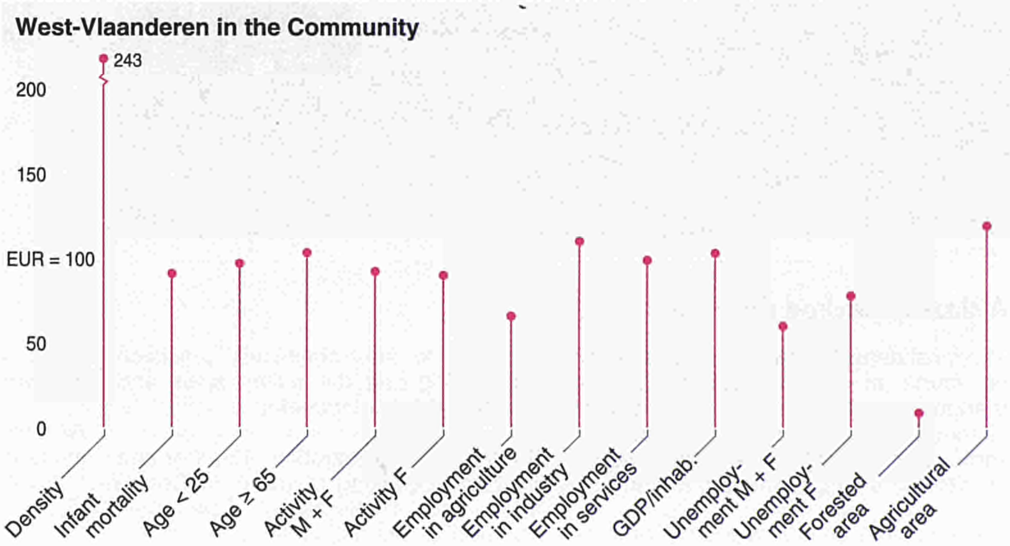
The province is bounded by the River Schelde and the Leie and IJzer flow through it. A number of canals link the coastal ports of Zeebrugge, Oostende and Nieuwpoort with inland regions.

West Flanders has no mineral deposits other than sand and clay, the latter the source of an important brick and tile industry.

Soil types alternate between sand, clay, sand/loam and loam, enabling a wide variety of agricultural and horticultural crops to be grown.

The province has a diversified urban structure, with Brugge, Kortrijk and Ostende becoming the dominant cities, together with numerous smaller centres of population.

Bruges: centre panel of triptych by Hans Memling.



An outward-looking region

West Flanders lies at the crossroads between Great Britain and continental Europe. This location is further enhanced by its proximity to the Channel Tunnel, which is currently under construction, and the TGV railway junction at Lille in Northern France.

In addition, the ports of Ostende and Zeebrugge will continue to play a role in handling passenger and goods transport, and a steady expansion of activity is expected at Zeebrugge.

The industrial fabric is broad-based, with a large number of forward-looking small and medium-sized enterprises (SMEs), 90% of whose products are for export. Among the region's major assets are the language skills, level of education and work ethic of the workforce. The coast with its tourist industry and the historic cities have long fostered an open attitude to visitors from abroad.

The expansion of the urban centres in West Flanders has gone hand in hand with respect for nature, despite the concentration of population.

There are still some deficiencies to be overcome in the future: the lop-sided pattern of development in the Westhoek and the Ostende area; some structural problems connected with tourism on the coast; undervaluation of the waterways; an insufficient water supply and the problem of succession for certain SMEs.

Scale 1 : 1 000 000

Which EC regions are similar to West Flanders?

Area:
just over 3 000 km²
Valle d'Aosta (I)
Lancashire (UK)

Population:
1.1 million inhabitants
more than 350 inhabitants per km²
Limburg (NL)
Cleveland, Durham (UK)
Saarland (D)

Employment:
5% in agriculture
60% in services
Nord-Pas-de-Calais (F)
Oberbayern (D)

Land use:
2% forest
Bremen (D)
Friesland; Noord-Holland (NL)

An open province

West Flanders has three distinct geographical regions, each of which cuts across several districts.

The coastal zone comprises parts of the districts of Bruges, Ostende and Veurne. The ports have virtually no industrial infrastructure, so that some 50% of all employment is in the services sector, chiefly in tourism and port activities. An Impulsgebied Oostende or Ostende enterprise zone has been set up, whose purpose is to reduce unemployment and give support to projects with socio-economic objectives.

80% of economic and industrial activity in West Flanders takes place in the Brugge-Kortrijk district — the eastern half of the province. In addition to the flourishing textile industry (particularly carpet production), metalworking (mechanical and precision engineering) and plastics are prominent. The restaurant sector can boast of an ever-increasing reputation for high-quality cuisine.

The agricultural outpost of the Westhoek used to experience all the disadvantages of an off-centre position. The region has, however, undergone a remarkable revival thanks to government aid over several decades and support from the European Community. Most of the economic revival was due to West Flemish enterprise, with additional input from some foreign firms.

	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
Brugge	0.7	263	404	3.8	49	4.5	4	27	70	108
Diksmuide	0.4	47	130	−1.1	47	3.1	17	32	52	82
Ieper	0.5	104	189	−0.1	48	3.9	11	33	56	87
Kortrijk	0.4	276	276	1.6	51	3.1	2	43	55	103
Oostende	0.3	137	470	3.1	45	5.7	4	16	81	100
Roeselare	0.3	137	506	0.7	53	2.6	5	43	52	108
Tielt	0.3	86	260	1.2	47	2.2	10	50	40	107
Veurne	0.3	53	191	10.4	45	5.0	7	20	74	120
West-Vlaanderen	3.1	1 103	352	2.3	49	3.7	5	34	61	103
België/Belgique	30.5	9 948	326	0.9	47	7.6	3	27	70	101
EUR 12	2 253.7	327 931	146	3.2	54	8.3	7	33	60	100

VLAAMS-BRABANT

Together with Walloon Brabant and the Brussels region, Flemish Brabant makes up the Belgian province of Brabant.

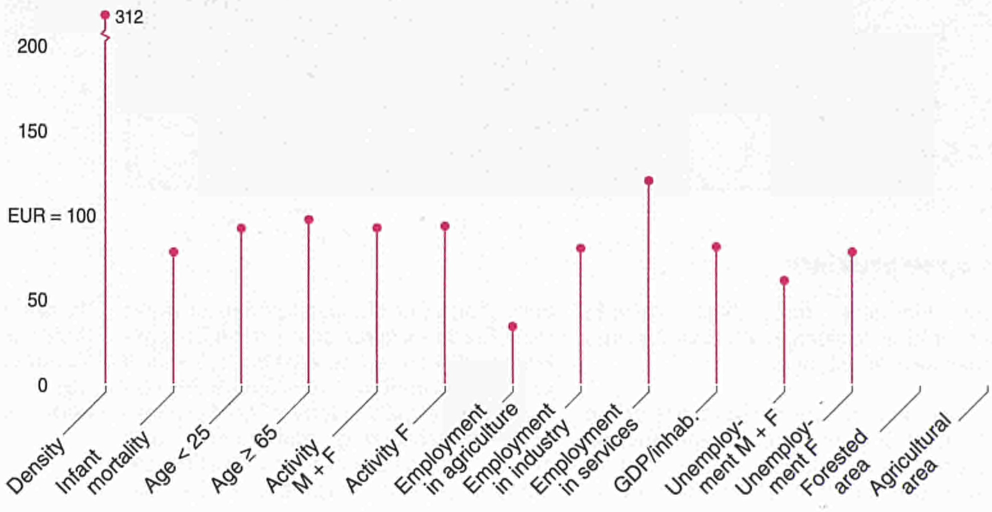
Flemish Brabant has an undulating landscape which gradually rises to the south to its highest point in the Zoniënwoud (139 m). It has several geographical subdivisions: the farming districts of the Pajottenland and Brabants Haspengouw, the wooded Dijleland and the fruit-growing Hageland. The Zoniënwoud and the Hallerbos form a green belt round the Brussels metropolis. Flemish Brabant belongs to the hydrographic basin of the Schelde (Scheldt), which includes the rivers Rupel, Dender, Zenne, Dijle and Gete.

Urban areas are dominated by the centrally situated city of Brussels; there are also the important regional centres of Leuven, Vilvoorde, Halle, Asse, Diest, Aarschot and Tienen.

Flemish Brabant was opened up in the 1960s by a motorway network around Brussels which, together with the international airport and freight terminal at Zaventem, gives the region excellent accessibility.

Well-equipped science parks: the result of collaboration between universities and industry.

Vlaams-Brabant in the Community



Growth problems of a flourishing region

Flemish Brabant has four major advantages:

– by surrounding the Brussels metropolis, its economy reaps the benefit of the city's central role in the European Community and of the excellent transport connections;

– it is a research-oriented region (universities in Leuven and Brussels; IMEC, a leading microelectronics R&D centre in Leuven; science parks in Haasrode and Zellik; innovation centres in Leuven and Brussels);

– it has large areas of countryside and great scope for tourism: the Zonienwoud, the Hallerbos and the rural districts of the Pajottenland and the Hageland;

– the passenger and freight air terminals make the Zaventem area the focus of the region's distribution and transport facilities.

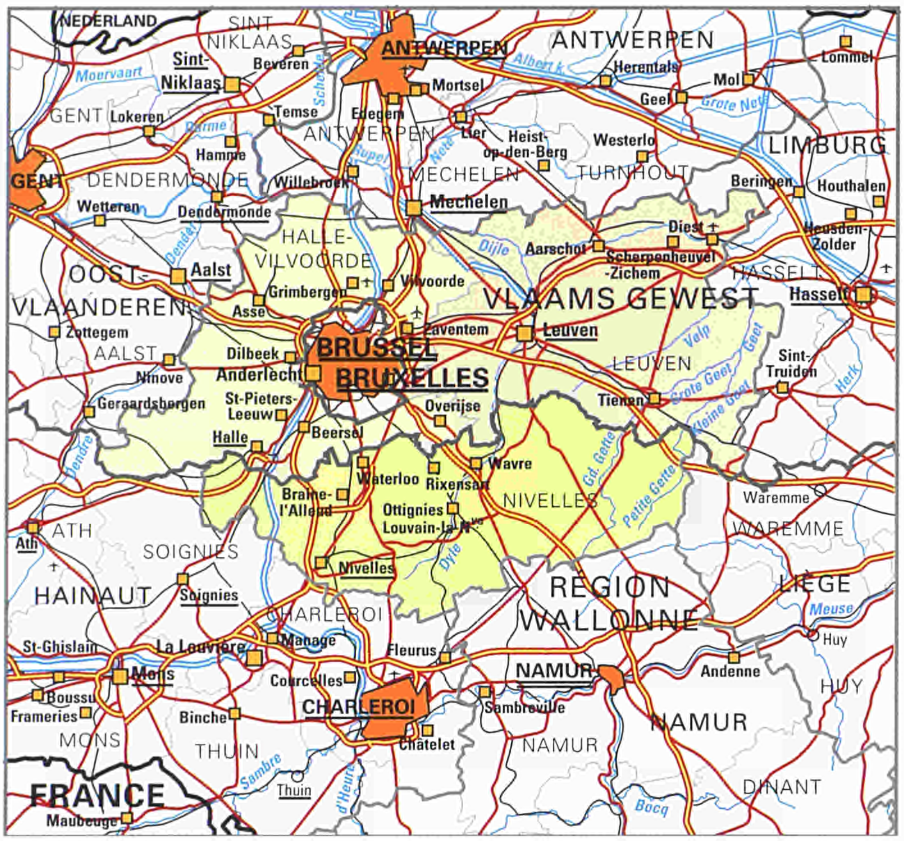
This success has to be paid for in three ways, however:

– the motorways and expressways are reaching saturation point and the secondary road network is overloaded with commuter traffic to and from Brussels, with a consequent risk to safety and living conditions in the residential districts;

– the demand for land is swallowing up the remaining open space; urban developments are constantly expanding and jeopardizing living conditions in many municipalities;

– commercial sites fetch higher prices than residential ones, even though these have doubled in price; speculation is thus a threat to both countryside and agriculture.

VLAAMS-BRABANT



Scale 1 : 1 000 000

Which EC regions are similar to Flemish Brabant?

Area:
2 100 km²
Flevoland (NL)

Population:
± 1 million inhabitants
500 inhabitants per km²
Saarland (D)
Utrecht (NL)
Cheshire (UK)

Employment:
± 70% in services
Namur (B)
Liguria (I)

Sub-regional disparities within a fast-growing region

There are substantial differences in economic development between areas of Flemish Brabant which cannot be overlooked.

The Halle-Vilvoorde district benefits in several ways from its favourable position near Brussels, which is becoming very attractive with the advent of the single European market. Zaventem, a hotbed of economic growth, is well placed in this respect. Yet Halle-Vilvoorde's economic development has several drawbacks: a shortage of commercial sites, creeping urbanization, the reconversion problem in the Zenne valley and the commuter problem in the agricultural Pajottenland.

The Leuven district has a strongly services-based economy (education, health, banking and insurance) and is also expected to reap the benefits of economic growth, though somewhat later. The saturation forecast for the Zaventem area and the price escalation in Halle-Vilvoorde are expected to drive many firms to seek sites near Leuven. Problems within the district include the socio-economic situation of the Hageland, a wholly agricultural area with a small economic base to the east of Leuven and adjacent to the province of Limburg.

	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
Halle-Vilvoorde	0.9	534	566	3.8	51	3.3	3	28	69	81
Leuven	1.2	430	369	4.2	48	4.9	3	20	76	80
Vlaams-Brabant	2.1	963	457	4.0	50	4.2	3	25	73	81
België/Belgique	30.5	9 948	326	0.9	47	7.6	3	27	70	101
EUR 12	2 253.7	327 931	146	3.2	54	8.3	7	33	60	100

BELGIQUE/BELGIË

RÉGION WALLONNE

Wallonia lies in the south of Belgium and covers a total area of 16 844 km^2, over half the total national territory.

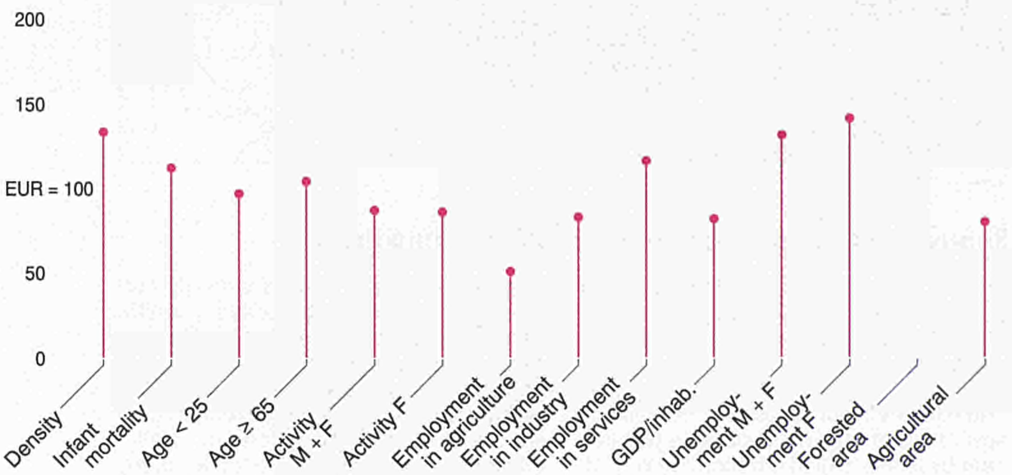
The land rises gradually from west to east, reaching its highest point in the Signal de Botrange (694 m). The region has a climate that is influenced by the Gulf Stream and thus characterized by mild temperatures, heavy cloud cover and often abundant precipitation.

Wallonia has long exploited its natural resources. In the past this meant coal, but today shale, marble, sandstone, porphyry, bluestone, cement lime and dolomite are mined. Water, which has always served as a means of communication within the region, is still an important resource. The same is true of the dense forests of the Ardennes, which cover 30% of the land between the Condroz and the Gaume, deciduous and coniferous timber supplying almost 200 holdings.

Wallonia, which is today at the hub of a particularly dense communications network, has always been home to many different peoples, all of whom have found the necessary resources to flourish and have turned the region into a European melting-pot of industry, trade, culture and art.

Wallonia: traditional know-how and new technologies.

Région wallonne in the Community

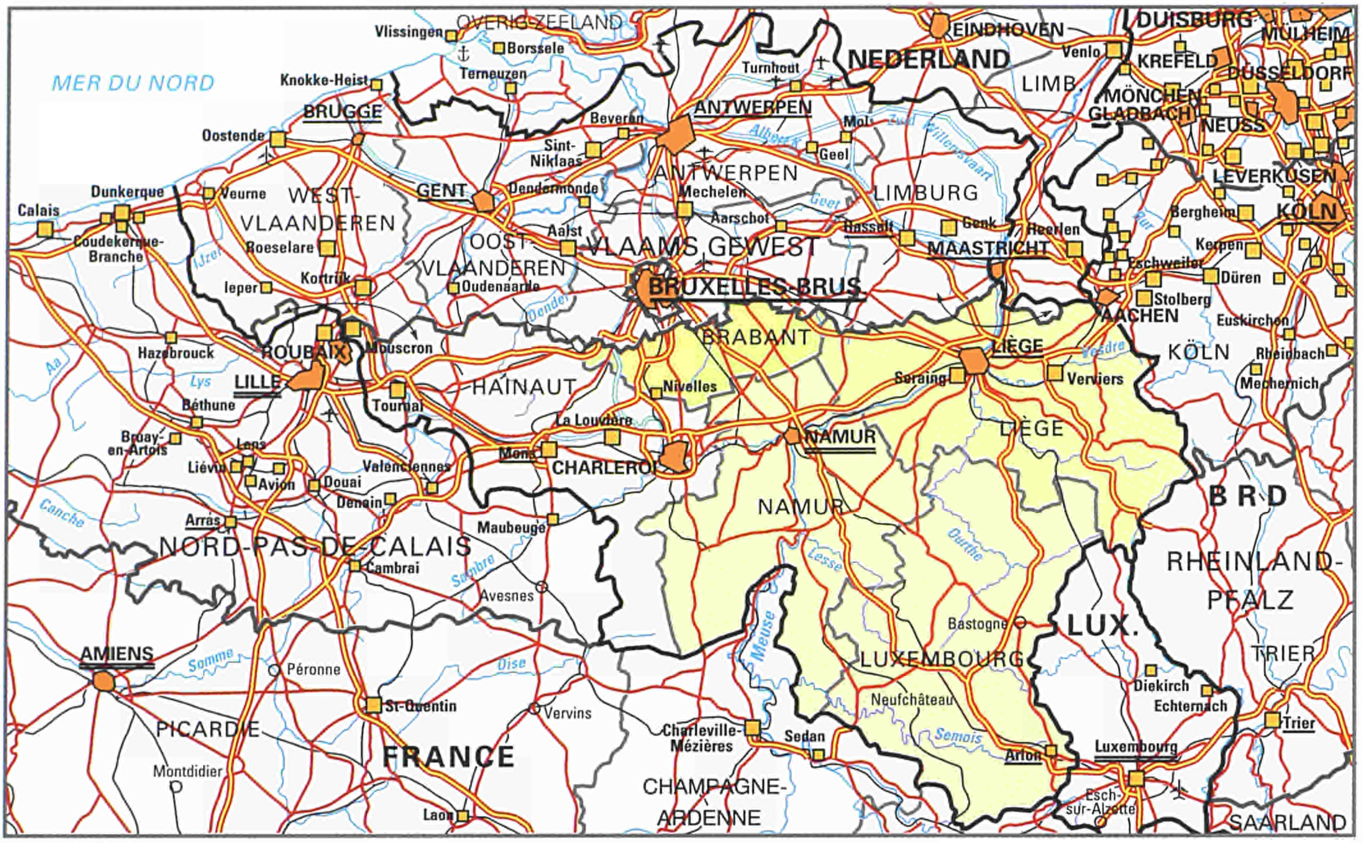


From metalworking to biotechnology

The traditionally industrial region of Wallonia made a major contribution to the technologies born of the first industrial revolution. Air and steam pumps were in common use in coal-mines from 1810, which was when the Englishman William Cockerill provided the Verviers textile industry with its first carding and spinning machines. Shortly afterwards, the first rolling mills and coke-fired blast furnaces made their appearance in the Liège and Borinage regions, and these formed a departure point for metalworking, mechanical and electrical industries that would soon be exporting their products world-wide.

The metalworking, electrical and textile industries, together with the extraction and processing of non-ferrous minerals (glass, sodium) were the mainstays of Wallonia's economy until the third quarter of the twentieth century, when these strengths became weaknesses.

Shaken by the changes to the world economic order, but strengthened by its industrial tradition, highly skilled workforce and its research and development skills, Wallonia has embarked on a long process of converting and modernizing its production apparatus in a bid to boost output and innovation potential in traditional sectors (which are still preponderant) and to steer production towards new technologies. Of these, biotechnology and new materials are two areas where there have been particularly high levels of investment.



Scale 1 : 2 000 000

Which EC regions are similar to the Wallonia?

Area:
± 17 000 km²
Limousin; Franche-Comté (F)
Lazio (I)

Population:
3.2 million inhabitants
± 200 inhabitants per km²
North (UK)

Employment:
± 4% in agriculture
± 70% in services
Luxembourg (grand-duché)
South-West (UK)

Activity:
activity rate 45%
Languedoc-Roussillon (F)
Sicilia; Sardegna (I)

Wallonia's twin development axes

Wallonia's infrastructure and economic activities revolve around two axes.

Firstly, the north-south axis links Walloon Brabant (south of Brussels) to the province of Luxembourg, which borders the Grand Duchy of the same name. This axis was essentially rural, had a low population density and no major built-up areas.

It has recently seen new development, the three focal points being as follows:

– in the north, the industrial zones of Wavre and Nivelles (light industry and the distributive trades), and the science parks of Louvain-la-Neuve and Gembloux (the university institutions);

– in the centre, the development of the city of Namur, the capital of the Walloon region;

– in the south, the revival of the Athus-Arlon region, mainly by means of the 'European development centre' set up in collaboration with the Grand Duchy of Luxembourg and France in this border zone.

Secondly, the east-west axis along the Sambre/Meuse that links Wallonia's two large traditional industrial basins of Liège and Charleroi. These are centred on the iron and steel and electromechanical industries, and are finding new ways of developing, by modernizing production and extending the following branches: aeronautics, new materials, electronics, computing, 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	1988	1990	1989	1989	1989	1989
Brabant wallon	1.1	315	289	10.4	47	6.1	3	24	73	74
Hainaut	3.8	1 278	338	– 2.4	45	13.1	3	27	70	75
Liège	3.9	998	258	– 0.8	48	11.0	3	28	70	93
Luxembourg	4.4	231	52	3.8	46	5.9	9	18	73	82
Namur	3.7	421	115	4.1	46	9.9	4	21	75	80
Région wallonne	16.8	3 244	193	0.5	47	10.8	3	26	71	82
Belgique/België	30.5	9 948	326	0.9	47	7.6	3	27	70	101
EUR 12	2 253.7	327 931	146	3.2	54	8.3	7	33	60	100

Population of Wallonia boosted by foreigners

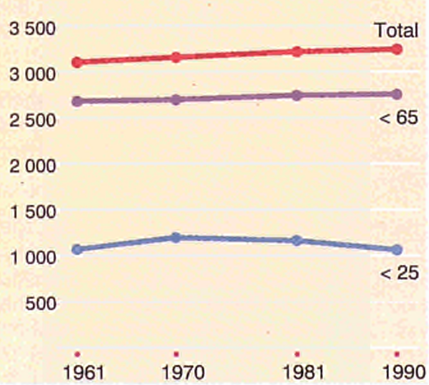
The growth rate for the population of Wallonia has stabilized over the past decade. This is mainly due to the positive net migration over the decade as a whole, which compensated for a natural growth figure which was negative overall, although positive towards the end of the period. By the end of the decade, 11% of the population was of foreign origin.

Over the same period, there was a gradual shift towards the higher age groups. This is explained by the progression within the age structure of the 'baby boom' generations of the years 1955 to 1965, its members swelling the ranks of the population of working age. However, there has not as yet been a significant increase in the proportion of people aged 64 years or over, the figure still being around 15%.

Population by age — 1990

	M + F 1 000	M + F %	M %	F %
< 15	603.9	18.6	19.7	17.6
15-24	465.4	14.4	15.2	13.6
25-39	739.1	22.8	23.8	21.8
40-54	567.1	17.5	18.0	17.0
55-64	377.7	11.6	11.4	11.9
≥ 65	490.5	15.1	11.9	18.1
Total	3 243.7	100.0	100.0	100.0

Population (1 000)



Resident population of foreign nationality — 1990

	1 000	% of total population
Total	368.4	11.4
of which EC countries	286.7	8.9
of which non-EC countries	81.7	2.5
Italy	182.1	5.6
France	51.9	1.6
Morocco	21.5	0.7
Turkey	20.7	0.6
Spain	16.5	0.5
Germany	12.5	0.4

Demographic account — 1980-1990 (1 000)

Population 1.1.1980	3 227.5
Births	393.2
Deaths	399.9
Net migration	+ 10.3
Population 1.1.1990	3 243.7

A highly skilled working population

Training levels for the working population are high. The 1981 census shows that almost 15% of the working population have tertiary level diplomas.

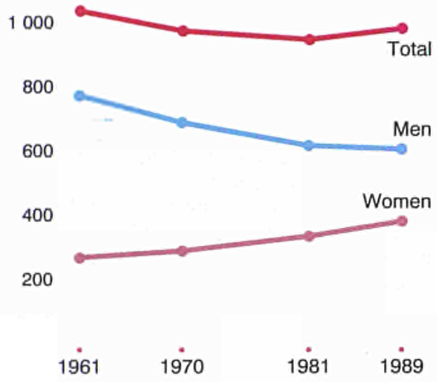
Similarly, in 1987/88, the secondary education enrolment ratio was some 28%, compared with 26% for Belgium as a whole.

The higher education specializations chosen by young Walloons during the 1985 to 1988 school years show a bias towards the humanities, particularly organization and management (business schools), and a disaffection towards the exact and natural sciences. The only exception to this is the agri-food sciences, where the high level of specialization is explained by the large number of agricultural colleges in the region.

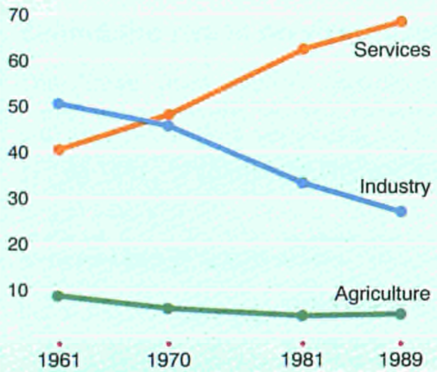
Number of pupils — 1990

	M + F 1 000	F %
Pre-school	124	48.8
Primary	247	48.9
Lower and upper secondary (technical)	15	49.1
Lower and upper secondary (general)	274	48.5
Higher education	70	51.2
Total	730	49.0

Employment (1 000)



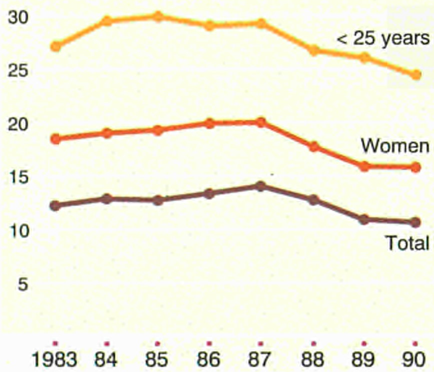
Employment structure (%)



Employment — 1989 (1 000)

Resident employment	1 101
+ Non-residents having a job in the region	27
– Residents having a job outside the region	151
= Internal employment	977

Unemployment (%)



The jobs of the future are not those of the past

In Wallonia, both the volume and structure of employment have changed profoundly over the past decade: between 1980 and 1989, a loss of some 36 000 jobs held by wage- and salary-earners was only partially offset by the creation of some 20 000 self-employed posts.

The loss of around 103 000 or so jobs in industry has not been completely offset by the new jobs created in the services sector, even though almost 70% of posts (wage- and salary- earners) here are filled by workers from this region.

The divide between men and women in services is practically 50/50, with 37% of jobs in the public sector and education, whereas the divide in industry is 85/15. Furthermore, although the working population of women increased between 1980 and 1989 and that of men decreased, the activity rate of women is still much lower than that of men.

The increase in the number of jobs in the services sector is one result of intense activity in the field of subcontracting and the establishment of subsidiaries (maintenance, cleaning, catering, transport, computing, research, etc), which in turn was induced by the major restructuring of Wallonian industry during the 1980s. The counterpart of this is the drastic reduction of jobs in industry itself.

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	80	2	3	3	3
Women	12	82	6	80	23	31	5	6
Total	11	82	8	80	9	13	4	4

After the shock of the 1970s — hope for the 1990s

Walloon industry was dealt a major blow by the sudden loss of economic growth in the mid-1970s. The major restructuring that quickly took place in the most vulnerable sectors of economic activity did nothing to stem the rise of business closures (231 in 1976, 408 in 1986, before coming back down to 314 in 1990).

The number of workers affected by these closures grew rapidly at the start of the period (annual average of 10 000 between 1976 and 1981, with a peak of 15 000 during the latter year), mainly as a result of the cuts in employment made in the major iron- and steel-works and textile firms.

This explains why total unemployment in Wallonia almost doubled between 1976 and 1982, although since 1987 it has decreased.

It is this prospect of sustained economic growth that gives hope for continuing improvement; there was much evidence during the last economic upturn (1987 to 1990) of the particular sensitivity of the Walloon employment market to economic developments.

Small and medium-sized businesses take the torch

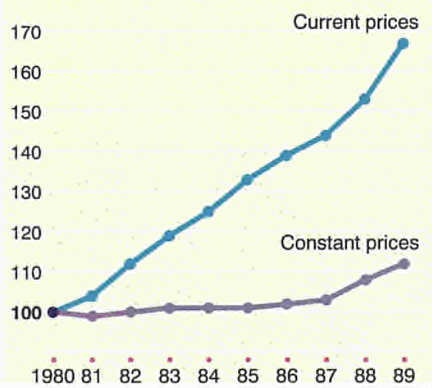
The Walloon economy emerged profoundly transformed from the turmoil of the late 1970s and early 1980s, especially its industrial component. Indeed, Walloon industry had undertaken, after the upheaval of 1975-79, to adapt to the new conditions of international competition by means of a major investment programme. The twin consequences of this were the doubling of hourly productivity between 1974 and 1988 and the job losses mentioned above.

It was mainly the large firms located upstream of the traditional branches (iron and steel, metalworking, electrical engineering, textiles, glass, etc.) which had to cut back, whereas there was an increase in the number of businesses employing fewer than 50 people. Consequently, the Walloon production mechanism is dominated to a much greater extent than in the past by SMEs which are competent but often lack the financial resources to make significant impact on export markets.

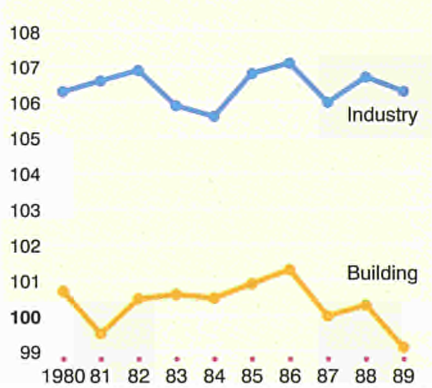
Indeed, although at almost 40% Wallonia's export ratio is high by European standards, most of this is attributable to large firms in traditional sectors such as iron and steel, mechanical engineering, chemistry, agri-food and paper, which alone account for almost 80% of goods exports from Wallonia.

The opening up of European frontiers in 1993 will thus come just at the right time, as it will allow SMEs to take the torch and move into foreign markets, which is indispensable if they are to flourish and if the revitalization of the Walloon production apparatus is to be sustained. They will be aided in this task by the fact that Wallonia appears to have become attractive once again to foreign investors, particularly European investors, who have been increasing their holdings in, and indeed setting up new, companies over the past few years, their aim no doubt being to take full advantage of Wallonia's central position within a united Europe: the volume of direct foreign investment of this type practically doubled between 1983 and 1989.

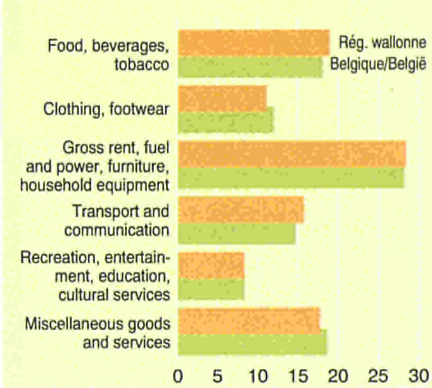
GDP (1980 = 100)



Wages (national level = 100)



Household expenditure – 1987-88 (%)



Swings in costs and income

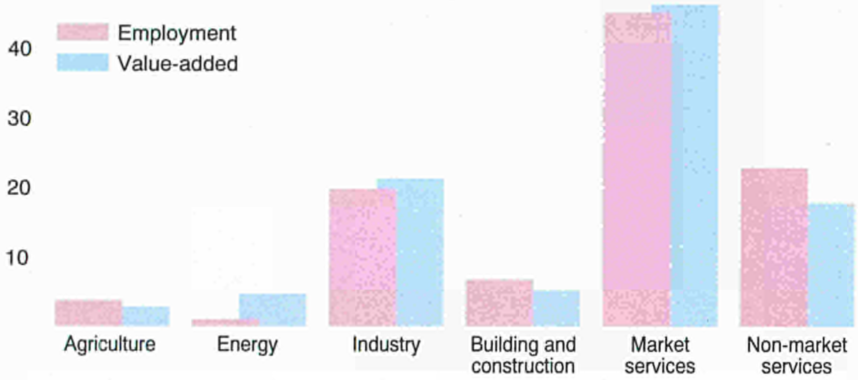
Gross hourly earnings of manual workers in industry are marginally higher in Wallonia than in Belgium as a whole: in October 1989, they were ECU 8.0 in Wallonia, compared with ECU 7.5 for Belgium as a whole. This is mainly the result of a higher starting level in Wallonia, which in turn is explained by its long industrial tradition. In fact, the trends in labour costs show a strict parallelism between Belgium and Wallonia.

The respective trends in the capital component (income from private property, accumulated profits and direct company taxes) and the labour component (remuneration of employees, revenue from self-employed and companies) of the regional revenue of Wallonia during the 1973 to 1989 period centre on the pivotal year of 1981.

Initially, the oil crises of 1973 and 1979, coupled with the major wage increases of 1974/75, led to an increase in the salary component of regional revenue, which increased from 79.1% in 1973 to 84.3% in 1981.

This trend reversed after 1981, when economic policy was characterized by cuts in public spending and adjustments to the financial positions of companies. There was subsequently a net increase in the capital component of regional income and a concomitant decrease in the labour component: capital income increased from 18.6% of net regional revenue at factor cost in 1981 to 27.8% in 1989.

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



Behind the rise in services: overall economic solidarity

The 'three ages theory' (successive preponderance of the primary, industrial and services sectors depending on the degree of economic development) seems to perfectly typify the last quarter of a century in Wallonia.

In the space of 15 years, the Walloon economy has moved away from traditional industry and now has one of the largest services sectors in Europe, with all the risks and opportunities that that involves.

Risks are involved because many market services depend on industry: as we have already seen, these often owe their very existence to the contracting out by industry of services that it previously provided itself. Their dynamism is thus dependent on that of industry, and vice-versa.

There are opportunities because Walloon industry is very open to external trade. This is not (yet) true of services. The completion of the single market in 1993 should thus create many more opportunities for the latter to develop internationally.

Agriculture

Number of holdings	:
Labour force	:
Agricultural area	756 000 ha
Livestock	1 129 000 LU
Gross value-added	:
Main products	
Cattle	32%
Milk	26%
Main crops	13%

Main enterprises

Name	Employees	Activity
Société nationale des chemins de fer belges	18 800	State railways
Régie des postes	15 000	Post
Cockerill-Sambre	12 500	Steel
Grand Bazar-Innovation-Bon Marché	8 500	Retail trade
ACEC-Union minière	8 300	Non-ferrous metals
Régie des télégraphes et des téléphones	7 300	Telecommunication
Electrabel	5 400	Production and distribution of energy
Caterpillar Belgium	5 400	Manufacture of machinery
Interbrew	5 000	Food products
Delhaize Le Lion	4 700	Retail distribution

Growing concern about the quality of the environment

Awareness of ecological problems has resulted in improved environmental management in Wallonia. The past few years have seen an increase in management control and monitoring mechanisms. Efforts are also being made to ensure that the general public is better informed about and more aware of the issues at stake.

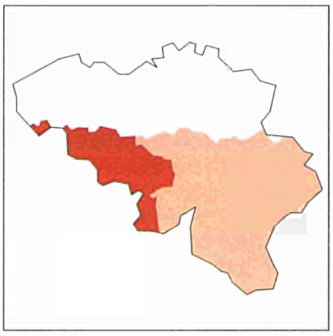
Wallonia, which has been particularly affected by ageing industry over the past 20 years, has availed itself of the regulatory and financial means of redeveloping former industrial sites. The utilization of the shale component of slag heaps in conjunction with site redevelopment is one example of the measures being taken in this field.

Areas of concentrated industry cause a great deal of pollution. Strict compliance with statutory dumping conditions should limit the risk to bodies of water. However, the lack of stringent controls together with purification and changeover costs encourages the illegal tipping of waste. Recent legislative measures should free substantial resources for water purification over the next few years.

As far as air pollution is concerned, there are various laws governing air quality and emissions: in order to ensure compliance with these, air quality control networks have been set up and databases and pollutant dispersal models created.

Finally, the subsidizing of organic farm projects, the establishment of computerized agro-meteorological networks, the setting up of a database for arboriculturalists practising integrated production and new crop-spraying techniques are helping reduce damage to the environment caused by fertilizers and plant protection products.

HAINAUT



Hainaut stretches over 3 790 km² and contains seven administrative *arrondissements* and 69 municipalities.

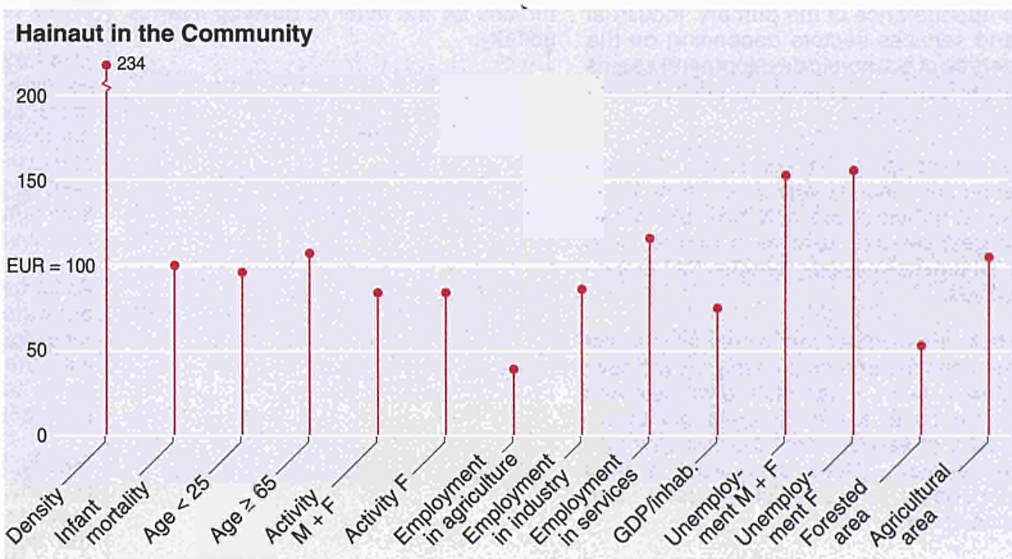
Most of the population lives in the industrial belt, which is itself a link in the conurbation that stretches from the north of France to the Rhine basin. The land is low, falling from the Ardennes plateau in the south-east to the Flemish plain in the north-west.

The diversity of its soils and its geology have shaped the agriculture and basic industry of the region.

All types of agriculture are possible in Hainaut's seven distinct natural regions, from stock rearing to industrial, fodder and cereal crops, the climate being of the temperate maritime type with high rainfall. Major coal and limestone deposits have allowed the development of the extractive industries, cement works, glassworks, ceramics, iron and steel and, downstream of these, a highly efficient metalworking sector.

Bordering France over a distance of more than 200 km, Hainaut has often shared its history, particularly since the former 'comté' from which the modern day province was constituted straddled the current border. The northern extension of the high-speed train network (TGV), and the opening of the Channel Tunnel should ensure that this homogeneous Franco-Belgian region remains dynamic.

Grand Hornu industrial museum and site: a centre for new technologies.



A region drawing its future resources from its current reserves

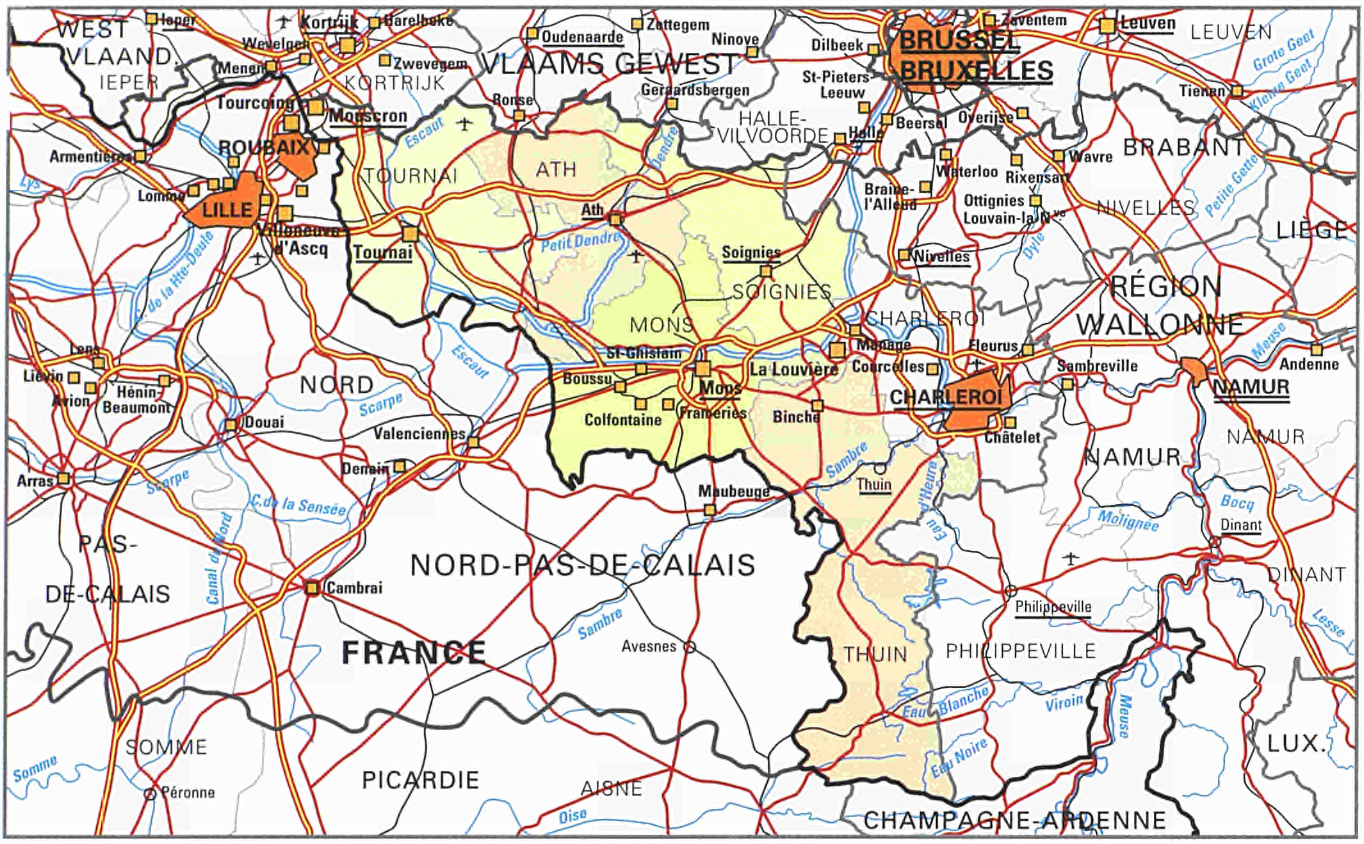
Like any other long-standing industrialized region based on coal, iron and steel, Hainaut is now witnessing the effects of often haphazard urbanization, the emergence of industrial wasteland, destabilization of the economy by the closure of industries that were long dominant and a high rate of endemic unemployment.

These disadvantages are offset by major manpower reserves at all levels in each sector, and by the deeply rooted industry within the region.

This human resources asset is exploited by a set of training networks and back-up facilities: research centres geared to the sectors of traditional activities, university laboratories open to both high technology and the region's needs, inter-municipal development bodies engaged in the concrete pursuit of industrial diversification and quality urbanization objectives, together with vocational training and higher/university education.

These networks have allowed the skills of the workforce and the drive of the population as a whole to be maintained in spite of the recession, and the population is now involved in reconverting and modernizing the region's economy.

The region has a tight-mesh network of medium-sized towns which have considerable cultural potential and convivial atmospheres upheld by a vibrant sense of community and feeling for tradition.



Scale 1 : 1 000 000

Which EC regions are similar to Hainaut?

Area:
nearly 3 800 km²
Attiki (GR)
Kent; Essex (UK)

Population:
1.3 million inhabitants
more than 300 inhabitants per km²
South Yorkshire; Lancashire (UK)
Oost-Vlaanderen (B)

Unemployment:
12 to 14%
Cataluña (E)
Nord-Pas-de-Calais (F)
Puglia (I)

Agriculture and industry

In the south-east, agriculture is dominated by husbandry in the grassland zone (the prized 'Blanc-Bleu-Belge', a special breed of Belgian cattle), whereas forestry predominates in the Ardennes uplands. Towards the north-west, agriculture becomes more diversified.

Industry is confined to a heavily populated corridor that largely coincides with the former coalfield stretching from Valenciennes (France) to Charleroi.

Cement works are found on the chalk beds of Mons and Tournai. Heavy industry is developing mainly in the Charleroi *arrondissement*, which is home to Wallonia's chemical industry, special glassworks, graphic industries, as well as its aerospace industries, which are situated on the edge of Brussels-South-Charleroi airport.

This concentration, however, does not preclude the presence of manufacturing activities throughout Hainaut, i.e. the exploitation of chalk and granite deposits, the graphic industries, textiles, new ceramics, fibre optics and telecommunications.

	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
Ath	0.5	77	157	−1.6	47	10.4	10	24	66	66
Charleroi	0.6	427	769	−3.9	45	14.2	1	30	69	83
Mons	0.6	253	433	−2.9	44	14.7	2	23	76	76
Mouscron	0.1	72	707	−1.7	43	10.1	2	38	60	81
Soignies	0.5	167	323	−0.2	47	12.0	3	29	68	66
Thuin	0.9	14	153	1.0	44	13.9	7	23	70	59
Tournai	0.6	141	232	−3.1	48	10.5	5	23	72	78
Hainaut	3.8	1 278	338	−2.4	45	13.1	3	27	70	75
Belgique/België	30.5	9 948	326	0.9	47	7.6	3	27	70	101
EUR 12	2 253.7	327 931	146	3.2	54	8.3	7	33	60	100

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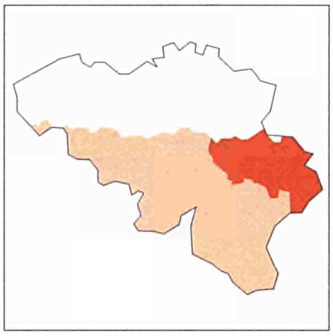
LIÈGE



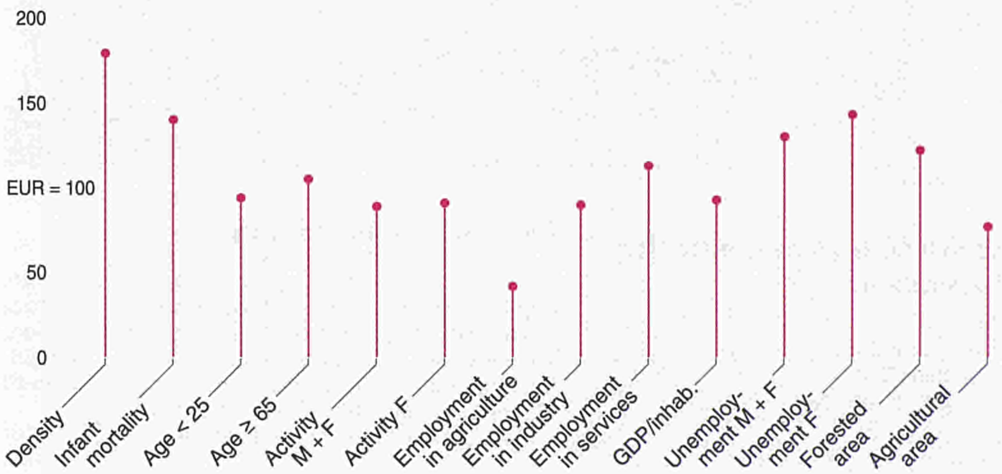
The province of Liège consists of four geographical regions: the Ardennes, Condroz, the Pays de Herve and Hesbaye, and its hydrographic network comprises the Meuse and its tributaries. The land rises gradually from west to east and from Hesbaye to the Hautes Fagnes plateau, which contains Belgium's highest point at 694 m. The climate is of the cool, temperate oceanic type. The Hesbaye plateau is covered with fertile alluvium, whilst the Condroz region consists of a series of rectilinear ridges and depressions. The secondary limestone bed of the Pays de Herve, much of which is cut through by rivers, is covered with clay. The Ardennes consists of ancient primary schists and sandstones.

The vegetation is diversified, reflecting these different physical conditions. The soils of Hesbaye are used for cereal growing, whilst the hills of the Ardennes are covered by forests (mainly pine) interspersed with open fields. The Pays de Herve are used for cattle rearing and fruit growing. The Condroz has a mixture of crops, open fields and forests.

The official languages are French and German, which are spoken by 93% and 7% of the population respectively.

The Prince-Bishops' Palace in Liège: a link between past and future.

Liège in the Community



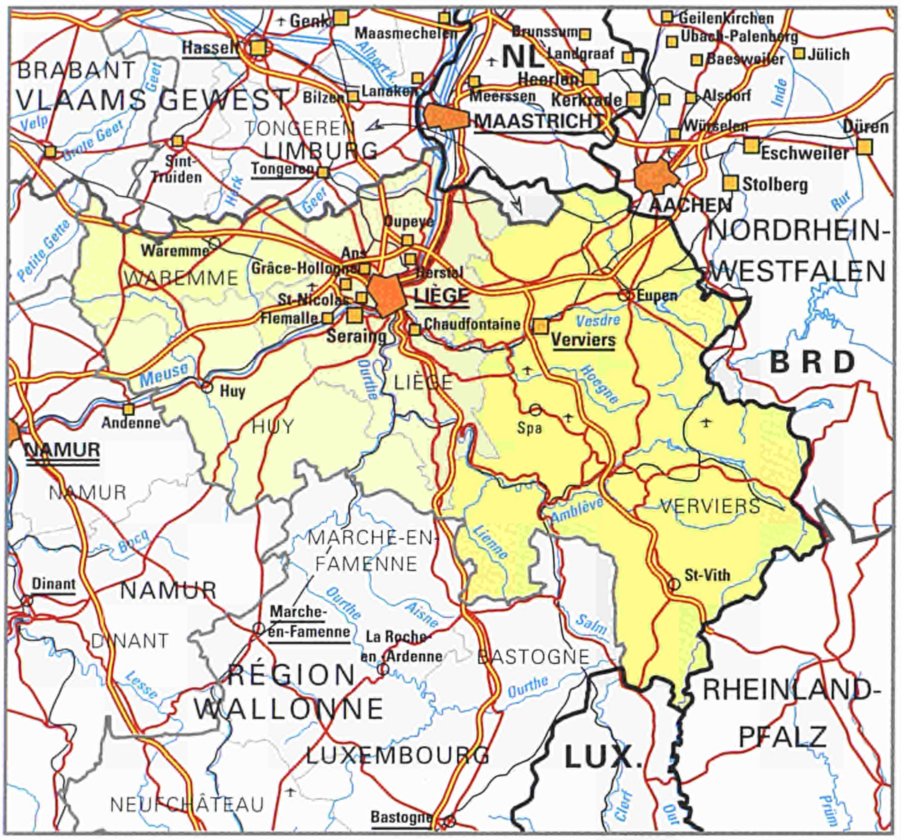
Land of traditional industry with an eye to the future

Bordering the three countries of Germany, the Netherlands and Luxembourg, the province of Liège occupies a central position in north-west Europe.

It contains a major, seven-branched motorway junction, and has excellent inland waterway and rail connections.

Numerous initiatives have been taken to promote the economic development of the province and revive its industrial infrastructure, and results have been encouraging: the iron and steel industry is once again flourishing, a number of large arms factories, mechanical engineering and aeronautical plants have been set up, and a dense network of SMEs in various sectors (agri-food, electronics, biotechnology, etc.) has been established. All of these have highly skilled workforces.

However, the economic redevelopment of the Liège basin, with its traditional industries of coal, iron and steel, is a long-term concern: the region's image does not yet match the new potential of the province, which is itself suffering from an ageing and declining population structure and high unemployment caused by the demise of major traditional industries.



Scale 1 : 1 000 000

Which EC regions are similar to Liège?

Area:
± 3 800 km²
Attiki (GR)

Population:
1.0 million inhabitants
Overijssel; Utrecht (NL)
Oberpfalz; Gießen (D)
Cheshire (UK)

Employment:
3% in agriculture
2/3 in services
Luxembourg (grand-duché)
Hainaut (B)
South-West (UK)

A region of industry, agriculture and tourism

The districts of Liège and Verviers, situated in the centre and east of the province, are regions with a long industrial tradition, the first owing its former prosperity to coal-mining and the second to textiles.

The decline of these industries has led to many jobs being lost and reconversion has given birth to various activities in the electronics, aeronautics, agri-food and biotechnology industries. The economy is also becoming more orientated towards the services sector and a dense network of SMEs is being created. The steel industry is still to be found in Liège and even appears to have prospects for the future.

The districts of Huy and Waremme, situated in the west of the province, are the most agricultural. Starting from an agri-food base, Huy and Waremme have slowly developed towards an economy which is more industrial in character.

A large proportion of the labour force remains in Liège, which has the greatest density of population.

Tourism is mainly developed in the south-east of the province.

Income is fairly evenly divided throughout the province.

	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
Huy	0.7	93	141	5.6	49	10.2	5	27	68	122
Liège (arr.)	0.8	590	741	−3.6	48	12.4	1	28	72	92
Verviers	2.0	252	125	2.8	50	8.4	5	29	66	90
Waremme	0.4	63	161	3.8	47	8.4	8	22	70	66
Liège (prov.)	3.9	998	258	−0.8	48	11.0	3	28	70	93
Belgique/België	30.5	9 948	326	0.9	47	7.6	3	27	70	101
EUR 12	2 253.7	327 931	146	3.2	54	8.3	7	33	60	100

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LUXEMBOURG

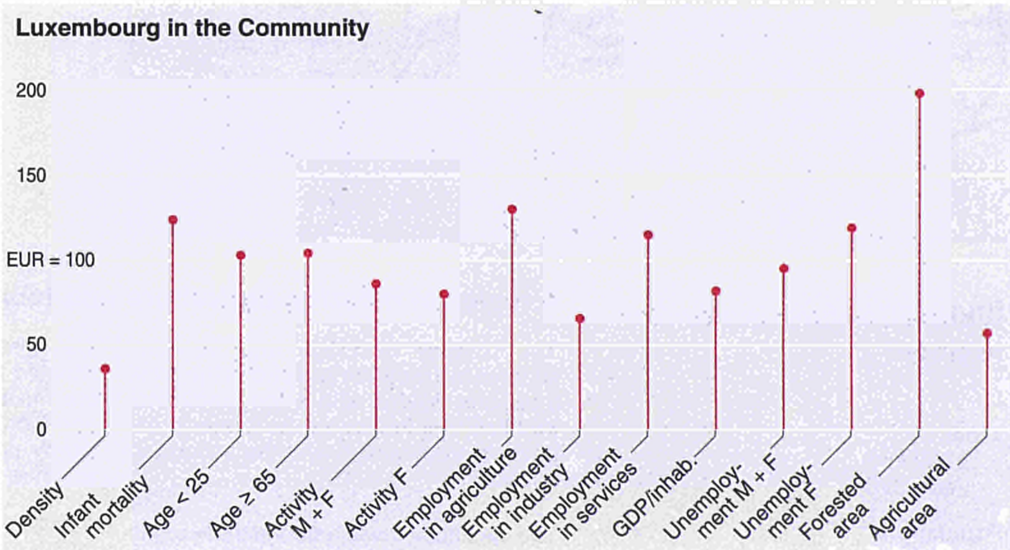
Situated in the southernmost part of the country, Luxembourg is both the largest and least densely populated of Belgium's provinces.

It is also the province with the highest average altitude (400 m), rising to 650 m at Barraque de Fraiture, and has an accentuated relief. The climate is of the semi-continental rainy type, and thus quite harsh, particularly in the Ardennes hills. However, there are microclimates in sheltered valleys and on the southern slopes of the Ardennes in the Gaume district, and these places hold the national records for maximum temperatures and sunshine hours.

The hydrographic network is extensive and the water of good quality, the region being drained by two tributaries of the Meuse, the Ourthe in the north and the Semois in the south.

Luxembourg owes its distinction as the greenest province in the kingdom to its high proportion of woodland: 210 000 hectares of forest, 55% of which are deciduous (mainly beech) and 45% coniferous (spruce), cover virtually half of the area of the province. But it also owes this distinction to its countryside, which is very much coloured by rural activities, more than 10% of employment is in the primary sector.

The beautiful Ardennes countryside: an asset for tourism in the Belgian province of Luxembourg.



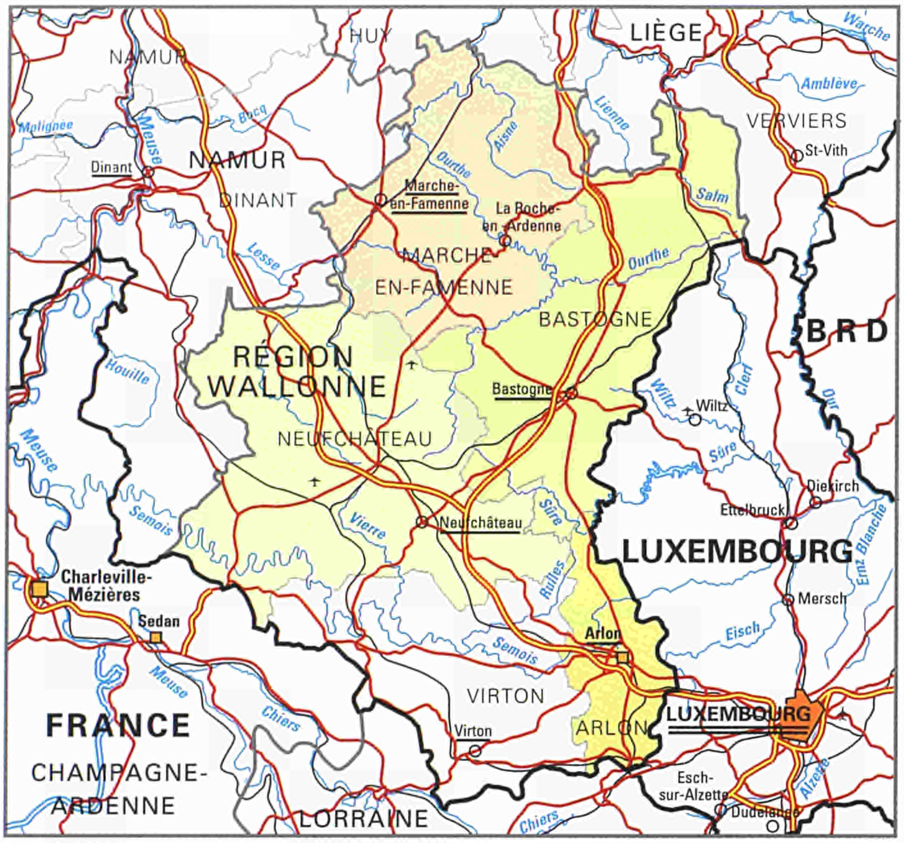
Insufficiently integrated production infrastructure

The province was long affected by rural depopulation and major delays in development. Since 1972, negative net migration has stopped and the rates for population growth, job creation, investment and GDP growth have been above the Belgian average.

The province has achieved this by exploiting its central position in the north-south axis of the European Community, a position which has been enhanced by new motorway infrastructures (E25/E411 motorways linking Liège-Brussels-Luxembourg). Furthermore, the province's countryside and forests give its produce and its quality of life a stamp of quality. Finally, a young and dynamic population and a dense network of training establishments mean that highly skilled manpower is readily available.

However, this economic development is still somewhat precarious, mainly because of the uncertainties that hang over the future of the province's agricultural sector, which is not very diversified and is geared almost exclusively to mixed cattle rearing (meat and dairy).

Furthermore, production is split between a wealth of tiny craft businesses (22% of wage and salary earners work for businesses employing fewer than five people) in traditional sectors (timber, food, construction), which are subject to stiff competition, and a modern sector consisting of medium-sized businesses which have been set up using outside investment and which have relatively little to do with local industry.



Scale 1 : 1 000 000

Which EC regions are similar to the Belgian province of Luxembourg?

Area:
4 400 km²
Molise (I)

Population:
0.2 million inhabitants
around 50 inhabitants per km²
Notio Aigaio; Voreio Aigaio (GR)
Corse (F)

Employment:
10% in agriculture
2/3 in services
Canarias (E)
Flevoland (NL)
Languedoc-Roussillon (F)

Land use:
nearly 50% forest
Liguria; Trentino-Alto Adige (I)
Cantabria (E)
Freiburg; Karlsruhe (D)

Two very different subregions

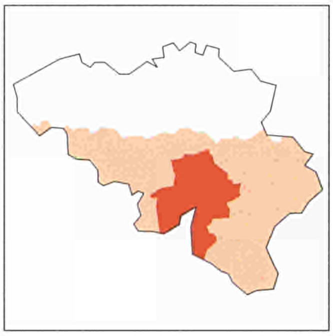
Southern Luxembourg (the Arlon and Virton *arrondissements*), is the most densely populated and traditionally the most industrialized region: the dismantling of the all-dominating steel industry astride the French and Luxembourg border in the late 1970s, brought about diversification at both sectoral level (chemistry/plastics, materials, paper, vehicle accessories, confectionery) and geographic level. The south of the region is home to the largest companies in the province, drawn here because of the greater availability of manpower, and the urban and industrial centres of the Grand Duchy and French Lorraine.

The central and northern parts of the province (Bastogne, Marche-en-Famenne and Neufchâteau *arrondissements*) are the most rural areas of Luxembourg. The primary sector employs more than 10% of the working population, and these areas have the lowest per capita income in the kingdom. Industrial development is centred on SMEs in the timber and agri-food sectors and on tourism, especially the major tourist centres of La Roche-en-Ardennes, Durbuy (Ourthe valley) and Bouillon (Semois valley).

	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
Arlon	0.3	49	153	0.1	38	6.3	2	16	82	89
Bastogne	1.0	38	36	4.0	48	5.7	16	14	70	81
Marche-en-Famenne	1.0	46	48	9.6	50	6.3	10	17	74	82
Neufchâteau	1.4	53	39	3.3	52	5.0	11	20	68	83
Virton	0.8	45	59	2.9	43	6.6	8	26	66	75
Luxembourg	4.4	231	52	3.8	46	5.9	9	18	73	82
Belgique/België	30.5	9 948	326	0.9	47	7.6	3	27	70	101
EUR 12	2 253.7	327 931	146	3.2	54	8.3	7	33	60	100

BELGIQUE/BELGIË

NAMUR



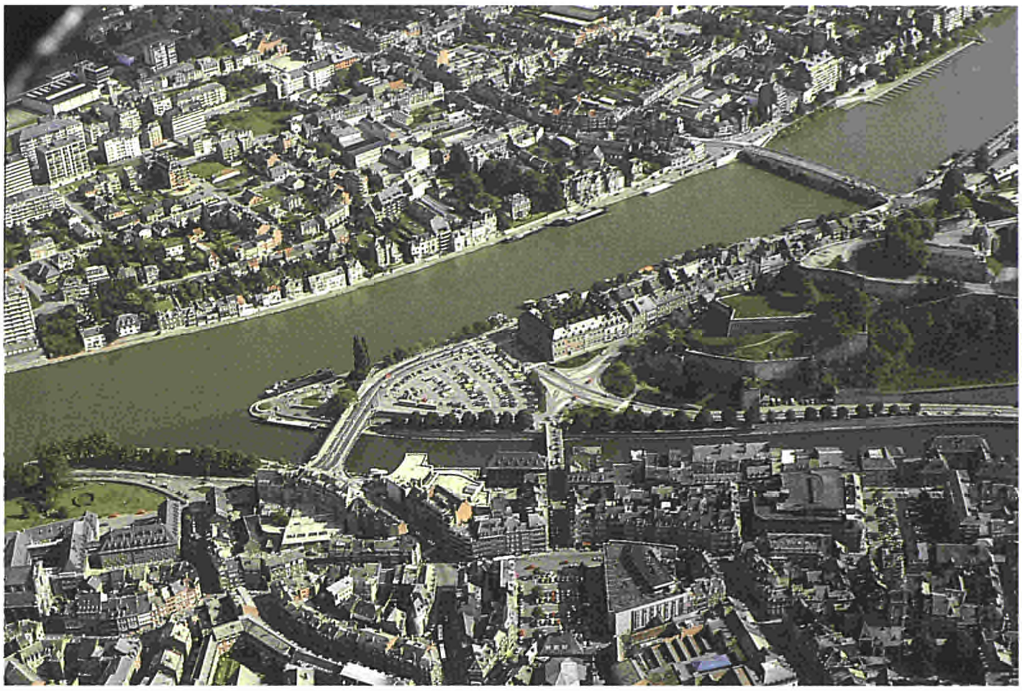
In the province of Namur, a wide variety of natural regions give the countryside its particular flavour. From north to south there are six separate regions in the space of scarcely 60 km.

In the north, the open peneplain of Hesbaye (150 to 200 m above sea-level) consists of a thick layer of alluvium, which provides good soil for crop growing over much of the area.

The Sambre and Meuse corridor constitutes a narrow transitional zone between Hesbaye and the Condroz part of the Ardennes. It borders an area of forests and valleys and opens on to the Condroz region (200 to 300 m above sea-level), where fertile meadows alternate with woodland.

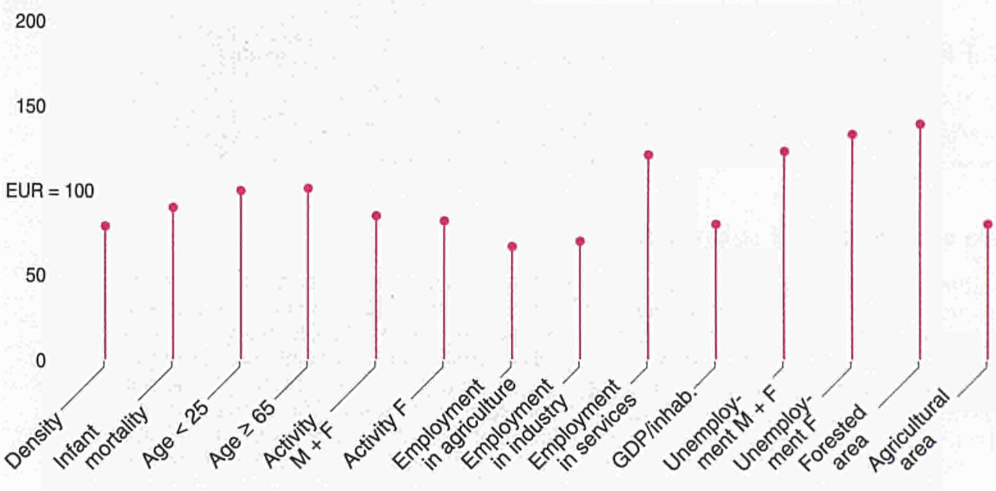
Wet and barren, but nevertheless picturesque, the Famenne depression separates the Condroz from the Ardennes, where the ground is noticeably higher (highest point La Croix-Scaille, 500 m), although not excessively so. The side valleys of the Meuse are popular tourist destinations.

The province is rich in natural sites thanks to the wide variety of landscapes and the structure of the soil and subsoil, and is also graced with a number of monuments testifying to the continuity of man's work.



Namur: the confluence of the Rivers Meuse and Sambre

Namur in the Community



Progressive diversification of an essentially services-based production infrastructure

The province of Namur suffers from a geographical imbalance on both a demographic and economic level.

Namur industry is unable to boast many large companies, but it holds a respectable place in sectors as varied as glass manufacture, stove production, dolomite extraction, cutlery, hospital equipment and, more generally, metalworking, chemistry and food processing.

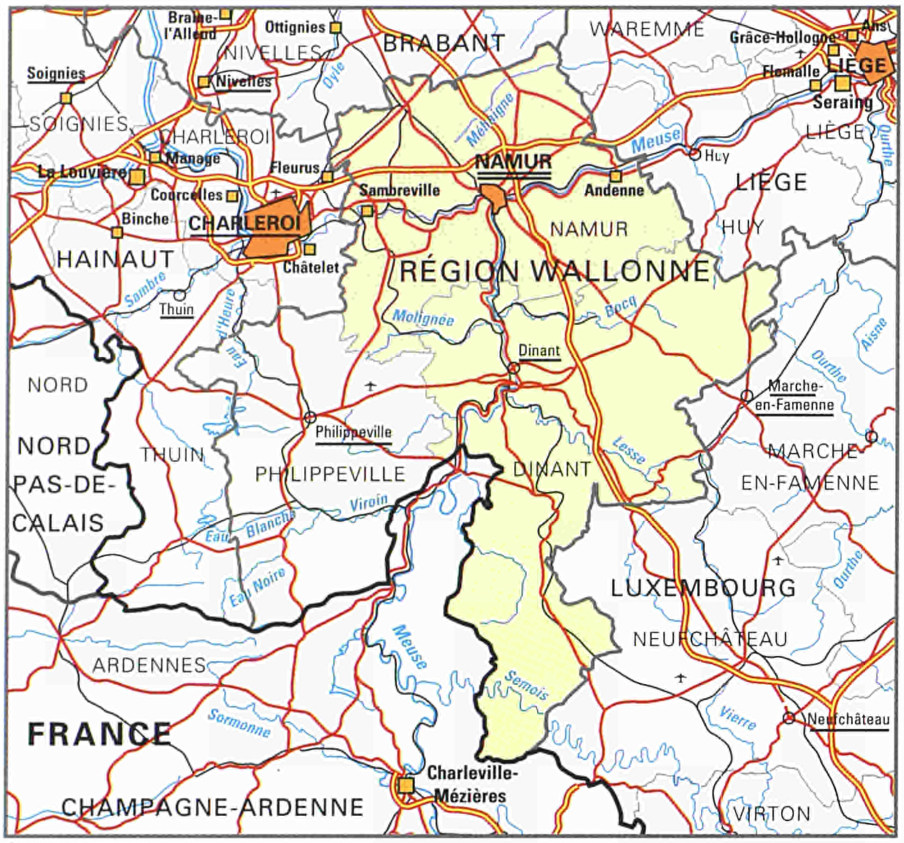
Twenty or so industry parks and one science park encourage diversification of activities.

At the same time, the services sector is playing an ever more important role in Namur's economy: Namur exerts its attraction far beyond the borders of the province, creating an obvious link with Brussels.

Agriculture has been largely rationalized by means of land reallocation and mechanization.

The exploitation of forestry resources has given rise to numerous sawmills and wood processing factories, and the province has an obvious attraction for tourists.

In addition to comprehensive provision of secondary education, the agricultural faculties of Gembloux provide highly specialized teaching and are in the process of developing high-tech activities. The university faculties of Notre-Dame de la Paix in Namur have, in addition to classical disciplines, set up a renowned institute of computer science.



Scale 1 : 1 000 000

Which EC regions are similar to Namur?

Area:
3 700 km²
- Kent; Essex (UK)
- Noord-Holland (NL)

Population:
0.4 million inhabitants
- Drenthe; Zeeland (NL)
- Trier (D)
- Luxembourg (grand-duché)
- Guadeloupe (F)

Employment:
5% in agriculture
70% in services
- Provence-Alpes-Côte d'Azur (F)
- Liguria (I)
- Zuid-Holland (NL)

More than just the 'garden of Belgium'

The average population density in the province of Namur is low, but this figure conceals major disparities between the north and south.

The province of Namur lies at the edge of the most densely populated and dynamic area in north-western Europe, although its southern reaches extend into the sparsely populated tracts of land that stretch from the Champagne through the Ardennes to the Eifel.

Lying between Wallonia's main industrial basins of Liège and Charleroi, the northern part of the province links Brussels with the south-east of the country. It is also important from a European point of view in that it is a mandatory crossroads for international traffic.

The markedly rural nature of much of the province, the beauty of its natural sites, the extent of its forests, its preservation from the industrialization of the nineteenth century and its low population density have earned it the nickname of the 'garden of Belgium'.

However, this is only part of the picture. Although the description is further justified by the fact that the province is undoubtedly an attractive place to live, it takes no account of the major activities of the lower Sambre (Gembloux, Andenne, Ciney, Couvin), or the important commercial and services role played by the provincial capital, which is also the capital of Wallonia.

	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
Dinant	1.6	93	58	4.7	44	9.4	8	15	77	78
Namur (arr.)	1.2	269	231	4.3	46	9.7	3	23	75	84
Philippeville	0.9	59	65	2.7	47	11.6	8	21	72	66
Namur (prov.)	3.7	421	115	4.1	46	9.9	4	21	75	80
Belgique/België	30.5	9 948	326	0.9	47	7.6	3	27	70	101
EUR 12	2 253.7	327 931	146	3.2	54	8.3	7	33	60	100

BELGIQUE/BELGIË

BRABANT WALLON

Together with Flemish Brabant and the Brussels region, Walloon Brabant makes up the Belgian province of Brabant.

The borders of Walloon Brabant coincide with those of the Nivelles *arrondissement*. Consisting of 27 municipalities, the province extends over an area of 1 091 km² and is home to almost 320 000 people. Bordered to the north by the Belgian region of Flanders, it opens on its southern side onto the provinces of Hainaut, Namur and Liège.

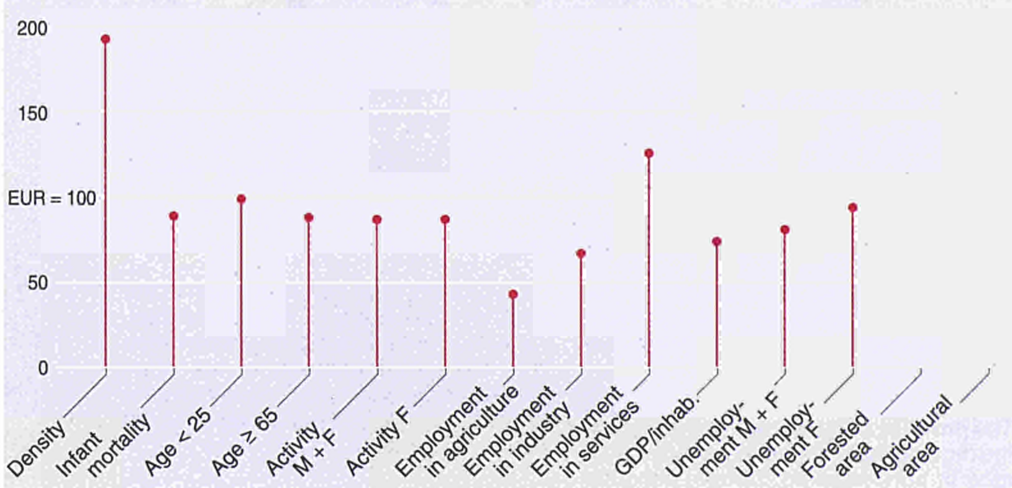
Walloon Brabant is at the heart of a natural region consisting of the low-lying plateaux of Belgium. It is crossed by three hydrographic systems: the valleys of the Senne and the Sennette in the west, the valley of the Dyle in the centre, and the valleys of the Grande Gette and the Petite Gette in the east.

The physical geography of the region is dominated by two features: firstly the incision of the plateaux by the major rivers and their tributaries, this becoming increasingly apparent towards the west, and secondly the plateaux themselves, which are very much in evidence on the southern fringe of the region but progressively less so towards the north.

Walloon Brabant is, like the rest of Belgium, influenced by maritime airstreams and thus has a mild, rainy climate.

Louvain-la-Neuve: technology park in Walloon Brabant.

Brabant wallon in the Community



Inequalities, but major development assets

Long considered a dormitory for Brussels, Walloon Brabant with its green countryside and wealthy suburbs has hitherto been the very image of a socially unequal region.

The wealthiest areas are south of Brussels, whereas the west, which has long been home to traditional industries (metalworking, electromechanical engineering, paper), and the east (agriculture) were more directly affected by the economic crisis, which caused unemployment to soar and the population to decline.

However, this situation is improving thanks to the progressive revitalization of the economy in the west of the province and the restructuring of the agricultural sector in the east.

Generally speaking, the area possesses a number of major assets which will help it redevelop:

– proximity to Brussels and an international airport;

– a network of international road and rail infrastructures;

– a large and youthful population;

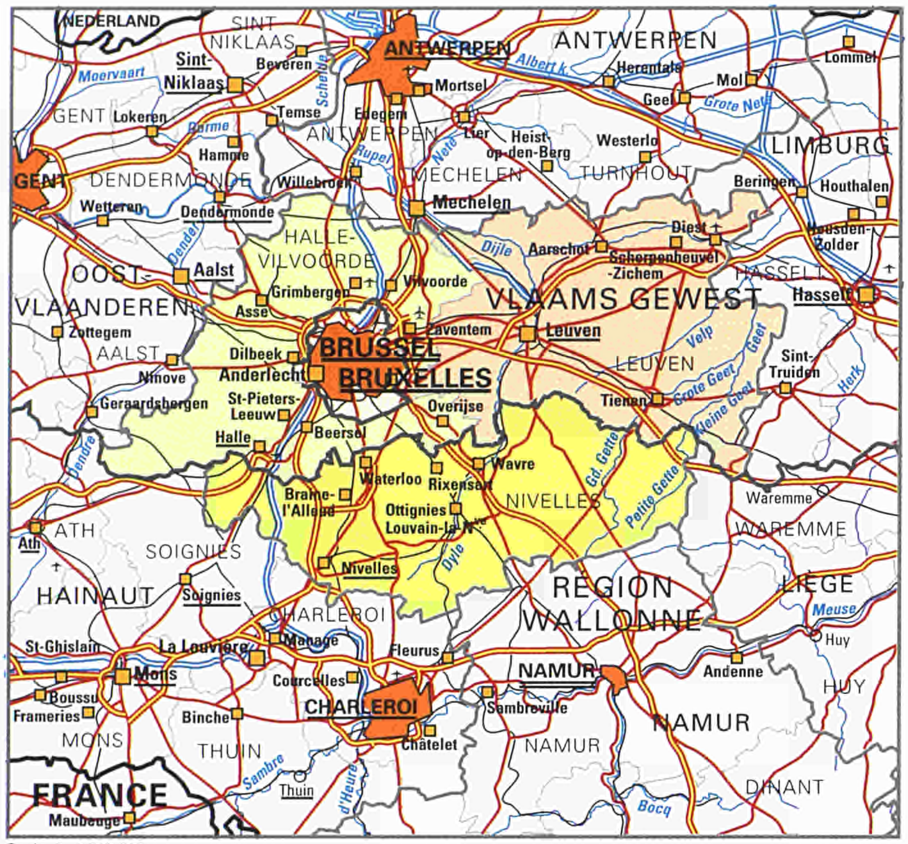
– good higher education, particularly university;

– good R&D potential thanks to the existence of two universities which have close links with the region's industry;

– leading-edge sectors well-represented, e.g. chemical and pharmaceutical industries.

The two main challenges for the future of Walloon Brabant are the consolidation of its economic development and the preservation of its environment (which is not the least of its assets).

BRABANT WALLON



Scale 1 : 1 000 000

Which EC regions are similar to Walloon Brabant?

Area:
± 1 100 km²
Martinique (F)

Population:
0.3 million inhabitants
± 300 inhabitants per km²
Martinique (F)
Madeira (P)

Employment:
± 75% in services
Noord-Holland (NL)
Lazio (I)

Walloon Brabant, land of contrasts

Walloon Brabant has six centres linked to major communication routes:

– in the west, Tubize, which owed its development to the metalworking and textile industries, and which was badly affected by the upheavals of the 1970s. The revival of traditional activities (Clabecq), improvements to the road network (A8) and the prospect of an industrial zone being set up hold out promise for a better future;

– Nivelles, the mainstays of whose industry is mechanical engineering, metalworking and the paper industry, is able to benefit from the Université libre de Bruxelles, which is located within the region and provides a link between industrial activity and research;

– the municipalities in the south of Brussels between the E19 and E411 make an ideal base for international companies wishing to set up at this crossroads of Europe;

– SMEs in the services sector opt for Wavre, which is equally well situated at the heart of an international communications network;

– the setting up of the French-speaking wing of the Catholic University of Louvain at Louvain-la-Neuve in the early 1970s has created an increasingly dynamic centre of cooperation between university research and industrial development;

– the south and east of the region are made up of municipalities that are essentially agricultural in nature.

	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
Brabant wallon	1.1	315	289	10.4	47	6.1	3	24	73	74
Belgique/België	30.5	9 948	326	0.9	47	7.6	3	27	70	101
EUR 12	2 253.7	327 931	146	3.2	54	8.3	7	33	60	100

BELGIQUE/BELGIË

BRUXELLES/ BRUSSEL

Brussels, which became a fully-fledged region in 1989, is composed of 19 municipalities covering a total area of 161 km^2.

Founded in the tenth century as a military outpost by the Duke of Lorraine, the Brussels conurbation grew up along the valley of the Senne, a small stream that has today been completely built over.

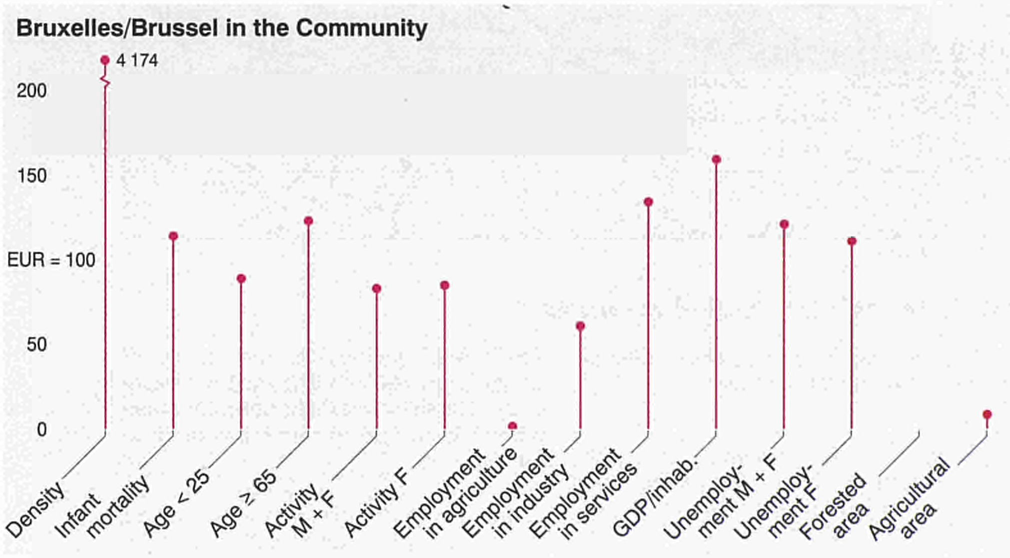
At Brussels the valley sides are asymmetrical: the western slope, composed of clay, is not as steep (1.5-2% gradient) as the eastern slope (6-8%).

The conurbation has spread above all to the east and south.

Brussels is situated at the point where the low-lying plains of northern Europe meet the central plateaux. At the junction of these two topographical zones, Brussels is also the point of contact of two cultures and language areas — French and Dutch.

The climate is temperate, with an annual average minimum temperature of 6.3°C and an annual average maximum of 13.5°C. In summer the weather is warm, with temperatures rising above 20°C.

Brussels, a forward-looking region that has succeeded in preserving its quality of life.



Reconciling the region's international role and the life of its inhabitants

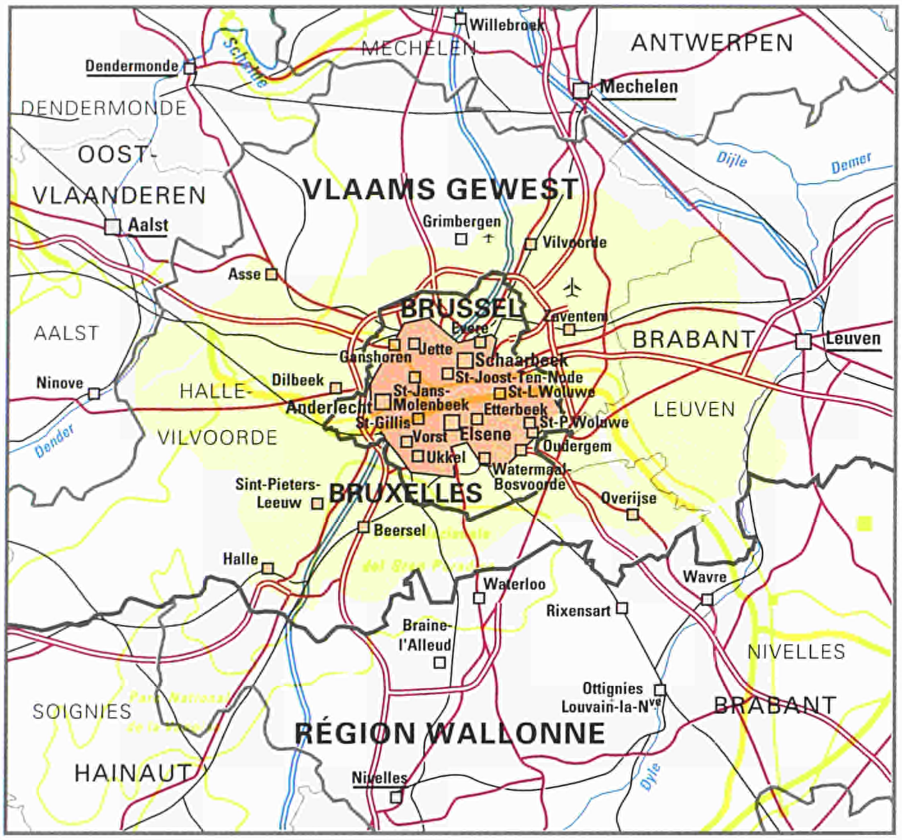
Torn between its European and international role on the one hand and meeting the needs of all its inhabitants on the other, Brussels must face the challenge of its dual identity.

Some 700 000 native 'Bruxellois' rub shoulders daily with 300 000 foreigners in a climate of mutual understanding. However, this balance is threatened by the danger of social exclusion affecting the less resilient sections of the population — young people and immigrants.

In terms of urban planning and housing, the Brussels region has certain major advantages. It has a large number of parks and gardens, an urban environment on a human scale and a ready supply of affordable housing.

Starting in the 1960s, Brussels suffered the effects of property speculation, which sparked off an unregulated construction boom and the flight of the city's inhabitants to the suburbs. Today efforts are directed toward achieving a balance between housing and office space in order to stabilize the population within the region.

It is still possible to get about by car, but traffic jams and parking problems are increasingly the rule. The modernization and expansion of the public transport system should encourage commuters to leave their cars at home. A policy of decentralizing services has also been implemented in the region to prevent the city centre from becoming over-congested.



Scale 1 : 500 000

Sharp contrasts between municipalities

The less densely populated municipalities (Uccle, Watermael-Boitsfort, Auderghem, Woluwe-Saint-Pierre) are located in the south-east of the region and have fewer than 50 inhabitants per hectare. In these municipalities foreigners make up less than 20% of the population and generally belong to the higher socio-economic groups (European civil servants and international executives).

In contrast, the more densely populated municipalities (Saint-Josse-ten-Noode, Saint-Gilles and Etterbeek, with 140 inhabitants per hectare) accommodate a predominantly working-class population and have a significant proportion of foreigners (56.7% in Saint-Josse-ten-Noode and 48.1% in Saint-Gilles in 1990).

Generally speaking, the municipalities to the south and east, close to the Soignes forest, are residential, recently built and have a great deal of open space.

Municipalities such as Anderlecht to the west, Berchem-Sainte-Agathe and Ganshoren to the north-west remain, in certain respects, villages within the city and contain semi-rural areas.

The city of Brussels and the municipalities close to the centre have old and often uncomfortable housing, but enjoy high-quality health, education and cultural facilities, which constitute major advantages when it comes to redeveloping such areas.

Of the region's jobs 43% are concentrated in the city of Brussels, while no other single municipality has more than 7%.

Which EC regions are similar to Brussels?

Area:
less than 500 km²
Bremen (D)
Ceuta y Melilla (E)

Population:
1 million inhabitants
Saarland (D)
Utrecht (NL)
Humberside (UK)

Population density:
more than 4 000 inhabitants/km²
Greater London (UK)
Berlin (D)
Ceuta y Melilla (E)

Employment:
± 80% in services
Utrecht; Noord-Holland (NL)
Lazio (I)

	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	1988	1990	1989	1989	1989	1989
Bruxelles/Brussel	0.2	964	5 976	−4.4	45	9.9	0	13	87	159
Belgique/België	30.5	9 948	326	0.9	47	7.6	3	27	70	101
EUR 12	2 253.7	327 931	146	3.2	54	8.3	7	33	60	100

A declining population with a rising proportion of foreigners

In 1990, the Brussels region accounted for nearly 10% of the Belgian population.

However, the region's population has been declining steadily since 1976 (-8.2% between 1976 and 1990), essentially due to the fall in the number of Belgian nationals resident in the region (approximately 10 000 a year).

A surplus of births over deaths reversed this decline in 1987 and this trend continued in 1988 and 1989. This is because the increase in the foreign population has in recent years offset the fall in the number of Belgian inhabitants.

One of the results of these contrasting trends is the steady rise in the percentage of foreigners in the total population from 20.2% in 1976 to 27.8% in 1990.

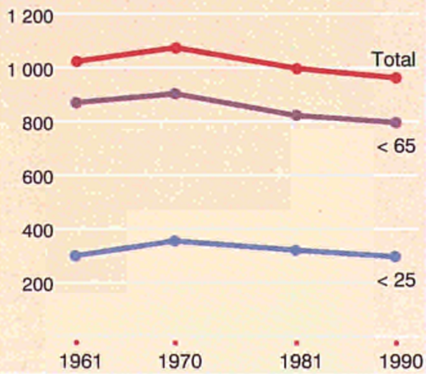
The foreign population is a youthful one (34% are under 20 years of age), while the Belgian population is ageing.

This demographic trend is not without its problems. The decline in the number of native 'Bruxellois' leads to a fall in the resources available for regional and municipal finances, while the growth of the foreign population highlights the need for an integration policy.

Population by age — 1990

	M + F 1 000	M + F %	M %	F %
< 15	167.3	17.3	18.8	16.0
15-24	127.5	13.2	14.1	12.5
25-39	228.1	23.7	25.0	22.4
40-54	166.5	17.3	18.0	16.6
55-64	107.7	11.2	11.0	11.3
≥ 65	167.3	17.3	13.1	21.2
Total	964.4	100.0	100.0	100.0

Population (1 000)



Resident population of foreign nationality — 1990

	1 000	% of total population
Total	267.8	27.8
of which EC countries	123.6	12.8
of which non-EC countries	144.2	15.0
Morocco	76.4	7.9
Italy	32.0	3.3
Spain	26.4	2.7
France	26.0	2.7
Turkey	20.5	2.1
Greece	10.7	1.1

Demographic account — 1980-90 (1 000)

Population 1.1.1980	1 008.7
Births	121.2
Deaths	126.4
Net migration	– 39.7
Population 1.1.1990	964.4

A highly qualified labour force

The working population, boosted over the last two decades by immigration and the increasing number of women on the labour market, can be expected to grow and get younger in years to come.

A survey of the labour force in Brussels shows that over 50% are commuters from the neighbouring regions of Wallonia and Flanders. Of these, some 56% come from the province of Brabant alone.

Characteristically, the region's labour force is skilled and multilingual.

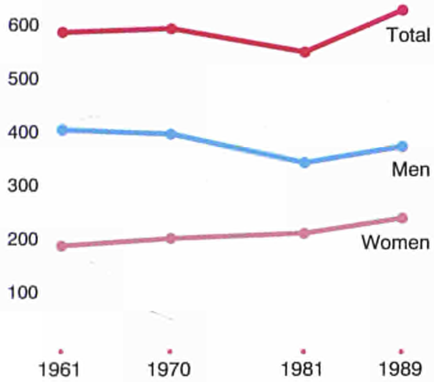
In the 1989/90 academic year the Brussels education system catered for 11.9% of the country's pupils and students.

This percentage rises with the level of education from 10.3% of primary pupils to 27% of university students (the Université libre de Bruxelles, the Vrije Universiteit Brussel and a part of the Université catholique de Louvain).

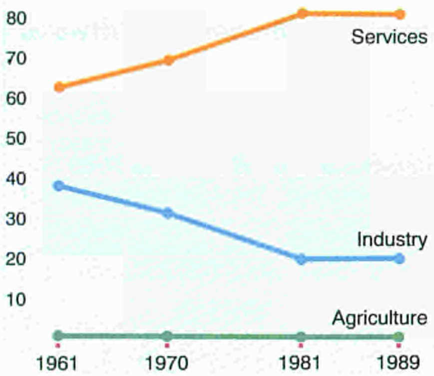
Number of pupils — 1990

	M + F 1 000	F %
Pre-school	39	48.4
Primary	77	47.4
Lower and upper secondary (technical)	11	44.1
Lower and upper secondary (general)	75	48.2
Higher education	56	44.7
Total	258	47.0

Employment (1 000)



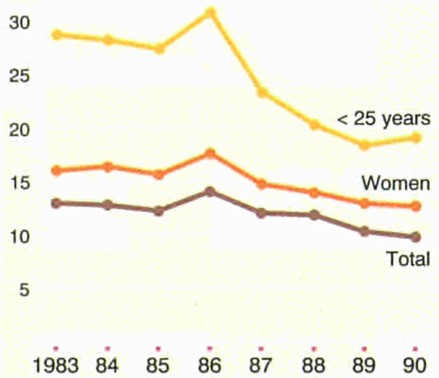
Employment structure (%)



Employment — 1989 (1 000)

Resident employment	313
+ Non-residents having a job in the region	321
– Residents having a job outside the region	32
= Internal employment	602

Unemployment (%)



Predominance of services

With 573 287 wage and salary earners at 30 June 1989, the Brussels region generates 19% of the country's employment. Some 85% of these jobs are in services as against 15% in industry. The agricultural sector may be disregarded.

The predominance of services is attributable partly to Brussels' role as capital of Belgium and partly to its position as the hub of Europe and its international links, which have led to the establishment and expansion on its territory of many institutions, agencies, company headquarters and trading activities.

In the services sector, public services are the biggest employer.

In the industrial sector, building and civil engineering account for 22% of employment. Industrial employment in the region is marked by a very high percentage of non-manual workers (42%).

In the last 10 years there has been a noticeable trend towards industries making high-tech products (with high value-added).

The region has great potential for technology: it accommodates many laboratories and university research centres, which stimulate basic and applied research, and a quarter of Belgium's industrial researchers work in Brussels.

In 1988 the Brussels region provided nearly 10% of the country's part-time employment, with 70% of part-time jobs filled by women.

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	8	82	10	73	3	4	3	4
Women	9	84	7	82	20	25	3	4
Total	8	83	9	77	10	13	3	4

Unemployment falling slightly

The region's unemployment rate is close to that of Wallonia, and the difference between the male and female rates is very slight. It affects a high proportion of the foreign population, which is a sign of unemployment caused by lack of skills in an economy dominated by the services sector.

Unemployment among young people under 25 years of age is lower in Brussels than in the south of the country, but higher than in the north.

Unemployment rose steadily until 1986, but since then it has fallen.

Among those registered as seeking work at the Office régional bruxellois de l'emploi (regional employment office), an estimated 53 000 have a qualification lower than the senior secondary school leaving certificate or their qualifications are no longer recognized as they have been out of work for too long. Such people must be provided with real means of integration or reintegration into working life and not just job offers.

BRUXELLES/BRUSSEL

Economic revival driven by small firms

In 1989 the Brussels region accounted for 15% of the country's businesses.

Of these firms 95% have fewer than 50 employees and nearly 86% operate in the services sector.

These are particularly firms employing between one and four people, which have experienced remarkable growth in recent years (10% in Brussels).

A look at the breakdown of firms by sector shows that between 1977 and 1989 there was a 16.5% fall in the number of industrial firms and an 18.5% rise in the number of service firms.

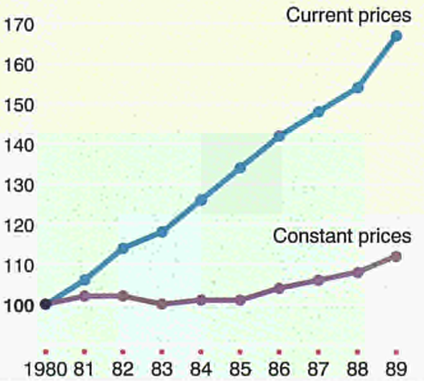
The most recent statistics on turnover and investment by firms in the Brussels region indicate that their performance outstrips their numerical weight in the national total: the region's 14% of the country's service firms generate 24% of turnover and 27% of investment, while its 11% of the country's industrial firms account for 14% of turnover and 11% of investment.

Nearly 60% of foreign companies setting up in Belgium chose Brussels for their headquarters. These companies often chose the Brussels region as their distribution centre for the whole of Europe.

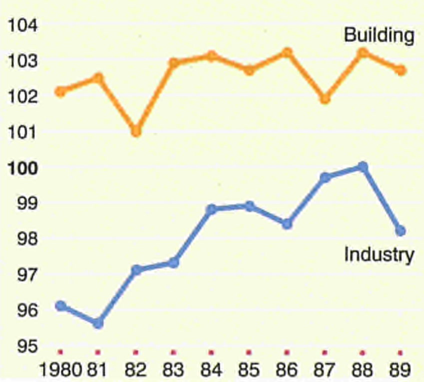
Lastly, a large number of import-export companies have opted to set up here.

The recent development of the region's economy can be seen in a positive light: firms are thriving again, the number of self-employed is rising, and employment in general is picking up. However, the region is experiencing special problems caused by the many activities it must perform in a limited space (less than 1% of Belgian territory). This means striking a fine balance between social services and economic needs.

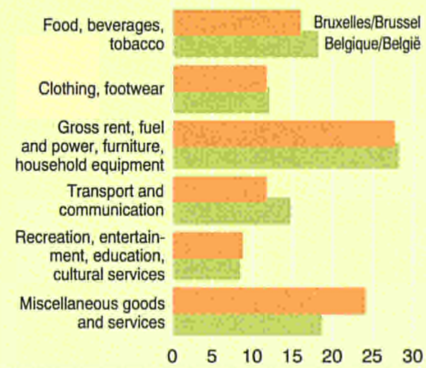
GDP (1980 = 100)



Wages (national level = 100)



Household expenditure – 1987-88 (%)



Falling average income

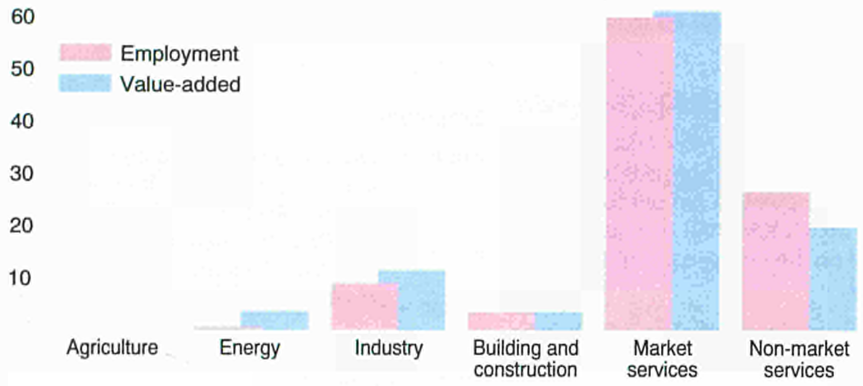
In 1988, average income per tax return in Brussels was in the region of ECU 15 360.

Between 1977 and 1987, income in Brussels fell more than in the other two regions of Belgium.

This decline in the region's income, especially in comparison with neighbouring districts in Brabant, is attributable to changes in the composition of the population. Many high- and middle-income households have left the region to settle in municipalities further from the centre and have been replaced to some extent by households often composed of foreign workers with lower incomes.

As the level of net taxable income serves as the basis for personal taxation, which ought to be the region's main source of revenue, there is reason to fear budget difficulties.

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



Growth in communications services and regeneration of industry

Services have found fertile terrain in Brussels.

Two branches together generate almost 61% of jobs: public services, education and other services with 39%, and banking, insurance and leasing with 22%.

The organization of congresses, conferences and symposiums is another growth area. In 1990 Brussels was the third most popular city for international congresses after Paris and London.

Alongside the traditional service industries (financial services, tourism and transport), the region has in recent years witnessed the development of other types of services (software and computer services, training services, business and engineering consultancy, communications services in general).

The region's industry focuses on a number of thriving sectors: metalworking, construction, chemicals, and printing and publishing. In recent years this industrial fabric has undergone major regeneration in areas such as pharmaceuticals, parachemicals, telecommunications and precision engineering.

The 19 industrial estates and science parks testify to both the importance of industry in the region and its increasingly high-tech orientation.

Agriculture

No data available

Main enterprises

Name	Employees	Activity
Régie des Postes	13 800	Post
Sabena	10 100	Air transport
Société nationale des Chemins de Fer belges	9 200	State railways
Grand Bazar — Innovation — Bon Marché	8 800	Retail trade
Régie des Télégraphes et des Téléphones	8 500	Telecommunications
Volkswagen	7 400	Car manufacturing
Générale de Banque	6 200	Banking and finance
Banque Bruxelles-Lambert	6 000	Banking and finance
Transports intercommunaux de Bruxelles	5 300	Urban transport
Kredietbank	4 500	Banking and finance

A green city, with problems of waste disposal

With 4 300 ha of open spaces (40 m^2 per inhabitant), Brussels is well provided with public parks and gardens and green-belt areas (the Soignes and La Cambre forests to the south-east and the semi-natural and semi-rural areas in the north and south-west).

But what comes as a surprise to the visitor is the number and variety of small private gardens. This is a product of the city's history: in its rapid demographic expansion after 1870 many inhabitants of the surrounding countryside brought their habits of vegetable and flower growing with them when they moved to the city, and this gives Brussels an undeniable charm.

Traditional measures of air quality show an improving trend since the 1970s. Nevertheless, the increase in motor traffic and burning of fuels give reason to fear a deterioration in the near future.

A water treatment programme has been devised since 1980, but it has not yet been put into practice and practically the whole population of Brussels discharges its waste water without any treatment into the Senne.

Brussels has the unfortunate reputation of being a dirty city. This is mainly due to the common practice of illegal tipping and the inadequate collection of small urban refuse. Looking beyond basic refuse collection, a policy of proper disposal, recycling and treatment is now being implemented.

Explanatory notes — Belgium

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 was 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: 1980 — INS (National Statistical Institute)
1990 — Register of Natural Persons, Ministry of Home Affairs and the Civil Service

Activity rates

The figures for the State, the regions and provinces, are calculated on the basis of the results of the Community labour force sample survey.

The figures for the districts are calculated on the basis of data on persons in work (Inami — State health insurance department), persons out of work (ONEM — State employment agency) and the population aged 14 years and above (Register of Natural Persons).

Unemployment rates

Source: Eurostat — Regio

Definition: See above

Employment

Sources: Labour force sample survey, INS
Inami (State health insurance department)
ONEM (State employment agency)
Register of Natural Persons, Ministry of Home Affairs and the Civil Service

GDP per inhabitant

Source: Eurostat — Regio

Definition: See above

Table: Demographic account

Source: 1980 — INS
1990 — Register of Natural Persons, Ministry of Home Affairs and the Civil Service

Statistical note:

The data for the population on 1 January 1980 are related to the census of 31 December 1970, but not to that of 1 March 1981.

As from 1 January 1989 the INS stopped calculating the age structure of the population and the data from the Register of Natural Persons of the Ministry of Home Affairs and the Civil Service were taken over.

Therefore, to convert from the population on 1 January 1980 to the population on 1 January 1990, the following corrections must be made:

Improvement through taking account of the data from the population census of 2 March 1981: (x 1 000)

Brussels Region:	–1.4
Flemish Region:	–4.8
Walloon Region:	–7.1

Improvement through taking over the data from the Register of Natural Persons on 1 January 1989: (x 1 000)

Brussels Region:	+2.0
Flemish region:	+12.3
Walloon region:	–19.7

Table: Number of pupils

Sources: Flemish community (education in Dutch)
Walloon community (education in French and German)

The figures give the number of pupils studying in the region, regardless of the language in which they are taught. The education in Dutch and French given to children of Belgian military personnel in Germany is not included in the figures.

Graphs: Employment Employment structure

Sources: 1961, 1970, 1981 — Population census, INS
1989 — Labour force sample survey, INS

Table: Employment in 1989

Source: Labour force sample survey, INS

Graph: Unemployment

Source: Eurostat — Regio

Definition: See above

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: Sample survey on average gross hourly earnings of workers in industry, INS

Graph: Household income

Source: Households budget survey 1987-88, INS

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

Table: Main enterprises

Sources: Ministry for the City of Brussels Region, La maison de l'information
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Ministry for the Walloon Region, Studies and Statistics Departments

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Departement Onderwijs: *Statistiques de l'enseignement*
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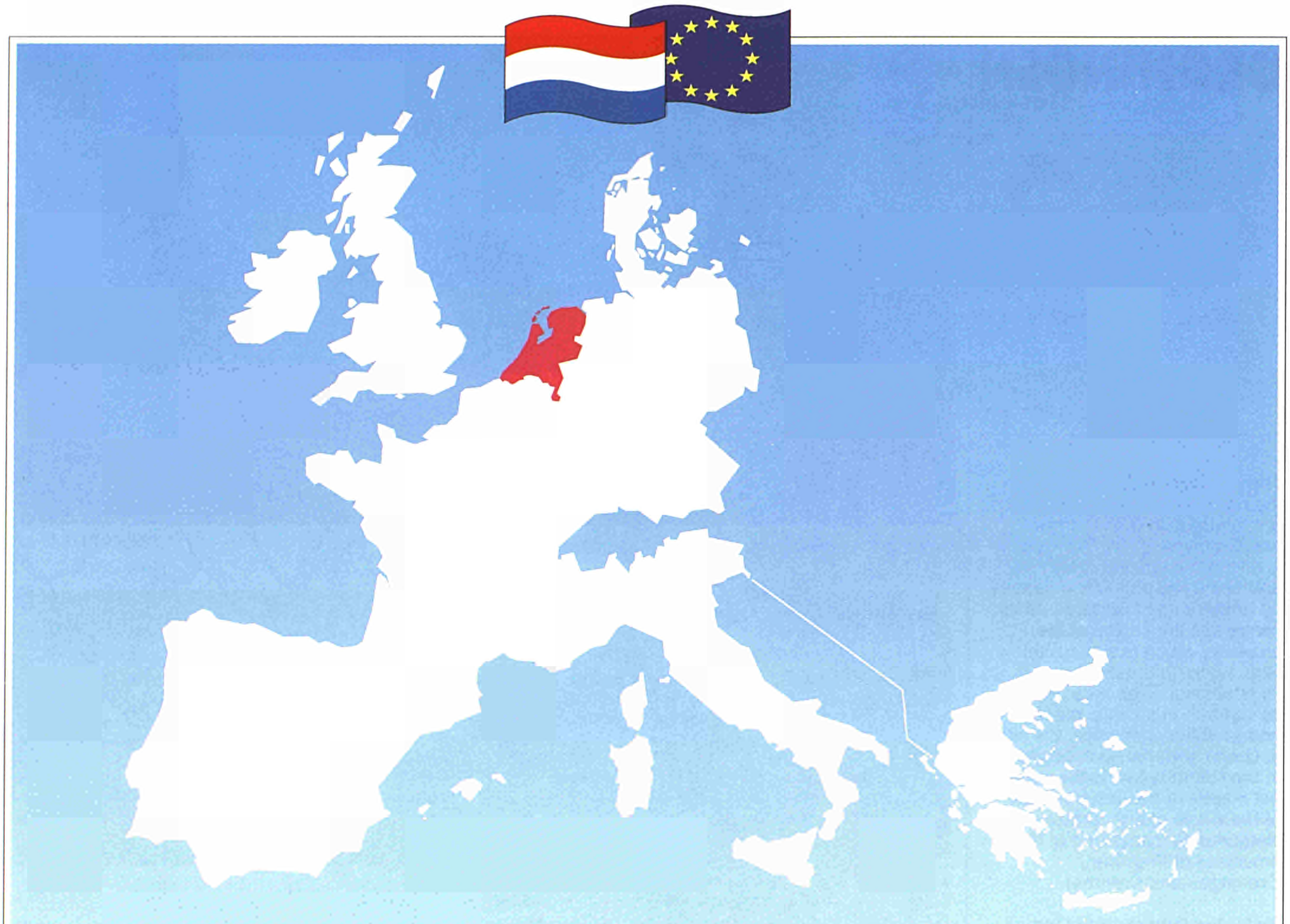
NETHERLANDS



The Netherlands comprises 12 provinces since 1986. In that year the 12th province, Flevoland, was created from land reclaimed from the former Zuider Zee.

Following Belgian independence in 1830, the Netherlands comprised 10 provinces. This was increased to 11 in 1840 when the province of Holland was split into the provinces of North and South Holland. The provinces are the intermediate administrative level between central government and local government (the 647 municipalities). They have major responsibilities in fields such as town and country planning, the environment, infrastructure and regional policies. There has for some time been a debate on the need for a new administrative structure. There have been some contrasting proposals: for a larger number of smaller provinces and for the creation of 'super-provinces'. The debate has not yet led to any restructuring. There is a movement in favour of aggregating local administrations.

For purposes of regional economic analysis, the Regional Research Programme Coordinating Committee (Corop) divided the Netherlands into 40 regions in 1972. The main criterion for the breakdown into Corop regions is that of nodality; other criteria include the natural features of the land and historical ties. This regional breakdown provides a very useful set of statistical units and is increasingly important for regional analysis purposes. The Corop regions are not, however, administrative units. They represent NUTS III in the Netherlands, and are made up of municipalities. As they do not straddle inter-provincial boundaries, they can be combined at provincial level (NUTS II).

NEDERLAND

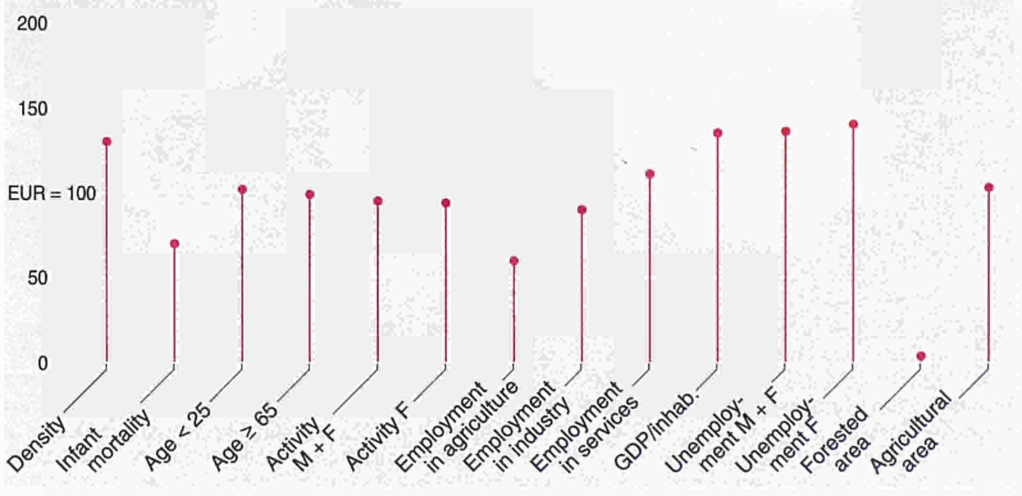
GRONINGEN

The province of Groningen is in the north-east of the Netherlands, and borders on the North Sea and Germany. In terms of area it is one of the smaller provinces, and has a low population density by Netherlands standards. At its centre lies the capital of the province, which is also called Groningen, and a large part of its population lives here. With its cultural, economic, medical and scientific amenities, the city of Groningen, the sixth largest in the Netherlands, is the centre not merely of the province, but of the whole of the northern Netherlands (consisting of the provinces of Friesland, Groningen and Drenthe).

By far the largest part of the province is flat, with open views over extensive fields, bordered by rows of trees. In the eastern part there are a number of largish towns, such as Hoogezand-Sappemeer, Winschoten and Stadskanaal. There are canals in this area which at one time were used to transport potatoes and cardboard, but are now tourist attractions. In the north are the three ports of Lauwersoog, Eemshaven and Delfzijl. Underground there is one of the largest deposits of gas in the world. The first large gas reservoir was discovered at Slochteren in 1960, and many more are now being exploited.

Groningen's countryside reflects its agricultural tradition.

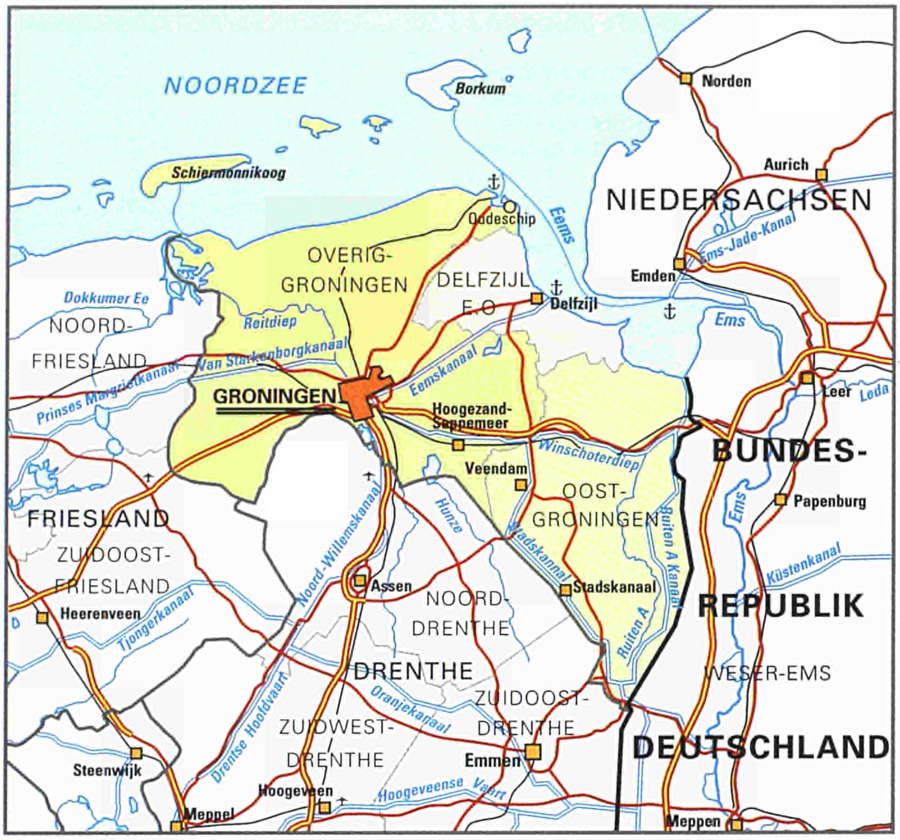
Groningen in the Community



Cities surrounded by countryside

The province is connected to the national motorway system and is also easily accessible by fast roads from Germany. There are good rail connections with the rest of the Netherlands and it has three seaports. In the old Hanseatic city of Groningen there are a large number of educational establishments, including the ancient University of Groningen — which also has technical faculties — and a science park. The range of other facilities is also equal to that in any large city. There are several museums and other cultural amenities, congress facilities and a wide variety of shops, which are concentrated in the old inner city, and outstanding medical centres. Eight kilometres out of town is the Eelde airfield. The city is surrounded by predominantly rural areas, which offer a pleasant and peaceful environment in which to live, work and play.

The other side of this particular coin is the tenuous economic structure, so that parts of the region have to contend with considerable unemployment. One of the reasons for the lack of sufficient economic activity is that the region is peripheral to the Netherlands. Now that connections with the Netherlands economic centres have been much improved and the country's borders are becoming less important for the economy, it may be expected that this poor situation will gradually improve. Increasing contacts across the international border, in the form of interregional cooperation with the German *Länder* of Lower Saxony and Bremen, may also help.



Scale 1 : 1 000 000

Which EC regions are similar to Groningen?

Population:
± 1/2 million inhabitants
± 200 inhabitants per km²
- Luxembourg (grand-duché)
- Réunion (F)
- Drenthe (NL)

Employment:
± 5% in agriculture
2/3 in services
- Danmark
- South-West; Northern Ireland (UK)
- Schleswig-Holstein (D)

Unemployment rate:
men: ± 13%
women: ± 17%
- Languedoc-Roussillon;
- Nord-Pas-de-Calais (F)
- Région wallonne (B)

Scattered clusters of economic activity

Groningen may be divided roughly into three parts, the eastern portion, Delfzijl/Eemsmond, and the remainder, in which the provincial capital is situated. The services sector is also concentrated in this part.

East Groningen is one of the oldest industrial areas in the Netherlands, with a large agricultural industry, a shipbuilding industry and its suppliers in the metalworking and electrical engineering industries. The largest inland container terminal of the Netherlands railways is in Veendam, which makes the district an important transport centre also. In the past few years tourism has grown considerably in this area, and its attractions include the oldest cure centre in the Netherlands and many water-sports facilities.

The main feature of Defzijl is the sprawl of capital-intensive industrial units, such as chemical plants, while Eemshaven is more specialized in transhipment. To the west of the port there is an area with palatial farmhouses, bordering on one of the largest nature reserves in Europe, the Waddenzee.

There are great regional variations in per capita value-added, due to the gas extraction industry and other businesses which are capital-intensive to varying degrees. Unemployment is high particularly in 'overig Groningen'. On the other hand, large numbers of commuters come from the bordering region of Drenthe.

	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	1988	1988	1988	1989
Oost-Groningen	0.8	151	180	1.0	50	11.6	1	36	63	65
Delfzijl E.O.	0.3	56	209	0.6	49	12.5	3	25	73	98
Overig Groningen	1.2	347	280	−0.5	53	13.0	2	25	72	170
Groningen	2.3	554	236	0.0	52	12.6	2	28	70	135
Nederland	33.9	14 893	439	5.7	56	7.4	2	28	70	102
EUR 12	2 253.7	327 931	146	3.2	54	8.3	7	33	60	100

GRONINGEN

A stable population

Over the past 10 years Groningen has had a stable population: the excess of births over deaths and the influx of migrants from abroad have been cancelled out by the number of people moving out to other parts of the Netherlands. Because employment opportunities did not increase in the early 1980s many people left the province. The spread of the suburbs around the city of Groningen was also a factor. The city is close to the attractive neighbouring province of Drenthe. Many former inhabitants of the city of Groningen have left for this inviting area. At present the number of job opportunities is growing, and this has reduced emigration.

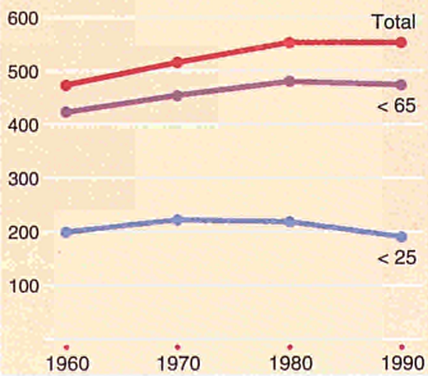
The age structure of the population is in line with the national pattern. Thus there is a large proportion in the 25 to 65 age-group as a result of the high birth rate in the Netherlands up to approximately 1970-75. The proportion of over-65s is expected to increase over the next few decades.

The university city of Groningen has for many years had a great attraction for young people. Even after completing their studies many people continue to live in the city, so that its population structure is different from that of the surrounding areas. There are also many more single-person households than in the rest of the province.

Population by age — 1990

	M + F 1 000	M + F %	M %	F %
< 15	93.3	16.8	17.5	16.2
15-24	97.3	17.6	18.2	16.9
25-39	132.1	23.8	24.8	22.9
40-54	100.8	18.2	18.8	17.6
55-64	51.0	9.2	9.0	9.4
≥ 65	79.5	14.3	11.7	17.0
Total	553.9	100.0	100.0	100.0

Population (1 000)



Resident population of foreign nationality — 1990

	1 000	% of total population
Total	8.6	1.6
of which EC countries	2.5	0.5
of which non-EC countries	6.1	1.1
Turkey	2.6	0.5
Germany	1.0	0.2
United Kingdom	0.5	0.1
Suriname	0.4	0.1
Italy	0.4	0.1
Morocco	0.3	0.1

Demographic account — 1980-90 (1 000)

Population 1.1.1980	553.7
Births	65.3
Deaths	52.1
Net migration	– 12.7
Population 1.1.1990	553.9

A highly skilled working population

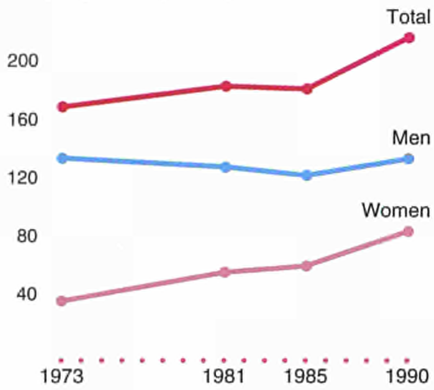
Although the total population in the past 10 years has hardly changed, in Groningen there has been a growth in the working population, which is in line with the national trend. This is explained by the greater number of women coming onto the labour market, a trend which was not as marked as elsewhere. The reasons for this lie in cultural influences, the reduction in the number of family workers in farming, and the increasing size of the services sectors.

Groningen has various institutes of higher education and widespread facilities for secondary and primary education. Almost 30 courses can be followed under the apprenticeship scheme. In addition to the State university, Groningen has various research centres, including a biomedical technological centre, a biotechnological centre, a telematics laboratory, a centre for research into new materials, a centre for technological innovation and a nuclear physics accelerator institute.

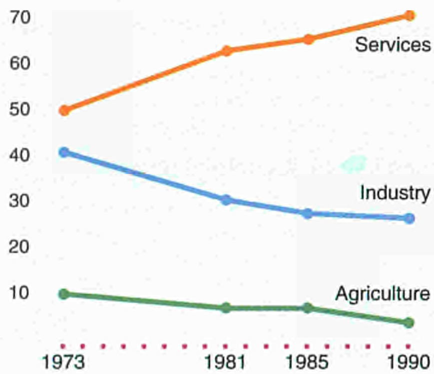
Number of pupils — 1990

	M + F 1 000	F %
Primary	49.8	49.1
Lower secondary (LBO)	10.2	37.6
Higher secondary (AVO + MBO)	42.5	49.8
Higher education (HBO + Univ.)	26.5	45.1
Total	129.1	47.6

Employment (1 000)



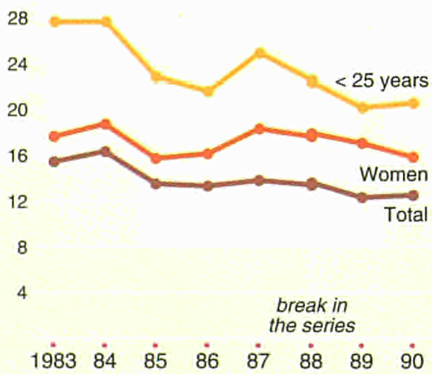
Employment structure (%)



Employment

No data available

Unemployment (%)



Changing structure of employment

Like the neighbouring provinces, Groningen also has a strong agricultural tradition and a tradition of industrial development which is bound up with it. In contrast to Friesland, arable farming predominates. Up to the 1960s large-scale 'gentlemen farmers' employed a large number of workers on their extensive farmlands. With the mechanization of agriculture, industrialization and increasing competition from foreign farmers, employment in agriculture quickly diminished from the 1960s onwards. In the past 10 years the number of jobs has fallen by more than 50%.

On the other hand, the number of job opportunities in the industry and services sectors has grown, although not sufficiently to make up for the losses in agriculture (and fisheries). One of the reasons for this is the basic restructuring in the traditional sectors of Groningen's industries. For a long time Groningen had a flourishing strawboard industry, but this has almost completely disappeared; the remaining factories have been completely modernized and are less labour-intensive. Furthermore, the other, newly arrived industries, such as chemicals, are capital-intensive and provide relatively few jobs.

The most job opportunities are to be found in the services sector. The head office of the PTT has been moved from The Hague to the city of Groningen. Subdivisions of other government departments (such as Education) employ many people in Groningen. The transport sector also provides several thousand jobs.

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	76	9	87	10	18	5	6
Women	26	69	5	84	56	61	4	3
Total	19	74	8	86	25	33	5	5

Active measures to reduce unemployment

Unemployment in Groningen is the highest in the Netherlands, and is well above the European average. The high point was reached in 1984, when almost one in six people were without paid employment. This situation is now a thing of the past, and unemployment rates in Groningen are approaching the national and European levels.

There are much clearer signs now that the regional policy pursued for the past few years by national and provincial government, and also the European Community, for strengthening the economic structure (including the incentives for business investment) is bearing fruit. By making the best possible use of the favourable aspects of the region, such as the good investment conditions and the high number of educational establishments, combined with the availability of labour, the prospects for a healthy regional economy and the consequent varied employment opportunities are becoming brighter all the time. However, there is still some way to go.

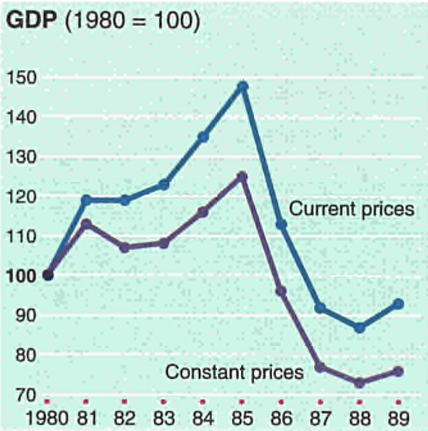
As in almost the whole of the Netherlands, there are more unemployed women than men. In addition, the city of Groningen has a relatively high number of young unemployed people, particularly those with academic qualifications. This latter group have the advantage in that they are easier to train in the skills which are very much in demand by firms in the region, and they are more mobile than the other groups.

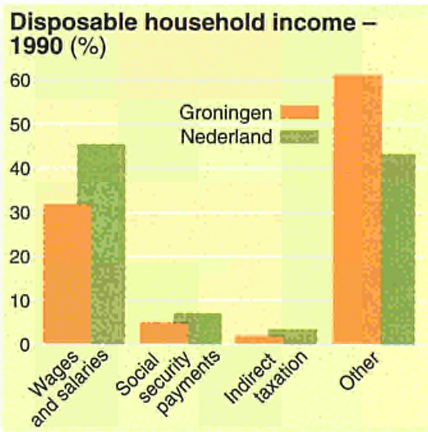
The Groningen economy: important networks

Only a small number of firms belong to the agricultural sector. The industry sector accounts for less than one-third and the services sector for almost two-thirds of the total number of businesses.

In particular, in the east of the province the industrial sector is well represented, whereas in the city of Groningen services account for almost three-quarters of the jobs. There are a number of large agricultural industries and chemical companies and also a relatively large number of medium-sized concerns. One in 10 businesses has more than 100 employees. Among the large businesses are the head offices of the Netherlands PTT and the Gas Board, and also Philips International Household Appliances Division. In the city there is a large printing and publishing sector, the largest firms being the Wolters Noordhoff publishing house and Lijnco, the specialist printers. East Groningen has the agricultural industry and the agricultural holdings, industry and services which supply it. There is also a large subcontracting network in the shipbuilding sector, which in recent years has been thoroughly modernized.

Industry in Groningen is very export-oriented. Nearly half of total turnover is linked to exports, which is five percentage points above the Netherlands average. This high figure is due mainly to the foodstuffs and chemicals industries. The R&D effort of Groningen businesses is somewhat below the national average, reflecting the relatively small number of large companies. The province has various companies of American, Japanese and Scandinavian origin.





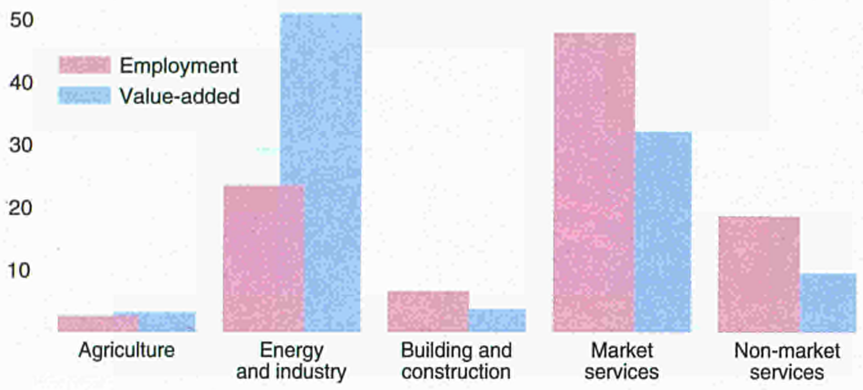
Labour costs and incomes

As a result of the Dutch system of collective labour agreements (CAOs), there are, on the whole, only minor regional differences in wage levels. For each branch of economic activity, a collective labour agreement is concluded at national level and all employers in the sector concerned are bound by it.

In the 1980s there was a very moderate rise in nominal wage costs, particularly in the key sectors of industry and services. When inflation is taken into account, it becomes clear that the wage-restraint policy has resulted in only a slight increase in real wages in agriculture and fisheries and the construction industry, and even a drop in wages in the industrial and services sectors.

The income categories in Groningen clearly illustrate Groningen's position as a natural gas-producing province. The share of wages in the total value-added is very low, and the main type of revenue in the province is 'other income' (profits, capital, rental, etc.) which includes income from gas production.

Employment and value-added: distribution by branch – 1990 (%)



Restructuring and specialization

In the agricultural sector, arable farming predominates. These holdings are extending and thereby increasing their productivity in order to come to terms with the consequences of the falling prices in the Community. In addition, work is being done on the use of agricultural products as raw materials for industrial production processes (agrification) and there is increasing development of products which are not dependent on the Community's guaranteed prices or subsidies, such as market gardening and open-field vegetable production. In the northern and western parts of the province there is a good deal of dairy farming.

The most important sectors of industry are natural gas extraction, basic metals, plastics, paper and paper goods, foodstuffs, chemicals, electrical engineering and shipbuilding. At the end of the 1970s most industrial sectors had to restructure radically. This resulted in a shedding of jobs, but industry is now in much better shape to meet competition. In and around the city of Groningen the high-tech sector is growing, especially in the science park near the State university.

In the past few years the services sector, particularly in the city of Groningen, has grown substantially. There has been a very large growth in informatics, due partly to the transfer of the head office of the Netherlands PTT to the region. Growth in the transport and distribution sector is also above the national average. Investments are being made to extend and modernize this sector.

Agriculture

Number of holdings	5 612
Labour force	8 637 AWU
Agricultural area	169 000 ha
Livestock	190 000 LU
Gross value-added	32 736 ECU/AWU
Main products	
Milk	34%
Main crops	25%
Cattle	9%

Main enterprises

Name	Employees	Activity
Avebe	1 750-2 000	Manufacture of starch products
PPG-Industries	1 250-1 500	Manufacture of glass fibres
AKZO Salt and Basic Chemicals BV	1 250-1 500	Chemical industry
PTT Centrale Directie Nederland	1 000-1 250	Post and telecommunications
NV Nederlandse Philips Bedrijven	1 000-1 250	Manufacture of television components
NV Nederlandse Gasunie	750-1 000	Production and distribution of gas
Mölnlycke BV	500-750	Manufacture of paper
NV Nederlandse Aardolie Maatschappij	400-500	Extraction of crude petroleum and natural gas
Theodorus Niemeyer BV	400-500	Manufacture of tobacco products

A clean environment

Groningen has a relatively clean environment. Industrial pollution is restricted, partly due to substantial investments in environmental protection in recent years, so that the most modern and cleanest technologies are being used. The canals are much less polluted now than previously.

Groningen has very little air pollution and hardly any soil acidification arising from intensive use of fertilizers, since there is no intensive animal production. The amount of environmental pollution from heavy traffic and transport routes is also limited.

Nevertheless, the need is also felt for a policy that reconciles the aims of economic growth and the maintenance of a good living and working environment. Groningen complies with national standards in this respect. The major threats to the environment are, as far as Groningen is concerned, in the Eems-Dollart area and the Waddenzee. The development of the Eems-Dollart area requires constant surveillance. In the Wadden area, which owes its unique nature to the tidal waters — amongst other factors — since large areas are drained when the tide ebbs, the ecological balance is unstable. Any man-made interference with this balance has repercussions on the area.

The Waddenzee is still the only place in Europe where there is a large population of seals. To protect the seals — and the fauna — the Groningen provincial authorities, together with other provinces, the national government and the German and Danish authorities, have drawn up stringent regulations. The policy of the regional authorities aims at combining the further economic development of the region with the demands of the environment in such a way that it suffers no damage.

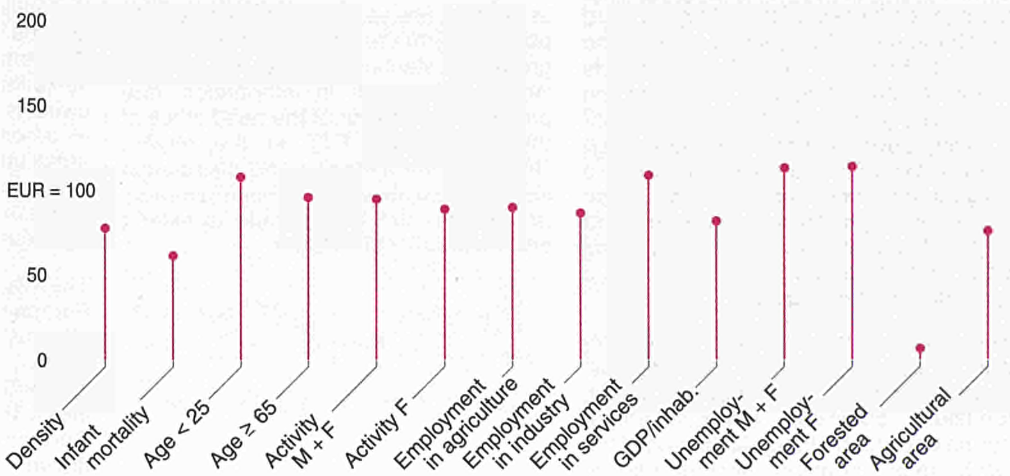
NEDERLAND

FRIESLAND

Situated in the north of the country, Friesland is one of the Netherlands' largest provinces and has a large number of lakes and waterways. The Prinses Margriet canal, which is the shipping link between Amsterdam, Lemmer in Friesland, Groningen and the seaport of Delfzijl, is part of this water system. The waterways, which are a paradise for water-sports enthusiasts, form a diagonal line from south-west to north-east through the Frisian countryside. Above this diagonal the soil is clayish and the land flat, the wide expanses punctuated by the contours of small villages and towns. Many of these places lie on terpen (mounds) which were built up in days gone by to keep back the surrounding water. This threat from rising water levels has since disappeared as most of these areas were drained between 1500 and 1900 and turned into fertile polders. It is here that the 'eleven towns' of Friesland are found, home of the famous ice-skating marathon, the Elfstedentocht. The south-eastern part of Friesland is characterized by woods and raised banks which were originally constructed to protect the pasture from blowing sand. The hillocks of sand or loam which rise at intervals above the flat countryside are a reminder of the time when the land was shaped by glacial flows.

Dairy cattle — an important part of Friesland's economy.

Friesland in the Community

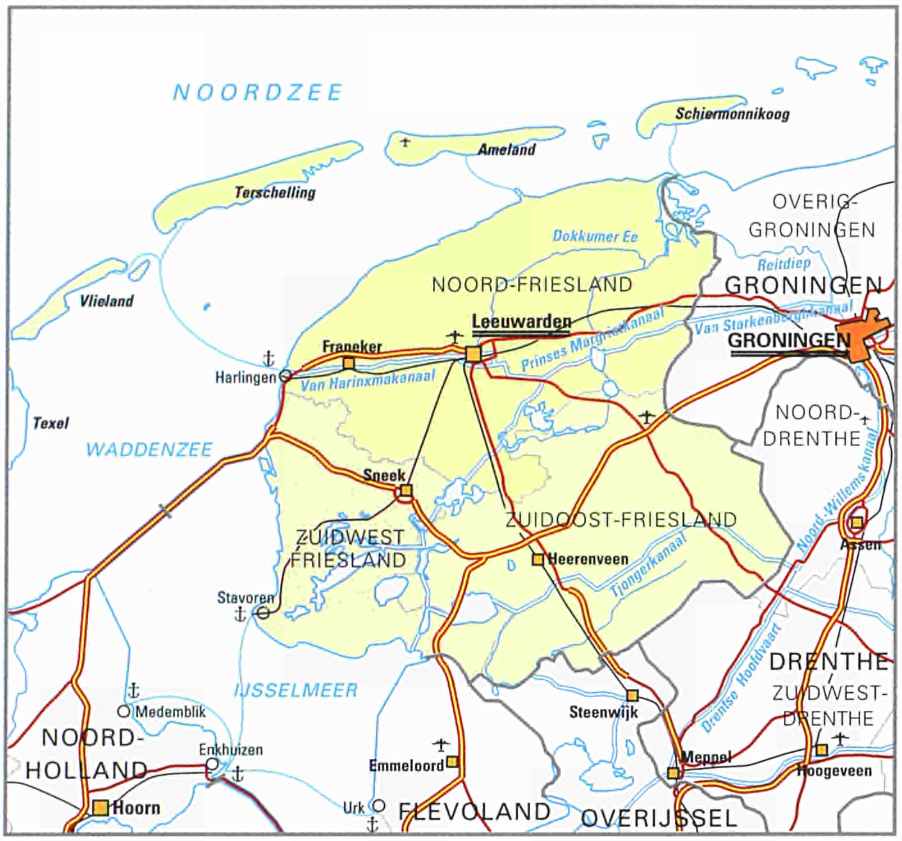


Ongoing process of modernizing the economy

Probably more than anywhere else in the Netherlands, Friesland has its own culture which is still very much alive. The fact that the Frisians speak their own language — Frisian — is the clearest expression of this. In much the same way as the culture has remained largely intact, the agricultural sector also continues to play a major role in the Frisian economy. Together with its associated industries, the agricultural sector accounts for almost one-third of total production in Friesland, and around 20% of the jobs. However, the major reliance on the livestock and dairy sector is under pressure because of the European Community's common agricultural policy, and this has been one reason for a change of policy in Friesland.

The vast amount of space available and its good transport links, such as with the Randstad (the Amsterdam-Rotterdam conurbation) via the Afsluitdijk, make the region attractive as a location for a variety of businesses. The banking and insurance sector is particularly well represented, with activities concentrated in Leeuwarden, the provincial capital. Other expanding sectors include the metal products and transport goods industries, and tourism.

Despite these positive developments, the structure of Friesland's economy is still flimsy, and employment opportunities remain insufficient. Moreover, one side-effect of the development of industry and services (in and around the towns) is that the Frisian countryside is becoming even more depopulated. This brings with it the danger that local amenities (schools, shops, etc.) could disappear in some smaller rural communities.



Scale 1 : 1 000 000

Which EC regions are similar to Friesland?

Population:
0.6 million inhabitants
± 100 inhabitants per km²
Lincolnshire (UK)
Cantabria (E)

Employment:
± 6% in agriculture
± 65% in services
Danmark
Gelderland; Zeeland (NL)
Schleswig-Holstein (D)
Baleares (E)

Land use:
less than 5% forest
Ireland
West-Vlaanderen (B)
Groningen; Zeeland (NL)

A scattered network of towns

Almost 30% of Friesland's population live in the four largest provincial centres: the capital Leeuwarden, Sneek, Drachten and Heerenveen. The rest live in the seven other towns and over 300 smaller localities scattered throughout Friesland. The population density is low, being more than 20% below the Community average. There are divergent economic trends within Friesland, with a slowly growing economy in parts of the north-east and the south-west. This is mainly due to the one-sided nature of the employment structure in these rural areas, where the small agricultural sector is over-represented. These areas have faced a net migration loss over the last few years.

The largest towns have developed successfully, thanks to their convenient location, good infrastructure and relatively healthy employment structure (with a well-developed services sector in particular). The result is that Leeuwarden, the Frisian capital, plays a particularly important role in regional employment, generating a considerable flow of inward commuter traffic. In addition, there is a concentration of industry in Drachten, Heerenveen and Sneek, and shipbuilding in the seaport of Harlingen and in the north-east along the Prinses Margriet canal.

	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	1988	1988	1988	1989
Noord-Friesland	1.6	315	193	6.3	52	9.1	3	28	69	90
Zuidwest-Friesland	0.6	96	159	– 11.5	54	9.1	3	32	64	72
Zuidoost-Friesland	1.1	188	168	5.0	51	9.5	3	31	66	75
Friesland	3.4	599	179	2.6	52	9.2	3	29	68	82
Nederland	33.9	14 893	439	5.7	56	7.4	2	28	70	102
EUR 12	2 253.7	327 931	146	3.2	54	8.3	7	33	60	100

FRIESLAND

Fairly stable population

Over the last few years, the population in Friesland has been more or less stable at just under 600 000, since the excess of births over deaths is only marginally higher than the net migration loss. Natural growth in Friesland is thus significantly below the average for the Netherlands. Infant mortality is lower than in any other part of the country.

The rural communities in the north and the south-west have low outgoing net migration. In the south-east the net migration is slightly positive.

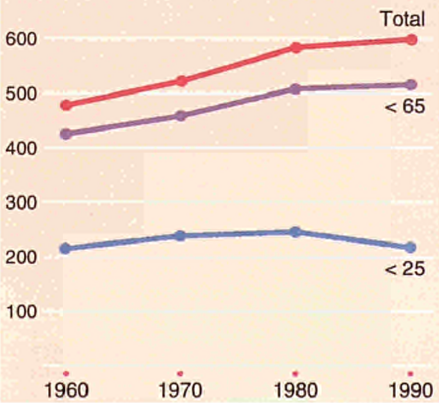
For the province as a whole, the numbers of young people are falling and the numbers of old people rising at much the same rates as nationally, although it should be pointed out that these changes in the composition of the population are more pronounced in the rural communities.

There is virtually no immigration from abroad, with less than 1% of the population being of non-Dutch nationality.

Population by age — 1990

	M + F 1 000	M + F %	M %	F %
< 15	118.4	19.8	20.4	19.2
15-24	99.1	16.5	17.3	15.8
25-39	134.0	22.4	22.9	21.8
40-54	110.7	18.5	19.1	17.8
55-64	54.3	9.1	8.9	9.2
≥ 65	82.6	13.8	11.4	16.2
Total	599.2	100.0	100.0	100.0

Population (1 000)



Resident population of foreign nationality — 1990

	1 000	% of total population
Total	6.0	1.0
of which EC countries	1.5	0.2
of which non-EC countries	4.5	0.8
Morocco	1.1	0.2
Turkey	0.8	0.1
Germany	0.6	0.1
United Kingdom	0.4	0.1
Italy	0.2	0.0
Suriname	0.2	0.0

Demographic account — 1980-90 (1 000)

Population 1.1.1980	584.0
Births	78.6
Deaths	54.2
Net migration	−8.9
Population 1.1.1990	599.2

Hard workers

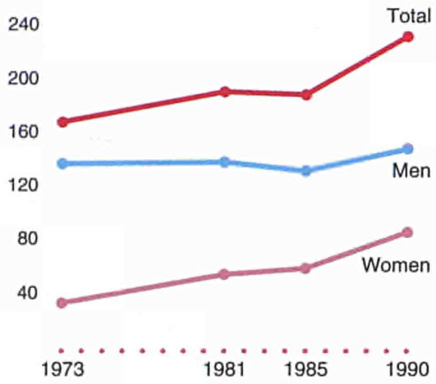
The proportion of women in the total labour force is increasing, from 33% in 1988 to 37.8% in 1990. A wide range of training initiatives aimed at both those in employment and those seeking employment has been introduced in Friesland, in order to increase productivity and reduce unemployment. The Frisians have a reputation for being hard-working, and a large number follow training courses so as to be well qualified for the labour market.

To provide these qualifications, Friesland has a wide range of educational establishments, such as the higher vocational college in Leeuwarden, which covers the whole of the north of the country. Other institutes worth mentioning are the College of Agriculture with its associated centre for applied technical and agricultural research in Leeuwarden, and the Leeuwarden Business School, which offers post-diploma training and refresher courses in such fields as information technology and management.

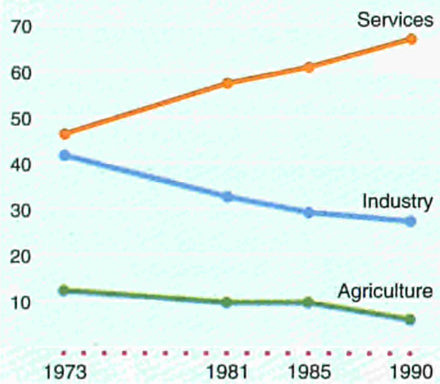
Number of pupils — 1990

	M + F 1 000	F %
Primary	64.4	49.1
Lower secondary (LBO)	12.9	35.7
Higher secondary (AVO + MBO)	46.5	51.6
Higher education (HBO + Univ.)	9.0	45.4
Total	132.9	48.4

Employment (1 000)



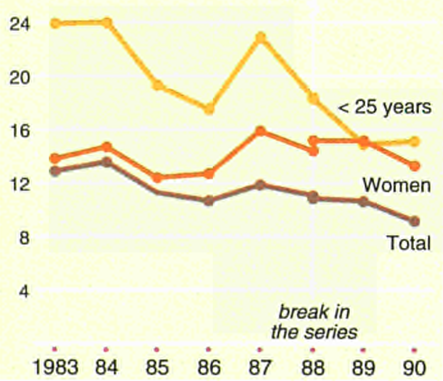
Employment structure (%)



Employment

No data available

Unemployment (%)



Large self-employed population

In 1990, there were approximately 200 000 persons in employment in Friesland, which means that around one-third of the total Frisian population was gainfully employed. The proportion of women in the total employment figures has risen steadily over the last few years to around 28.6% in 1990. One major factor is that women are relatively well represented in expanding branches of economic activity in the services sector.

Friesland has a relatively large — albeit falling — self-employed population, particularly in agriculture. Spouses and members of the family also often work on the farm. Employment in agriculture and in closely related industrial activities such as the dairy industry and the production of foodstuffs is falling at an ever faster rate. In the services sector, it is mainly the financial services, transport and tourism sectors which are expanding in terms of numbers of jobs. This trend can also be seen in the new industries which have set up over the past few years in Friesland, as well as in the established sectors of industry which are often showing signs of growth again after a period of restructuring and job losses.

An analysis of employment trends over the past decade reveals that the recession in the world economy hit Friesland and especially the south-west of the province harder than the Netherlands as a whole. On the other hand, the economic recovery in the second half of the 1980s saw employment in the region increase faster than the national average, which was itself high in international terms.

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	76	9	84	8	15	3	5
Women	28	66	6	84	53	63	3	5
Total	20	72	8	84	22	32	3	5

Unemployment falling

For many years, unemployment in Friesland has been above the European and Netherlands averages. Although the number of unemployed in the region has fallen significantly in recent years, Friesland has not caught up with the rest of the country. The move away from agriculture and the associated drop in the number of self-employed workers has gone hand in hand with an increase in the number of active family members entering the labour market. Despite the slow population growth and relatively fast recovery of the labour market, the growing number of persons looking for work has not allowed a sufficient reduction in the number of unemployed, one of the biggest bottle-necks being female unemployment. Initiatives have been taken to counter this by encouraging more women to enter the technical professions, the purpose of which is twofold: to reduce unemployment and to fill vacancies for which there are (at present) few suitable candidates.

In general, the State and the province have for years, with the support of European Community funds, been pursuing an active policy of job creation in Friesland and the other northern provinces. It is hoped that this policy, by means of a range of measures to improve the infrastructure, will lead to a further reduction in unemployment.

Expanding services sector

Small and medium-sized firms are very prominent in Friesland, with over two-thirds of total employment in the province concentrated in this sector. The limited number of large companies is due in part to the fact that a large number of small centres are spread over a wide area, ruling out large-scale industrial development. There are, however, some multinationals, for example in the agri-food sector.

In the dairy sector there is Friesland Frico Domo in Leeuwarden, which has factories in four continents and exports dairy products (butter, cheese and powdered milk) to all parts of the world. ZPC, which produces seed potatoes, also has customers throughout the world, and is very active in the field of biotechnology. It is primarily in dairy farming and the food-processing industry that Friesland plays a central role, since all the activities and expertise related to these fields can be found in Friesland.

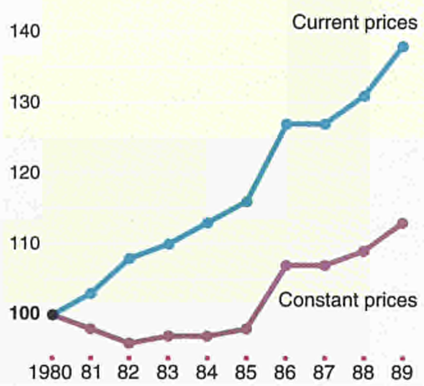
Following in the wake of the agricultural sector, the ancillary and processing industries have also carved out a leading position for themselves, as is the case with the stainless steel and specialized engineering industries. Amongst other ways in which the Frisian metalworking industry has built up a strong position is the local shipbuilding industry, which managed to hold its own on the international market even during the 1980s, thanks to high productivity and technological innovation.

The headquarters of a number of large national insurance companies, such as Aegon and Avero, are located in Leeuwarden, which is also the site of a major NMB/Postbank office. About 60% of the Frisian working population are employed in the services sector. Manufacturing activity is centred in towns such as Drachten and Heerenveen, with in particular electronics (Philips) and the paper, printing and metalworking industries.

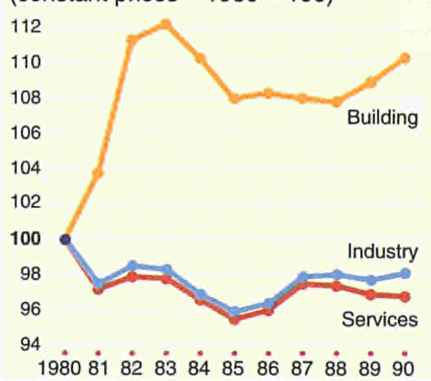
Tourism, which is concentrated in the Wadden-islands, the south-west and the lake district, accounts for 8% of the working population.

The growth in Friesland's exports has so far lagged behind the national average.

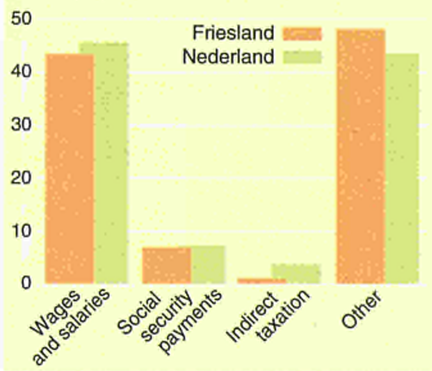
GDP (1980 = 100)



Netherlands: wages
(constant prices – 1980 = 100)



Disposable household income – 1990 (%)



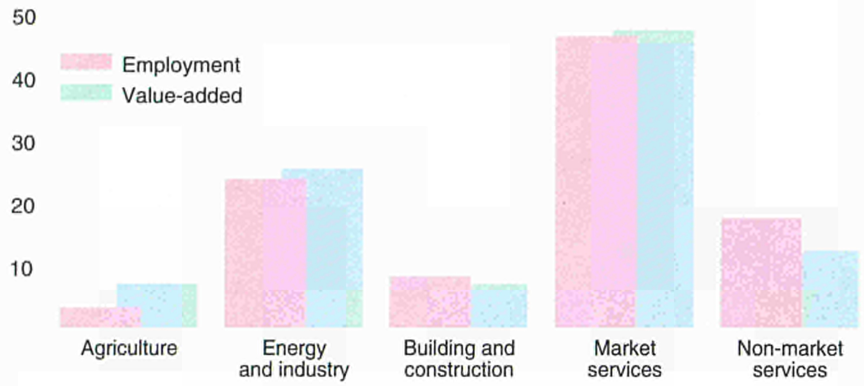
Labour costs and incomes

As a result of the Dutch system of collective labour agreements (CAOs), there are, on the whole, only minor regional differences in wage levels. For each branch of economic activity, a collective labour agreement is concluded at national level and all employers in the sector concerned are bound by it.

In the 1980s there was a very moderate rise in nominal wage costs, particularly in the key sectors of industry and services. When inflation is taken into account, it becomes clear that the wage-restraint policy has resulted in only a slight increase in real wages in agriculture and fisheries and the construction industry, and even a drop in wages in the industrial and services sectors.

The share of income from wages in Friesland is relatively low. This is due to the relatively large number of self-employed in the sizeable agricultural sector. Furthermore, activities related to bringing gas onshore also contribute towards the relatively high share of 'other income' (profits, capital, rental, etc.).

Employment and value-added: distribution by branch – 1990 (%)



From agriculture to agri-food

Productivity in agriculture has increased dramatically over the last few decades as a result of mechanization, the application of new (cultivation) techniques and automation. While the consequent rise in production has been enormous, the workforce has fallen sharply.

To absorb this labour surplus, the structure of the Frisian economy has been broadened. This process, which is still under way, has resulted in the creation of an agri-food industry and the development of other branches of economic activity. There has recently been a strong growth in organic farming, and in new agricultural or horticultural developments such as open-field cultivation and bulb-growing.

In addition, a number of other sectors within the Frisian economy — e.g. tourism and business services — have steadily increased in importance. Furthermore, various businesses originally closely linked to the agricultural sector have broadened their economic base by using their know-how and expertise to take advantage of new market opportunities.

Frisian firms are thus selling more of their products abroad, some of the leaders in this respect being Sara Lee (DE), the consultant engineers Oranjewoud (Heerenveen), the electronics company Tektronix (also in Heerenveen), Amels (yacht-building), Batavus, Transferia Technologies, Dunlop Enerka, Paques, Lankhorst, RZ-Research and Philips.

Agriculture

Number of holdings	8 895
Labour force	13 984 AWU
Agricultural area	229 000 ha
Livestock	531 000 LU
Gross value-added	33 974 ECU/AWU

Main products	
Milk	66%
Cattle	13%
Main crops	5%

Main enterprises

Name	Employees	Activity
Friesland (FRICO-DOMO)	2 500-2 750	Manufacture of dairy products
PTT Post-Telecom	2 500-2 750	Post and telecommunications
Postbank NV	2 250-2 500	Banking and finance
Medisch Centrum Leeuwarden	1 750-2 000	Hospital
Nederlandse Philips Bedrijven BV	2 250-2 500	Electronics
Koninklijke Douwe Egberts BV	1 500-1 750	Food products
Aegon	1 000-1 250	Insurance
FRAM NV	750-1 000	Transport
Avero BV	750-1 000	Insurance

A clean environment

By European standards, the air in Friesland is still pure, the water clean, the natural environment still relatively unspoilt, the landscape still reasonably intact (although much of it was created by previous generations), and there are no traffic jams.

Given that one of the region's main characteristics is its pleasant living and working environment, it is essential that this be preserved.

The nature of agriculture in the region means that soil acidity caused by overuse of fertilizers is not an environmental problem here as it is in regions where intensive livestock-farming predominates.

In Friesland's case, the worst threats to the environment are in the Waddenzee. This important nature reserve lies between the beautiful Frisian islands and the mainland, and a large part of it is left dry at low tide. Its ecological balance is fragile, and any form of human interference has repercussions on this unique area. The Waddenzee is the only remaining site in Europe with a large seal population. In order to protect the seals and other species, the Frisian provincial authorities, together with other provinces, the national government and the German and Danish authorities, have drawn up a strict management policy.

The major growth in environment-friendly (organic) agriculture in Friesland was mentioned earlier, but the experience gained over the years in the stainless steel and engineering industries is now also being used for new systems for treating polluted (industrial) waste water, and Frisian companies are utilizing or developing the latest techniques for the recycling of waste materials.

The policy adopted by the regional authorities aims to tailor the future economic development of the region to the environment in such a way as to avoid any harmful effects.

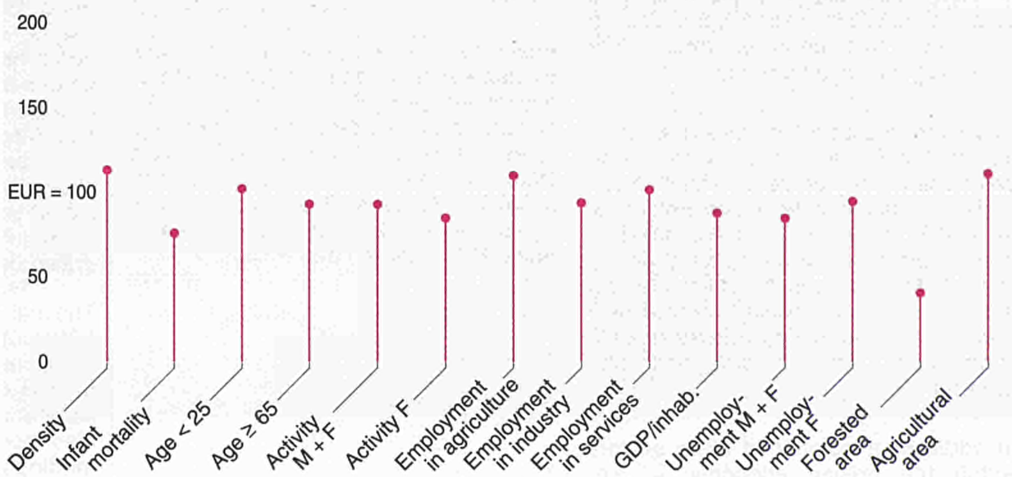
NEDERLAND

DRENTHE

Drenthe was first settled by mammoth hunters some 60 000 years ago. Its later inhabitants were probably the first farmers, who 5 000 years ago must have built the mysterious 'giants' graves' constructed of enormous boulders. These monuments still stand scattered about the rolling Drenthe countryside, which itself was formed in the Ice Age. The relief can best be compared to an upturned soup plate with the high central area sloping away to all sides. The scenery is made up of woods, peat lands, moors and brooks which wind their way through the countryside. The people of Drenthe, one of the three northern provinces, have had a long history of poverty. The poor agricultural soil frequently did not yield enough to prevent the farmers from starving. The people often lived in turf huts and supplemented their incomes through peat-cutting. After the Second World War this all changed for good. Whereas in 1990 three-quarters of the total surface area was still used for agriculture, towns such as Assen (the regional capital), Emmen, Meppel and Hoogeveen play an important role in the economy, and are home to around one-third of the region's population and half of its enterprises.

Drenthe: work, living and leisure.

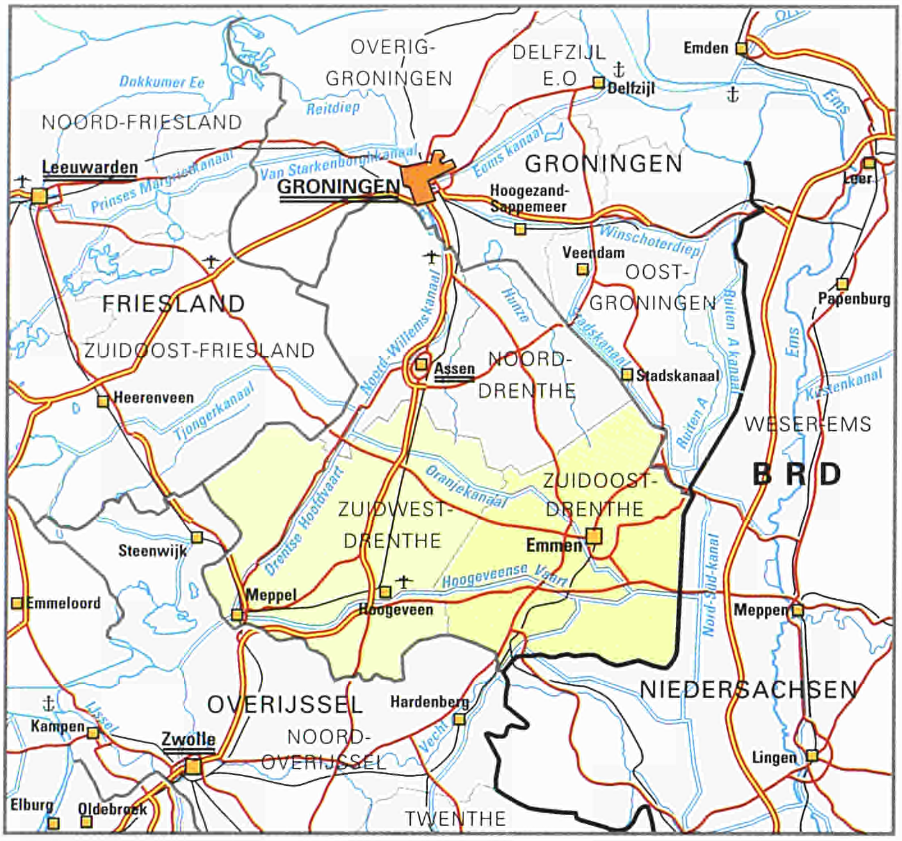
Drenthe in the Community



Opening up to the outside

One of the effects of European unification is the increasing significance of external markets, which is a positive development for Drenthe. Drenthe lies on the periphery of the internal market, but the importance of the external, and especially German, market means that it is adopting a more central role. Within a radius of 250 km there are a number of important economic centres: Hamburg, Hanover, the Ruhr, Antwerp and the Randstad Holland, the major conurbation in the west of the Netherlands. The road links with these areas are generally good, with the exception of those with the Ruhr and Hanover. The extension of the airport at Eelde should also soon make it easy to reach Drenthe from various European capitals.

The low level of urbanization means that, with the exception of towns such as Emmen, the economic structure is rather flimsy. Although the basis for developing services is, therefore, somewhat limited, it does also mean that Drenthe can still be described as peaceful, spacious and green. Urban development in Drenthe has not yet reached the level of city-scale amenities, but these can be found in abundance in nearby Groningen. The varied landscape offers considerable scope for leisure activities and makes for an excellent living environment. Traffic congestion is an alien concept here.



Scale 1 : 1 000 000

Which EC regions are similar to Drenthe?

Area:
± 2 700 km²
Saarland (D)

Population:
0.4 million inhabitants
Trier (D)
Namur (B)
Luxembourg (grand-duché)

Employment:
± 8% in agriculture
± 60% in services
Valle d'Aosta (I)
Bourgogne (F)
Trier (D)

Land use:
± 60% agriculture
± 10% forest
Overijssel (NL)
Danmark

The three faces of Drenthe

The development of north Drenthe, where the capital Assen is situated, is influenced by the fact that it lies right next to the city of Groningen. Increased mobility and prosperity have prompted many people to choose this attractive area as their home, and several thousand commute daily from Drenthe to Groningen.

The agricultural and services sectors are important in north Drenthe. Along with the various public services, Assen contains a number of health-care institutes and is the shopping centre for a wide area. Unemployment here has always been relatively low.

The development of south-east Drenthe, whose main centre is Emmen, was determined by peat extraction before the war. It has since developed into one of the main industrial centres in the north of the Netherlands. At the same time, the services sector in Emmen has expanded considerably over the last decade and is continuing to do so. One recent development has been greenhouse horticulture, and a number of transport and distributive activities are centred in Coevorden. Despite these positive developments, unemployment is relatively high in this area.

South-west Drenthe is the least populated part of the province. The main activities in Hoogeveen and Meppel are light industry and tourism.

	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	1988	1988	1988	1989
Noord-Drenthe	0.9	157	175	8.0	54	7.3	5	24	71	86
Zuidoost-Drenthe	0.8	149	187	3.0	52	10.5	4	39	57	97
Zuidwest-Drenthe	1.0	136	141	5.1	51	6.9	2	31	67	81
Drenthe	2.7	441	166	5.4	52	8.3	4	31	65	88
Nederland	33.9	14 893	439	5.7	56	7.4	2	28	70	102
EUR 12	2 253.7	327 931	146	3.2	54	8.3	7	33	60	100

Employment opportunities — the motor for population growth

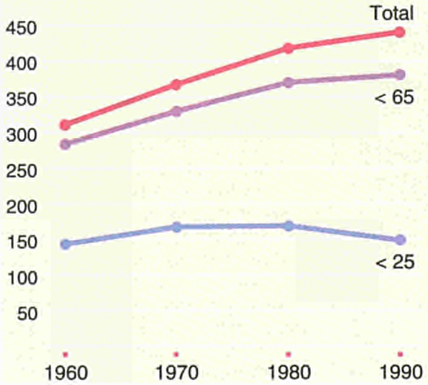
The traditional means of existence did not provide enough employment for the steadily increasing population, which resulted in Drenthe recording a net migration loss between 1880 and 1960. It was only in the 1950s, when industrialization eventually reached the area, that the situation slowly started to change. Since 1962 there has been a steady influx of migration into Drenthe due to the growing supply of jobs and accommodation.

The process of urbanization and the increase in employment opportunities was mirrored by a steady rise in the population over the following decades. Even elderly people are now settling down more often in Drenthe on account of the attractive environment, many of these having moved over from the west of the country. At the same time, a large number of young people are leaving the province, as those in the 15 to 25 age-group often look outside Drenthe for their education and jobs. Very few foreigners live and work in Drenthe, with under 1% of the population being of non-Dutch origin.

Population by age — 1990

	M + F 1 000	M + F %	M %	F %
< 15	82.4	18.7	19.3	18.1
15-24	67.4	15.3	15.8	14.8
25-39	100.8	22.9	23.3	22.4
40-54	86.0	19.5	20.0	19.0
55-64	44.3	10.1	9.9	10.2
≥ 65	60.1	13.6	11.7	15.5
Total	441.0	100.0	100.0	100.0

Population (1 000)



Resident population of foreign nationality — 1990

	1 000	% of total population
Total	5.1	1.2
of which EC countries	1.6	0.4
of which non-EC countries	3.6	0.8
Turkey	0.7	0.2
United Kingdom	0.6	0.1
Morocco	0.6	0.1
Germany	0.5	0.1
Yugoslavia	0.2	0.1
Italy	0.2	0.0

Demographic account — 1980-90 (1 000)

Population 1.1.1980	418.5
Births	51.5
Deaths	36.7
Net migration	+8.0
Population 1.1.1990	441.0

Growing working population with practical training

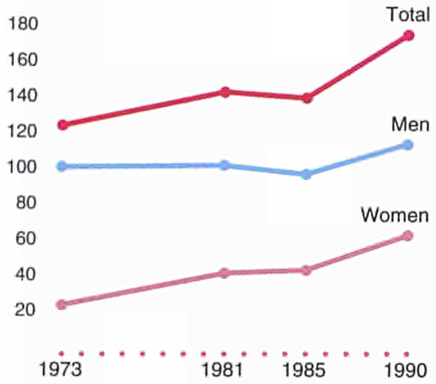
Together with the growth in the number of 15 to 64 year olds, this has led to an annual increase in the working population of 2% and further increases are forecast for the next 15 years. The reasons for the relatively low activity rate are the limited number of jobs available in the past and the low number of women in employment, due to the relatively small size of the services sector.

The qualifications possessed by the working population in Drenthe tend to be vocational. In addition to the general and vocational education offered to those in primarily lower and medium-grade posts, various higher education courses are also available. As well as the Institutes of Technology and Economics, students from Drenthe also attend the University of Groningen with its large number of faculties (including technical) and the Technical University of Twente. There is an English school in Assen and an American school in Coevorden.

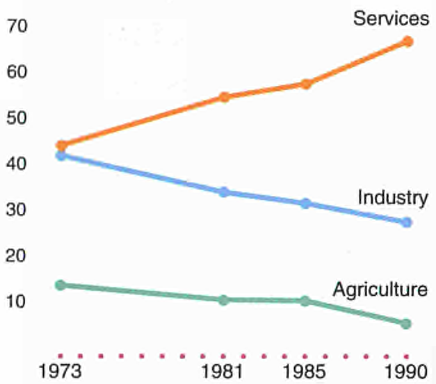
Number of pupils — 1990

	M + F 1 000	F %
Primary	44.2	48.9
Lower secondary (LBO)	9.5	39.5
Higher secondary (AVO + MBO)	29.2	51.9
Higher education (HBO + Univ.)	1.7	37.8
Total	84.5	48.6

Employment (1 000)



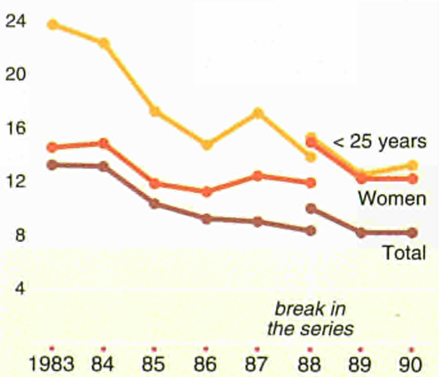
Employment structure (%)



Employment

No data available

Unemployment (%)



Adapting to new developments

Until the 1960s, the employment structure was dominated by agriculture. This changed with the rapid mechanization of the agricultural sector, and a large number of jobs in this sector have been lost over the years. At the beginning of the 1950s, the authorities began to encourage industrial development through the granting of investment premiums, setting up industrial estates and adopting measures related to the infrastructure. This brought about rapid industrialization and a major increase in employment opportunities. The recession in the world economy at the beginning of the 1980s was a major set-back.

When the situation became more buoyant, there was a healthy recovery, although the south-east still requires regional aid from the province, the State and the European Community. Over the period from 1960 to 1990, employment trends in Drenthe were positive, as the increase in employment was higher than the national average.

All branches of economic activity, with the exception of agriculture, contributed to this development. Services and industry nowadays shape the face of employment in Drenthe, although arable and mixed farming still play an important role. A clear shift can be seen in the employment structure in Drenthe towards the services sector. Part-time jobs (of less than 15 hours) account for 13% of total employment, with twice as high a percentage of women being employed part-time as men.

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	75	10	86	6	11	3	5
Women	27	67	6	85	49	60	3	3
Total	19	73	8	86	20	27	3	5

Unemployment: past the worst

In the second half of the 1980s, unemployment in Drenthe fell to below the national average.

The unemployment rate in Drenthe had for a long time previously been among the highest in the Netherlands, topping the table until the mid-1970s as a result of the exodus of labour from agriculture. Between 1945 and 1990, employment in the agricultural sector fell by almost 80% and other sectors were not initially able to absorb this surplus labour. The economic recession from 1975 to 1985 led to high unemployment in Drenthe, with the nadir being reached in 1983 when one in every four or five wage-earners was registered as unemployed.

Since then, unemployment has fallen much faster than in the rest of the Netherlands. While this trend has been particularly strong over the last few years for unemployed men, the reduction in female unemployment has been less substantial, due mainly to the rise in the activity rate of women.

In the north of Drenthe, there is an intensive flow of commuter traffic to the nearby city of Groningen.

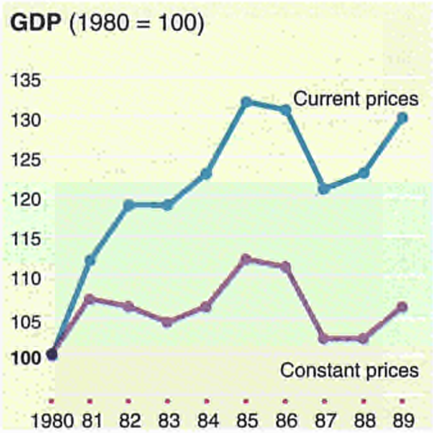
Importance of primary sector

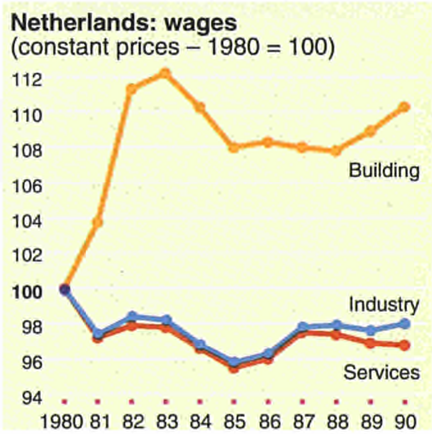
The primary sector, agriculture and oil and natural gas extraction account for around 13% of employment, which is almost double the percentage for this sector in the Netherlands. Agriculture's share is likely to fall in the years to come. The importance of greenhouse horticulture is on the increase, with the annual growth rate for the greenhouse complex in Emmen being above the national average.

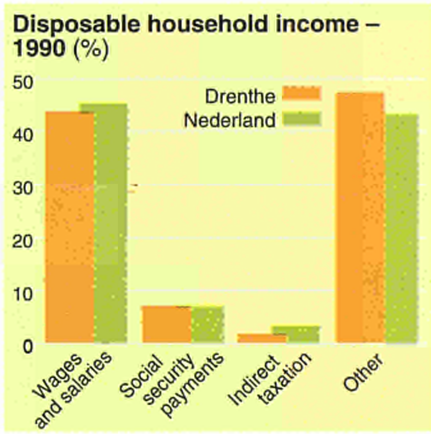
The industry sector, including public utilities and the construction industry, accounts for around 33% of total employment, with the remaining 55% being employed in the services sector.

Enterprises in Drenthe are generally small with an average of 10 employees. On the other hand, the average size of the industrial enterprises is large, a relatively high number of industrial enterprises have over 500 employees. Investment is showing an upward trend and lies above the national average. Talk of Drenthe making up a lot of ground is founded on the pattern of economic growth, which is rising faster than the national average. There is a large number of chain stores, forming a major sub-sector of the ancillary and subcontracting structure which has grown up around the oil and natural gas extraction and chemicals industries.

These enterprises also spend more than the national average on R&D. In recent years, the importance of exports to the Drenthe economy has grown steadily, as the proportion of production for export has risen and more enterprises become involved in export markets.







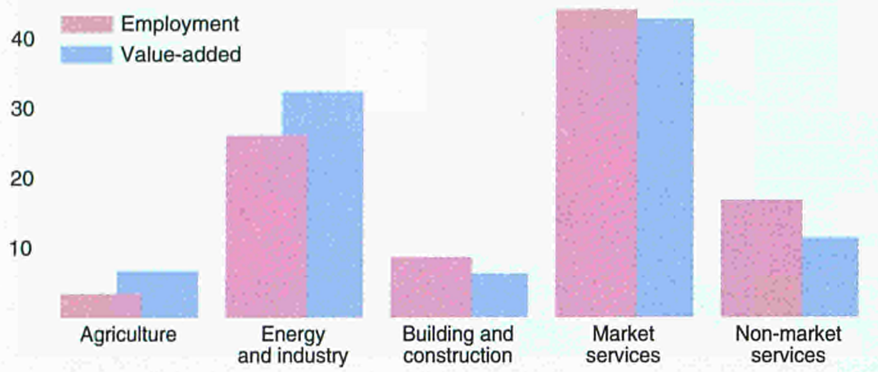
Labour costs and incomes

As a result of the Dutch system of collective labour agreements (CAOs), there are, on the whole, only minor regional differences in wage levels. For each branch of economic activity, a collective labour agreement is concluded at national level and all employers in the sector concerned are bound by it.

In the 1980s there was a very moderate rise in nominal wage costs, particularly in the key sectors of industry and services. When inflation is taken into account, it becomes clear that the wage-restraint policy has resulted in only a slight increase in real wages in agriculture and fisheries and the construction industry, and even a drop in wages in the industrial and services sectors.

The share of wages in Drenthe's total value-added is relatively low, reflecting the agricultural nature of the province. Oil production also has an influence on the relatively high share of revenue not derived from wages (profits, capital, rental, etc.) in the province.

Employment and value-added: distribution by branch – 1990 (%)



Innovative business activity

The services sector now occupies an important place in Drenthe's employment structure, accounting for around 50% of job opportunities. The largest section within this sector is the branch of activity known as other services, where half the jobs in services are to be found. Business services and transport and communications enterprises are expanding.

The agricultural sector has always been significant, although its main produce — potatoes and sugar beet — is generally processed outside the region.

The relatively late arrival of industrial development has meant an almost total absence of traditional sectors, such as textiles and heavy metals. On the other hand, modern industries, such as the production of optical equipment, chemicals and engineering, are strongly represented. Foremost among these enterprises are AKZO (fibres), Ericsson (high-tech communication systems), Scania (lorry cabs), Honeywell (measurement and control systems), NPBI (medical supplies), Fokker (aircraft) and Philips. Outside of industry, the main employers in Drenthe are NAM (oil and natural gas extraction) and the international De Boer Winkelbedrijven concern (retail trade), both of which have their headquarters in Drenthe.

Foreign investors include a number of Scandinavian companies and branches of European, American and Japanese enterprises.

Agriculture

Number of holdings	6 965
Labour force	11 479 AWU
Agricultural area	166 000 ha
Livestock	275 000 LU
Gross value-added	25 303 ECU/AWU
Main products	
Milk	38%
Poultry — eggs	10%
Cattle	9%

Main enterprises

Name	Employees	Activity
Honeywell	:	Computer equipment
NPBI	:	Manufacture of medicinal products
Fokker	:	Aeronautics
Philips	:	Electronics — computer equipment
Thomassen & Drijver	:	Metalworking
Scania Nederland	:	Manufacture of commercial vehicles
Nederlandse Aardolie Maatschappij	:	Extraction of crude petroleum and natural gas
AKZO	:	Chemical industry
Ericsson	:	Electronics — communication systems

Conservation of a valuable ecosystem

The environment is in relatively good condition. The absence of large industrial complexes and intensive stock-farming help make Drenthe one of the cleanest provinces in the Netherlands. Acid emissions in Drenthe are 10% below the national average, while the air in the northern provinces is purer than in the rest of the Netherlands. The nature of the environmental problems confronting Drenthe is similar to that elsewhere in Europe: acidity, over-fertilization, aridity and water pollution, although there is no traffic-related environmental damage. The effects of these activities can be seen in the deteriorating quality and reduced variety of the natural environment.

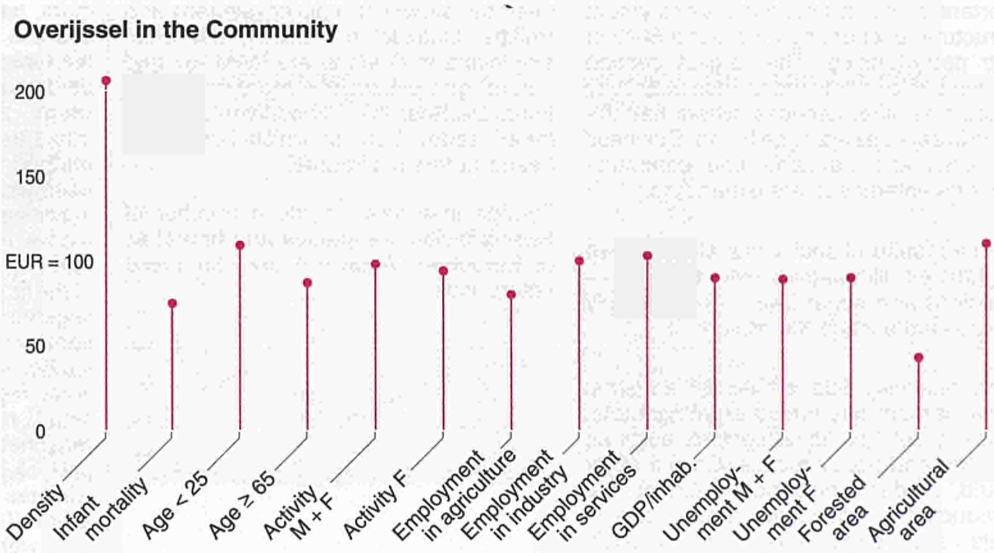
The importance of outstanding rural features to the living and working environment has prompted the authorities in Drenthe to take more care of them, and the typical Drenthe landscape of moors, peatlands and brooks is being preserved where possible by designating large areas as protected natural sites. By this method, it is possible to carefully manage ecosystems which are of international importance. The Dwingelose and Kralose moors in the Dwingelderveld National Park, for example, are considered as one of the largest contiguous areas of wetland vegetation in Europe. Drenthe also has some splendid examples of shifting sands, which are unique in Europe, and some high moorland areas. A number of small river valley systems are also reasonably intact, and these form a major part of Drenthe's characteristic esdorp (villages surrounded by open field) landscape. There are still a number of more or less well-preserved examples of these villages.

NEDERLAND

OVERIJSSEL

Overijssel is the fourth largest province of the Netherlands, in terms of both population and area. To the east the province borders on the German *Länder* of Nordrhein-Westfalen, and to the west it borders on the IJsselmeer (Zuiderzee), with Flevoland, an area which has been reclaimed from the sea. If you travel through the province from west to east you will see some very varied scenery as you pass through a number of districts, each with its own individual character and dialect. After crossing the river IJssel you pass through Salland, with its hedgerows and hills, then through the Vechtdal, with its parkland scenery and — between the river Regge and the river Dinkel — Twente, with its wooded areas and converted summer residences on the outskirts. The major towns — the provincial capital of Zwolle and the other IJssel towns of Kampen and Deventer — are situated in the west, while the Twente towns of Enschede, Hengelo and Almelo are all in the east. The area in between is rural. The towns are all interconnected by regional rail and road networks and by water via the IJssel and the Twente canal. There is easy access to the region by main railway lines and motorways from the Randstad and also from Germany. Twente airport connects the region with Schiphol airport.

The picturesque Giethoorn, criss-crossed by canals, is sometimes called the 'Venice of the north'.



Business in a rural setting

Overijssel is blessed with pleasant and varied scenery. It is at the crossroads of major road, water and rail connections between the Netherlands, the north German ports and Scandinavia. At the same time Overijssel lies on the route between the most important economic centre in the Netherlands — the Randstad — and German cities such as Hanover and Berlin.

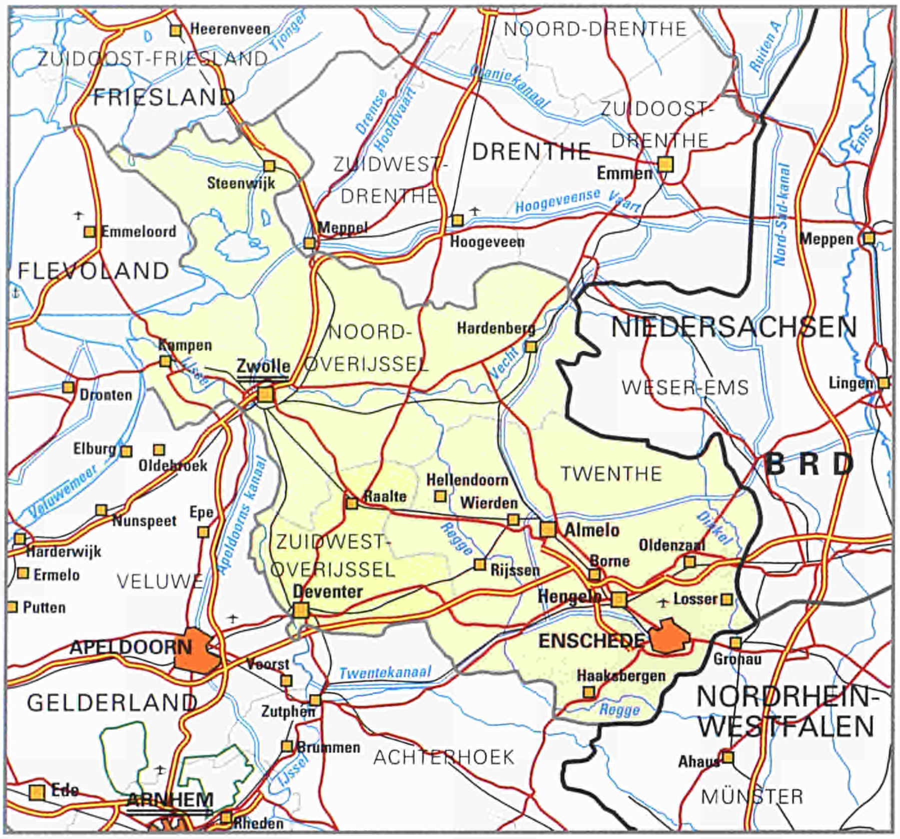
The medium-sized towns in Twente have long been industrial centres, while the picturesque IJssel towns, which were members of the Hanseatic League, have a long tradition of trade, transport and industry.

The towns have good facilities and adequate room to expand. The outward-looking Twente Technical University is in the forefront of applying new technologies to production processes and is of particularly great importance to small and medium-sized innovative industries. The Technical University is also involved in business and management studies.

The restructuring of the old textile and metalworking industries in Twente is not yet complete. This means that old factory buildings and industrial estates are still in the process of being renovated.

At the same time, as a result of this restructuring, a large number of jobs have been lost. Although the economy of Twente has made a good recovery, full employment has not yet been achieved, and the area still has a comparatively high unemployment rate.

OVERIJSSEL



Scale 1 : 1 000 000

Two conurbations in a rural area

Twente has a character all of its own. A dialect is spoken there which is related to German. The heart of this region is the Twentse stedenband (the Twente conurbation) comprising Almelo, Hengelo and Enschede. It is still one of the most important industrial centres. Around these focal points there are extensive rural areas, where pastureland alternates with extensive woodland. In the rural centre of the province are the smaller towns of Nijverdal and Rijssen.

Zwolle, which is situated in Noord Overijssel, performs an important regional function in this mainly agricultural area. In addition to industry, the town itself has a very active transport and distributive sector. Some government offices are also located there. The immediate environs of Zwolle, apart from the town of Kampen at the mouth of the IJssel, are sparsely populated. In the most northerly part there is an extensive area covered by water, in which is found Giethoorn, which is criss-crossed by small canals, and is often called the 'Venice of the north'. Further south is Deventer, which is beautifully situated on the river IJssel. In this historical town the provision of business services is an important industry. The area around Deventer is mainly agricultural, with mixed farming.

Which EC regions are similar to Overijssel?

Area:
± 3 400 km²
Humberside (UK)

Population:
1 million inhabitants
± 300 inhabitants per km²
Liège; West-Vlaanderen (B)
Humberside; Cheshire (UK)
Saarland (D)

Employment:
± 6% in agriculture
± 60% in services
Noord-Brabant; Drenthe (NL)
Baleares (E)
Haute-Normandie (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	1988	1988	1988	1989
Noord-Overijssel	1.5	320	211	−6.7	56	5.3	2	32	66	94
Zuidwest-Overijssel	0.4	127	322	4.2	56	8.8	1	34	64	102
Twente	1.4	574	402	3.6	53	9.4	2	37	61	85
Overijssel	3.3	1 020	306	0.2	54	8.0	2	35	63	90
Nederland	33.9	14 893	439	5.7	56	7.4	2	28	70	102
EUR 12	2 253.7	327 931	146	3.2	54	8.3	7	33	60	100

OVERIJSSEL

Plenty of young people

Overijssel's population growth and structure follow the national pattern very closely.

However, there is one exception. There is a large number of young people, and a lower than average proportion of persons aged between 24 and 55. However, many people return to Overijssel when they retire, which brings the number of older and retired people close to the national average. Overijssel has one million or so inhabitants, more than half of whom live in the five large towns.

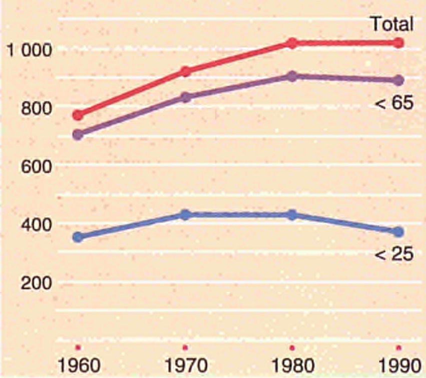
The average population density is 306 per km², which makes the province much more densely populated than the European average, but it is still below the national average.

In the heyday of Twente's industry in the 1950s and 1960s many immigrants, particularly from southern Europe, came to live and work in this area. Many of these were assimilated or, in the years of recession, returned to their own countries. The foreign workers who came later, in the 1970s and 1980s, were mainly from Turkey and Morocco. Over the periód 1980-90 there has been a net migration from Overijssel to other countries. This is approximately equal to the national net emigration figure.

Population by age — 1990

	M + F 1 000	M + F %	M %	F %
< 15	199.8	19.6	20.1	19.1
15-24	174.4	17.1	17.9	16.3
25-39	234.8	23.0	23.8	22.2
40-54	186.8	18.3	18.8	17.8
55-64	96.7	9.5	9.2	9.7
≥ 65	127.9	12.5	10.2	14.9
Total	1 020.4	100.0	100.0	100.0

Population (1 000)



Resident population of foreign nationality — 1990

	1 000	% of total population
Total	32.2	3.2
of which EC countries	6.0	0.6
of which non-EC countries	26.2	2.6
Turkey	18.9	1.9
Germany	2.2	0.2
Morocco	1.8	0.2
Italy	1.4	0.1
Spain	0.9	0.1
United Kingdom	0.9	0.1

Demographic account — 1980-90
(1 000)

Population 1.1.1980	1 018.2
Births	138.0
Deaths	84.9
Net migration	−0.7
Population 1.1.1990	1 020.4

A highly specialized workforce

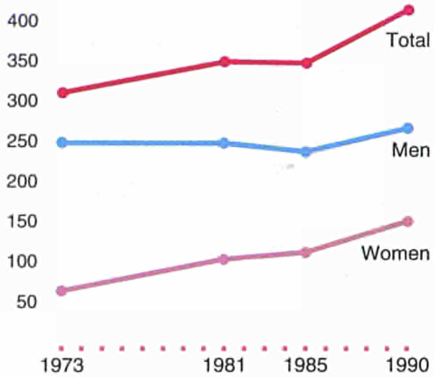
The composition of the distribution of skills in the Overijssel region is closely bound up with the structure of the regional economy. The accent is on the production rather than the services sectors. The consequent demand for skills is reflected in the educational level of the Overijssel workforce. The largest group has received vocational training at secondary school level.

There is a marked lack of university-level skills, and of people with higher vocational qualifications. Every year approximately 16 000 apprentices take advantage of the Overijssel apprenticeship scheme. One effect of the relative underrepresentation of the services sector is that the number of women who work is below the national average. This is one of the main reasons for the high rate of unemployment in Overijssel. Commuters in Overijssel travel mainly to the large towns, those to Germany comprising approximately 1% of the total.

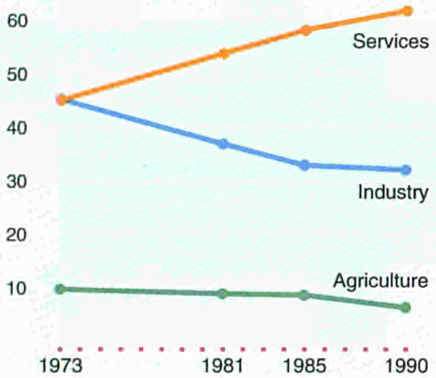
Number of pupils — 1990

	M + F 1 000	F %
Primary	106.5	49.2
Lower secondary (LBO)	20.2	40.9
Higher secondary (AVO + MBO)	81.4	50.7
Higher education (HBO + Univ.)	25.4	39.1
Total	233.6	47.9

Employment (1 000)



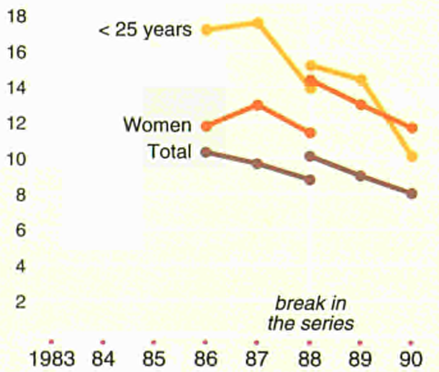
Employment structure (%)



Employment

No data available

Unemployment (%)



Development on two fronts

Employment prospects in the province of Overijssel reflect both the sectoral structure and the geographical pattern of economic activities.

Twente, being dominated by the textile industry and supplier industries such as the metalworking industry, has been greatly affected by the fluctuations on the world markets in recent decades. The drift of the textile industry in particular to low-wage countries in South-East Asia caused a serious loss of jobs. The stagnating economy in the 1980s affected this area to an even greater extent. The more varied structure in the rest of Overijssel, with greater emphasis on the primary and services sectors, is more regionally or nationally orientated and less dependent on events in the world markets. The loss of jobs in this area was therefore closer to the national pattern, while the increase in employment in the second half of the 1980s was also less marked. Job opportunities are still fewer in Twente than in the rest of the province, so that unemployment is still above the national and European averages. The present employment structure shows that the one-sided emphasis on a few industries is a thing of the past. There is a wider spread within industry and the services sector has become more important.

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	16	75	9	87	7	17	3	4
Women	28	65	7	89	50	60	3	3
Total	21	71	8	88	21	33	3	4

Unemployment concentrated in patches

In the 1980s unemployment in Overijssel decreased substantially and is now around the national average. The percentage of long-term unemployment is high mainly in the towns and in Twente, and Almelo has been a black spot for several years. This is a result of the restructuring of the textile industry — and the sectors supplying it — in the 1970s and 1980s. In many cases the more modern economic activities which have replaced the traditional sectors call for a specially trained workforce. Many former textile workers, including ethnic minorities, do not have sufficient qualifications and thus are not part of the new business activities. The policy of the provincial and national authorities and the European Community for restructuring Twente, besides aiming at strengthening the economic structure in a broad sense, is also directed at improving educational and training facilities in order to deal with this problem. The services industries, which tend to employ more women, are comparatively under-represented, with the effect that in Overijssel unemployment among women is higher than among men. It is expected that with further development of the services sector the number of unemployed women will drop.

Vigorous restructuring of industry

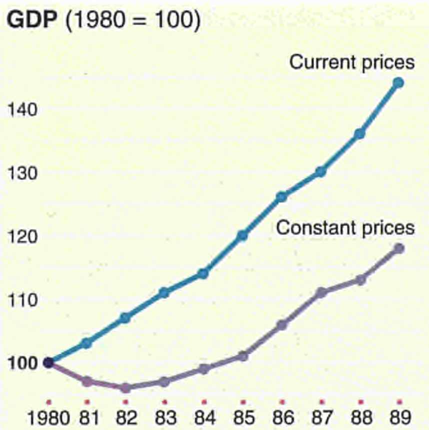
A good quarter of the Overijssel workforce is employed in industry.

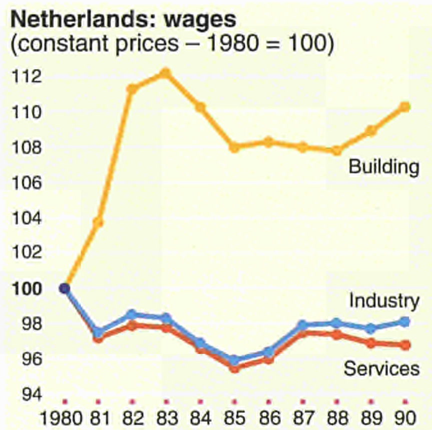
The majority of industrial firms are of medium or small size, although the number of large industrial companies in Overijssel is above the Netherlands average. These are mainly in the chemicals and plastics industry. The main industries in Overijssel are metalworking and mechanical engineering, foodstuffs and electronics.

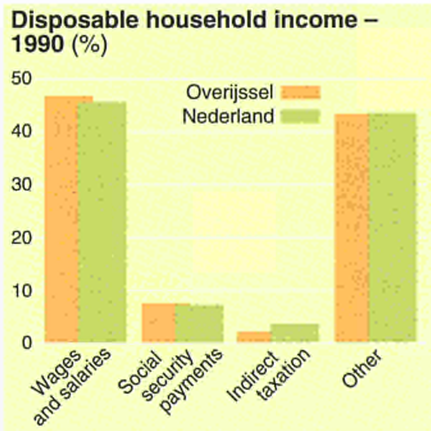
In the services sector, which is the largest employer overall, commerce and hotels and restaurants are strongly represented. Employment in the agricultural sector has remained constant. Closely linked to agriculture are the food and drinks industries and mechanical engineering.

The Overijssel economy has an international character because of the presence of several large foreign companies especially from Scandinavian countries. Another factor is the increasing export-mindedness of the industrial companies in particular. R&D activities in the region are below the national average. This may be explained by the fact that several firms in Overijssel are subsidiaries of other companies, and the main establishments with their staff departments and laboratories are elsewhere.

However, the University of Twente, often called the entrepreneurial university is very geared to contract research for companies and is a breeding ground for young entrepreneurs in the high-tech sector. A large number of young graduates have set up in business near the campus.







Labour costs and incomes

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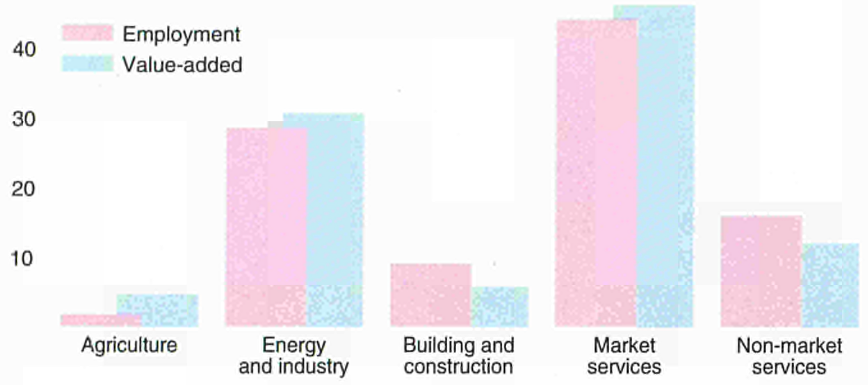
In the 1980s there was a very moderate rise in nominal wage costs, particularly in the key sectors of industry and services. When inflation is taken into account, it becomes clear that the wage-restraint policy has resulted in only a slight increase in real wages in agriculture and fisheries and the construction industry, and even a drop in wages in the industrial and services sectors.

The share of wages in the province's value-added is relatively high. Overijssel is an important industrial province where labour-intensive sectors are traditionally much in evidence.

Employment and value-added: distribution by branch – 1990 (%)



Stronger after restructuring

In the past few years the Overijssel economy has changed considerably. This change is most marked in industry. Parts of the Twente textile industry and related sectors — through the introduction of new production methods and a shift towards high-quality products — have emerged from the restructuring process in better shape.

The textile firm Nijverdal ten Cate has changed over from basic textiles to the production of high-quality fibres. Also AKZO, which was previously engaged in salt extraction in Overijssel, has now branched out to become a producer of fine chemicals and fibres. Many metalworking industries — previously suppliers to the textile industry — nowadays specialize in high-grade products. In addition, Overijssel has a large number of foreign firms, in such fields as micro-electronics (Texas Instruments), the motor industry (Saab-Scania), pharmaceuticals (Solvay) and photographic equipment (Polaroid). There is also a transport and distributive sector which is meeting the changing transport requirements. In Almelo there is a rail container point, where freight is transferred from lorries to trains. In Enschede new distribution centres have been built, which are poised to take maximum advantage of the disappearance of internal borders. The region's agricultural sector, where the accent is predominantly on livestock farming, has few prospects of growth.

Agriculture

Number of holdings	:
Labour force	:
Agricultural area	210 000 ha
Livestock	948 000 LU
Gross value-added	:
Main products	
Milk	49%
Pigs	25%
Cattle	13%

Main enterprises

Name	Employees	Activity
Hollandse Signaal Apparaten BV	3 500-4 000	Radar, defence equipment
Koninklijke Nijverdal ten Cate NV	2 000-2 500	Manufacture of textiles
Wavin Nederland BV	1 500-2 000	Chemical industry
Holec Systemen en Componenten BV	1 500-2 000	Electronics
Stork Koninklijke Machinefabriek	1 500-2 000	Manufacture of machinery
Scania Nederland BV	1 500-2 000	Manufacture of commercial vehicles
AKZO Zout Chemie Nederland BV	1 250-1 500	Chemical industry
Vredestein Banden BV	1 000-1 250	Manufacture of tyres
Nederlandse Philips Bedrijven BV	1 000-1 250	Manufacture of instruments for measuring

Regional approach to the environment

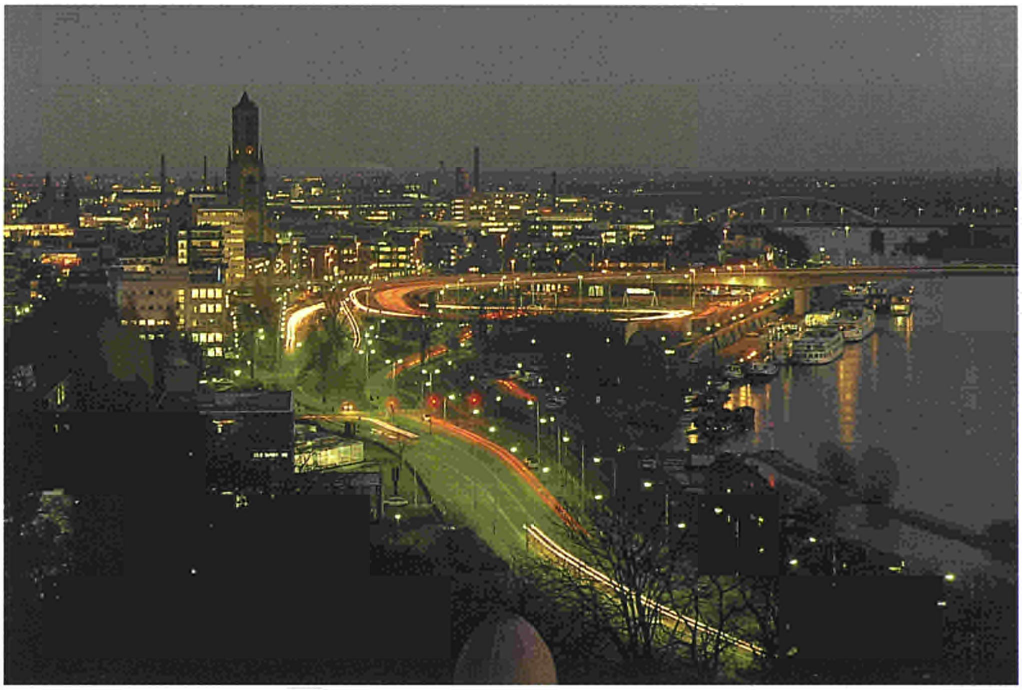
Since the national environmental policy plan was drawn up, much more attention has been given to the environment in the Netherlands. To complement this plan, the province of Overijssel, which like every province has wide responsibilities and powers in this field, has also drawn up its own environmental policy plan. The provincial environmental policy has been embodied in a large number of practical measures. Plans for improving the traffic and transport situation, energy-saving, long-term development of the agricultural sector, which is so important in Overijssel, combating overmanuring and acidification, and reducing effluent from factories, are only some of the items covered by these regulations. It is becoming increasingly clear that responsible treatment of the environment also provides opportunities for developing Overijssel's high-quality technological infrastructure still further. The excellent telecommunications network within the province, for example, could be used to reduce traffic by enabling people to work at home. In conjunction with the University of Twente, the provincial authorities and businesses in Overijssel are making great efforts to improve the industrial environment. A short time ago internal environmental protection systems were set up in companies. This project aims at integrating the environmental aspects into company management and developing clean technologies for use in production processes.

A short while ago the Overijssel industrial environmental service was set up. This organization is intended for small and medium-sized businesses and acts as a general advice bureau for affiliated firms. It is a means of helping firms which have insufficient staff to tackle environmental problems.

NEDERLAND

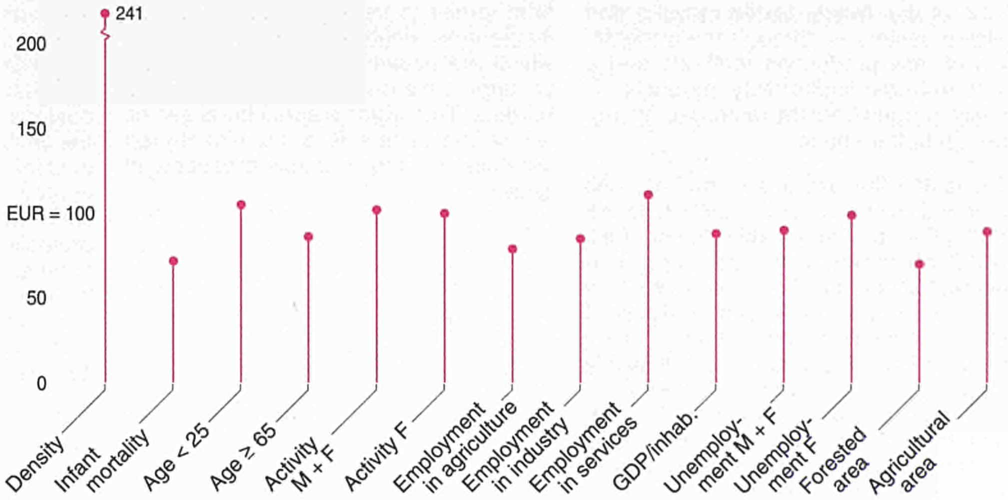
GELDERLAND

Gelderland, the largest province in the Netherlands, is situated in the eastern part of the country and shares a common border with Germany. It has a wide variety of countryside. The easternmost part of the province — the Achterhoek — is a patchwork of little villages, meadows and woodland. Much of the northern part of the province is covered by the 'Hoge Veluwe' nature reserve where boar, wild sheep and stags still roam freely; in the centre of the park is the Kröller-Müller Museum, with its major collection of works by Van Gogh. The central part of the province is dominated by two great rivers, the Rhine and the Waal, which flow from east to west. The province's two main cities, Arnhem, the provincial capital, and Nijmegen, are located on these rivers. The cities of Arnhem and Nijmegen together comprise central Gelderland, the Netherland's largest conurbation after the Randstad. The area between the two rivers, the Rivierenland, is known for its fruit-growing. In the spring, the blossoming orchards which nestle between the winding river dykes are a blaze of colour. The province is crossed by a number of good motorways and international rail links. The river Waal is a busy transport artery between the port of Rotterdam and the Ruhr.



Arnhem, the region's capital.

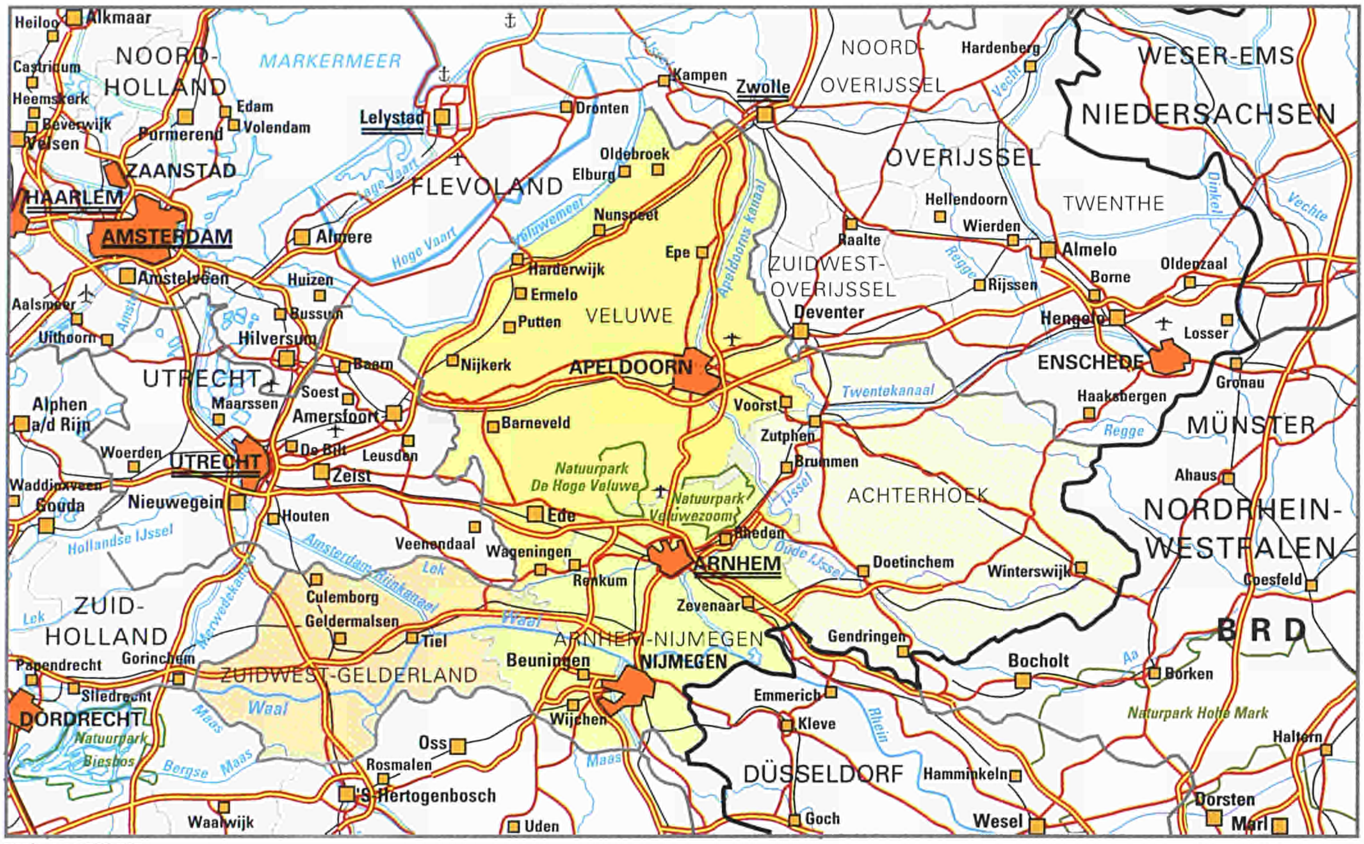
Gelderland in the Community



A central yet pleasantly rural location

Abundant in nature, Gelderland is situated midway between the Randstad and the Ruhr, and is an attractive location for both living and working. Its cities are well endowed with medical, cultural and educational facilities. The province's road, rail and waterway links with the rest of the Netherlands and Europe are good. International airports such as Schiphol, Brussels and Düsseldorf are all found within 150 kilometres of the province's main cities. Teuge airport, near Apeldoorn, Gelderland's third city, is used for business flights. Also, new rail links are planned: a dedicated freight line and a link to Europe's high-speed train network. Motorways make the Randstad and Germany easily accessible.

Despite the province's pleasant living environment, its central position and its good transport services, Nijmegen in particular and Arnhem have to contend with high rates of unemployment which have remained above the national average for many years. Gelderland is increasingly faced by the challenge of balancing economic development with a responsible environmental policy. Much of the province is of great natural beauty and therefore not suited to large-scale development.



Scale 1 : 1 000 000

Which EC regions are similar to Gelderland?

Population:
± 1.8 million inhabitants
± 350 inhabitants per km²
Liguria (I)
Detmold (D)

Employment:
± 6% in agriculture
± 2/3 in services
Danmark
Friesland; Zeeland (NL)
Schleswig-Holstein (D)

A province with many faces

Anyone who travels through Gelderland cannot help but notice the sheer variety which the province has to offer within a radius of no more than 100 kilometres. In addition to the variety of its countryside, Gelderland boasts a wide range of economic activities. Apeldoorn, Arnhem and Nijmegen, which lie in close proximity to each other, are the province's urban nerve centre. Arnhem and Nijmegen, which have overcome their traditional rivalries, together form a single conurbation whose infrastructure and facilities provide a focal point for the region and beyond. Most of the multinational companies which operate in the province have their establishments in one of these two cities. Smaller centres of economic activity are spread throughout the province: intensive livestock breeding (particularly poultry) and the paper industry are dominant in the Veluwe; the Achterhoek is home to a variety of agricultural holdings, agri-businesses and major metal-processing companies; the Rivierenland is a centre of fruit-growing and transport and distribution companies. Of the major cities, the emphasis in Arnhem and Apeldoorn is on the services sector, while Nijmegen, with its university and high-tech industries, is the province's centre of learning.

	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	1988	1988	1988	1989
Veluwe	1.8	595 105	324	8.8	55	5.1	1	28	71	91
Achterhoek	1.5	361 067	237	2.7	57	5.1	3	39	59	83
Arnhem-Nijmegen	0.9	648 973	684	5.2	58	10.4	1	26	74	92
Zuidwest-Gelderland	0.7	199 063	281	11.1	57	6.8	4	36	61	72
Gelderland	5.0	1 804	360	6.5	57	7.2	2	30	69	88
Nederland	33.9	14 893	439	5.7	56	7.4	2	28	70	102
EUR 12	2 253.7	327 931	146	3.2	54	8.3	7	33	60	100

GELDERLAND

Population stability by the year 2010

There has been steady growth in Gelderland's population over the last 10 years due to a natural increase and a high level of immigration. The greatest increase has been in the Veluwe, followed by Arnhem and Nijmegen. These areas now account for two-thirds of the province's population.

Gelderland's average population density is about the same as the national figure, but urban concentration means that most of the province is sparsely populated.

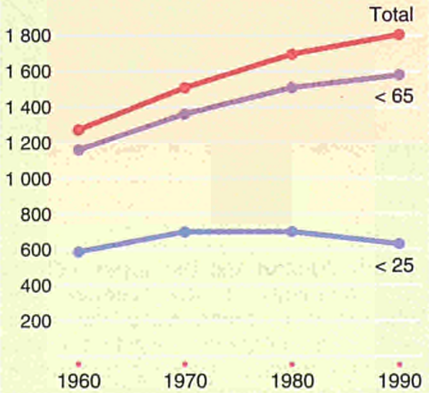
The provincial and national age structures are roughly the same. The numbers of young and elderly people correspond very closely, even though there is a tradition of people from other parts of the Netherlands moving to the quieter waters of Gelderland when they retire. The 25-64 age group is slightly under-represented in Gelderland.

Demographers expect the province's population to grow by 10 000 a year in the next few years. It is forecast that the population will stabilize at about 1.9 million in the year 2010. The majority of the province's non-Dutch nationals, who account for somewhat more than 2% of the total population, live in Arnhem and Nijmegen.

Population by age — 1990

	M + F 1 000	M + F %	M %	F %
< 15	337.6	18.7	19.4	18.1
15-24	295.2	16.4	16.9	15.9
25-39	431.3	23.9	24.6	23.2
40-54	344.1	19.1	19.6	18.5
55-64	170.1	9.4	9.2	9.6
≥ 65	225.9	12.5	10.3	14.7
Total	1 804.2	100.0	100.0	100.0

Population (1 000)



Resident population of foreign nationality — 1990

	1 000	% of total population
Total	50.7	2.8
of which EC countries	11.1	0.6
of which non-EC countries	39.6	2.2
Turkey	20.6	1.1
Morocco	8.8	0.5
Germany	4.2	0.2
United Kingdom	2.3	0.1
Italy	1.4	0.1
Spain	1.3	0.1

Demographic account — 1980-90 (1 000)

Population 1.1.1980	1 694.4
Births	217.9
Deaths	144.0
Net migration	+ 33.2
Population 1.1.1990	1 804.2

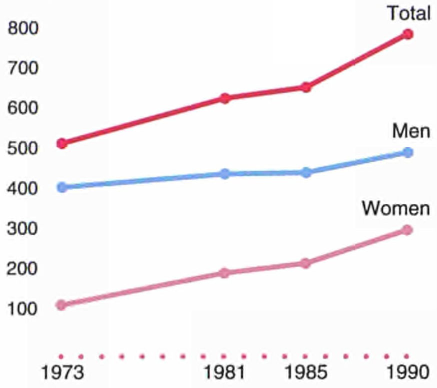
Well-developed education system

The growth of the working population in recent years is largely the result of the increased activity rate of women at a time when the corresponding rate for men has declined somewhat. The activity rate is roughly the same as for the Netherlands as a whole. The proportion of self-employed persons is also roughly in line with the national average although in the rural areas it is somewhat higher. Gelderland has a variety of educational establishments including the Catholic University of Nijmegen and the Agricultural University of Wageningen. Courses of education and training are available throughout the province, ranging from general education to vocational training in economics and technology. The province also has special facilities for the education of foreigners. Considerable attention is devoted to the adjustment of education to the labour market. Specialist vocational training courses have been developed in cooperation with industry and are often implemented as part of apprenticeships.

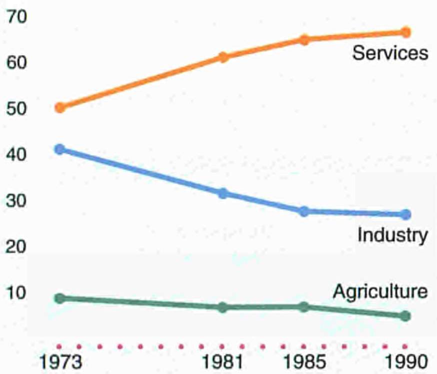
Number of pupils — 1990

	M + F 1 000	F %
Primary	178.5	49.4
Lower secondary (LBO)	35.1	38.9
Higher secondary (AVO + MBO)	116.0	50.1
Higher education (HBO)	33.6	49.1
Total	363.2	48.6

Employment (1 000)



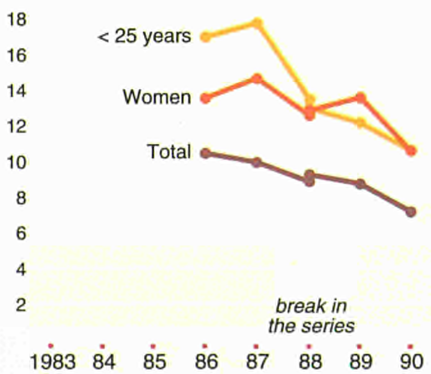
Employment structure (%)



Employment

No data available

Unemployment (%)



Steady growth in employment

The distribution of employment in the province is very similar to that in the rest of the country. In common with what is happening elsewhere in the Netherlands, the share of employment accounted for by the primary sector is steadily declining while that of industry and the services sector (especially distribution, transport and communications) is increasing. 31% of all employed persons are women. Nearly half of the province's 8 800 vacancies are difficult to fill, a situation similar to that in the rest of the country. In both cases, more than three-quarters of these vacancies require vocational training. It is estimated that a quarter of the working population of the Rivierenland work outside the province, most of them commuting to towns in the Randstad. In recent years, employment in the province has increased faster than in the Netherlands as a whole.

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	17	75	9	87	7	16	2	4
Women	26	68	6	85	49	59	4	4
Total	20	72	8	86	20	31	3	4

Concentration of unemployment in the towns

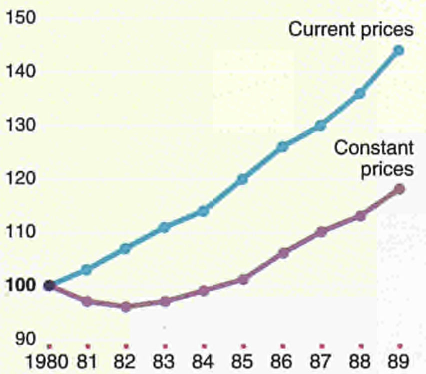
Positive economic trends in Gelderland in recent years have triggered a significant fall in unemployment. Since the economic upturn, unemployment has fallen more quickly than in the rest of the country, thanks to a considerable increase in the number of jobs. The unemployment rate in Gelderland is close to the national average, but that in the central area (Arnhem/Nijmegen) is still higher than elsewhere in the country. What is more, the fall in unemployment in this urbanized part of the province is relatively slow. This is why provincial and national policy aimed at strengthening the economic structure by promoting investment still applies in this area. The proportion of women among the unemployed continues to increase, mainly due to the rapid increase in the number of women in the working population. On the other hand, youth unemployment is falling and the average age of the unemployed is rising in line with the gradual ageing of the population. More than half of all unemployed persons in Gelderland have been without work for more than one year.

Mosaic industrial structure

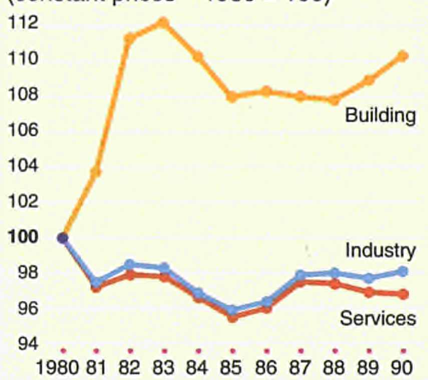
Enterprises employing less than 10 people dominate industry in the province, and only a small number employ more than 100 people. Manufacturing and services have both made good progress in Gelderland. In particular, commerce, transport, communications and other business services have given the regional economy a boost. The level of exports is somewhat lower than the national average (which is high), with the exception of the central Gelderland area. A striking feature of the province's economy is that although it is largely services-oriented, the percentage of enterprises investing in R&D is above the national average. The growth in the regional product has also been above the national average since 1985. The international character of Gelderland's economy is borne out by the presence of foreign companies such as BASF, Digital, Wang and Rothmans. A number of major Dutch companies such as Philips, Parenco, and Gazelle are also present. The chemicals giant AKZO has its headquarters in Arnhem. The transport sector is equally international and the region has a transit container terminal for rail and water transport. Nijmegen has a large number of high-tech companies.

Finally, Gelderland's agricultural sector has two specialities: fruit from the Betuwe and poultry products from the Veluwe (eggs and breeding chicks).

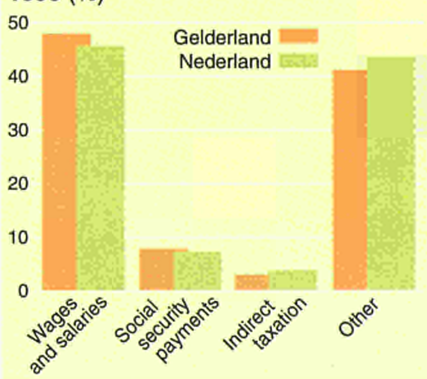
Oost-Nederland: GDP (1980 = 100)



Netherlands: wages
(constant prices – 1980 = 100)



Disposable household income – 1990 (%)

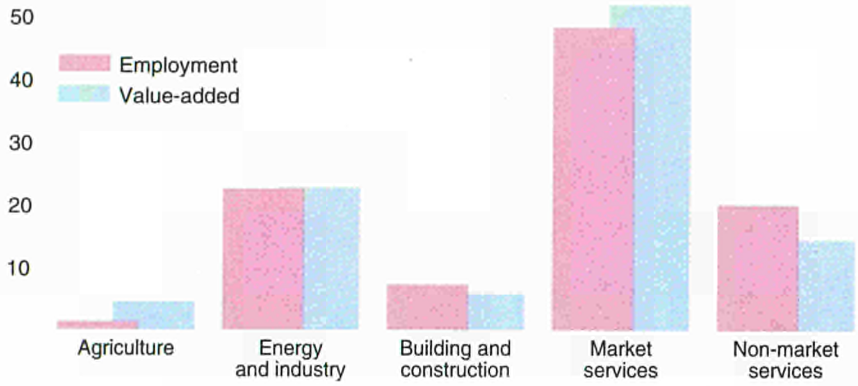


Labour costs and incomes

As a result of the Dutch system of collective labour agreements (CAOs), there are, on the whole, only minor regional differences in wage levels. For each branch of economic activity, a collective labour agreement is concluded at national level and all employers in the sector concerned are bound by it. In the 1980s there was a very moderate rise in nominal wage costs, particularly in the key sectors of industry and services. When inflation is taken into account, it becomes clear that the wage restraint policy has resulted in only a slight increase in real wages in agriculture and fisheries and the construction industry, and even a drop in wages in the industrial and services sectors.

The share of wages in Gelderland's value-added is relatively high, as a result of the province's production structure. The province is becoming increasingly characterized by high-value services. Partly as a result of there being few capital-intensive enterprises in the province's industrial sector, the share of 'other income' (profits, capital, rental, etc.) is relatively low.

Employment and value-added: distribution by branch – 1990 (%)



Balanced sectoral structure

The varying fortunes of the different sectors have brought about changes in the structure of production. The sectoral distribution in the province now closely resembles that in the Netherlands as a whole.

The somewhat greater importance of agriculture in Gelderland can be ascribed to the traditional agricultural sector in the Achterhoek and the Rivierenland. The province has benefited from the positive developments in the national economy which have produced an 'overspill' of activity from the Randstad. The main effect of this has been that the services sector, which was lagging behind the rest of the country in the 1970s, has since managed to catch up. Within the services sector, commerce, hotels, catering and tourism, financial and business services and transport are all strongly represented. Although the share taken by the industrial sector has declined somewhat in relative terms over the last 10 years, it is still considerable. Gelderland's industry tends to be oriented towards domestic markets (cattle feed, wood and building materials, paper and printing, and metal products). Export-oriented industries such as basic metals, electrical goods and vehicle manufacture are less important.

Agriculture

Number of holdings	:
Labour force	:
Agricultural area	257 000 ha
Livestock	1 382 000 LU
Gross value-added	:
Main products	
Milk	29%
Pigs	24%
Cattle	21%

Main enterprises

Name	Employees	Activity
Philips Information Systems	>1 000	Information technology
Centraal Beheer	>1 000	Insurance
Kema	>1 000	Research
Akzo	>1 000	Chemical industry
Heidemij	>1 000	Engineering activities
Victoria Vesta	>1 000	Insurance
Reynolds Aluminium Holland	500-1 000	Manufacture of metals
Digital Equipment	500-1 000	Computers
Parenco	500-1 000	Manufacture of paper

The environment is a cause for concern

Gelderland offers an attractive environment in which to live and work. The Veluwe, the country's biggest nature reserve, has been carefully protected for many years, thus enabling it to retain its typical landscape of dense woodland, heaths and stretches of sand dunes. Trial projects aimed at releasing new types of animal into the wild in order to restore the region's natural balance and minimize the need for human management have generally been a success. Of course, the environmental problems affecting the rest of Europe, such as acid rain, domestic and industrial waste and the release of environmentally dangerous substances, have not left Gelderland untouched. The problem of agricultural manure surpluses is particularly worrying for the province. In order to reduce the use of the motor car, the location of industrial and commercial premises and the public transport system are geared to one another. Arnhem is the only city in the Netherlands to operate environmentally friendly trolley buses. The construction of the Betuwe freight rail link between Rotterdam and the Ruhr is a means of promoting rail transport, thus reducing environmental pollution by heavy lorries.

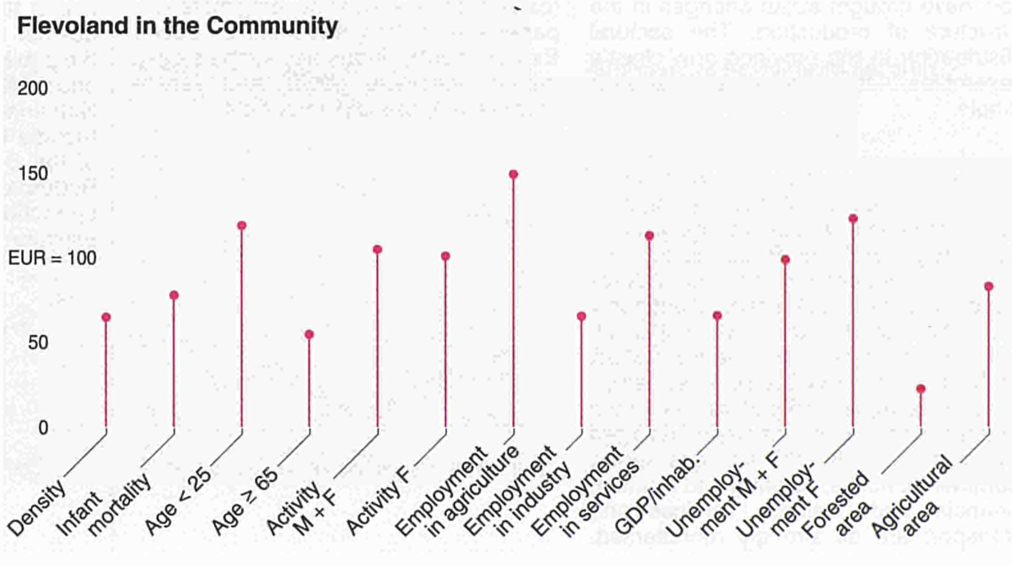
NEDERLAND

FLEVOLAND

Flevoland's origin is unique. 1932 saw the completion of the 30-km dyke which transformed the Zuiderzee into an inland lake cut off from the Waddenzee and the North Sea: the IJsselmeer. Parts of this were then reclaimed from the water and turned into three polders, which in 1986 became the 12th province of the Netherlands. Flevoland in fact has a 5 000-year history dating back to the 'Swifterbant culture', remnants of which were discovered during the reclamation work.

With the exception of the former island of Urk, Flevoland lies on the sea bed up to six metres below sea level. A series of dykes and pumping stations keeps the province dry. Three-quarters of its surface is farmed. There are six municipalities, one of them the regional capital, Lelystad, while the rest of Flevoland consists of open countryside, woods and recreational areas. On the shores of the Markermeer is the famous Oostvaardersplassen bird sanctuary, which together with neighbouring areas constitutes one of Europe's most extensive wetlands.

Flevoland has a high-quality, future-oriented infrastructure.

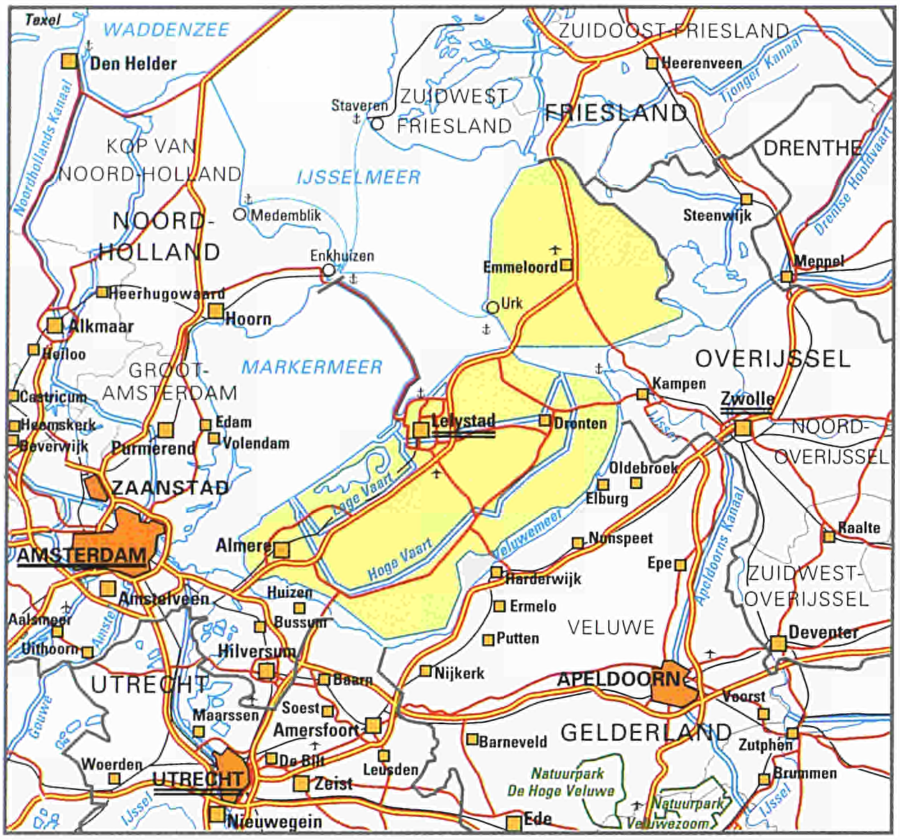


A young region with growing pains

Flevoland lies more or less in the centre of the Netherlands. The Schiphol-Amsterdam international airport and the world's biggest sea port, Rotterdam, are 50 and 100 km respectively from Lelystad, the regional capital. Good road, rail and water connections ensure that the region is easily accessible from the economic centres of both the Netherlands and neighbouring countries. Flevoland has its own recently extended Lelystad airport for European commercial traffic and infrastructure development is in full swing.

Because the basis was fully established only recently, there are still quantitative and qualitative gaps in the provision of facilities, and the growth in job opportunities cannot yet keep pace with the booming population. Although major institutions and more than 9 000 firms have established themselves in Flevoland, economic growth is not yet fully self-supporting. Legislation aimed at stimulating investment is therefore in force in Lelystad.

Because of the region's proximity to the conurbations and its pleasant living conditions, there is a boom in commuter traffic, chiefly to the 'Randstad Holland'. Many former inhabitants of Amsterdam in particular have settled in Flevoland's attractive residential districts, mainly in the fast-growing city of Almere at the western boundary of the province.



Scale 1 : 500 000

Which EC regions are similar to Flevoland?

Population:
± 200 000 inabitants
Açores (P)
Ionia Nisia (GR)

Age:
more than 40% aged less than 25
Açores; Madeira (P)
Andalucía; Murcia (E)
Northern Ireland (UK)
Campania; Puglia; Calabria (I)

Employment:
± 10% in agriculture
2/3 in services
Luxembourg (B)
Languedoc-Roussillon (F)

Modern towns in a spacious region

The population is concentrated in the urban districts (93%). Almere in the west is the fastest-growing city in the Netherlands (80 000 more inhabitants in 16 years) and will have a population of 250 000 by the next century. Lelystad (58 000) is the capital of the province. The municipalities of Dronten (25 000) and Emmeloord/Noordoostpolder (38 000) provide services for the surrounding agricultural areas. There is a striking contrast between the district of Zeewolde, whose first inhabitant moved in as recently as 1984, and the former island of Urk with its fishing port, which saw its first settlers in about AD 800. The oldest polder, the Noordoostpolder, still fulfils the agricultural purpose for which it was reclaimed; its farm holdings are modern and, by Netherlands standards, extensive. The other two polders, Oostelijk and Zuidelijk Flevoland, originate from the 1950s and 1960s and reflect the continuing socio-economic history of the Netherlands: they were drained to provide space for the country's population growth in the 1960s and 1970s and hence accommodate the province's main centres of population, industry 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	1988	1988	1988	1989
Flevoland	1.4	212	150	222.9	61	8.2	6	22	72	66
Nederland	33.9	14 893	439	5.7	56	7.4	2	28	70	102
EUR 12	2 253.7	327 931	146	3.2	54	8.3	7	33	60	100

FLEVOLAND

Population trebles in 10 years

Flevoland is a region which has experienced nothing but growth, particularly where its population is concerned. In the space of 10 years the number of inhabitants grew by 200%, at a time when virtually no other region of the Netherlands had a rate exceeding 10%. The growth was primarily due to population overspill, with most immigrants originating from the provinces of West Netherlands. The number of inhabitants is expected to exceed 400 000 by 2010.

This young region has a correspondingly young population. 67% of the population are aged under 40 and live in the new residential districts of Flevoland, where most housing is designed for (young) families. The high number of young families is also the reason for the excess of births over deaths.

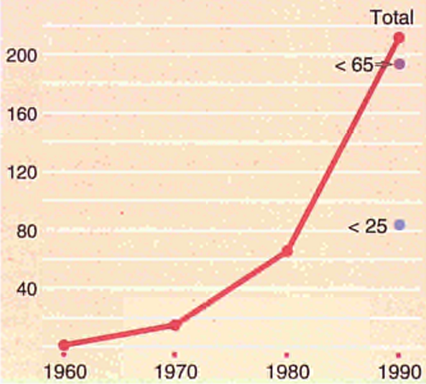
The number of older people has increased in recent years, however. The percentage of persons over 55 is still well below the national average, but is steadily increasing.

3% of the population is foreign, with Moroccans forming the largest ethnic minority at 1% of the total.

Population by age — 1990

	M + F 1 000	M + F %	M %	F %
< 15	54.1	25.6	26.1	25.0
15-24	30.2	14.3	14.7	13.8
25-39	59.4	28.1	27.7	28.4
40-54	35.0	16.6	17.2	15.9
55-64	14.9	7.1	6.7	7.4
≥ 65	17.9	8.4	7.6	9.3
Total	211.5	100.0	100.0	100.0

Population (1 000)



Resident population of foreign nationality — 1990

	1 000	% of total population
Total	6.6	3.1
of which EC countries	1.4	0.7
of which non-EC countries	5.2	2.5
Morocco	2.2	1.1
Turkey	1.0	0.5
United Kingdom	0.4	0.2
Germany	0.4	0.2
Suriname	0.3	0.1
Italy	0.2	0.1

Demographic account — 1980-90 (1 000)

Population 1.1.1980	65.5
Births	25.8
Deaths	5.4
Net migration	+ 77.2
Population 1.1.1990	211.5

Development through know-how

The activity rate is slightly below the national average but likely to increase as many women wish to enter the job market.

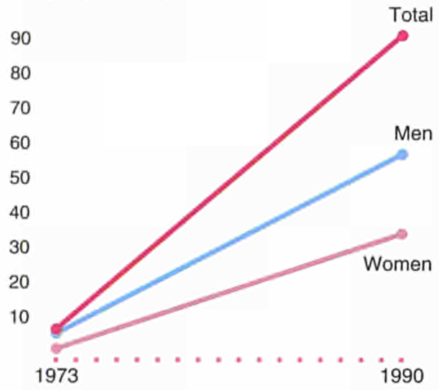
The level of education of the population is above average, particularly where vocational training is concerned. Some 45% of the working population have completed intermediate or higher vocational training. Although many received their education elsewhere in the Netherlands, the number of intermediate, higher and/or specialized education institutions in Flevoland is increasing rapidly: several intermediate vocational training colleges in particular opened recently, specializing in the provision of services, health care and similar sectors. Great importance is attached to agricultural training at every level; the region has a services-level agricultural college.

There are many educational and training facilities for adults, the institutions concerned working in close collaboration with industry.

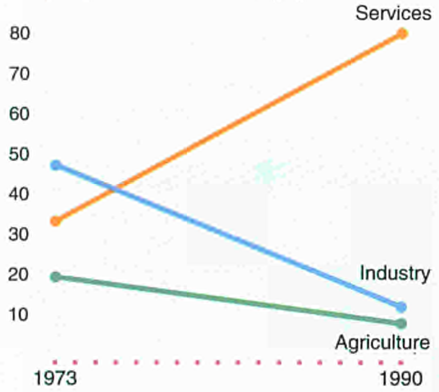
Number of pupils — 1990

	M + F 1 000	F %
Primary	29.3	49.4
Lower secondary (LBO)	3.3	40.0
Higher secondary (AVO + MBO)	11.9	49.7
Higher education (HBO)	0.9	10.4
Total	45.5	48.0

Employment (1 000)



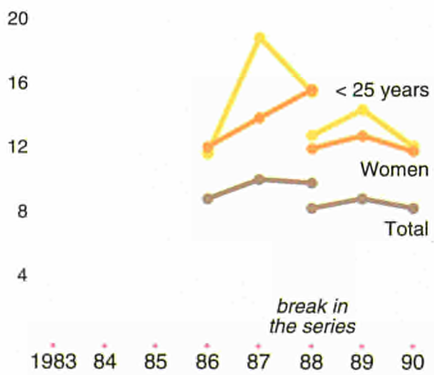
Employment structure (%)



Employment

No data available

Unemployment (%)



A shift in job opportunities

The pattern of regional job opportunities is a rapidly expanding one. At first the emphasis was chiefly on agriculture, but business services and various forms of industrial activity took an increasing hold from the 1970s onwards.

The services sector can be expected to show the strongest growth not only because of the arrival of firms in the (business) services sector: population growth goes hand in hand with new jobs in the retail trade, health care and government.

The self-employed are predominantly those running the large-scale and ultra-modern agricultural holdings. The fishermen of Urk still live in the locality even though many now fish from various other Netherlands ports.

Industrial jobs are concentrated in 10 or more large companies. Flevoland is also the home of several large research centres (the National Air and Space Agency and the State Institute for Waste Water Treatment), where the majority of the employees are scientists.

Several new (international) firms open offices in Flevoland each year including 10 companies from the Far East in 1990.

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	14	81	5	87	:	13	:	7
Women	24	73	3	87	:	57	:	3
Total	17	78	4	87	:	28	:	6

Most job-seekers are women

In the young region of Flevoland unemployment is the result of the population explosion: a broad and varied job market could not develop at the same pace. But in parallel with the national trend, Flevoland shows a decline in unemployment, with uneven rates across the province. In Lelystad the level of unemployment is well above the national average while levels in other areas are significantly below it. The number of women seeking work is particularly high, with unemployment rates clearly above the European average. Most seek work in the services sector. Because of the growth of the province and the consequent increase in facilities (hospitals, homes for the elderly, etc.), there is fortunately a steady rise in job opportunities in this sector.

In addition to the large group of women seeking to enter the labour market, a fairly high number of persons aged 25 and under are out of work. This group is amply represented in the age structure of the population and the capacity of the job market to absorb them is inadequate at present.

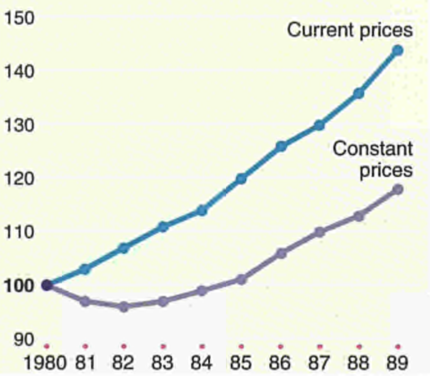
Polders with a world view

Many firms in Flevoland are export-oriented (the main purchasers are Germany, Belgium and the United Kingdom). Refuse vehicles 'made in Flevoland' can be seen all over the world, and fish products and potatoes from the province are available in many European shops and elsewhere. Another typical export product is expertise in land reclamation and cultivation, with countries in Eastern Europe, Asia and Africa showing a particular interest in such know-how.

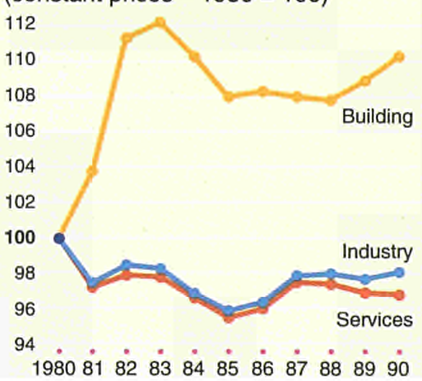
Investment parallels the outstanding export results, especially in the business services sector, in manufacturing, and in tourism, with the region's yachting harbours and holiday homes concentrated along the waterfront with its extensive woodland stretches.

Research and development are important to the economy. World-famous institutions such as the National Air and Space Agency and the Institute for Waste Water Treatment carry out pioneering research. The agricultural sector also has well-known research centres. Small and medium-sized firms are more strongly represented in Flevoland than elsewhere: the great majority of firms have fewer than 10 employees, less than 1% have over 100.

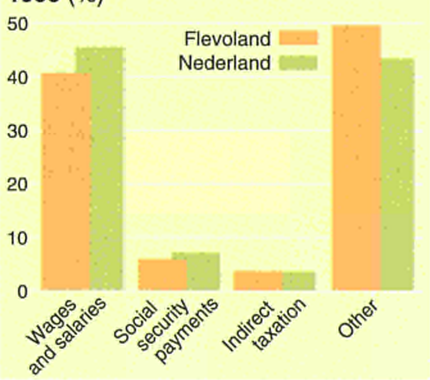
Oost-Nederland: GDP (1980 = 100)



Netherlands: wages
(constant prices – 1980 = 100)



Disposable household income – 1990 (%)

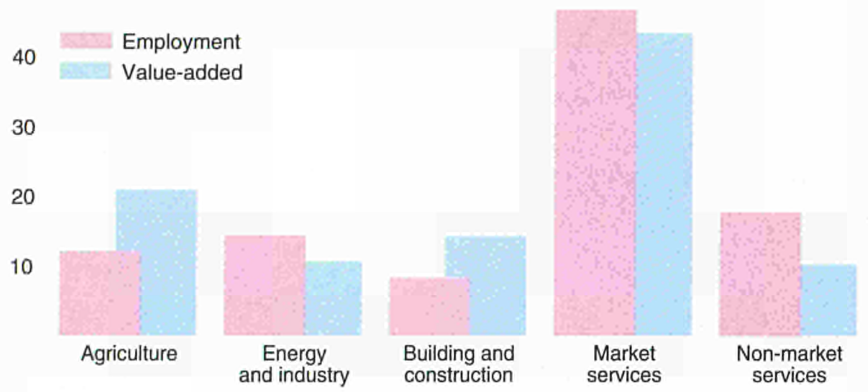


Labour costs and incomes

As a result of the Dutch system of collective labour agreements (CAOs), there are, on the whole, only minor regional differences in wage levels. For each branch of economic activity, a collective labour agreement is concluded at national level and all employers in the sector concerned are bound by it. In the 1980s there was a very moderate rise in nominal wage costs, particularly in the key sectors of industry and services. When inflation is taken into account, it becomes clear that the wage restraint policy has resulted in only a slight increase in real wages in agriculture and fisheries and the construction industry, and even a drop in wages in the industrial and services sectors.

As a result of the relatively large share of self-employed in the total working population, given the major role of agriculture and fisheries, the wage share is relatively low and the share of other income relatively high.

Employment and value-added: distribution by branch – 1990 (%)



Wide range of activities

Most firms are in the (retail) trade, hotels and restaurants and consumer goods repair sector, which is growing in proportion to the increase in population. Percentage growth in this sector is negligible since more and more industrial firms and business and other services are settling in Flevoland: the graphics trade, for example, is strongly represented.

Agriculture and fishing are relatively important: as well as the farming and agricultural processing businesses, there are the fisheries concentrated in Urk, the site of Europe's largest flat-fish market with an annual turnover of more than ECU 130 million . There is a boom in organic farming, with production and processing plants as well as research and training institutions concentrated around Lelystad.

The number of internationally known firms in Flevoland is steadily increasing: the head office of Lease Plan, a Beiersdorf manufacturing plant and the European head offices of Japanese firms such as Yanmar Diesel, Mitsubishi and Pioneer are all in Almere.

Agriculture

Number of holdings	:
Labour force	:
Agricultural area	98 000 ha
Livestock	54 000 LU
Gross value-added	:
Main products	
Main crops	33%
Flowers	18%
Vegetables	17%

Main enterprises

Name	Employees	Activity
Beiersdorf NV	400-500	Cosmetics
Centraal Diergeneeskundig Instituut	400-500	Veterinary activities
Eemhof BV	400-500	Recreation
Lease Plan Nederland BV	400-500	Leasing
Rijksinstituut voor Zuivering Afvalwater (RIZA)	300-400	Research on the environment
Waterloopkundig laboratorium	300-400	Research in hydrology
Oranjewoud BV	200-300	Environment consultancy
Nationaal Lucht- en Ruimtevaartlaboratorium	200-300	Research in aeronautics

Young and unspoilt

Soil and water pollution have scarcely gained a foothold in such a young region as Flevoland, and there are virtually no sources of atmospheric pollution. The environment is therefore remarkably clean compared with other parts of Europe. Flevoland has been able to learn from the mistakes made elsewhere over the centuries.

The prerequisites for a clean environment were given prime consideration during the reclamation and development of the province, a typical example being the provision of several large nature reserves.

Although the landscape was initially constructed by human beings, nature has flourished freely and produced a unique fauna and flora (the bird-breeding sanctuary at Oostvaardersplassen). In order to preserve this area, the original route planned for the railway through Flevoland was changed to circumvent the nesting grounds.

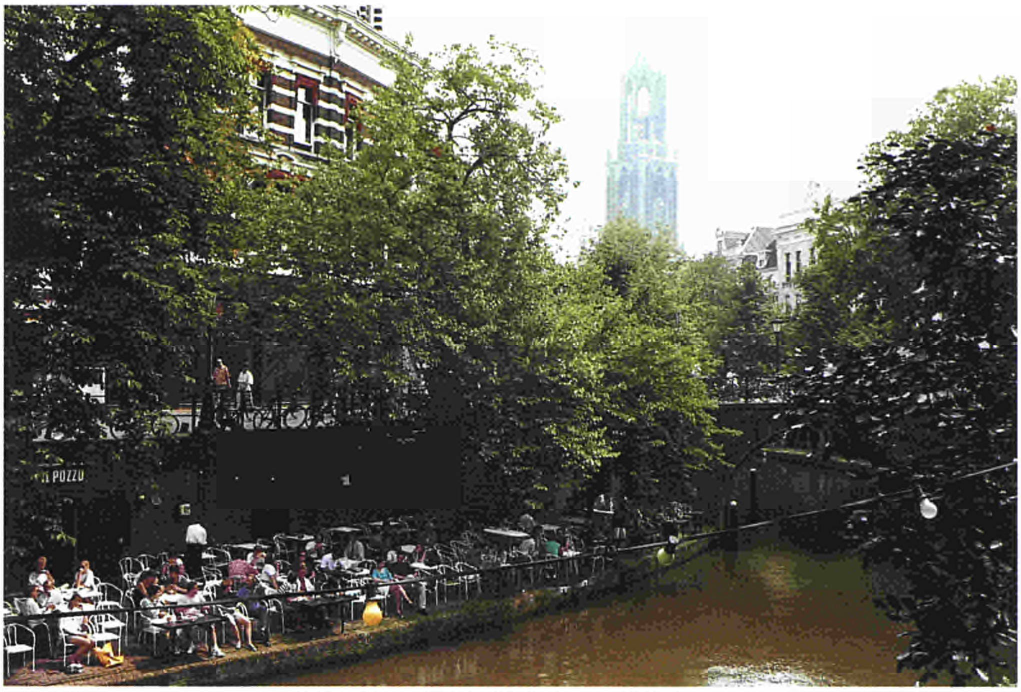
Business too has to consider the environment: stringent regulations ensure that air, water and soil remain clean, and these attract new investment rather than deter it, with many firms coming to Flevoland precisely because of the quality of life, and it is in their interests to preserve it. But Flevoland cannot exclude all external influences, of course. The Ketelmeer, situated between Flevoland and the province of Gelderland, is severely polluted by the silt carried by the River IJssel and River Rhine on their long journeys through industrial zones. This pollution, which can be combated only by a concerted international effort, has so far inhibited large-scale tourist and recreational developments on the borders of this lake. In the near future a scheme will be implemented to clean up the Ketelmeer.

NEDERLAND

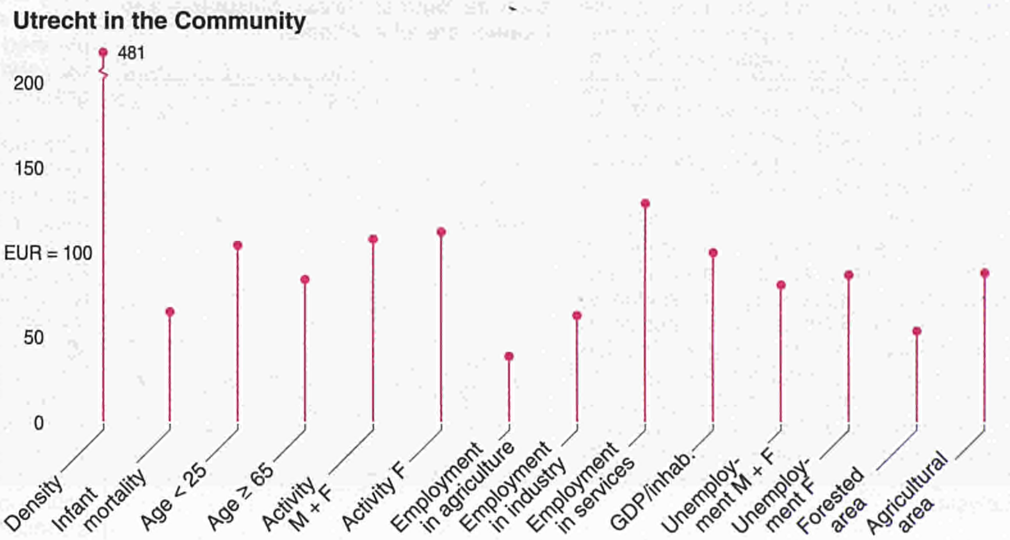
UTRECHT

The Romans founded the city of Utrecht in approximately AD 48, building a fort as part of the fortifications along the River Rhine. Nowadays few traces remain of the earliest inhabitants, but nothing has changed the central position of the city and the province of Utrecht. Utrecht is the geographical heart of the Netherlands, the place where the main east-west and north-south road and rail links cross. The Amsterdam-Rhine canal passes through the region.

The province of Utrecht is the smallest and second most densely populated province. In the seventh century the capital city Utrecht became the centre of ecclesiastical and temporal power. It became an important mercantile city, and in modern times has developed into a centre of the services sector. It forms the fourth largest area of the Randstad, which sprawls across the borders of the three western provinces. The geography of the province is varied. In the west is the 'green heart', the polders, pastures and lakes. Heuvelrug, to the east of Utrecht, has much woodland, alternating with open moorland, sand flats and fens. In the south, the river Rhine and the river Lek flow through the region.



The charm of the city centre.



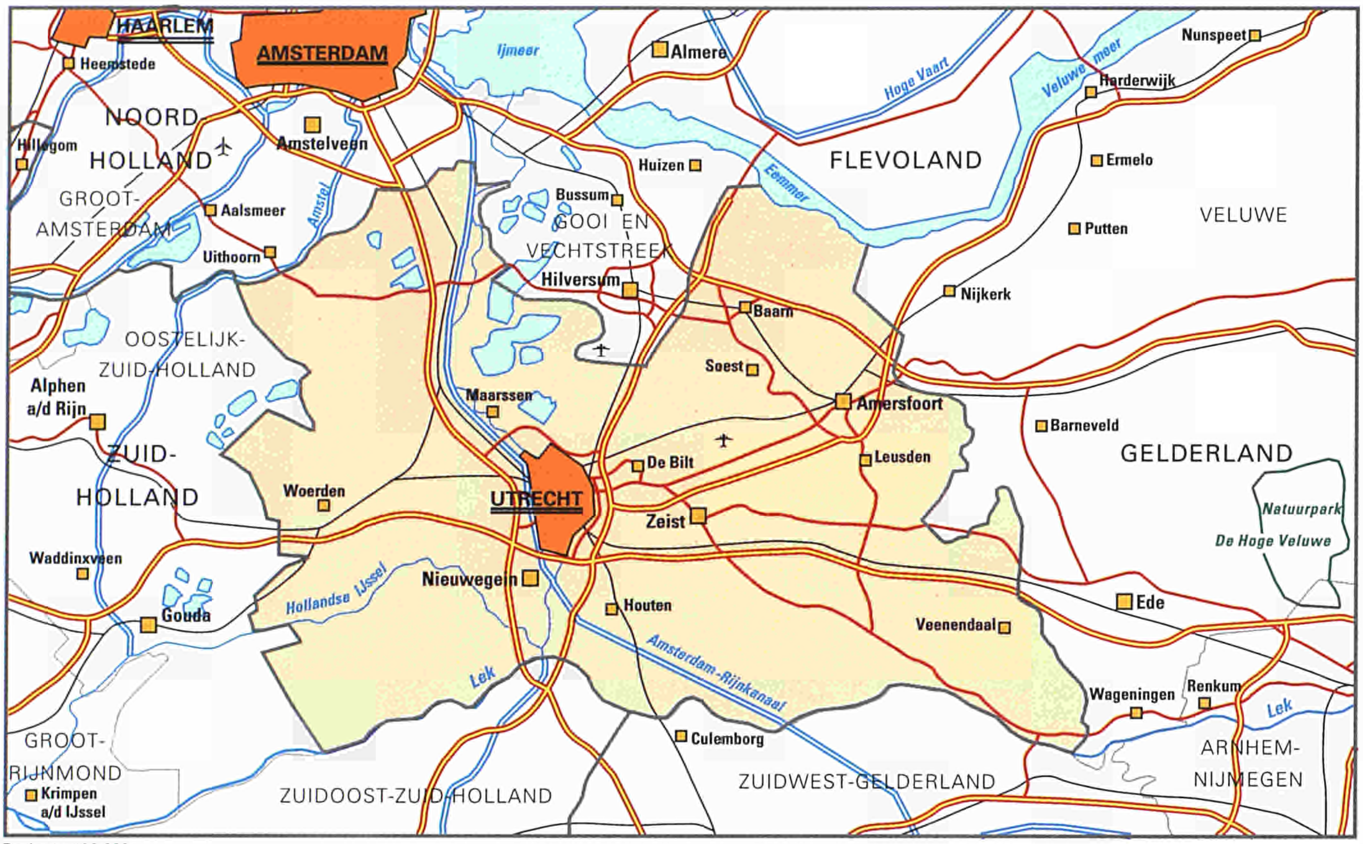
A central position

The province of Utrecht can be reached easily and quickly from any point in the Netherlands. As it is served by international rail and road connections and situated within half an hour's journey from the international airport of Schiphol and three-quarters of an hour from the port of Rotterdam, connections with Utrecht are very good. The combination of old historic towns surrounded by rural areas makes it pleasant to live and work in Utrecht. All essential facilities, from large shopping centres, cultural amenities, and research centres (including two universities) to peaceful country areas and rustic villages, are to be found in a relatively small area.

Utrecht is a fast-growing part of the very internationally orientated Randstad. Roughly half of the Netherlands population and half of the country's commerce and industry are concentrated in this horseshoe-shaped conurbation of large and medium-sized towns, which covers less than a sixth of the total area of the Netherlands.

The availability of skilled personnel makes Utrecht an attractive place to set up a business. The cities of Utrecht and Amersfoort and their surrounding districts are some of the most favoured locations for widely ranging economic activities.

The relatively small area of the province is a limitation. The densely populated area with its varied geography is less suitable for large-scale projects or industrial complexes. The need to expand and improve the infrastructure to cope with the volume of traffic is becoming urgent.



Scale 1 : 500 000

Which EC regions are similar to Utrecht?

Population:
over 1 million inhabitants
700-800 inhabitants per km²
South Yorkshire (UK)

Employment:
±75% in services
Brabant (B)
Lazio (I)
Île-de-France (F)

Activity rate:
around 60%
Bayern (D)
North;
Yorkshire and Humberside (UK)
Alsace (F)

Crowded cities, quiet villages

The province of Utrecht may be divided into two parts. Approximately half of the inhabitants, and also half of the commercial enterprises, are in the main city of Utrecht, the fourth largest city in the Netherlands and dominant centre of the province. The city is also the major centre for cultural and educational amenities and establishments.

In second place to Utrecht comes Amersfoort, which over a period of eight years has grown into a town with more than 100 000 inhabitants. The province of Utrecht has a number of medium-sized towns, such as Maarssen, Zeist and Woerden, and also many small rural towns.

Whereas firms engaged in trade, distribution and services are concentrated in Utrecht and Amersfoort, industrial and building firms are more scattered.

There are no great differences in unemployment levels in the province, but Utrecht, like the other large towns in the Randstad, has a higher percentage of unemployment than the rest of the province. In a number of smaller places, in woodland or lakeland regions, there are districts with luxurious country houses and all the signs of greater affluence.

	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	1988	1988	1988	1989
Utrecht	1.4	1 016	747	13.4	60	6.2	1	21	78	100
Nederland	33.9	14 893	439	5.7	56	7.4	2	28	70	102
EUR 12	2 253.7	327 931	146	3.2	54	8.3	7	33	60	100

UTRECHT

A steadily growing population

Over the period 1960-90 the population of Utrecht rose from approximately 680 000 to over one million, a higher growth than the national average. The excess of births over deaths and a positive net migration were more or less equally responsible for this development. As a result Utrecht, with 747 inhabitants per km^2, is one of the most densely populated areas in the Community.

The largest increases in population in the province are in the urban areas of Utrecht and Amersfoort. This is due to the considerable increase in the number of jobs in these cities, and also the large number of training establishments.

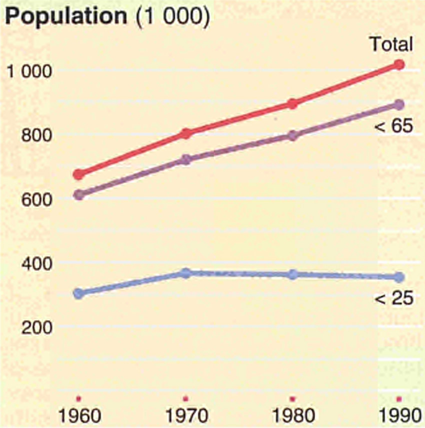
There is a higher proportion of those aged 15 to 24 years and, to a lesser extent, 25 to 39 years, compared with the national figures. There are some 50 000 non-Dutch people in the province.

The numbers of commuters are almost evenly balanced. The outgoing stream is mainly to other parts of the Randstad, while the incoming stream is mainly from the neighbouring Gelderland.

Population by age — 1990

	M + F 1 000	M + F %	M %	F %
< 15	188.4	18.6	19.5	17.7
15-24	167.4	16.5	16.8	16.2
25-39	258.7	25.5	26.3	24.7
40-54	190.2	18.7	19.4	18.1
55-64	88.5	8.7	8.6	8.8
≥ 65	122.3	12.0	9.4	14.5
Total	1 015.5	100.0	100.0	100.0

Population (1 000)



Resident population of foreign nationality — 1990

	1 000	% of total population
Total	49.6	4.9
of which EC countries	8.4	0.8
of which non-EC countries	41.3	4.1
Morocco	20.3	2.0
Turkey	13.0	1.3
United Kingdom	2.1	0.2
Germany	1.6	0.2
Spain	1.2	0.1
Italy	0.9	0.1

Demographic account — 1980-90 (1 000)

Population 1.1.1980	895.5
Births	121.1
Deaths	75.0
Net migration	+47.3
Population 1.1.1990	1 015.5

A highly qualified workforce

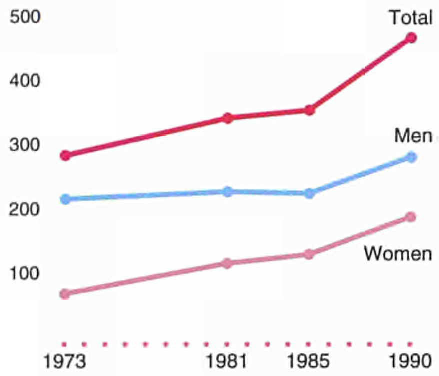
In the past few years the working population in Utrecht has increased considerably, and is higher than the national average, owing to both demographic factors and also the fact that an increasing number of women are going out to work. It is expected that this increase will continue, albeit at a reduced rate, up to the beginning of the next century. The activity rate for women in the province of Utrecht is high, helped by the extensive services sector.

In general, the working population in Utrecht is highly qualified. The percentage of people who have had advanced vocational training is above the national average. In both the city of Utrecht and in various other places in the province there are a large number of training centres, including many vocational training establishments at advanced, secondary and primary level.

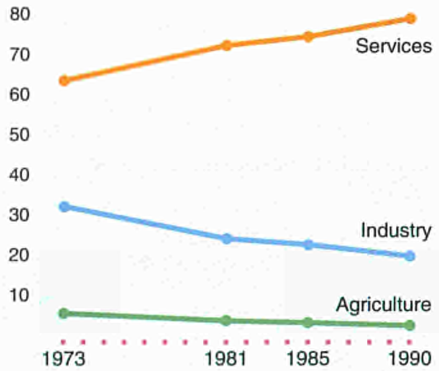
Number of pupils — 1990

	M + F 1 000	F %
Primary	99.7	49.6
Lower secondary (LBO)	13.8	38.8
Higher secondary (AVO + MBO)	75.3	50.4
Higher education (HBO + Univ.)	34.9	55.3
Total	223.8	50.1

Employment (1 000)



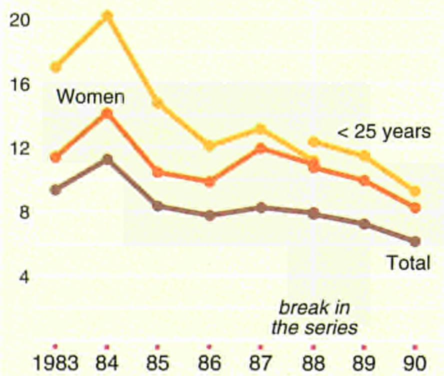
Employment structure (%)



Employment

No data available

Unemployment (%)



Strong growth in job opportunities

Utrecht is rightly known as the office workers' capital. It is therefore not surprising that almost 80% of the jobs in the province are in the services sector. A further 15% are in industry and 3% in the agricultural sector, particularly in the market gardening area west of the city of Utrecht.

In the services sector most people are employed in the head offices of large banks, insurance companies, the Jaarbeurs congress centre, informatics firms and the head offices of foreign firms.

The number of jobs has increased, at a rate above the national average, throughout the whole services sector (30% in four years), and to a lesser degree in building and transport (approximately 10% in both cases). The growth has been particularly noticeable in the conurbation of Utrecht (Nieuwegein, Maarssen and Houten) and less in the city of Utrecht itself. A third of all jobs are occupied by women.

A typical feature of Utrecht — in addition to the large services sector — is the great concentration of higher ranking jobs. Approximately 20% of the total jobs of this type in the Netherlands are in the province of Utrecht.

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	17	74	9	88	7	18	2	4
Women	25	68	7	87	50	63	3	3
Total	20	72	8	88	22	36	3	4

Unemployment low and still falling

The persistent favourable trend in the number of jobs means that for several years now unemployment has been below the European and national averages. However, in spite of the continuing fall in the number of unemployed persons, an acceptable level has still not yet been reached. The persistent growth in population has slowed down the process of reducing unemployment.

In particular, the number of women seeking employment has grown considerably in recent years. This is because of the increased number of women who want to go out to work.

However, the long-term unemployed are in the worst position. Approximately half of the total number of people registered as seeking employment have been unemployed for longer than one year. This is one disadvantage of the high level of most jobs in Utrecht. People with inadequate training have difficulty in fitting into the economic scene. To deal with this situation much attention has been paid to additional training and to promoting the creation of new jobs.

Although the Utrecht rates are below the national and European levels, unemployment among young people is still high. However, over the past five years there has been a downward trend.

A fast-growing services economy

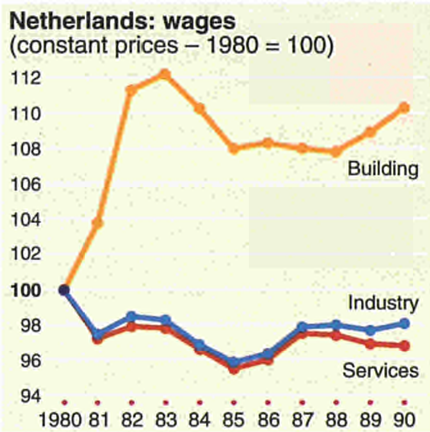
In the province small firms are greatly over-represented compared with the national average. Of a total of approximately 40 000 firms 85% have fewer than 10 employees. No doubt this is connected with the strong orientation towards the services sector. Business services, and also new, innovative activities are well represented.

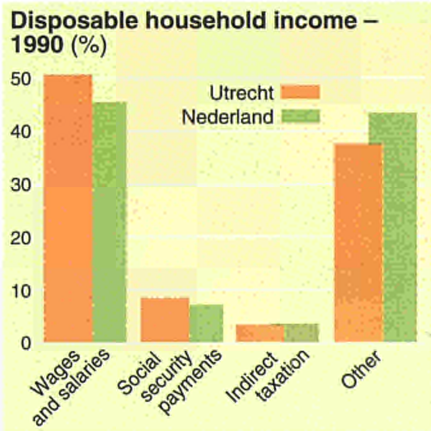
Among firms employing 250 staff or more are banks (AMRO and RABO), insurance companies (Zwolsche Algemene, AMEV, Tiel-Utrecht and Concordia) and foreign firms (IBM and Digital). Since the middle of the 1980s the number of foreign firms has risen sharply to approximately 550.

In spite of the overwhelming orientation towards the services sector the percentage of firms which carry out R&D is above the national average.

Exports, as a proportion of total production, are lower than the Netherlands average. Nevertheless, due to the presence of both Dutch and foreign international groups, and since goods and services are supplied to export-orientated industrial and commercial sectors elsewhere, the economy may be described as also being internationally orientated.

The gross regional product in the last five years has grown considerably, markedly more than the national and European averages.





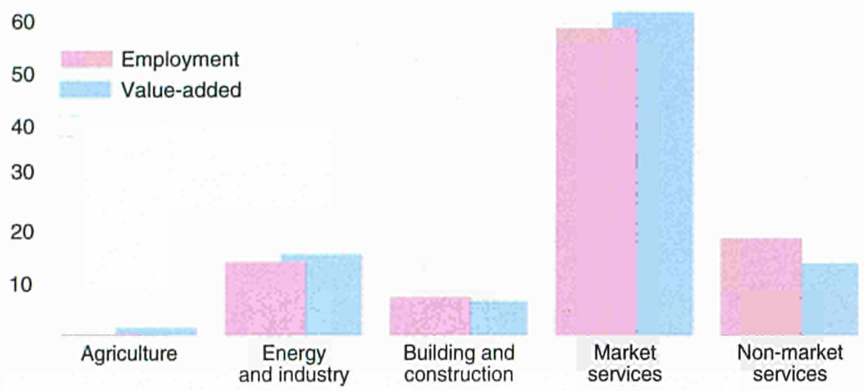
Labour costs and incomes

As a result of the Dutch system of collective labour agreements (CAOs), there are, on the whole, only minor regional differences in wage levels. For each branch of economic activity, a collective labour agreement is concluded at national level and all employers in the sector concerned are bound by it.

In the 1980s there was a very moderate rise in nominal wage costs, particularly in the key sectors of industry and services. When inflation is taken into account, it becomes clear that the wage-restraint policy has resulted in only a slight increase in real wages in agriculture and fisheries and the construction industry, and even a drop in wages in the industrial and services sectors.

The share of wages in the total value-added for the province of Utrecht is the highest in the Netherlands. This is a reflection of the production structure in the province, which has a relatively small non-capital-intensive industrial sector, a relatively large knowledge-intensive services sector and an equally large transport and distribution sector.

Employment and value-added: distribution by branch – 1990 (%)



A successful restructuring scheme

In the agricultural sector, which is somewhat restricted in terms of the number of jobs, the most notable features are the dairy farming in the west of the province, market gardening under glass in the area of Utrecht, and intensive animal production in the east of the region. At the end of the 1970s and in the early 1980s the Utrecht industrial sector undertook a thorough restructuring programme. Traditional sectors, such as the large metalworking firms, textiles and the food and luxury goods industries contracted considerably. On the other hand, the emphasis in this sector moved to fast-growing areas, such as informatics, fine chemicals, precision engineering and the manufacture of instruments. There are a number of major firms, such as Douwe Egberts (Sara Lee), Foxboro and Lantor International.

The services sector is the mainstay of the regional economy. In particular, business services — banks, insurance companies, consultancies — have grown substantially over the past few years. In the software sector, with Volmac and other firms very prominent in Utrecht, there has been explosive growth. The Jaarbeurs congress centre — within walking distance from the station, in the very heart of the city — attracts many international fairs and congresses every year.

Agriculture

Number of holdings	5 142
Labour force	8 204 AWU
Agricultural area	71 000 ha
Livestock	285 000 LU
Gross value-added	25 326 ECU/AWU
Main products	
Milk	44%
Pigs	19%
Cattle	13%

Main enterprises

Name	Employees	Activity
AMEV NV	>1 000	Insurance
Rabobank Nederland	>1 000	Banking and finance
DHV Raadgevend Ingenieursbureau BV	>1 000	Engineering activities
Douwe Egberts — Sara Lee	>1 000	Food products
Polynorm Holland BV	>1 000	Manufacture of metal products
Volmac Nederland BV	>1 000	Computer-related services
SKF	750-1 000	Manufacture of bearings
IBM Nederland BV	500-750	Computers, office machinery
Henkel Nederland BV	250-500	Manufacture of soap and detergents

A clean environment is an attraction

The region has no specific environmental problems through industrial development or agricultural activities.

However, the damage to the environment caused by the growth and spread of traffic is receiving special attention.

In view of the great importance of accessibility for business traffic and goods transport the growing congestion is also an important factor in further economic development. The increase in commuter traffic is a burden on the infrastructure and the environment.

On both national and regional level, planning policy on locating new amenities, housing and infrastructure is also aimed at reconciling the conflicting demands of economic development and the environment. The western part of the province, which forms part of the 'green heart' and may be regarded as the lungs of the Randstad, is protected as far as possible.

Work is being done at international level on the pollution brought down by the Rhine, which is caused mainly by the chemical industry.

NEDERLAND

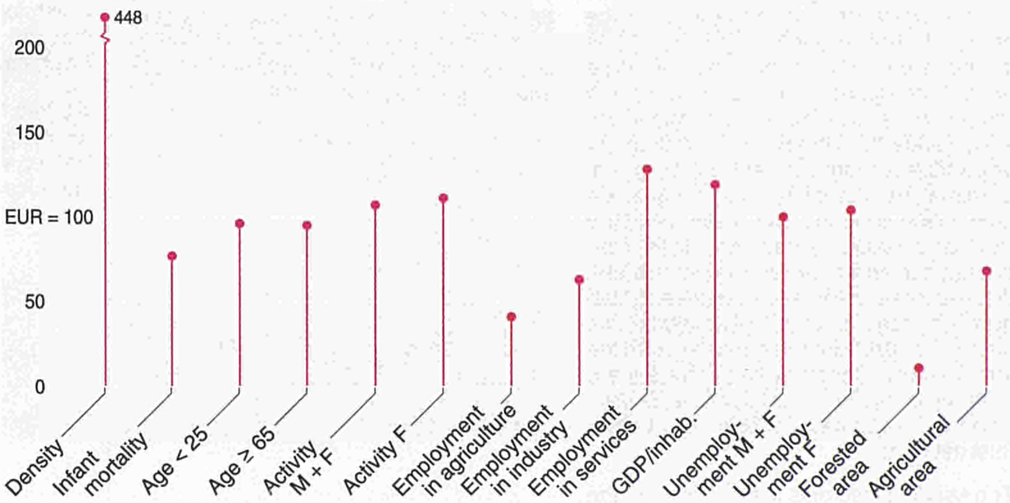
NOORD-HOLLAND

North Holland borders the North Sea and the IJsselmeer and has a moderate maritime climate. It is a densely populated province, extensive areas of which have been reclaimed from the water over the centuries. Schiphol airport is situated on the old Haarlemmermeer. The area's geomorphology had a profound effect on its urbanization, with towns built on land lying above the water-table. By far the most important city in the province is the national capital, Amsterdam, whose heyday was the 'golden age' of the seventeenth century. Other towns such as Hoorn, Enkhuizen and Alkmaar also have historic centres dating back to this era of prosperity. The province has several other cities: the provincial capital Haarlem, Zaanstad and Hilversum.

The urbanized region of the province forms part of the Randstad, a horseshoe-shaped conurbation also comprising the western part of the neighbouring province of Utrecht and the conurbations of South Holland, including Rotterdam and The Hague. Although well over two-thirds of the inhabitants of North Holland live in its urban districts, the province has large rural expanses, primarily in the north, along the coast and in the south-east, in the wooded Het Gooi region.

Durgerdam: the towns and villages of North Holland often retain their traditional character.

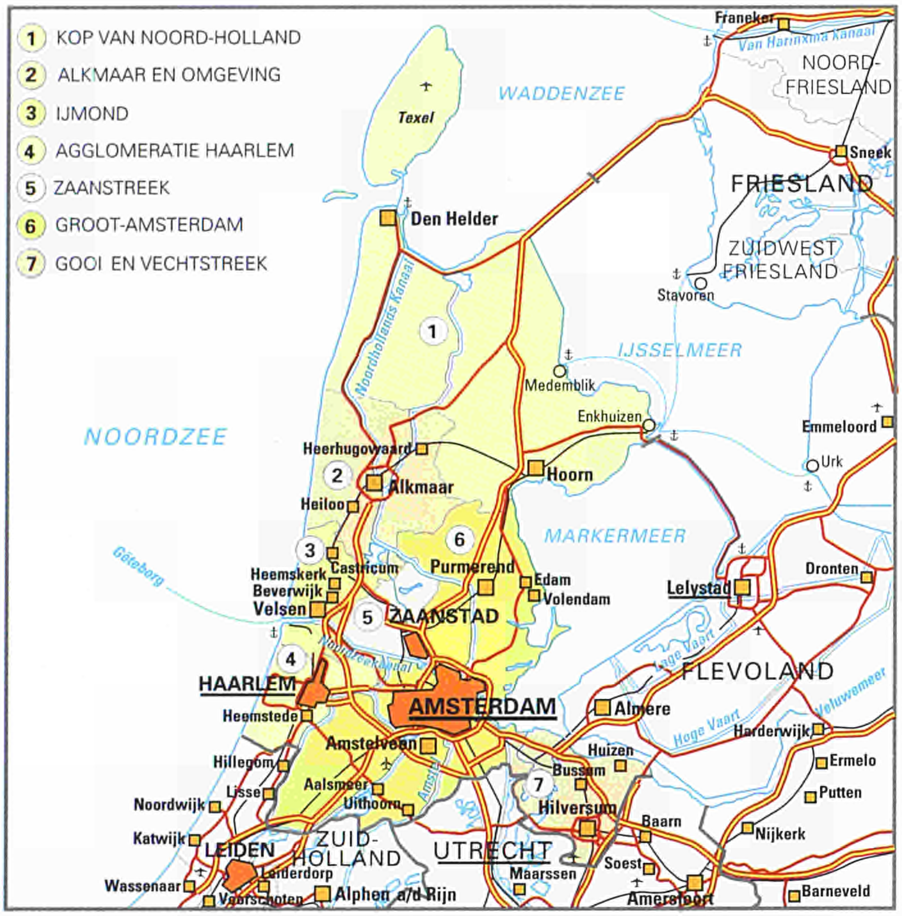
Noord-Holland in the Community



The heart of the Netherlands

The city of Amsterdam can be called a metropolis. Its many financial institutions and international business services, plus its cultural and tourist attractions, make it one of Europe's most important centres. The historical character of the town and cultural historical treasures such as the Rembrandt and Van Gogh collections make the city popular with visitors from all over the world. Schiphol airport scores highly in the international ratings: fourth in Europe in terms of freight transport and sixth in terms of passenger numbers. Thanks to its position on the North Sea coast and on the former Zuiderzee, North Holland has for centuries been a leading international centre for transport, trade, financial services and industry. Its outstandingly good connections (by road, water, air and rail) have further enhanced the area's accessibility. New transport schemes, including a connection to the international high-speed rail network, are in the pipeline. Considerable development is still needed to improve the connections between residential areas and business centres and to manage the area's substantial commuter traffic. The thriving development in the hinterland of Amsterdam, Schiphol and Het Gooi needs an improved infrastructure, with heavy emphasis on public transport.

NOORD-HOLLAND



Scale 1 : 1 000 000

Which EC regions are similar to North-Holland?

Area:
3 700 km²
Namur (B)
Kent; Essex (UK)

Population:
2.4 million inhabitants
± 650 inhabitants per km²
Münster (D)
Surrey, East-West Sussex (UK)

Employment:
± 75% in services
Brabant (B)
Lazio (I)
Île-de-France (F)

Contrasts and interdependence

The north and south of North Holland contrast in some respects and show gradual transitions in others. Some 70% of the population and 80% of economic activity are based in the south, with the Amsterdam conurbation as the focus. The industrial zones along the North Sea canal form the dividing line between the densely populated south and the primarily agricultural north. Further large industrial estates are to be found around Schiphol airport, Alkmaar, Haarlem and Hilversum. Many inhabitants of Amsterdam and Haarlem moved in the 1970s to centres of growth such as Alkmaar, Hoorn and Purmerend. The northern outpost of the province, known as the Kop van Noord-Holland, is largely dependent on agriculture, fishing and, on the island of Texel, tourism. The major town in this part of the region, Den Helder, is the home port of the Netherlands navy. The range of dunes along the west coast and the IJsselmeer have substantial tourist and recreational facilities. Leafy garden suburbs accommodating high-income groups are to be found around Haarlem and in Het Gooi.

	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	1988	1988	1988	1989
Kop van Noord-Holland	1.1	332	307	9.1	62	6.8	4	23	73	105
Alkmaar	0.3	214	719	11.6	59	6.5	2	22	76	80
IJmond	0.1	159	1 120	−1.4	54	5.0	2	47	51	140
Aggl. Haarlem	0.1	219	1 606	−4.6	56	5.4	0	23	77	99
Zaanstreek	0.1	142	1 507	0.9	56	5.4	0	38	62	90
Groot-Amsterdam	0.7	1 074	1 468	2.8	59	9.1	1	17	82	141
Gooi en Vechtstreek	0.2	236	1 290	0.2	56	5.4	1	26	73	102
Noord-Holland	2.7	2 376	891	3.0	58	7.4	2	22	77	119
Nederland	33.9	14 893	439	5.7	56	7.4	2	28	70	102
EUR 12	2 253.7	327 931	146	3.2	54	8.3	7	33	60	100

NOORD-HOLLAND

A changing population structure

One in six Dutch people live in North Holland. The population density is well over four times the European average. The population overspill is largely taken up by the neighbouring province of Flevoland. Population growth over the past 30 years has been roughly half the average for the country, and there is no sign of any change in the future.

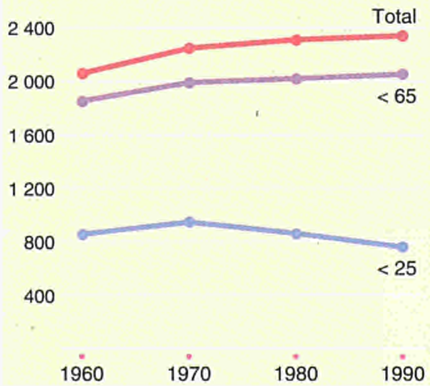
The population structure has changed in recent years, with the proportion of young people falling and numbers of older people increasing, though not so sharply as in other European countries. The ageing of the population combined with a trend towards independence has resulted in a wholly different composition of households. Numbers of single people living alone, both young and old, and single-parent families have risen, particularly in the cities — a phenomenon more evident in North Holland than in the rest of the country.

Immigration (the province accommodates a third of all migrants to the Netherlands) has given North Holland's towns in particular an international character, as reflected in the wide range of foreign restaurants, for example.

Population by age — 1990

	M + F 1 000	M + F %	M %	F %
< 15	399.6	16.8	17.5	16.2
15-24	362.9	15.3	15.7	14.9
25-39	612.4	25.8	26.9	24.7
40-54	460.7	19.4	20.2	18.6
55-64	219.3	9.2	9.1	9.3
≥ 65	321.2	13.5	10.6	16.3
Total	2 376.0	100.0	100.0	100.0

Population (1 000)



Resident population of foreign nationality — 1990

	1 000	% of total population
Total	160.7	6.8
of which EC countries	38.0	1.6
of which non-EC countries	122.7	5.2
Morocco	40.6	1.7
Turkey	39.7	1.7
United Kingdom	11.0	0.5
Germany	6.6	0.3
Suriname	5.6	0.2
Spain	5.1	0.2

Demographic account — 1980-90 (1 000)

Population 1.1.1980	2 307.6
Births	273.2
Deaths	208.7
Net migration	+29.8
Population 1.1.1990	2 375.9

A large and well-educated working population

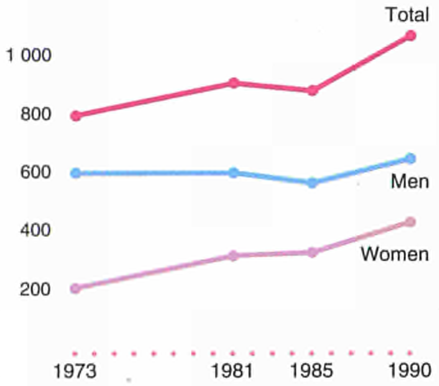
The activity rate of North Holland's population is somewhat higher than the Netherlands average and still increasing. The main reason for this is a higher proportion of working women. Women are increasingly reluctant to give up their careers when they marry or have children (there are relatively good child-care facilities). The ubiquitous urban presence of the services sector, in which many women build their careers, encourages them to remain in or enter the job market.

Amsterdam, with its two universities and every possible variety of vocational training, is the national leader in terms of total student numbers. The other cities of North Holland also have large-scale, highly diversified higher education establishments, a variety of technical colleges and special schools for foreigners. This range of educational facilities gives the province its generally highly qualified working population.

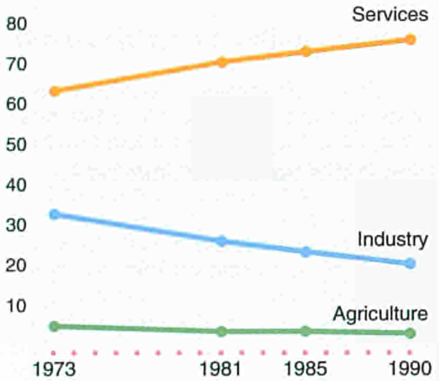
Number of pupils — 1990

	M + F 1 000	F %
Primary	206.2	49.6
Lower secondary (LBO)	35.9	38.5
Higher secondary (AVO + MBO)	146.6	50.5
Higher education (HBO + Univ.)	60.0	48.1
Total	448.6	48.8

Employment (1 000)



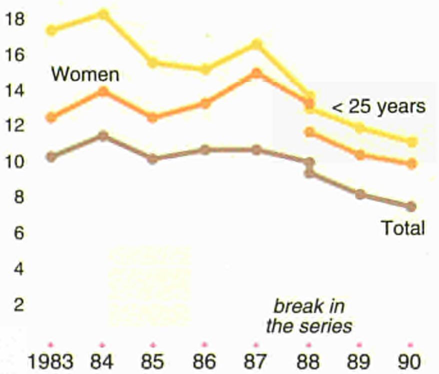
Employment structure (%)



Employment

No data available

Unemployment (%)



Growing job opportunities

A little over a million people in North Holland are in paid employment. The growth in job opportunities in the past five years was above the national average and greater than the increase in population.

The biggest growth sector was transport and the distributive trades. The sharp increase in the flow of goods and passengers through Schiphol airport has had a beneficial effect on employment.

Many jobs have also opened up in the trade, financial and business services sectors. There has been a marked increase in jobs in agriculture, attributable to bulb and seed production.

Industrial growth in North Holland is in line with the general trend in the Netherlands. The industrial restructuring process, which went hand in hand with a shift of industrial activity to the east and, above all, the south of the country, seems to have come to an end. Aeronautical engineering, electronics and telecommunications, the graphics industry, publishing and the media are all on the increase.

Despite the rise in the working population, there are recruitment problems in specific fields such as the construction and metalworking industries and the clerical sector.

The Amsterdam conurbation exerts a strong attraction for people living in neighbouring residential districts to the north of the city and in the province of Flevoland, with heavy commuter traffic as a consequence.

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	75	10	89	8	15	3	5
Women	24	71	6	89	51	59	4	4
Total	19	73	8	89	24	33	3	4

Unemployment and recruitment problems

Unemployment in the province is average for Europe. The long-term unemployed (jobless for over a year) account for a large proportion of the total unemployed population. For the many who belong to an ethnic minority and are undereducated, an increase in job opportunities is no guarantee of employment. Retraining and further education are the only means of bringing these groups back to the job market, with its ever-increasing demands. The various regions of the province show contrasting employment opportunities, with jobs relatively scarce in the one-sided economic structure of the chiefly agricultural Kop van Noord-Holland. Because of the low unemployment figures, this problem is solved by commuting to the employment centres. There is a discrepancy between the job situations in the city of Amsterdam, which has substantial unemployment, and in the outer metropolitan area, where job opportunities are plentiful and taken up by commuters. Despite the relatively high unemployment rate, the region has a relatively large residue of vacancies which are hard to fill — a paradox which demonstrates that balance has not yet been achieved in North Holland between a varied employment market and a working population with a wide range of skills. To reduce friction on the labour market extra training facilities are provided which are organized mainly at regional level.

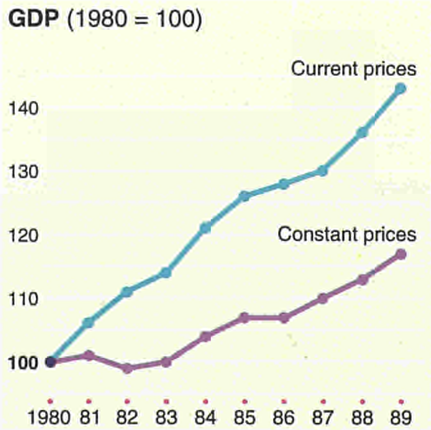
NOORD-HOLLAND

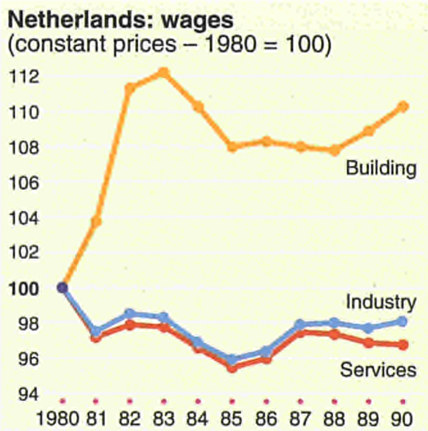
Emphasis on commercial services

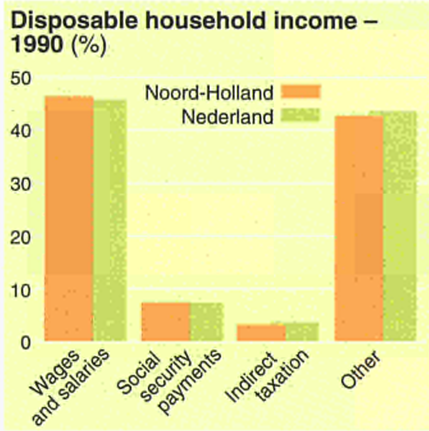
Amsterdam and North Holland as a whole have had an international outlook for centuries. Amsterdam and North Holland products such as Aalsmeer tulips and Alkmaar and Edam cheese are known all over the world. The region perpetuates the tradition of the 'golden age' by remaining a centre for trade and financial services. While spices brought prosperity in the past, a wide range of goods and services are now traded via Amsterdam and three-quarters of all jobs are, not surprisingly, to be found in the services sector. Of some 100 000 businesses in North Holland, 43% — chiefly small and medium-sized firms — are in wholesale and retail trades and the hotel and catering sector. The transport and logistical services sectors are prominent in the province. Because of the international status of Schiphol airport (particularly where freight is concerned), 23% of all Netherlands transport activities are concentrated in North Holland — a proportion which is steadily growing. Business and financial services, also strongly represented, are closely linked to the transport and distributive trades sector.

Industry, concentrated around the North Sea canal, comprises several important branches: metals (e.g. the blast furnaces in IJmuiden), foodstuffs (the Zaandam area), pharmaceuticals and graphics. The province's main agricultural activity takes place in the bulb-growing region around Aalsmeer — which has the world's biggest flower market. This sector is very strongly export-oriented as is North Holland's entire economy.

The whole economy of North Holland also has a flourishing export trade, in terms of both volume and number of firms. The transport and distribution sector and the related service sector are very dynamic in this respect, even by Dutch standards.







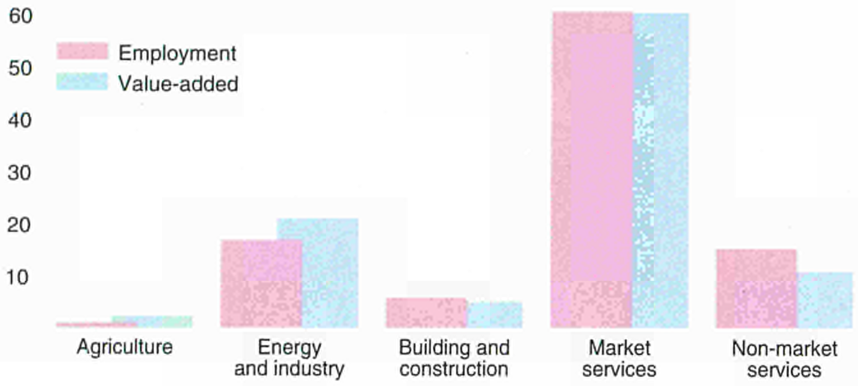
Labour costs and incomes

As a result of the Dutch system of collective labour agreements (CAOs), there are, on the whole, only minor regional differences in wage levels. For each branch of economic activity, a collective labour agreement is concluded at national level and all employers in the sector concerned are bound by it.

In the 1980s there was a very moderate rise in nominal wage costs, particularly in the key sectors of industry and services. When inflation is taken into account, it becomes clear that the wage-restraint policy has resulted in only a slight increase in real wages in agriculture and fisheries and the construction industry, and even a drop in wages in the industrial and services sectors.

In North Holland, the share of wages in the gross regional product is above the national average, as a result of the relatively large tertiary sector.

Employment and value-added: distribution by branch – 1990 (%)



The world as a trading partner

The province's international outlook is reflected in its large international transport and distributive trades sector and in the presence of many foreign firms. Companies such as Nissan, Sony, IBM and Mita have major plants near Schiphol and the North Sea canal, some of which cater for the entire European market. Amsterdam and district are an attractive venue for Japanese firms in particular: almost half of all Japanese companies represented in the Netherlands are located in the Amsterdam area. In more general terms, the Randstad offers attractive sites for European head offices and distribution centres for international companies in particular.

Amsterdam is also the financial heart of the Netherlands, with a world-wide reputation. All large Netherlands banks, which operate world-wide, have major branches in the capital, as do 30 or so major foreign banks.

The international business services sector is becoming increasingly important in Amsterdam. The firm of Hoogovens, a large steel and aluminium works on the North Sea coast, which sells its products throughout the world, constitutes a flourishing metal industry in the province. Het Gooi is the centre for the production of audiovisual equipment, and increasingly services are provided to foreign customers. This region also has many fine-chemicals firms, such as IFF, NIH, Duphar and Du Crocq Aromatics Int., and an electronics and telecommunications sector, composed of such firms as Philips-Telecom, AT&T System, Hollandse Signaalapparaten and APT Nederland, which operate on the world scale.

Agriculture

Number of holdings	9 690
Labour force	21 785 AWU
Agricultural area	139 000 ha
Livestock	199 000 LU
Gross value-added	32 880 ECU/AWU

Main products	
Flowers	54%
Milk	19%
Vegetables	7%

Main enterprises

Name	Employees	Activity
KLM	3 500-4 000	Air transport
Hoogovens	2 000-2 500	Steel industry
Fokker	1 500-2 000	Aeronautics
VNU	1 500-2 000	Publishing
Ahold	1 500-2 000	Retail distribution
Elsevier	1 500-2 000	Publishing
AT&T Network Systems International	1 250-1 500	Telecommunications
De Telegraaf	1 000-1 250	Publishing of newspapers
NOB	1 000-1 250	Radio and television activities

Concern for the environment

The predominance of the services sector in North Holland means that its environmental problems are due more to transport and communications than to industrial development, but it nevertheless has former industrial sites which need to be cleansed of soil pollutants.

Great care was taken when extending Schiphol airport to keep the air transport infrastructure consistent with an acceptable living and working environment.

The province gives priority to the introduction of cleaner technologies and an improved public transport infrastructure.

Town and country planning in general pays close attention to the impact on the natural environment. By using space well, planners are able to limit traffic, preserve the countryside and minimize the harmful effects of human activity. Housing developments and economic activities are as far as possible kept away from areas rich in fauna and flora. The rural heart of North Holland, sometimes described as the lung of the Randstad, is spared further economic development wherever possible, as are the Waddengebied (around Texel), the dunes, Het Gooi, the Vechtplassengebied and the IJsselmeer.

Since dune and dyke maintenance is vital to a region which mostly lies below sea-level, North Holland attaches prime importance to international environmental problems such as the rising sea-level.

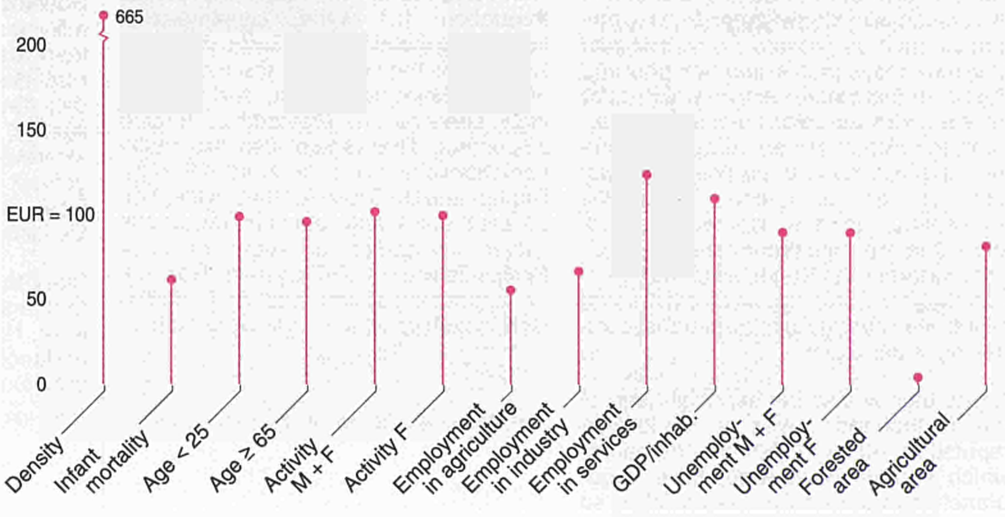
NEDERLAND

ZUID-HOLLAND

South Holland is one of the Netherlands' largest provinces and the most densely populated region in the European Community. It is situated in the western Netherlands where the rivers Rhine and Meuse (Maas) form an estuary before flowing into the North Sea. Together with the chain of large and medium-sized towns in the neighbouring provinces of North Holland and Utrecht, the most urbanized part of the province forms what is known as the Randstad. This horse-shoe shaped metropolis accounts for nearly half of the Netherlands' population and economic activity. It also comprises an almost unbroken rural area, known as the Randstad's 'green heart' or 'lung'. The main cities in the province are Rotterdam, which boasts the world's biggest seaport, The Hague, the centre of national government and the provincial capital, and the university towns of Leiden and Delft. The region has a varied landscape. In addition to the conurbations, the province displays the typical Dutch polder landscape, lakes and ponds, beaches and dunes, and the islands and river delta in the south. It also contains large agricultural areas: extensive greenhouse complexes in Westland, bulb fields in Bollenstreek, ornamental plant nurseries in Boskoop and dairy farms in the fen pasturelands.

The port of Rotterdam, an open door to Europe.

Zuid-Holland in the Community



The driving force in the Dutch economy

South Holland's powerful economy is due to a number of factors: its pivotal location, efficient infrastructure and highly trained and internationally oriented work-force. It has excellent economic, scientific, cultural and recreational facilities, and an excellent communications network. The port of Rotterdam occupies an extremely important logistical position in international transport and distribution. The proximity of Amsterdam's Schiphol airport is a further point in the province's favour. There is a dense network of roads, canals and railways, all of which provide access to and from places far into the European hinterland. South Holland is preparing to join the TGV high-speed rail network. The province also benefits from a well-developed telecommunications network.

As in other parts of Europe, South Holland has considerable urban problems: as a result of industrial restructuring and changing settlement patterns, some of the older urban areas have high levels of unemployment and the attendant social problems. An intensive programme of urban and social renewal has been designed to combat these problems.

Scale 1 : 1 000 000

Which EC regions are similar to South-Holland?

Population:
more than 3 million inhabitants
- Attiki (GR)
- Lisboa e Vale do Tejo (P)
- Darmstadt (D)
- North (UK)

Population density:
± 1 000 inhabitants per km²
- West Yorkshire; North-West (UK)
- Attiki (GR)

Employment:
± 75% in services
- Lazio (I)
- Utrecht; Noord-Holland (NL)
- Île-de-France (F)

Cities and windmills

Each of the cities has its own special character.

Much of Rotterdam, a major port and commercial centre, was destroyed in the Second World War, and it has since been transformed into a city of modern architecture, with some impressive office blocks, particularly along the banks of the Meuse, which flows through the city.

The Hague, the provincial capital and seat of the Netherlands Government, also boasts some large office blocks, particularly in the area around The Hague central station. In addition to national government ministries, The Hague is home to the Provinciehuis (seat of the provincial government) and the International Peace Palace. It is bordered by the coastal resort of Scheveningen and the fashionable town of Wassenaar, which is known for its fine houses.

The city of Leiden, whose historical centre has numerous canals and narrow streets, has the Netherlands' oldest university. The ancient city of Delft is home to the country's oldest technical university. The character of the city of Dordrecht has been shaped by its port. All of these major cities are surrounded by agricultural, tourist and recreational areas. Their landscape is typically Dutch: broad polders enclosed by dykes, criss-crossed by canals and dotted by ponds, with windmills on the horizon.

	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	1988	1988	1988	1989
Agglom. Leiden	0.2	363	1 515	9.1	60	5.0	3	21	76	91
Agglom. 's-Gravenhage	0.2	692	3 101	1.6	53	7.9	1	13	86	124
Delft en Westland	0.2	212	1 131	7.4	59	4.6	11	24	65	135
Oostelijk-Zuid-Holland	0.5	294	613	1.5	59	5.8	4	29	68	84
Groot-Rijnmond	1.2	1 274	1 045	5.7	54	8.9	1	25	74	115
Zuidoost-Zuid-Holland	0.5	385	739	2.0	55	5.7	1	37	62	90
Zuid-Holland	2.9	3 220	1 122	4.4	55	7.3	2	23	75	110
Nederland	33.9	14 893	439	5.7	56	7.4	2	28	70	102
EUR 12	2 253.7	327 931	146	3.2	54	8.3	7	33	60	100

ZUID-HOLLAND

Population growth below the national average

Over the last three decades, the population of South Holland has grown at a considerably lower rate than that of the Netherlands as a whole. Forecasts suggest that in the year 2000, South Holland will have a population of 3.4 million, 22% of the total Dutch population.

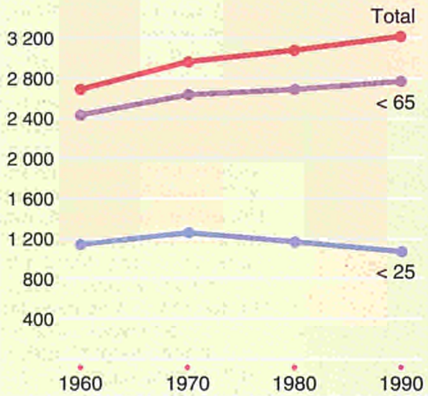
The growth in the province's population is largely due to the increase in the number of foreigners, caused in part by family immigration. In the last 30 years, foreigners have settled in South Holland in large numbers, with the result that non-Dutch nationals now account for 6% of the population. The major concentrations of non-Dutch nationals are in the cities such as Rotterdam (9%) and The Hague (8%). More than half of them are of Turkish or Moroccan origin.

The age structure of the population of South Holland has changed considerably in the last 30 years. The number of persons in the 0-20 age group has fallen by more than 16%, while the number of over-65s has increased by 72%. The increase in the number of persons in the 20-64 age group is well below the national average.

Population by age — 1990

	M + F 1 000	M + F %	M %	F %
< 15	581.1	18.0	18.7	17.4
15-24	498.1	15.5	16.1	14.9
25-39	791.9	24.6	25.5	23.7
40-54	608.6	18.9	19.6	18.2
55-64	299.2	9.3	9.2	9.4
≥ 65	441.0	13.7	10.8	16.5
Total	3 219.8	100.0	100.0	100.0

Population (1 000)



Resident population of foreign nationality — 1990

	1 000	% of total population
Total	193.6	6.0
of which EC countries	42.3	1.3
of which non-EC countries	151.2	4.7
Turkey	61.9	1.9
Morocco	45.7	1.4
United Kingdom	12.6	0.4
Germany	6.5	0.2
Suriname	5.8	0.2
Spain	5.4	0.2

Demographic account — 1980-90 (1 000)

Population 1.1.1980	3 083.6
Births	399.6
Deaths	277.1
Net migration	+ 62.7
Population 1.1.1990	3 219.8

Growth of the working population

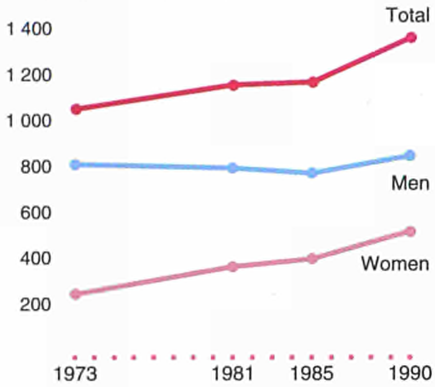
During the 1990s the working population should increase by around 100 000, to reach nearly 1.5 million persons by the year 2000. This means that, compared with the period 1980-90, when the working population grew by 200 000, the rate of increase will have halved. This decelerating growth rate can be ascribed in the first instance to the ageing of the population. The proportion of working women, which in South Holland and the Netherlands as a whole is still much lower than in neighbouring countries, is increasing rapidly, particularly among part-time workers.

The province offers a wide range of secondary and higher vocational training. Higher academic courses are available at the University of Leiden, the Technical University of Delft, the Erasmus University in Rotterdam and the Webster University in Leiden. There are also a number of international schools, particularly in and around The Hague.

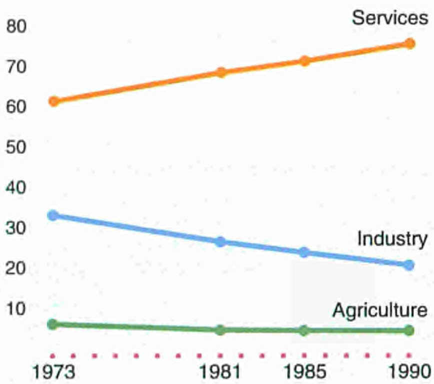
Number of pupils — 1990

	M + F 1 000	F %
Primary	306.5	49.6
Lower secondary (LBO)	51.2	39.7
Higher secondary (AVO + MBO)	195.4	50.1
Higher education (HBO + Univ.)	70.8	39.4
Total	624.0	47.8

Employment (1 000)



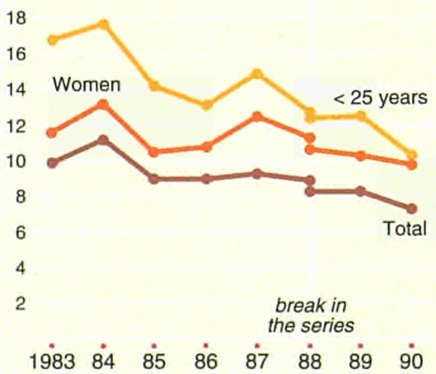
Employment structure (%)



Employment

No data available

Unemployment (%)



Growth in employment

Some three-quarters of all jobs in South Holland are accounted for by the services sector (including public and semi-public administration), nearly a quarter by industry and building, and the remaining 4% by agriculture and horticulture. In common with other parts of the Netherlands, industrial and agricultural employment is declining, while that in the services sector, is growing.

The number of jobs in South Holland has risen sharply over the last five years. There has been a particularly sharp rise (34%) in employment in the business services sector, and in banking and insurance (16%), the hotel and catering sector (10%), road transport (10%) and wholesale trade (7%). By contrast, large numbers of jobs have been lost in the transport equipment industry and the food, drink and tobacco industry. The labour market is experiencing growing imbalances between supply and demand. Labour shortages in specific groups of occupations are becoming more acute. The steep rise in the number of unfilled vacancies is accounted for mainly by the industrial and transport sectors and, to a lesser extent, by vacancies for specialists and managerial staff. At the same time, a large group, mainly persons with a low level of education, continues to have difficulties in finding employment.

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	16	75	9	90	6	14	2	3
Women	26	69	5	91	46	54	3	4
Total	20	73	8	90	19	29	3	4

Falling unemployment

The province of South Holland recorded a gradual but steady fall in unemployment in the period 1985-90. Throughout this period, levels of unemployment in South Holland remained below the national average.

Despite this positive trend, unemployment remains too high. This is particularly true of long-term unemployment: the number of persons who have been unemployed for more than two years has increased and now accounts for 40% of the unemployed total. The number of women without paid employment is also relatively high. These include a large number wishing to return to work who find themselves confronted with more stringent requirements in terms of training and work experience. The education and training of these two groups often fail to meet the requirements of the labour market.

The majority of unemployed persons live in the major towns and cities. They include large groups of foreigners, many of whom have little in the way of education or training. A wide range of training programmes have been designed to improve the job prospects of the various categories of unemployed.

Youth unemployment has been falling sharply, partly as a result of demographic factors.

ZUID-HOLLAND

A strong and versatile economy

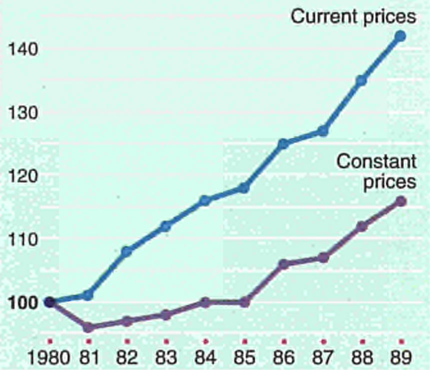
With its 120 000 businesses and disproportionate number of very large companies, South Holland takes a major share of the Dutch economy (23% of GNP, a quarter of gross investment in the Netherlands and 30% of the country's gross exports). Important sectors include the gas and chemical industries (Shell, Unilever, Gist Brocades), the transport equipment and metal industries (Chubb-Lips, Fokker), the manufacture of instrumentation, the food, drink and tobacco industry (Heineken) and building. Most industrial activities are concentrated in the southern part of the province. On the Maasvlakte, near Rotterdam, a number of oil companies operate giant storage tanks. This area plays a crucial role in western Europe in the landing, storage and refining of oil products.

As would be expected in a region which includes the world's largest seaport, the transport and distribution sector is prominent. Enterprises in other sectors associated with international transport, such as banking, insurance and commerce, have also become established in Rotterdam.

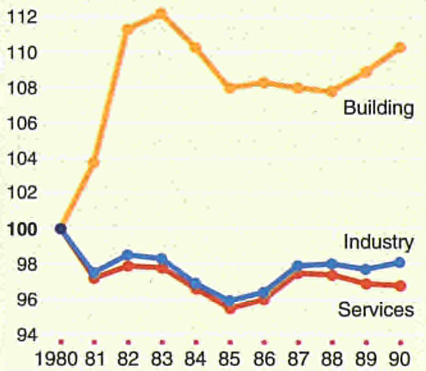
Agriculture and horticulture (cultivation under glass and bulb-growing) are highly advanced and export-oriented.

Many foreign companies have established a presence in South Holland, including Siemens Nederland NV, BBC Brown Boveri, Alcatel, AT+T Network Systems, Du Pont de Nemours, Koni BV, Kemira Pernis BV and, very recently, Compaq. The region also boasts a number of leading R&D institutes, including Europe's biggest aerospace complex (Estec) in Noordwijk, TNO (Central Organization for Applied Scientific Research) in Delft and the bioscience park in Leiden.

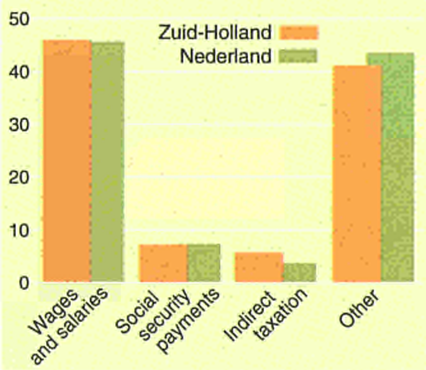
GDP (1980 = 100)



Netherlands: wages
(constant prices – 1980 = 100)



Disposable household income – 1990 (%)



Labour costs and incomes

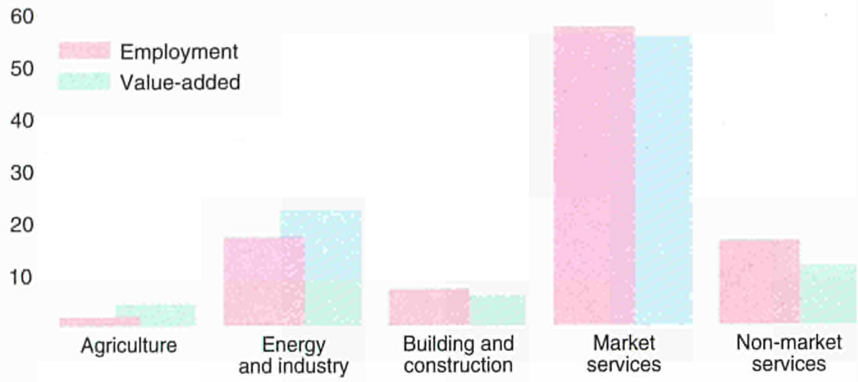
As a result of the Dutch system of collective labour agreements (CAOs), there are, on the whole, only minor regional differences in wage levels. For each branch of economic activity, a collective labour agreement is concluded at national level and all employers in the sector concerned are bound by it.

In the 1980s there was a very moderate rise in nominal wage costs, particularly in the key sectors of industry and services. When inflation is taken into account, it becomes clear that the wage-restraint policy has resulted in only a slight increase in real wages in agriculture and fisheries and the construction industry, and even a drop in wages in the industrial and services sectors.

Given the minor regional differences in wage levels in the Netherlands, the distribution of value-added among the various income categories (wages, social security charges, indirect taxation, other income) largely reflects differences in the production structure of the provinces.

Despite the presence of an extensive capital-intensive industrial sector in the Rhine estuary, the wage share in South Holland is relatively high. This is due in particular to the fact that the province also has a very large services sector, in which the distributive trades play a major role.

Employment and value-added: distribution by branch – 1990 (%)



Favourable business climate for the establishment of businesses

The region's economy is very wide-ranging and can draw on an excellent R&D infrastructure.

A number of major international concerns have their headquarters and/or other establishments in South Holland. Horticulture, the associated distribution sector and wholesale trade are also prominent. The food industry, which originally had close ties with the agricultural sector and in some cases still does, is also of considerable importance: flour products (Meneba), sugar-refining (Suikerunie), milk and margarine production (Unilever), the manufacture of preserves, coffee roasting (Douwe Egberts), brewing (Heineken) and fish processing (Ouwehand).

The position of the Rijnmond area has been consolidated following major investments by Shell and Esso in the important petrochemical complex. The transport and distribution sector is of major importance for the provincial economy with companies such as Nedlloyd, Pakhoed, Internatio Muller and VOC. Although banking, insurance and business services are to a certain extent dependent on the province's importance as a transport and distribution centre, they have also acquired a momentum of their own, e.g. insurance companies such as Nationale Nederlanden and Aegon.

Agriculture

Number of holdings	15 980
Labour force	39 326 AWU
Agricultural area	152 000 ha
Livestock	279 000 LU
Gross value-added	43 934 ECU/AWU

Main products	
Flowers	49%
Vegetables	29%
Milk	10%

Main enterprises

Name	Employees	Activity
Shell	:	Chemical industry technology
Unilever	:	Food products
Nationale Nederlanden	:	Insurance
Internatio-Muller	:	Shipbuilding
Esso Nederland BV	:	Chemical industry
ABN-AMRO	:	Banking and finance
Gist-Brocades	:	Chemical industry
AKZO	:	Chemical industry
Heineken	:	Manufacture of beer

A joint approach to environmental problems

In common with the rest of the Netherlands and Europe, South Holland has to face up to environmental problems. In recent years, atmospheric, water and soil pollution, chemical waste and acid rain have commanded greater attention in this densely populated and economically developed region. Situated on the estuary of the rivers Rhine and Meuse, South Holland has concentrations of all kinds of pollutants, which these two great European rivers bring down on their journey past the continent's industrial centres.

However, not all of South Holland's environmental problems are caused in other countries: the province is responsible for much of its own pollution, and has numerous sites which are in need of a clean-up. It is inevitable that such a densely populated and highly industrialized region should produce large quantities of waste.

In order to strike the right balance between economic growth and ecological considerations, the provincial authority has developed a policy which provides for advice and prevention and a system of permits aimed at reducing the pressure on the environment. The policy is operated in cooperation with all interested parties, including local government, industry and research institutes.

Another aspect of the province's environmental policy is the careful planning of urbanization and economic activities. By bringing residential areas and centres of employment closer together and developing a comprehensive network of public transport, an attempt is being made to eliminate unnecessary travel and to promote the use of more environmentally-friendly modes of transport.

Finally, the province devotes considerable attention to the preservation of existing nature reserves, the development of new protected zones for flora and fauna and the restoration of landscapes which have been disturbed by human activity.

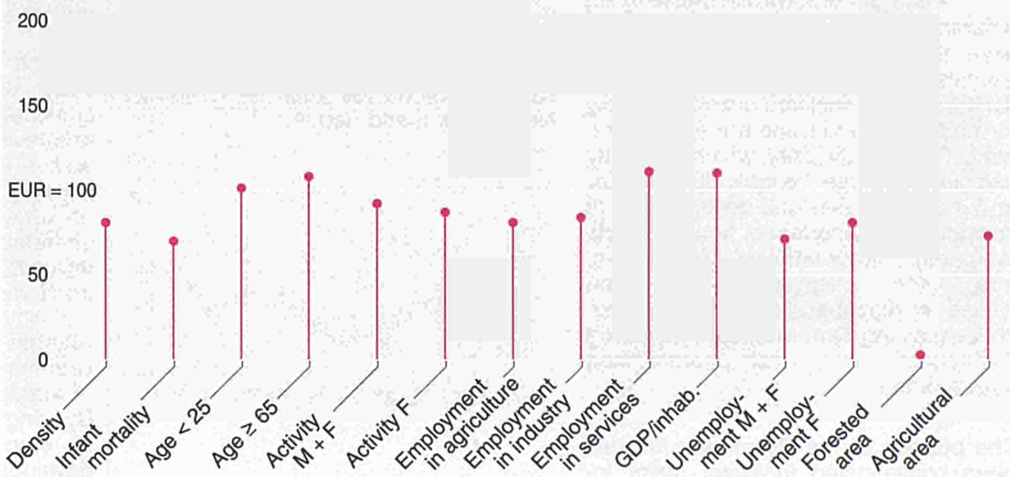
NEDERLAND

ZEELAND

Zeeland is the most south-westerly of the 12 provinces of the Netherlands, and in total area one of the largest. But 40% of the province is water, and in terms of land area it is amongst the Netherlands' smallest. Zeeland province thus lies between the Randstad — the great conurbation of central Holland which forms the economic centre of the Netherlands — and the Belgian urban triangle of Brussels, Ghent and Antwerp. The islands and mainland of Zeeland enjoy a mild, maritime climate, with the Netherlands' best record for sunshine and temperature. That life in Zeeland is safe, let alone enjoyable, is largely thanks to Dutch engineering. After the great floods of 1953, a comprehensive plan was drawn up to keep the North Sea out for good. The result was the Delta project, a chain of dykes and dams linking the Zeeland islands and closing off the tidal arms of the North Sea. The jewel in this crown is the Eastern Schelde flood barrier, which is closed only in times of threatening weather and tide.

The huge Eastern Schelde flood barrier.

Zeeland in the Community

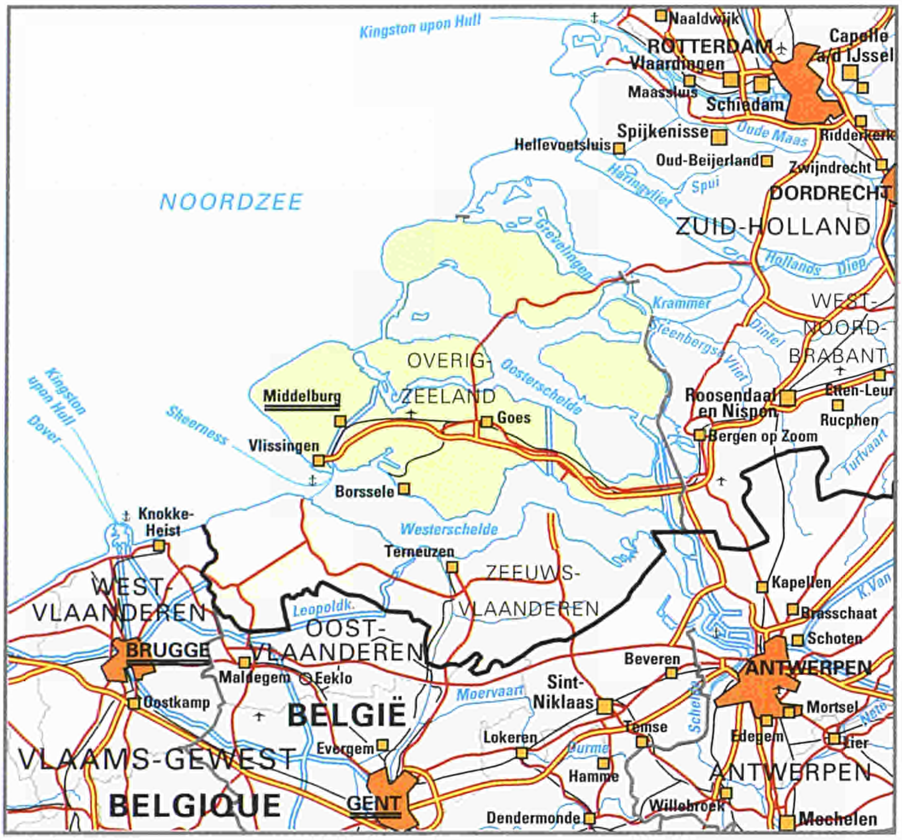


Both rural and industrialized

The small population and general absence of large towns means calm, space and greenery instead of traffic jams. The centres of ancient cities such as Veere and the regional capital, Middelburg, have been very largely preserved, and there is an abundance of valuable nature reserves and pleasant scenery. All in all, life in Zeeland is pretty attractive.

In the docklands of Vlissingen (Flushing) and Terneuzen, industrialization has taken place on a large scale. These docks connect to the Western Schelde estuary, the waterway by which shipping enters Antwerp. Industrialization has brought well-paid jobs in considerable numbers. The growth of tourism along the coast and around the estuaries has also contributed to job creation.

Because of the former isolation of the islands of Zeeland, economic development independent of the sea has not come easily, and because of this the economic structure of certain parts of the region remains somewhat fragile. Despite all this the region has a very low unemployment rate, also the result of limited growth of the working population. Completion of the massive coastal works in the 1980s brought to an end Zeeland's relative isolation and provided excellent internal and external connections into the bargain. The industrial developments in Zeeland Flanders in the south-western part of the province, require scrupulous, well-balanced environmental management.



Scale 1 : 1 000 000

Which EC regions are similar to Zeeland?

Population:
0.4 million inhabitants
density close to EC average
- Luxembourg (grand-duché)
- Namur (B)
- Açores (P)

Employment:
± 6% in agriculture
± 65% in services
- Danmark
- Schleswig-Holstein (D)
- Northern Ireland (UK)
- Gelderland; Friesland (NL)

Low activity rate:
± 50%
- Nord-Pas-de-Calais (F)
- Oost-Vlaanderen;
- West-Vlaanderen (B)
- Luxembourg (grand-duché)

Between wind and weather

Wind and weather have left their mark on Zeeland down the ages. Man has been engaged in battle with the water, in its twin roles as friend and foe. At times polders have had to be abandoned to the waters, sometimes temporarily, sometimes for good; at other times new land has been banked in. The scars of such battles can be seen in many places: straggling dykes and creeks, refuge-mounds, drowned land and gap-toothed coastline.

Zeeland comprises three parts, each separated by water. With the completion of the Delta works, Schouwen-Duiveland is now connected by motorway not only to the province of South Holland to its north, but also to the erstwhile island of Walcheren. Zeeland Flanders, lying adjacent to Belgian Flanders on the southern bank of the Western Schelde, can be reached by ferry or overland via western Brabant.

The largest urban areas are found in the centre, on Walcheren: Middelburg, the capital of the province, and its industrial and dockland neighbour, Flushing. Generations of rivalry between the two have more recently given way to close cooperation. The province's largest industrial complex, in which the chemical industry is concentrated, lies in Terneuzen, in Zeeland Flanders. As a result of tradition, and of its geographical situation, Zeeland Flanders has always been strongly oriented towards Belgian Flanders.

Schouwen-Duiveland, the most northern part of Zeeland, is a tourist area, and home to many commuters from the Randstad.

	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	1988	1988	1988	1989
Zeeuwsch-Vlaanderen	0.7	107	145	– 1.3	57	5.2	1	37	62	132
Overig Zeeland	1.1	249	235	3.8	55	5.2	3	30	67	101
Zeeland	1.8	356	198	2.2	56	5.2	2	32	66	110
Nederland	33.9	14 893	439	5.7	56	7.4	2	28	70	102
EUR 12	2 253.7	327 931	146	3.2	54	8.3	7	33	60	100

ZEELAND

Above average numbers of the young and the elderly

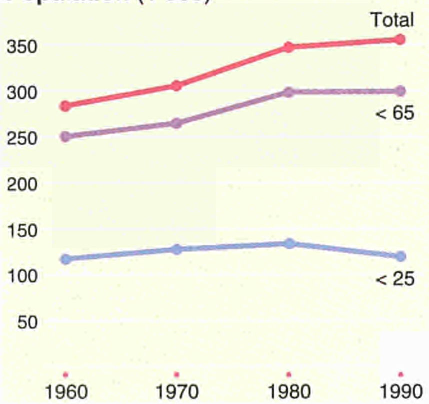
Over the past 10 years the population of Zeeland has grown by some 2%, considerably less than the Netherlands national average. This is the result of a low level of natural population increase. The age pyramid of the region differs in some respects from the national pattern, with the age groups between 15 and 65 slightly less well represented than nationally, and the young and the elderly consequently more numerous.

There are two reasons for this. Firstly, since Zeeland is relatively sparsely populated and its urban areas are fairly small, educational establishments — particularly those for higher education — are rather thin on the ground. Students aged 16 and over tend to leave the province in order to study elsewhere. Secondly, the calm and peaceful environment, and the relatively low prices (of land for housing amongst other things) make Zeeland an attractive province in which to live, and especially to retire. The mortality rate in Zeeland is also lower than the Netherlands national average, and lower than the Community average. Several thousand Zeeland commuters travel daily to work in the Randstad and the western part of North Brabant; there is virtually no incoming commuting.

Population by age — 1990

	M + F 1 000	M + F %	M %	F %
< 15	65.9	18.5	19.2	17.9
15-24	54.1	15.2	16.0	14.5
25-39	78.2	22.0	22.4	21.5
40-54	67.3	18.9	19.5	18.3
55-64	34.7	9.8	9.6	9.9
≥ 65	55.7	15.6	13.4	17.9
Total	355.9	100.0	100.0	100.0

Population (1 000)



Resident population of foreign nationality — 1990

	1 000	% of total population
Total	11.9	3.3
of which EC countries	7.5	2.1
of which non-EC countries	4.4	1.2
Belgium	5.4	1.5
Turkey	1.6	0.5
Morocco	0.9	0.3
Germany	0.7	0.2
United Kingdom	0.7	0.2
Yugoslavia	0.3	0.1

Demographic account — 1980-90 (1 000)

Population 1.1.1980	348.3
Births	44.0
Deaths	33.6
Net migration	−2.3
Population 1.1.1990	355.9

A low activity rate

The working population of Zeeland is fairly small. Females are poorly represented on the labour market, and as a result the province's activity rate is below the national average, certainly in comparison with the neighbouring Randstad and North Brabant. Despite being extensively agricultural, Zeeland offers little employment on the land, although a little more than the Netherlands average. Comparison with national figures shows that industry accounts for a relatively high proportion of the working population.

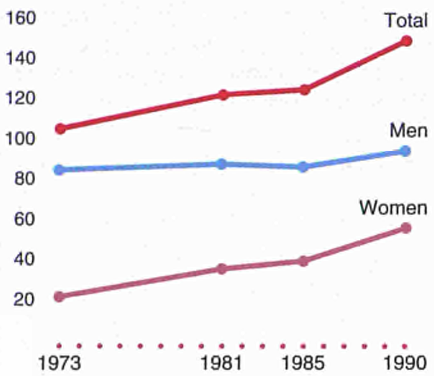
The university-educated population is below average in number, as a result of the lack of any university in the region. High-school leavers are at about the national average, middle-school leavers clearly exceed it.

There is little part-time employment and a low female activity rate. This is linked to the relatively under-developed services sector.

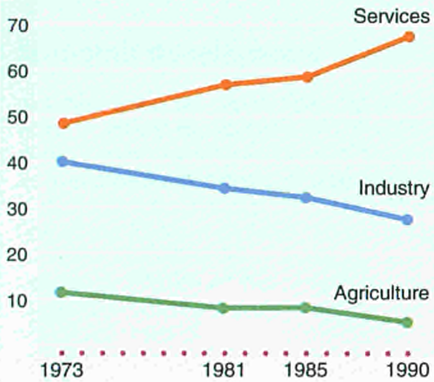
Number of pupils — 1990

	M + F 1 000	F %
Primary	35.2	49.3
Lower secondary (LBO)	7.0	40.0
Higher secondary (AVO + MBO)	22.1	50.4
Higher education (HBO + Univ.)	2.4	36.5
Total	66.6	48.2

Employment (1 000)



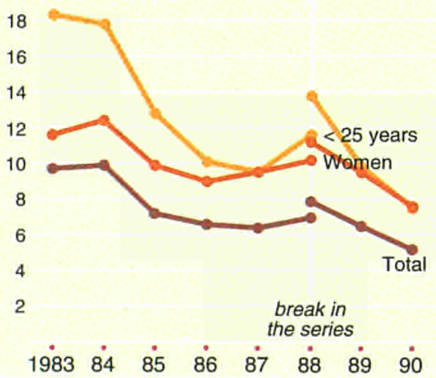
Employment structure (%)



Employment

No data available

Unemployment (%)



Steady growth in employment

Over the last decade employment in Zeeland has been a little less volatile than at national level. At the time of the recession job losses were fewer than nationally; but the boom from the mid-1980s onwards also affected Zeeland less than the bulk of the Netherlands. The province has a fairly high number of self-employed — one-man businesses and family partnerships — as is natural with so many farms and fishermen.

Sectorally, agriculture and in particular industry are over-represented. Agriculture's share of employment is declining faster than the national average; in industry Zeeland's proximity to the deep-water channel has led to the establishment of a number of big chemical firms, which have a considerable influence on the regional economy. Alongside the chemical industry as a major employer is the traditionally important shipbuilding and repairing sector. Industrial employment is concentrated in a fairly small number of large firms.

Outside commerce, transport and the hotel and catering trades, the services sector is under-represented in the province; this is particularly the case for banking, insurance and the public sector. The docklands of Terneuzen and Flushing provide a substantial amount of employment in transport and distribution. The tourist and leisure industry stands out, particularly in and around the attractive old towns of Veere and Middleburg.

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	75	10	87	7	11	2	3
Women	26	67	6	86	51	58	4	4
Total	19	72	9	87	20	28	3	3

Minimal unemployment

Unemployment in Zeeland is by far the lowest in the Netherlands, and very substantially below the European average.

The region's small number of job-seekers includes a high proportion of young persons: one in three is aged under 25.

The over-50s are also more numerous than the national average: this is the effect of job losses in agriculture, particularly when farmers abandon their businesses in later life. With the conclusion of the Delta works project in the mid-1980s, a considerable number of jobs were also lost.

But at the same time there was a real upturn in the Netherlands economy, and an employment boom in Zeeland's neighbouring districts — North Brabant and the Randstad. Zeelanders were able to cash in on this boom, and the pool of job-seekers in Zeeland was absorbed.

In duration of unemployment, Zeeland fares better than the national average. Nationally, long-term unemployment accounts for a third of all jobless; in Zeeland it is only a fifth.

Unemployment is concentrated in the services sector, especially in the hotel and catering trade, as a result of its seasonal nature.

Small and medium-sized businesses predominating

A number of large industrial plants have been established in the docks of Flushing and Terneuzen, and in the regional capital of Middelburg. With only a few exceptions (e.g. the Royal De Schelde Corporation, a firm of boilermakers and shipfitters), these larger businesses are the branches of multinational corporations whose head offices are located elsewhere.

The rest of Zeeland's economy is characterized by its small scale. This goes hand in hand with its economic structure: the traditional agriculture and fishing, a good deal of trade and transport, and the hotel and catering business, booming with the growth in tourism.

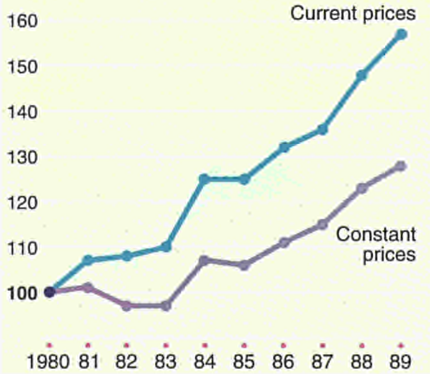
In industry the province shows a marked tendency towards shipbuilding and the chemical and petrochemical industries. Dow Chemical has the largest plant outside the USA in Terneuzen, and other companies in the sector include Hoechst, Total, Atochem and Eurogas in Flushing, Hercules in Middelburg, and Hydro Agri, Engelhard and BOC in Terneuzen.

A consequence of the types of industry present in the province, the proportion of multinationals, and the proximity of the Belgian frontier, is that a large part of Zeeland's production is exported.

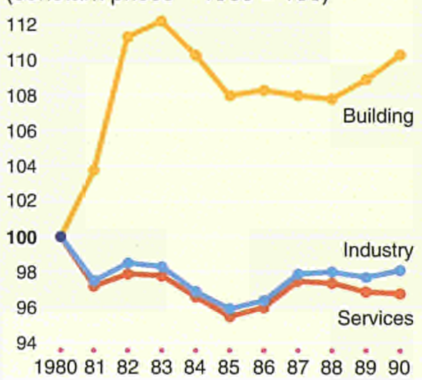
Zeeland's industrial productivity is high, essentially because of its large-scale, innovative and relatively capital-intensive businesses. In recent years regional production has increased by more than the national average.

The number of firms investing in R&D is relatively small, but the total R&D contribution in man-years is greater than the national average.

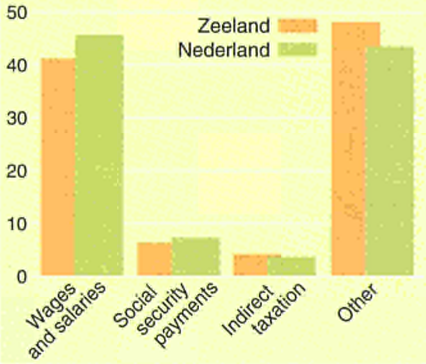
GDP (1980 = 100)



Netherlands: wages
(constant prices – 1980 = 100)



Disposable household income – 1990 (%)



Labour costs and incomes

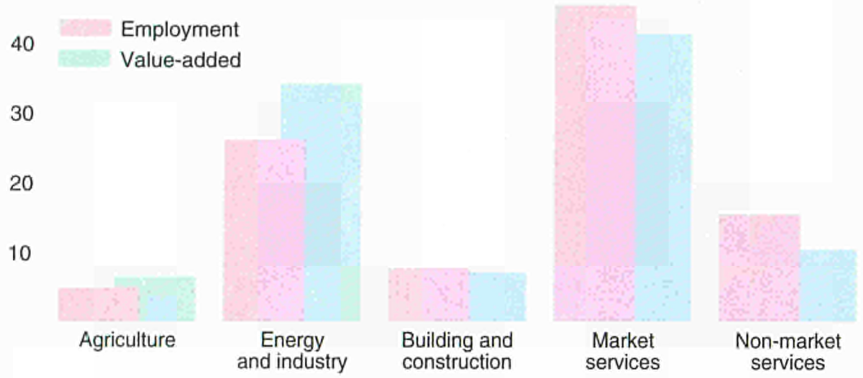
As a result of the Dutch system of collective labour agreements (CAOs), there are, on the whole, only minor regional differences in wage levels. For each branch of economic activity, a collective labour agreement is concluded at national level and all employers in the sector concerned are bound by it.

In the 1980s there was a very moderate rise in nominal wage costs, particularly in the key sectors of industry and services. When inflation is taken into account, it becomes clear that the wage-restraint policy has resulted in only a slight increase in real wages in agriculture and fisheries and the construction industry, and even a drop in wages in the industrial and services sectors.

Given the minor regional differences in wage levels in the Netherlands, the distribution of value-added among the various income categories (wages, social security charges, indirect taxation, other income) largely reflects differences in the production structure of the provinces.

The income categories reflect the high capital intensity of industry in Zeeland: the wage share is one of the lowest in the Netherlands, while 'other income' (profits, capital, rental, etc.) is relatively high. The relatively large number of self-employed — above all fishermen and farmers — also contributes to the relatively low wage share.

Employment and value-added: distribution by branch – 1990 (%)



Economic development in and around the docks

In times gone by, Zeelanders tended to work in either agriculture or fishing; indeed, Zeeland is known the world over for its oyster beds and its mussels. Their survival has been ensured by the construction of the Eastern Schelde flood barrier, which is closed only in times of severe storms, and at other times allows the tidal currents — and sea water — to flow in and out, thus creating ideal conditions for oysters and mussels to be farmed.

Although in Zeeland the population engaged in agriculture and fisheries is still greater than elsewhere in the Netherlands, there has been a move towards industry, construction, commerce and the hotel and catering trades. Eight of the ten largest foreign-owned businesses are industrial. The combination of space and well-equipped (though rather small) docks makes Zeeland suitable for extensive industrial complexes. And both Terneuzen and Flushing are well placed in relation to the major international ports of Rotterdam and Antwerp: both lie on the Western Schelde, the approach to Antwerp.

The services sector is less significant in Zeeland than nationally, with banking, insurance and the public sector particularly under-represented. Engineers, doctors, architects and computer specialists are also under-represented.

Agriculture

Number of holdings	5 321
Labour force	7 430 AWU
Agricultural area	124 000 ha
Livestock	62 000 LU
Gross value-added	36 670 ECU/AWU
Main products	
Main crops	24%
Vegetables	11%
Cereals	10%

Main enterprises

Name	Employees	Activity
Dow Benelux BV	:	Chemical industry
Koninklijke Schelde Groep BV	:	Shipbuilding
Hydro Agri Sluiskil BV	:	Manufacture of fertilizers
Hoechst Holland NV	:	Chemical industry
Péchiney Nederland NV	:	Aluminium production
Schelde Industrial Construction BV	:	Shipbuilding
Nederlandse Philips Bedrijven BV	:	Electronics
Morres Meubel-bedrijven BV	:	Manufacture of furniture
Neckerman BV	:	Retail sale via mail-order houses

An environment in need of some attention

The environment is not a major problem in Zeeland. With the exception of the Western Schelde, the old sea inlets are generally fairly clean. The Western Schelde carries a fair amount of untreated or otherwise polluted water released into the river not only in Zeeland but also higher upstream in Belgium and in northern France, and the quality of the water is poor.

Agriculture produces few environmental problems in Zeeland: arable farming is the general rule, and there are consequently no problems of manure disposal.

As for industry, the main environmental problems arise in the area around the shipping channel in Zeeland Flanders. These arise because vigorous expansion has brought industry too close to residential areas. Cooperation between businesses, the regional authorities and the government will lead to some solution to this problem.

Maintaining a high quality of water is essential to a region in which so much depends on water sports and fisheries. The importance attached to the environment by the province and the national government is demonstrated by the decision to construct the Eastern Schelde flood barrier as an opening system. But the quality of Yerseke oysters depends very largely on the cleanness of the water, and the regional authorities are not solely responsible for this. For it is only by international agreement that the North Sea, one of the most densely navigated waters in the world, and surrounded by major cities in several countries, can be protected from environmental damage.

Maintaining the natural environment — the chains of dunes, the pastureland and open water — has required great care over many years. This environment and the sparse population mean that Zeeland has remained a land of abundant calm and pure air, in which the flora and fauna remain relatively undisturbed.

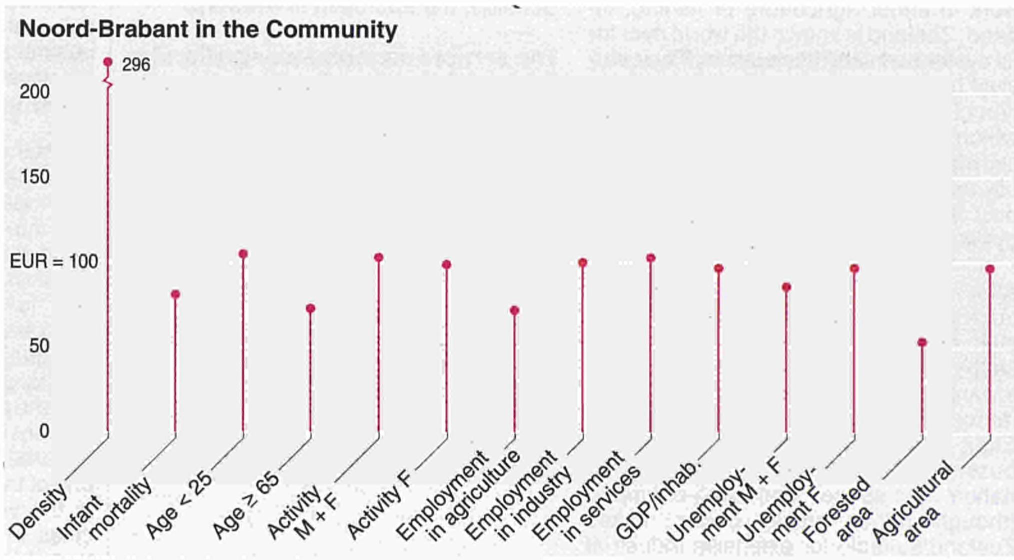
NEDERLAND

NOORD-BRABANT

The province of North Brabant, situated in the southern part of the country, is the second largest province in the Netherlands and is accordingly of a very varied nature. On the one hand there are four large cities which constitute the 'row of cities', i.e. Breda, Tilburg, Eindhoven and 's Hertogenbosch, the latter being the capital of the province. On the other hand the predominant geographical features are rural areas, consisting of farmland, woodland and rivers. In the sandy areas in the south-east are fens, moorland and woodland, just as Vincent van Gogh painted them in his early period. The province borders on four other Netherlands provinces and the Flemish-speaking part of Belgium, with which North Brabant has always had very strong links.

With the large international ports of Rotterdam and Antwerp and major economic centres (the Randstad and the Ruhr) in the immediate vicinity, there are good connections by road, water, rail and air. The regional airport at Eindhoven has daily flights to major European cities. A regular service to the Schiphol international airport provides good connections with a large number of intercontinental flights.

Between green and growth.



Between greenery and growth

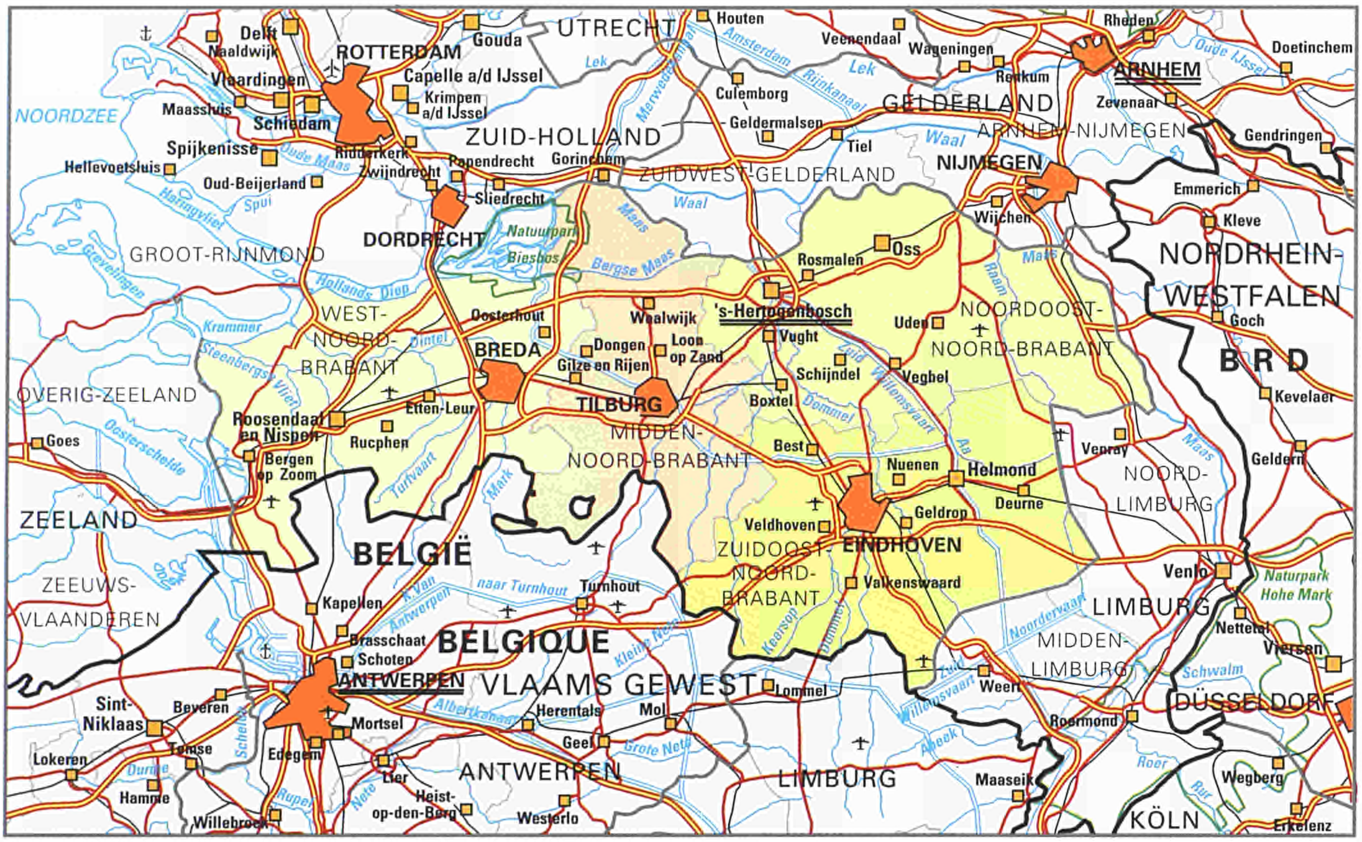
Up until well after the Second World War the expression 'south of the rivers' was a synonym for a part of the Netherlands with its own culture and traditions. In the predominantly protestant Netherlands, the southern provinces were a Roman Catholic bastion. The dominance of the Church over family and social relationships was very marked.

Traditional industrial sectors, such as the leather and clothing industry and small-scale farming, were the main means of livelihood.

Very little of this traditional picture now remains in North Brabant.

In the past few years new industries, particularly high-tech and service industries, have made North Brabant the most industrialized province of the Netherlands. Over the same period the agricultural sector has also undergone great change and has developed into a specialized and high value-added sector (intensive animal production). These beneficial economic developments are particularly due to the strategic position of North Brabant and the favourable living and working climate, with the accent on peacefulness and open spaces.

The further development of the North Brabant economy is under threat from the severe competition from the Far East, especially in the field of electronics and informatics, which is an important industry in North Brabant. As a result of the growth in intensive animal production in particular, parts of the province have an increasing problem with severe acidification of the soil.



Scale 1 : 1 000 000

Which EC regions are similar to North Brabant?

Area:
± 5 000 km²
La Rioja; Baleares (E)
Algarve (P)

Population:
± 2 million inhabitants
± 400 inhabitants per km²
Derbyshire, Nottinghamshire (UK)
Karlsruhe; Münster (D)

Employment:
± 5% in agriculture
± 60% in services
Friuli-Venezia Giulia (I)
Oberbayern (D)
West-Vlaanderen (B)

Uniformity in variety

Both the population and economic activity are evenly spread. The four large cities in North Brabant are all of approximately the same size, and are important centres with a supra-regional function. Nevertheless, they all have their own character, and the emphasis is on different economic activities.

In Breda and the surrounding district — situated centrally between the Randstad and Belgium — the accent is more on the transport and distributive trades sector. Tilburg, the seat of the Catholic University, has a wide range of economic activities, such as retail and wholesale trade, and industry. The capital, Den Bosch, an 800-year old mercantile city and ecclesiastical centre, has rather more high-tech industry and service industries. Eindhoven, the fifth largest city in the Netherlands, is the home of the multinational Philips, and has expanded into an international centre for advanced technology. The city also has several other innovative firms and is the seat of the Technical University of Eindhoven. In nearby Helmond, restructuring of the textile and metal industries is not yet complete, and this is reflected in higher unemployment figures.

In the rural areas around these cities there are many subcontracting firms, farms and large-scale tourist/recreational facilities.

	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	1988	1988	1988	1989
West-Noord-Brabant	1.3	558	434	6.5	56	5.9	1	35	63	101
Midden-Noord-Brabant	1.0	441	434	7.1	57	6.4	1	33	66	82
Noordoost-Noord-Brabant	1.3	539	419	7.4	57	6.8	2	36	62	98
Zuidoost-Noord-Brabant	1.4	651	478	6.2	56	7.2	1	42	56	102
Noord-Brabant	4.9	2 189	442	6.7	57	6.6	2	37	61	97
Nederland	33.9	14 893	439	5.7	56	7.4	2	28	70	102
EUR 12	2 253.7	327 931	146	3.2	54	8.3	7	33	60	100

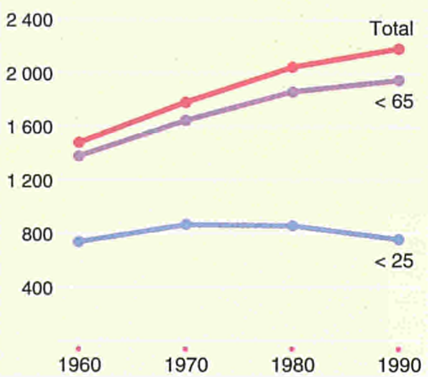
Decreasing rate of population growth

For a long time North Brabant was known for its large families. However, with the decreasing influence of the Roman Catholic church in recent years, this is becoming more and more a thing of the past. Nevertheless, the population growth rate is still above the national average, although the gap is closing. The birth rate is falling and the post-war generation is becoming a larger proportion of the total population. This is the case throughout the Netherlands and the pattern in North Brabant is scarcely different. Economic development in the Netherlands has produced an expansion in economic activity from the Randstad to North Brabant, amongst other regions. Over the past few years a large number of foreign industrial companies have also come into the region. Because of this increase in job opportunities many Dutchmen from 'north of the rivers' have gone to live and work in North Brabant. This has resulted in a positive net migration as regards the other Dutch provinces. In the past few years many people from other countries have also settled in North Brabant. The rural nature of large parts of the province and its central position make North Brabant a very attractive place to live for people who work outside its borders.

Population by age — 1990

	M + F 1 000	M + F %	M %	F %
< 15	406.1	18.5	19.0	18.1
15-24	358.2	16.4	16.9	15.8
25-39	540.1	24.7	25.3	24.0
40-54	439.1	20.1	20.7	19.4
55-64	209.2	9.6	9.4	9.7
≥ 65	236.7	10.8	8.8	12.8
Total	2 189.5	100.0	100.0	100.0

Population (1 000)



Resident population of foreign nationality — 1990

	1 000	% of total population
Total	73.3	3.4
of which EC countries	18.7	0.9
of which non-EC countries	54.5	2.5
Turkey	25.2	1.2
Morocco	17.4	0.8
Belgium	6.3	0.3
United Kingdom	3.9	0.2
Germany	3.0	0.1
Spain	2.5	0.1

Demographic account — 1980-90 (1 000)

Population 1.1.1980	2 051.2
Births	262.6
Deaths	149.5
Net migration	+27.9
Population 1.1.1990	2 189.4

Growth of the working population

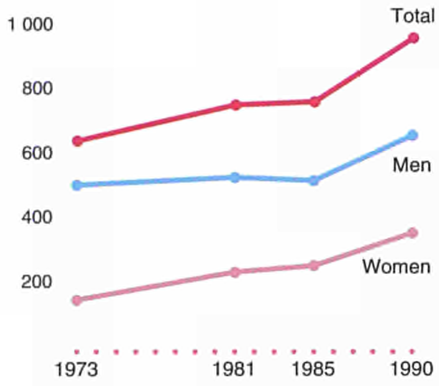
The population increase in North Brabant is linked to the growth in employment, which explains the rise in the working population over the past few years. Both the total and female activity rates vary only marginally from the Netherlands and European averages.

As a result of the fall in employment in the agricultural sector, there is a decrease in the number of self-employed persons. Following the national trend, the working population is becoming increasingly better educated. In North Brabant there are all kinds of educational establishments. The Catholic University in Tilburg offers a wide range of studies, and the Technical University in Eindhoven offers various technical courses. There are six major advanced vocational training institutes offering various courses. There is an international school in Tilburg and one in Eindhoven.

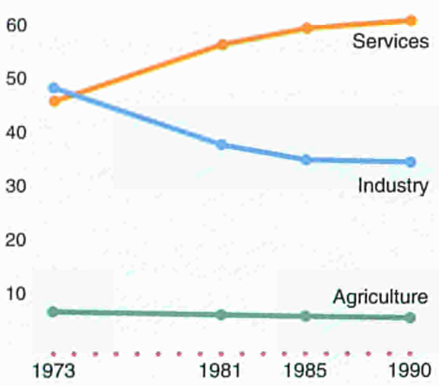
Number of pupils — 1990

	M + F 1 000	F %
Primary	214.2	49.6
Lower secondary (LBO)	35.8	40.4
Higher secondary (AVO + MBO)	154.0	49.9
Higher education (HBO + Univ.)	41.6	36.1
Total	445.7	47.7

Employment (1 000)



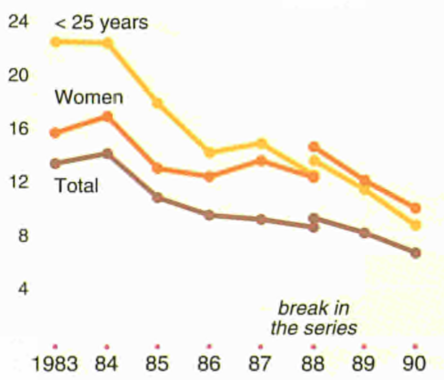
Employment structure (%)



Employment

No data available

Unemployment (%)



Dramatic growth in employment

The economic recovery in North Brabant is reflected best in the dramatic growth in employment over the past few years. This growth is well over the (already high) Netherlands average.

Due in particular to the setting up of a large number of new industrial companies, the region's labour market has received considerable impetus. A third of all employees are in industry. The multinational Philips, which is mainly concentrated in Eindhoven, is a large regional employer. But there are also large foreign firms which provide many industrial jobs.

Most of the working population is employed in the services sector. In transport and the distributive trades particularly, many jobs have been created in the past five years.

The number of people in employment in the primary sector has stabilized over the past few years at around 5%. It is expected, however, that because of more stringent environmental regulations on intensive animal production, *inter alia,* this figure will decline over the next few years. Because there is a shortage of people with specific qualifications, industrial companies in particular have actively recruited employees in other countries.

There are two streams of commuter traffic. Firstly, a few thousand people come every day from Belgium and Zeeland mainly to the southern part of North Brabant.

Secondly, there is a large flow towards the area between the west of the region and the Randstad.

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	16	76	8	89	7	14	3	4
Women	27	69	4	87	49	57	4	4
Total	20	74	7	89	20	29	3	4

The turn of the tide

With the disappearance of the traditional sectors of industry, such as textiles, leatherwork and tobacco (the famous Brabant cigars) in the 1960s and the 1970s, there was a high level of persistent long-term unemployment in North Brabant. The revitalizing of the economy, which was vigorously pursued in the middle of the 1980s, was reflected in a large fall in unemployment, which is now below the Netherlands and European averages.

Only in the conurbation of Helmond is unemployment so high that a special national incentive scheme is still in operation there. The restructuring of this area, which in the past was very dependent on the textile industry, is still in progress. A visible improvement has been apparent for some time.

Most of the people seeking work belong to the category of long-term unemployed, and are mainly women and members of ethnic minorities. The generally upmarket nature of the North Brabant economy disadvantages this group. It is precisely these people who often lack the required qualifications for being absorbed quickly into the economy. Efforts are being made, by means of retraining, additional training courses and individual approaches, to help them find a job.

NOORD-BRABANT

Focus on industry

The region's economy is mainly industrial. The 70 000 firms in this sector and the 5 000 sales and service offices make North Brabant the most industrialized province of the Netherlands.

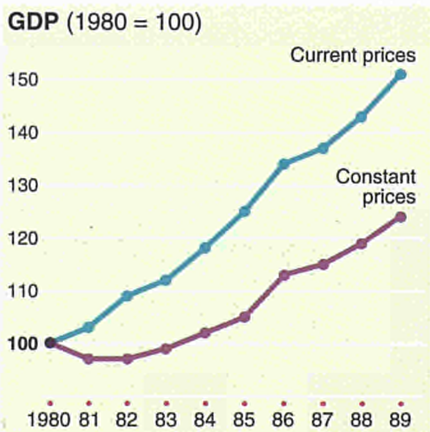
The majority of the firms are medium-sized, but there are also some very large businesses.

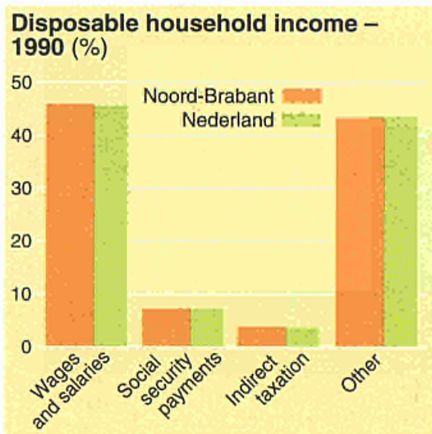
Industrial activity is like the region's landscape, very varied. One in four employees in industry is to be found in the electrical engineering branch. There are also many jobs in the food and luxury goods industries, in metalworking, the manufacture of machinery, and in textiles and leather. Up to a few years ago it was generally accepted that this latter sector was dying, but thanks to a basic restructuring, in which thousands of jobs disappeared and new technologies were introduced, both of these traditional North Brabant industries are staging a real come-back.

The services sector is also a major employer, particularly in trade and financial services. The international orientation of the region is reflected in the rising export figures for the region's trade and industry, as well as in the large number of foreign firms.

The number of firms which export their products is increasing steadily, the main markets being Germany, Belgium, Britain and France. North Brabant accounts for almost a fifth of the country's exports.

Because of the high-tech firms the amount of R&D work done in the region's industry is well above the national average. Very well known in this connection is the Philips laboratory of natural science (Natlab), where inventions include the CD player. In addition to the research work carried out by industry, North Brabant has a large number of research institutes, which are particularly concentrated around Eindhoven University.





Labour costs and incomes

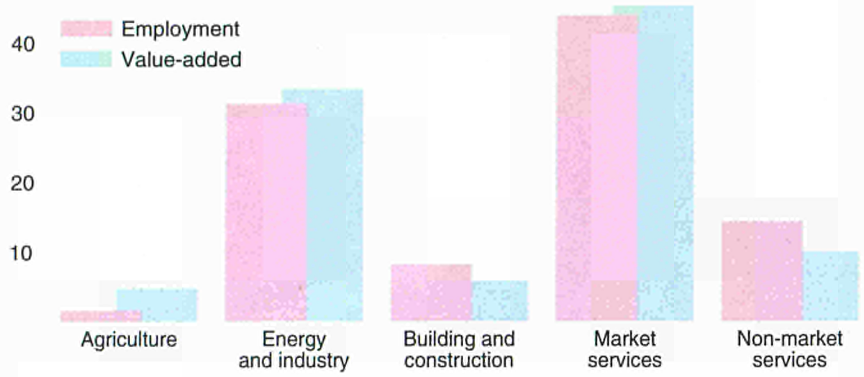
As a result of the Dutch system of collective labour agreements (CAOs), there are, on the whole, only minor regional differences in wage levels. For each branch of economic activity, a collective labour agreement is concluded at national level and all employers in the sector concerned are bound by it.

In the 1980s there was a very moderate rise in nominal wage costs, particularly in the key sectors of industry and services. When inflation is taken into account, it becomes clear that the wage-restraint policy has resulted in only a slight increase in real wages in agriculture and fisheries and the construction industry, and even a drop in wages in the industrial and services sectors.

Given the minor regional differences in wage levels in the Netherlands, the distribution of value-added among the various income categories (wages, social security charges, indirect taxation, other income) largely reflects differences in the production structure of the provinces.

The wage share in North Brabant is around the national average. Most of North Brabant's industry is relatively labour-intensive, although in the west of the province there is capital-intensive industry centred mainly on the ports.

Employment and value-added: distribution by branch – 1990 (%)



A welcome in North Brabant

The combination of favourable geographical features, strategic position and urban centres with good facilities, is the reason many firms have set up in North Brabant. Dutch multinational firms such as Philips, Unilever, Heineken, Shell and AKZO have their offices there. More recently, other foreign firms have come, including Exxon, Du Pont de Nemours, General Electric, ITT, Mars and Nashua. Between these large firms and many medium-sized firms there is a complex supply and delivery network. New industrial sectors such as informatics technology, medical technology, microelectronics, and biotechnology have also come to North Brabant within recent years.

As a result of industrial development, with its internationally oriented firms, and also the central situation of the region in relation to major economic centres in the Netherlands and Europe, the transport and distributive sectors are experiencing steady growth.

North Brabant has a large number of industrial and commercial areas, including the 'natte bedrijfsterein' or 'wet land' in Moerdijk. An increasing number of theme parks are being set up, in which firms from a specific sector are located and make use of each others' expertise. The Eye Tech Park in Western Brabant is a good example of this. This park offers accommodation exclusively to firms which develop and manufacture optical products.

Agriculture

Number of holdings	23 054
Labour force	38 350 AWU
Agricultural area	275 000 ha
Livestock	1 915 000 LU
Gross value-added	25 950 ECU/AWU

Main products	
Pigs	34%
Milk	23%
Poultry — eggs	12%

Main enterprises

Name	Employees	Activity
Philips	:	Electronics
DAF	:	Manufacture of motor vehicles
General Electric	:	Chemical industry
Organon	:	Manufacture of pharmaceutical products
Philip Morris	:	Manufacture of tobacco products
Unilever	:	Food products
Mars	:	Food products
Heineken	:	Manufacture of beer
Volvo	:	Car manufacturing

A challenging environment

A region where there is so much industry and intensive animal production has in 1991 a number of pressing environmental problems. These are the result of factors both within the province and outside. However, North Brabant does not take this as a reason for losing hope. On the contrary, developing environmental technology and clean production methods is one of the growth activities in the commercial life of the region. This is also true of intensive animal production, one of the greatest causes of acidification in North Brabant. The region's farmers, scientific institutes and the regional authorities are cooperating closely in order to protect the North Brabant sandy soil which is at risk. Ambitious projects, such as a large fertilizer processing factory, have now been set up. The knowledge acquired in achieving a cleaner agricultural sector is now also finding a market in many industrialized countries.

A wide range of consultancy units in the field of environmental control, such as a network of industrial environment services which advise firms on limiting harmful production processes, have meanwhile been established. Large firms are at present working on detailed plans to reduce environmentally harmful emissions to acceptable levels.

In implementing North Brabant's environmental policy there is close cooperation with the Flemish authorities. Resources have also been made available by the European Commission for international cooperation, and these were used partly to provide incentives for industry to develop environment-friendly production processes. Protection of the natural environment is receiving close attention in North Brabant. The Peel, with its typically East-Brabant countryside consisting of moorland, fens and woodland, has been made into a national nature reserve.

NEDERLAND

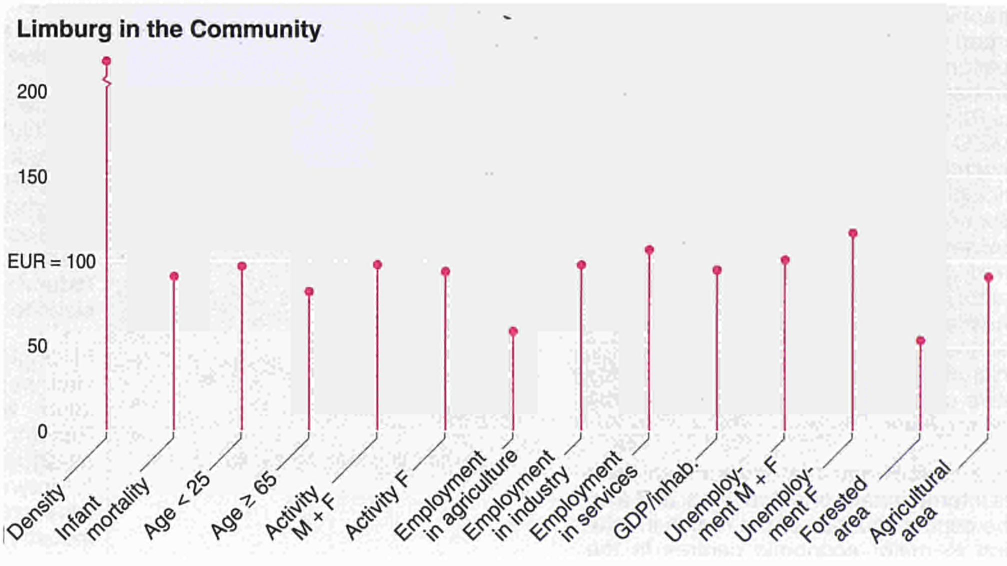
LIMBURG

Limburg in its present form became part of the Netherlands in 1839. It is a medium-sized province with a fairly high population density even by Dutch standards. Limburg is the Netherlands' southernmost province and is bounded on the east by the German *Land* of North Rhine-Westphalia and on the west and south by the Belgian provinces of Limburg and Liège. The regional capital Maastricht, which is bisected by the River Meuse (Maas), has its origins in a fort built by the Romans to guard a ford in the river.

Limburg has a temperate maritime climate with a certain amount of continental influence. The landscape — largely shaped by the Meuse, which flows through the province from south to north — is varied, with the Limburg hills in the south.

Limburg differs from the rest of the Netherlands with its long-standing Catholic traditions and its language, which has many common features with the dialects spoken in the neighbouring parts of Belgium and Germany. Limburg is close to major centres of population such as the Ruhr, the Randstad and the Brussels conurbation, which are easy to reach thanks to good road, waterway, rail and air connections (Maastricht airport).

Maastricht airport.



From a marginal to a central position

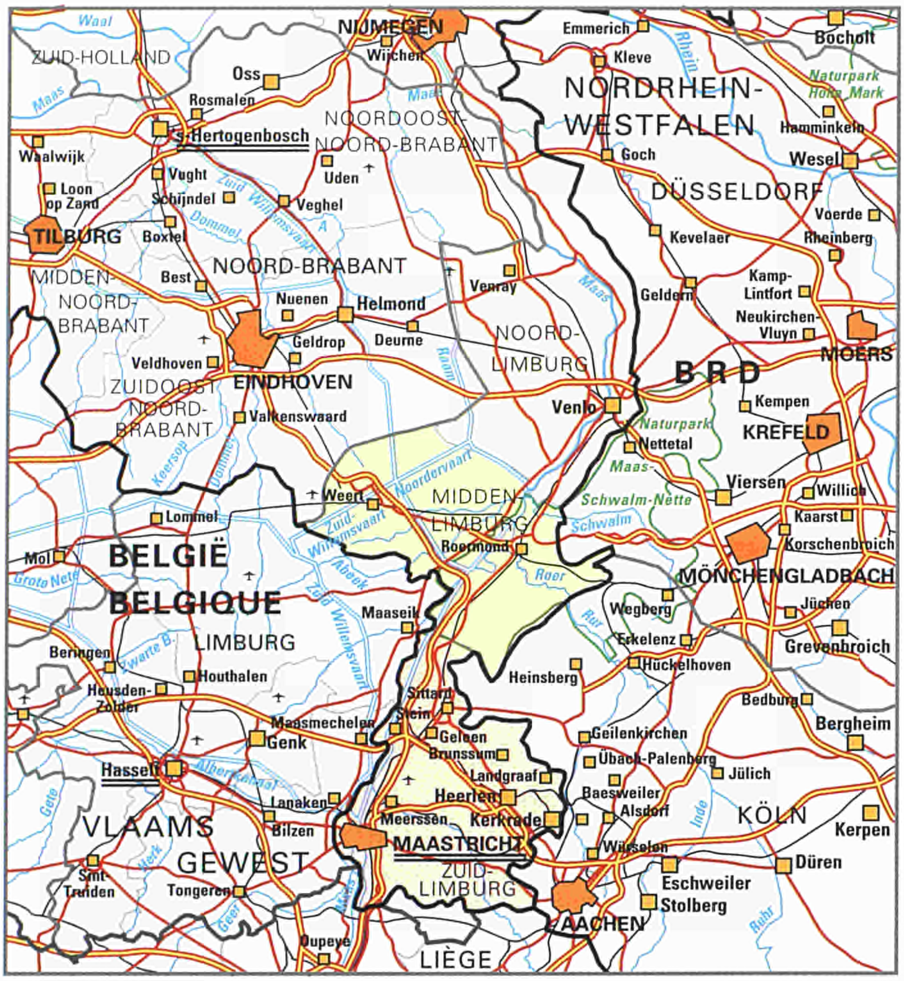
Since the late 1970s Limburg, particularly South Limburg, has seen a strong economic revival. The growth in jobs and the fall in unemployment are due in part to Limburg's convenient position in relation to major European economic centres.

Until the 1960s Limburg was a peripheral region where the main economic activity was mining. With the reorganization of this major industry in the mid-1960s, Limburg was faced with mass unemployment and the physical remains of the collieries, often in the middle of major centres of population. Large-scale restructuring programmes drawn up by the national and provincial governments have removed almost every trace of the coal industry.

In the south-eastern part of Limburg around the town of Heerlen, restructuring is not yet complete and national and European regional policy measures are continuing. Here we still find relatively high unemployment and the last remnants of the mining industry.

In the rest of southern Limburg the forlorn buildings of the old coal mines have now been replaced by modern industrial units.

Thanks to its international position, good infrastructure, a pleasant living and working environment and the presence of good academic centres, Limburg has developed into an attractive business location.



Scale 1 : 1 000 000

Varied and attractive

Both as regards landscape and in terms of economic activity Limburg falls into two parts. The relatively flat north, less densely populated, has an important agricultural sector; the hilly south, the traditional mining area, is heavily urbanized. As a result of the reorganization of the mining industry this area has developed into an area of new activities in manufacturing and service industries. In addition the provincial capital Maastricht in the south of the province, an old city with a historic town centre which has an international air, has become an attractive shopping and leisure centre. Drawn by its facilities, many Germans and Belgians visit the town every week. But Maastricht and its environment have always been a popular tourist area for the Dutch.

The north and centre of the province have a more agricultural bent and have thus been able to maintain their rural character. The extraction of sand from the Meuse over the years has also resulted in large expanses of water, which offer good facilities for water sports.

Which EC regions are similar to Limburg?

Population:
1.1 million inhabitants
nearly 500 inhabitants per km²
Saarland (D)
Cheshire (UK)

Age:
less than 10% aged more than 65
Guyane (F)
Canarias; Ceuta y Melilla (E)
Flevoland (NL)

Employment:
4% in agriculture
± 60% in services
Scotland; Wales (UK)
Friuli-Venezia Giulia (I)
Lorraine; Rhône-Alpes (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	1988	1988	1988	1989
Noord-Limburg	0.8	259	309	4.9	58	5.2	4	37	59	104
Midden-Limburg	0.6	209	322	3.5	58	5.7	2	40	58	99
Zuid-Limburg	0.7	636	933	2.5	52	8.6	1	35	64	90
Limburg	2.2	1 104	509	3.3	55	7.2	2	37	62	95
Nederland	33.9	14 893	439	5.7	56	7.4	2	28	70	102
EUR 12	2 253.7	327 931	146	3.2	54	8.3	7	33	60	100

Births down — little migration

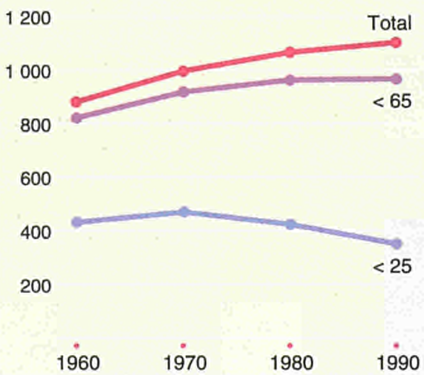
The age structure of the Limburg population has changed radically in the last 30 years. Although the number of young people has fallen and there has been a rise in the number of old people in the last 10 years, in percentage terms these trends have remained below the national and European averages. Fifteen years ago Limburg still had relatively high natural population growth, due in particular to a high birth rate. As a result of social developments (the declining influence of the Church) the numbers of births have fallen sharply, so that Limburg now has relatively low natural growth.

The Limburgers are fairly attached to their region, and the province has one of the lowest emigration rates in the Netherlands. The positive net immigration figure in the last 10 years was also lower than the national average. Although a large number of foreign firms have set up in Limburg in recent years, this has had only a limited effect on immigration figures, involving only a restricted group of highly skilled foreigners, so that net foreign migration has remained relatively low (2.5%).

Population by age — 1990

	M + F 1 000	M + F %	M %	F %
< 15	188.1	17.0	17.6	16.5
15-24	166.5	15.1	15.4	14.8
25-39	274.2	24.8	25.6	24.0
40-54	224.7	20.4	21.2	19.5
55-64	115.6	10.5	10.3	10.7
≥ 65	134.8	12.2	9.9	14.5
Total	1 104.0	100.0	100.0	100.0

Population (1 000)



Resident population of foreign nationality — 1990

	1 000	% of total population
Total	43.5	3.9
of which EC countries	23.6	2.1
of which non-EC countries	19.9	1.8
Germany	14.5	1.3
Morocco	8.3	0.8
Turkey	5.4	0.5
Belgium	3.3	0.3
United Kingdom	2.1	0.2
Italy	2.0	0.2

Demographic account — 1980-90 (1 000)

Population 1.1.1980	1 069.0
Births	123.9
Deaths	86.7
Net migration	−1.2
Population 1.1.1990	1 104.0

Increasing activity rate

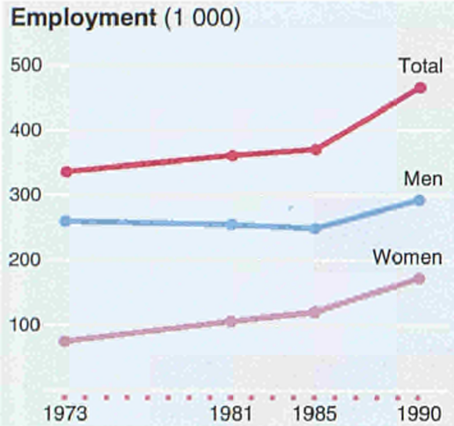
The overall activity rate in Limburg is below the Netherlands and European averages, the main reason being the low activity rate of women. There are also a large number of former mine workers who, as a result of poor health (lung disease) and/or lack of qualifications, take no active part in the labour market. Over the next 10 years the activity rate is expected to increase which will result in an increase in the working population.

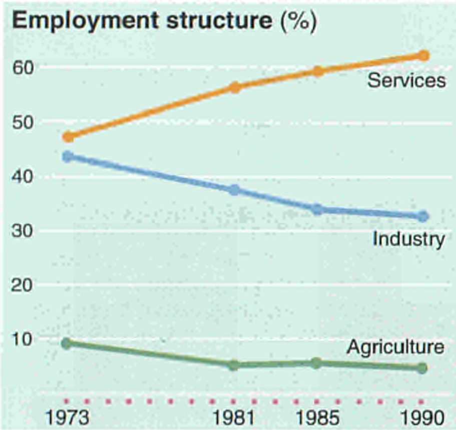
About half the working population in Limburg has educational diplomas at secondary level or higher. The province offers a range of vocational training at elementary, secondary and higher levels, with a comprehensive choice of options at secondary and higher levels. South Limburg also has two universities.

The commuter flows in Limburg are predominantly in an eastward direction; 6 500 Belgians come to work in Limburg every day, while 8 300 Limburgers work in Germany. Only a few hundred commuters go in the opposite direction.

Number of pupils — 1990

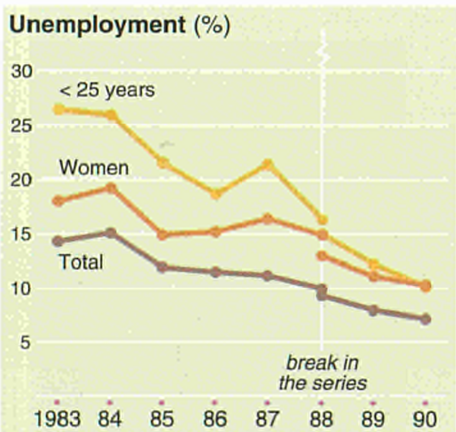
	M + F 1 000	F %
Primary	98.1	49.7
Lower secondary (LBO)	17.2	41.4
Higher secondary (AVO + MBO)	70.9	50.4
Higher education (HBO + Univ.)	16.7	49.6
Total	202.9	49.2





Employment

No data available



Strong growth in employment

Employment in Limburg depends much more than in the rest of the Netherlands on the manufacturing industry. One factor in this is the large number of foreign firms which have set up in Limburg in the last few years. In terms of full-time job equivalents, industry's share in employment is 29% compared with 20% in the Netherlands as a whole. The counterpart to this is Limburg's lower share of employment in the distributive trades, hotels and catering, business services and public administration. As part of the restructuring programmes for Limburg a number of major government departments have been transferred to the region in the last 20 or 30 years.

The sustained economic boom has resulted in growth in total employment since 1984 at a higher rate in Limburg than nationally. In terms of full-time job equivalents the growth in employment in the last six years was nearly 1.8% per year. Two-thirds of this growth was in the services sector, the remaining third being in the manufacturing industry. In 1990 total employment amounted to 435 000 jobs, with the proportion of self-employed at 13%. There has been a sharp rise in the last few years in the proportion of part-time jobs in the total. In 1989, 29% of those in work in Limburg had part-time jobs, compared with 19% in 1983. Vacancies in Limburg averaged 3 900 in 1990, mostly in the metalworking 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	14	77	9	88	5	13	3	4
Women	23	72	6	85	49	59	4	4
Total	17	75	8	87	19	29	3	4

Restructuring: a success story, but not finished yet

With the closure of the coal mines Limburg was faced with the loss of 44 000 jobs over the period 1965-75. In addition, some 300 000 jobs were lost in related industries. In 1991, however, the long and difficult redevelopment and restructuring process aimed at the creation of replacement jobs can be regarded as a success. Limburg's unemployment rate has been falling since 1984, and since 1988 it has no longer been above the national average. Only in the eastern part of South Limburg did the process start later, and here the unemployment figures are still above average.

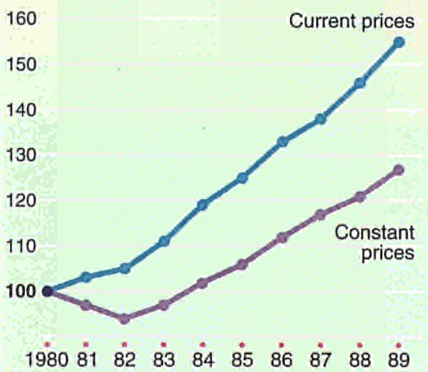
The unemployment rate for women in Limburg is about twice that for men. Among young people (under 25) there is little difference between men and women. Unemployment among young people is still considerably higher than for adults and lies above the national and European averages, but the figures are falling.

For men the largest numbers of unemployed are among metalworkers, building workers and clerical staff, and for women in clerical work and the distributive trades. In both Limburg and the Netherlands as a whole about one in three of the unemployed are out of a job for less than six months, one in six for between 6 and 12 months and nearly half for more than 12 months. Among women, unemployment lasting more than 12 months is less common.

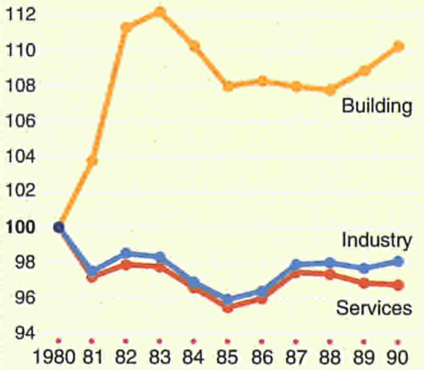
An international outlook

It comes as no surprise that economic activity in a province that is almost totally surrounded by Belgium and Germany is highly export-oriented. This is true both of the larger companies (which form a high proportion of Limburg's industry) and the small and medium-sized businesses. The share of exports is also high in the various sectors: both agriculture and the manufacturing industry and services are internationally oriented, and the overall export percentage is 60%. Large companies, which are often branches of foreign firms, absorb 43% of the industrial work-force and contribute 60% of the value-added. Major sectors are metalworking and chemicals, with companies such as Volvo Car, DSM, Sphinx, Rank Xerox Océ, KNP and Medtronic. In the services sector, which accounts for 62% of employment, transport and the distributive trades play a dominant part. With its container terminal — Europe's biggest 'dry port' — Venlo has 10 000 jobs in the transport sector; the companies established there include the haulier Frans Maas, which operates in a large number of countries. Maastricht airport also has an increasingly important position in this sector. Over 200 foreign companies have established themselves in Limburg and a further example of the international outlook can be found in Maastricht, which is increasing in importance as a venue for international congresses and a home for a large number of international institutions. Above all, Limburg's international outlook means that there has for years now been intensive cooperation with adjacent areas in Belgium and Germany, which together with Limburg form 'Euregio'.

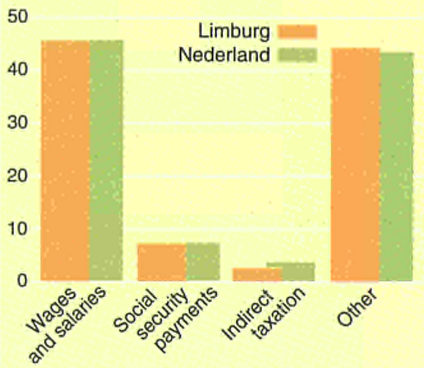
GDP (1980 = 100)



Netherlands: wages
(constant prices – 1980 = 100)



Disposable household income – 1990 (%)



Labour costs and incomes

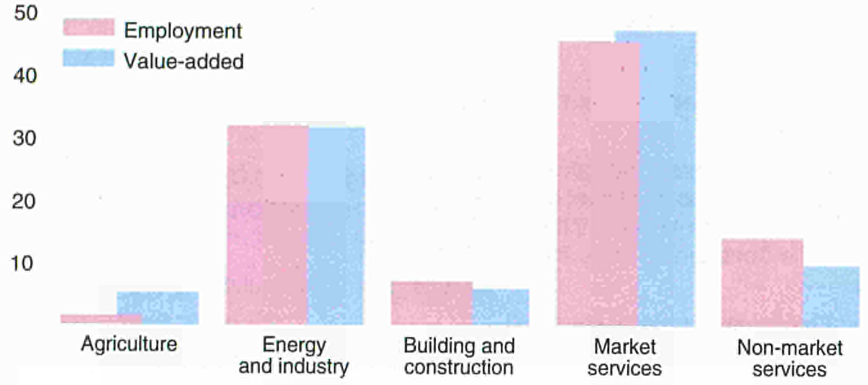
As a result of the Dutch system of collective labour agreements (CAOs), there are, on the whole, only minor regional differences in wage levels. For each branch of economic activity, a collective labour agreement is concluded at national level and all employers in the sector concerned are bound by it.

In the 1980s there was a very moderate rise in nominal wage costs, particularly in the key sectors of industry and services. When inflation is taken into account, it becomes clear that the wage-restraint policy has resulted in only a slight increase in real wages in agriculture and fisheries and the construction industry, and even a drop in wages in the industrial and services sectors.

Given the minor regional differences in wage levels in the Netherlands, the distribution of value-added among the various income categories (wages, social security charges, indirect taxation, other income) largely reflects differences in the production structure of the provinces.

The industrial sector plays an important role in the structure of the Limburg economy. Part of this sector is heavily capital-intensive and another part more labour-intensive. The wage share in Limburg is therefore very much in line with the national picture.

Employment and value-added: distribution by branch – 1990 (%)



The important role of industry

The importance of industry in Limburg's economy goes back a long way. The share of manufacturing industry in the regional product and in employment is half as high again as nationally. Moreover industry is thriving: for the past eight years the volume of production, employment and investment has shown growth rates above the national average.

The industrial landscape in Limburg is largely dominated by the chemicals and plastics industries, metalworking and mechanical engineering and the manufacture of building materials, earthenware and glass products.

The international character of Limburg's industry is shown by the extent of investment by foreign firms in Limburg: one in six workers is employed in a company which forms part of a foreign concern, such as Rank Xerox (USA), Rockwool (Denmark), Hoechst (Germany), ENCI (Belgium) and Mosa (France).

The tertiary sector as a whole is the largest employer in Limburg. In terms of employment, the biggest branches in this sector are retail trade and construction, followed by tourism, centred in the south of the province (Maastricht, Valkenburg), which is expanding rapidly. Particular mention can be made here of the spa centre Thermae 2000.

Maastricht also has a growing role as a conference centre with the MECC.

Problem of cross-border pollution

The province's position between the Ruhr and industrial areas in Belgium means that Limburg is a particular victim of cross-border pollution. Partly because of this pollution, combined with the region's own emissions of environmentally damaging substances, acid deposition in Limburg is on average 15% higher than nationally, the main emissions being from industry, power stations, agriculture and vehicles.

The regional government, in conjunction with industry in the region, has for many years pursued a policy directed at limiting damage to the environment. Despite some good results in the last 10 years, the reduction in environmental impact and damage is still not enough. With the Limburg environment plan 1991-94, the provincial government has drawn up an ambitious programme — supplementing the national policy — for a further reduction of damage to the environment. For each target group (industry, agriculture, energy supply, etc.) measures to achieve the environmental targets have been and are being laid down in consultation with those concerned. In view of the pollutants coming into Limburg from across the border (e.g. the River Meuse), however, an international approach is needed to reduce environmental damage to a minimum.

A large number of companies in Limburg have specialized in the rapidly expanding market for environmental products and services.

Agriculture

Number of holdings	9 902
Labour force	18 520 AWU
Agricultural area	112 000 ha
Livestock	564 000 LU
Gross value-added	29 817 ECU/AWU
Main products	
Pigs	23%
Poultry — eggs	21%
Vegetables	19%

Main enterprises

Name	Employees	Activity
DSM Heerlen/Geleen	>11 000	Chemical industry
Volvo Car Born.	6 000-7 000	Manufacture of motor vehicles
Philips	5 000-6 000	Electronics — computers
Océ van der Grinten	3 000-4 000	Photocopying machines
Sphinx Maastricht	1 750-2 000	Ceramic products
Mega Limburg	1 750-2 000	Production and distribution of gas and electricity
Rank Xerox	1 750-2 000	Photocopying machines
KNP Maastricht	1 750-2 000	Manufacture of paper products
Rockwool Lapinus Roermond	1 000-1 250	Insulation materials

Explanatory notes — The Netherlands

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 was sent varied between Member States so that the Community totals may not always correspond exactly with the sum of the national totals.

Note: The province of Flevoland was created in 1986. Prior to 1986, data relating to the territory of what is now Flevoland were divided among the provinces of Overijssel and Gelderland.

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, East Berlin and the French overseas departments).

Table: The subregions

Population

Source: Bevolking der gemeenten van Nederland (population of Netherlands municipalities)

Activity rates

Source: Survey of working population

Unemployment rates

Source: Eurostat — Regio

Definition: See above

Employment

Source: Statistics on working persons

Self-employed persons are excluded.

GDP per inhabitant

Source: Eurostat — Regio

Definition: See above

Graph: Population

Tables: Population by age Resident population of foreign nationality

Source: Monthly population statistics

Table: Demographic account

Sources: Monthly population statistics; Bevolking der gemeenten van Nederland

Including balance of administrative adjustments.

Table: Number of pupils

Source: Regionaal Statistisch Zakboek (Regional statistical yearbook)

Graphs: Employment Employment structure

Sources: Labour force survey; survey of working population

A break in trends occurs in 1987 as a result of the adoption of a different statistical methodology.

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: CBS: Statistisch Jaarboek
Sociaal-economische maandstatistiek
Centraal Planbureau: Economisch Beeld 1992

Graph: Household income

Source: Regionale Economische Jaarcijfers

Graph: Employment and value-added: distribution by branch

Source: Eurostat — Regio

Table: Agriculture

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Regionale arbeidsmarktprognose 1992-1997, OAV-rapport 92-06, Rijswijk, 1992
Databank Kamers van koophandel en fabrieken:
Enquête regionale bedrijfsontwikkeling, Woerden, jaarlijks
Provincie **Groningen:**
Werkgelegenheidsenquête Groningen, Groningen
Provincie **Friesland:**
Werkgelegenheidsregister Friesland, Leeuwarden
Provincie **Drenthe:**
Drentse Werkgelegenheidsenquête, Assen
Kamers van koophandel en fabrieken in de noordelijke provincies:
Statistisch Jaarboek voor het Noorden, Leeuwarden
Provincie **Overijssel:**
Bedrijven- en instellingenregister Overijssel, Zwolle
Provincie **Gelderland:**
Provinciale werkgelegenheidsenquête Gelderland, Arnhem
Provincie **Flevoland:**
Register Flevopolder, Lelystad
Provincie **Utrecht:**
Provinciaal arbeidsplaatsenregister, Utrecht
Provincie **Noord-Holland:**
Sociaal-economische Cijfernota, Haarlem
Provincie **Zuid-Holland:**
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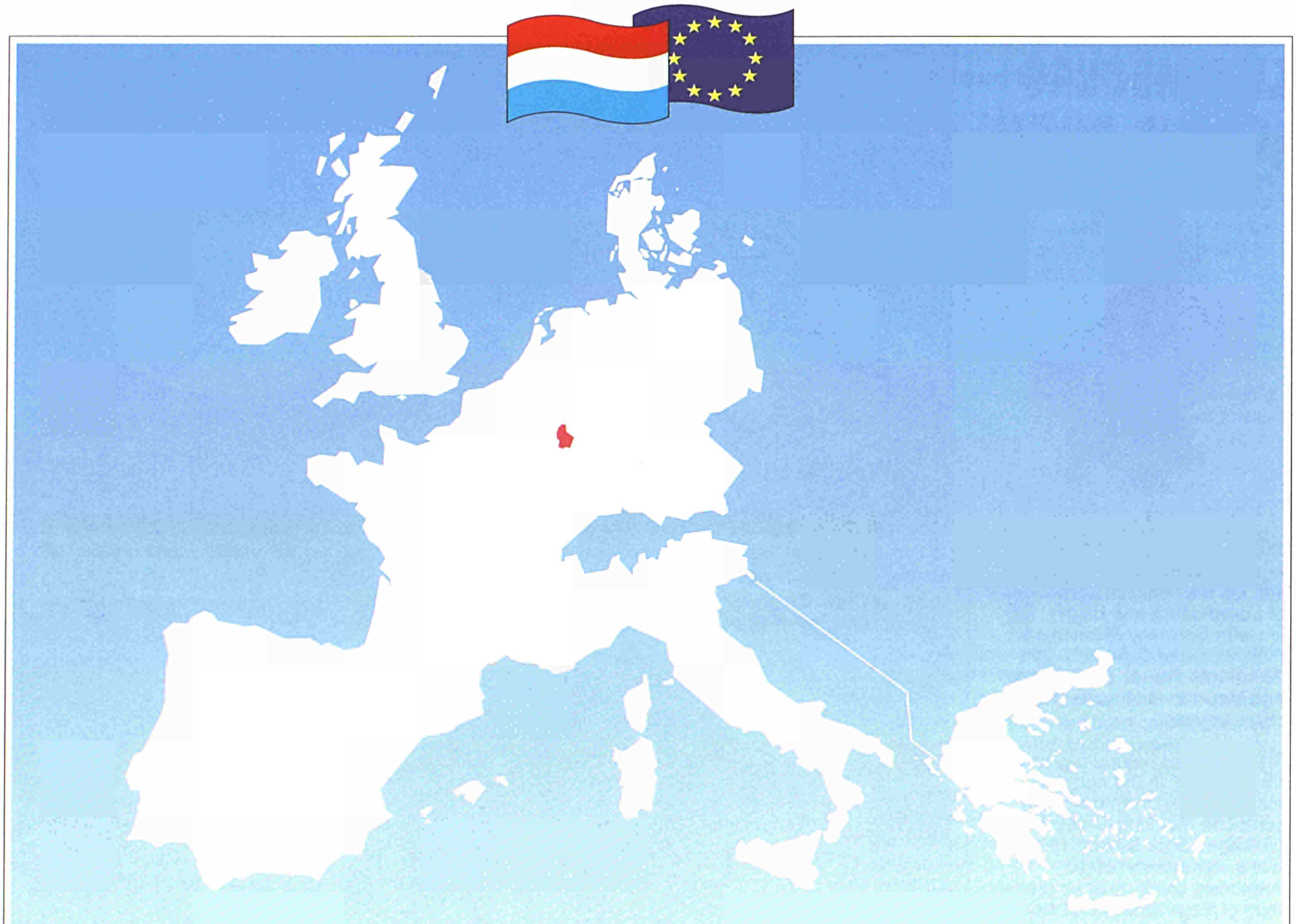
Economisch Technologisch Instituut **Noord-Brabant:**
Werkgelegenheidsenquête Noord-Brabant, Den Bosch
Economisch Technologisch Instituut **Limburg:**
Werkgelegenheidsenquête Limburg, Maastricht

LUXEMBOURG



For administrative purposes, the Grand Duchy of Luxembourg is divided into three districts (Luxembourg, Diekirch, Grevenmacher), 12 cantons and 118 municipalities ('communes'). The town of Luxembourg is the national capital and the seat of government.

Given the small size of the country, the municipalities are the only territorial units with any degree of autonomy in administering their own affairs. Each municipality has a municipal council made up of members elected by the residents of the municipality. Decisions are carried out in principle by a committee made up of the mayor (bourgmestre) and aldermen (échevins). In order to prevent cases where the relative autonomy enjoyed by the municipalities might clash with the interests of the country as a whole, certain measures taken by the municipal council need to be approved by central government. The main town in each of the three districts is therefore the seat of a district commissioner who, as the local voice of the authority vested in the Minister for the Interior, may always have the final say.

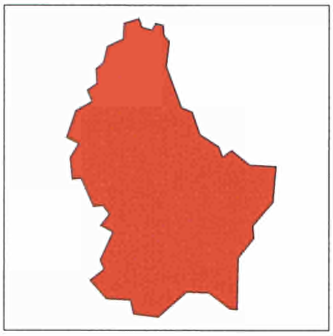
The cantons are not significant in political terms, but as a practical territorial division.

There has been little change in the administrative structure of the country since independence in 1839. After an initial slight increase in the number of municipalities, the total fell from 130 in 1891 to 118, following a number of amalgamations in 1920 (with the town of Luxembourg), 1977 and 1978. In 1976, the draft framework act on the voluntary amalgamation of municipalities aimed to regroup the existing municipalities into around 30 administrative units with a minimum population of 3 000, but this has met with very limited success.

For the national parliamentary elections, which are held every five years, the country is divided into four electoral constituencies, each of which elects a number of members proportional to the size of its population.

For regional planning purposes, the country is split into five regions (Centre, East, North, South and West).

LUXEMBOURG (GRAND-DUCHÉ)



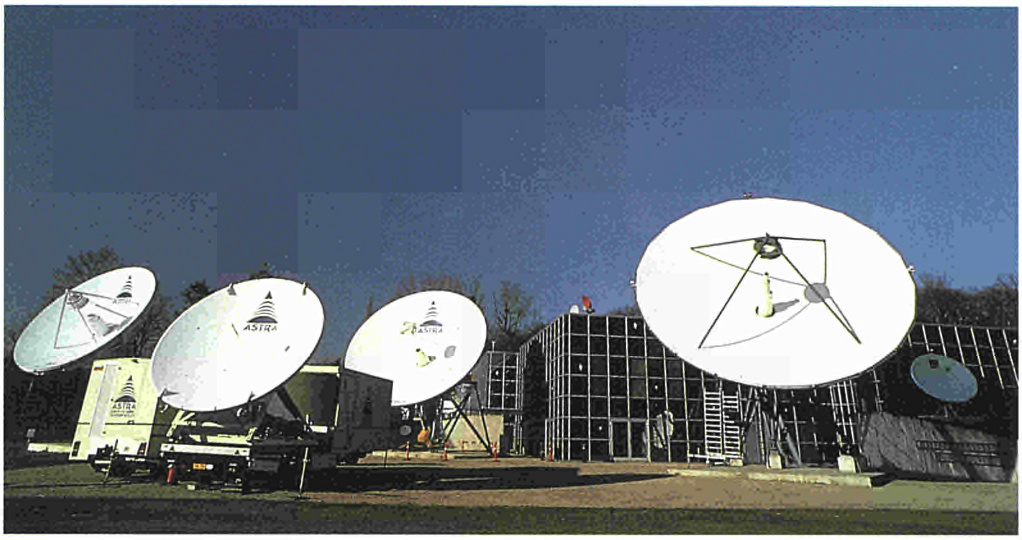
The country covers 2 586 km² and it has 356 km of borders: 148 km with Belgium (provinces of Luxembourg and Liège), 135 km with Germany (Rhineland-Palatinate and Saarland), and 73 km with France (the Moselle and Meurthe-et-Moselle *départements).*

There are two natural regions: the 'Oesling' in the north is mainly formed from Devonian schistose rock and is very hilly (average height around 450 m). It is a continuation of the Ardennes, covering around one-third of the area of Luxembourg. In the south of the country is the 'Gutland' which has undulating plains consisting mainly of sandy and calcareous Triassic formations with a narrow band of Dogger iron ore in the south-west, which was mined until the end of 1981.

One-third of the country is covered by forest, and half of the land is used for agricultural purposes, including around 1% for wine growing.

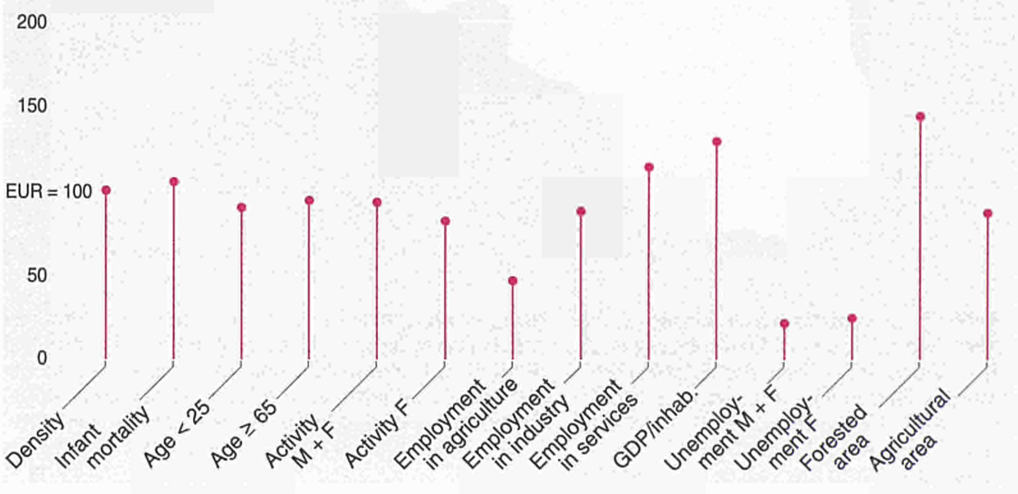
Luxembourg has a sub-Atlantic climate, which tends to be damp and cool. The annual average temperature is around 9 °C.

The national language is Luxembourgish. All legislation and the implementing regulations are drawn up in French and the administrative and judicial languages are French, German or Luxembourgish.



Luxembourg is attempting to diversify its economy. One exciting prospect is without doubt the creation of the 'Société Européenne des Satellites' (European satellite company).

Luxembourg in the Community



Social consensus — the trump card of the mini-State

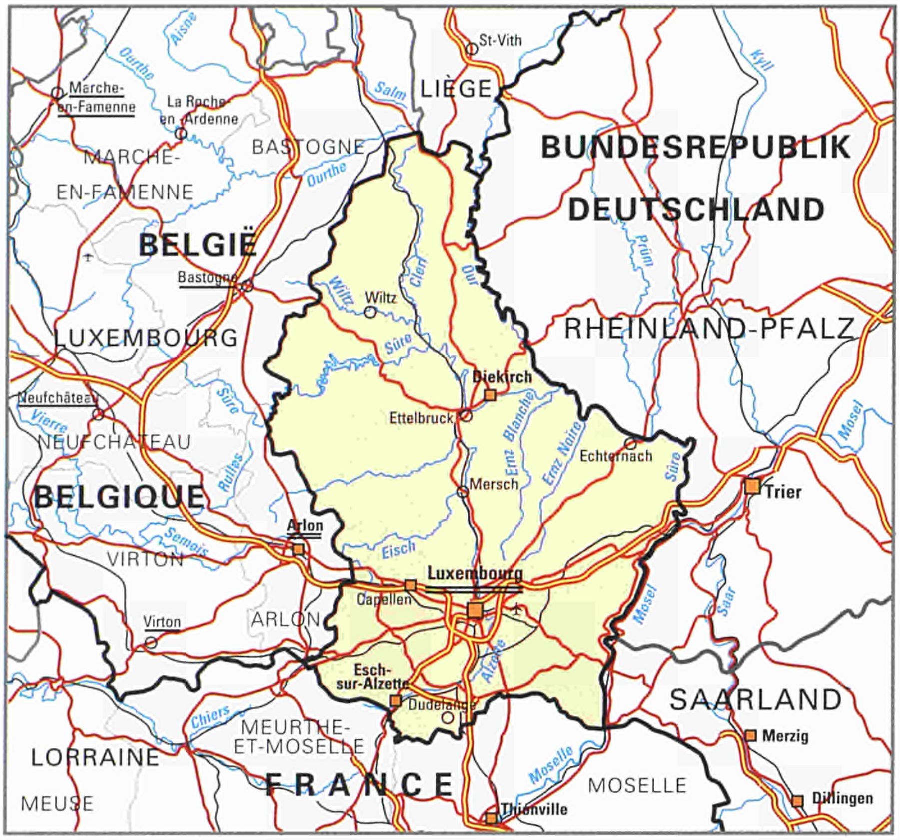
The Luxembourg economy is largely open to the outside. Being a small nation with a high standard of living, it can only produce a minuscule part of what it requires and, since its production is by necessity fairly specialized, it needs to sell most of the goods and services it produces abroad.

Since the country is very vulnerable to any economic or structural crises which may develop abroad, the appropriate counter-measures need to be taken quickly. The close links which exist between the inhabitants of a small nation make it easier to find solutions on the basis of a national consensus.

The economic development of Luxembourg over the last 15 to 20 years has been marked by a rapid change in the economic structure, with the focus shifting from the secondary to the services sector, and the attempts made to diversify the manufacturing structure. Meanwhile, the unemployment rate has been remarkably low. The key to this success has been social consensus, an eye for opportunities resulting from various developments outside the country, and the considerable use of foreign labour.

In view of the changes which will result from the completion of the single Community market and the inherently fragile nature of the economy of a small nation, close cooperation with the bordering regions in Belgium, Germany and France will be more essential than ever for working out a common development policy.

LUXEMBOURG (GRAND-DUCHÉ)



Scale 1 : 1 000 000

Which EC regions are similar to Luxembourg?

Area:
2 500 km²
Réunion (F)
Saarland (D)
Drenthe (NL)

Population:
0.4 million inhabitants
Guadeloupe (F)
Algarve (P)
Drenthe; Zeeland (NL)

Unemployment rate:
below 3%
Valle d'Aosta (I)
Baden-Württemberg (D)
Berks., Bucks., Oxfordshire;
Surrey, East-West Sussex (UK)

GDP per capita:
20% above EC average
Piemonte (I)
Baden-Württemberg (D)

Population concentrated in the centre and the south-west

During the last 120 years, the country has seen major shifts in settlement patterns. As the iron and steel industry grew, the population moved towards the south of the country, which remained the centre for economic activity until the middle of the twentieth century. The extension of the capital's role as a European and financial centre from 1970 onwards led to the development of an important new centre of economic activity. The municipalities on the outskirts of the capital have become dormitory suburbs as the population density in the canton of Luxembourg and its surrounding area has risen from 136 to 215 inhabitants per km² in 20 years. The other regions of the country are less densely populated, and in the cantons in the extreme north and north-west there are just over 40 inhabitants per km².

National and regional industrial zones have been established in an effort to develop a more effective land-use policy. Their purpose in the south of the country is to help consolidate the manufacturing structure, while in the north and the east they seek to stem the rural exodus. Given the lop-sided development of the country, an aid scheme for specific development areas has been introduced by law, and this focuses on both industrial and services activities. Together with the neighbouring countries, Luxembourg is also seeking to work out common policies for the development of the border regions.

	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
Capellen	0.2	31	156	14.5	:	:	:	:	:	:
Esch-sur-Alzette	0.2	115	474	0.4	:	:	:	:	:	:
Luxembourg	0.2	115	481	0.4	:	:	:	:	:	:
Mersch	0.2	19	84	13.9	:	:	:	:	:	:
Clervaux	0.3	10	31	6.7	:	:	:	:	:	:
Diekirch	0.2	23	97	6.5	:	:	:	:	:	:
Redange	0.3	11	41	7.5	:	:	:	:	:	:
Vianden	0.1	3	49	1.1	:	:	:	:	:	:
Wiltz	0.3	10	36	5.3	:	:	:	:	:	:
Echternach	0.2	12	62	7.9	:	:	:	:	:	:
Grevenmacher	0.2	18	85	9.6	:	:	:	:	:	:
Remich	0.1	13	100	8.0	:	:	:	:	:	:
Luxembourg (grand-duché)	2.6	378	146	4.1	44	1	3	30	66	129
EUR 12 (without FODs)	2 253.7	327 931	146	3.2	54	8.3	7	33	60	100

LUXEMBOURG (GRAND-DUCHÉ)

A cosmopolitan population

The continued growth in the population over the last 30 years has largely been the result of positive migration. Foreigners make up a large proportion of the total resident population (13% in 1961, 18% in 1971, 28% in 1990). The fact that the number of persons with Luxembourg nationality has remained more or less constant since 1960 is mainly due to people opting for Luxembourg nationality in cases where there was a choice or acquiring Luxembourg nationality through naturalization.

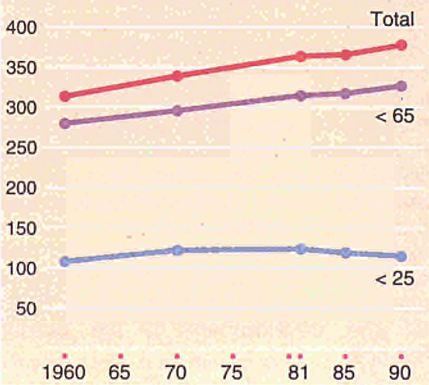
The foreign population is younger than the population with Luxembourg nationality. From the 45 to 50 age group onwards there is a sharp drop in the foreign population, mainly because this population often changes and many foreigners return to their country of origin when they retire.

The surplus of births over deaths is positive amongst the foreign population, which contrasts with the negative balance among Luxembourg nationals since the 1960s. On account of their age structure, the foreigners have a very low rate of mortality, while their fertility rate, which used to be much higher than that of the Luxembourgers, is now around the same level. The economic indicator of fertility for the total population stood at 1.62 in 1990.

Population by age — 1990

	M + F 1 000	M + F %	M %	F %
< 15	65.3	17.3	18.1	16.5
15-24	50.5	13.3	13.9	12.8
25-39	94.5	25.0	25.9	24.1
40-54	74.0	19.6	20.6	18.6
55-64	43.4	11.4	11.4	11.5
≥ 65	50.7	13.4	10.1	16.5
Total	378.4	100.0	100.0	100.0

Population (1 000)



Resident population of foreign nationality — 1990

	1 000	% of total population
Total	104.0	27.5
Portugal	34.0	9.0
Italy	20.4	5.4
France	12.8	3.4
Belgium	9.4	2.5
Germany	9.0	2.4

Demographic account — 1980-90
(1 000)

Population 1.1.1980	363.5
Births	43.2
Deaths	40.4
Net migration	+ 12.1
Population 1.1.1990	378.4

Major use of cross-border workers

The population of working age (15 to 64 years old) makes up almost 70% of the total resident population. The activity rate is 78% for men and 46% for women. Although there are no untapped reserves of manpower within the country, more women will probably go out to work if the labour market adopts a more flexible approach to working hours. Luxembourg currently meets its needs for manpower mainly by employing cross-border workers. Very few persons resident in Luxembourg (of Luxembourg or foreign nationality) are employed in the neighbouring countries, but over 8 000 residents are officials of the international institutions which are considered as extraterritorial.

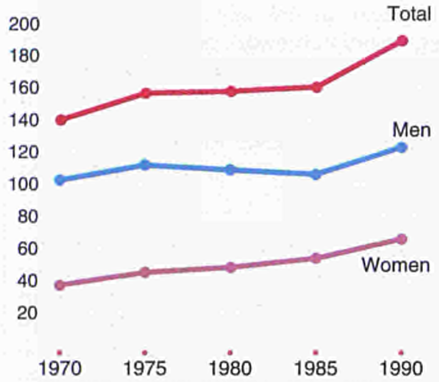
The workforce is generally highly qualified in terms of both paper qualifications and bilingual or even trilingual ability, but although more opportunities have been created to follow further training courses at all levels, there are still areas where more action is required.

Number of pupils — 1990

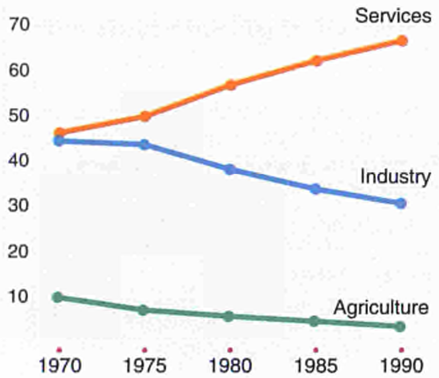
	M + F 1 000	F %
Pre-school	8.4	:
Primary	26.6	:
Lower secondary	8.8	:
Higher secondary	10.0	:
Higher education	1.1	:
Total	54.8	:

LUXEMBOURG (GRAND-DUCHÉ)

Employment (1 000)



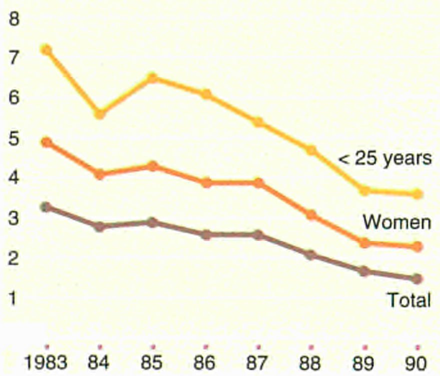
Employment structure (%)



Employment — 1990 (1 000)

Resident employment	165.0
+ Non-residents having a job in the region	33.7
– Residents having a job outside the region	0.5
= Internal employment	189.6

Unemployment (%)



Domestic employment: over 40% are foreigners

The changes in the production structure have had a major influence on the structure and development of employment. Between 1975 and 1984 the total growth in domestic employment was less than 1%, but this period saw a sharp turnaround in employment by sector of economic activity. The proportion of market services in total employment rose from 39 to 48%, while that of the mining and manufacturing industries fell from 32 to 24%. During the same period, the proportion of self-employed workers fell from 16 to 12%, mainly as a result of the drop in the number of agricultural and craft businesses.

From 1984 to 1990, the expansion in domestic employment reached an annual average of 3%, and even soared to 5% in the market services sector. As new industries moved in, over 500 jobs were created each year, although this did not entirely compensate for the jobs lost in other branches of industry and iron and steel-making in particular. The civil engineering and construction sector benefited enormously from the healthy general economic situation.

The increase in the level of domestic employment was made possible only by the use of foreign workers, and cross-border workers in particular. In 1990, the proportion of foreigners (including cross-border workers) in the total of employees in employment stood at 46%, with cross-border workers alone accounting for 20%.

Around 14% of the additional salaried posts created between 1985 and 1990 were part-time jobs, although this form of employment is only really significant in the market and non-market services sectors (11% in 1990).

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	79	10	89	1	2	2	1
Women	19	75	7	89	17	17	3	2
Total	14	78	9	89	6	7	2	1

A remarkably low rate of unemployment

Given the lack of human resources in the country, 58% of the additional salaried posts created between 1980 and 1990 were taken by cross-border workers. Unemployment mainly results from the supply of labour not being suited to the demand. Luxembourg requires the services of a skilled labour force which is capable of adapting to the development of new products. Around 50% of those seeking employment have a low level of education and often, therefore, have insufficient professional qualifications.

Over the last five years, workers of Luxembourg nationality made up around 60% of those seeking employment. Between 1985 and 1990, the percentage of women in the unemployment figures fell from 48 to 41% and that of young people aged under 25 from 47 to 25%. The fall in youth unemployment is primarily due to various measures promoting the integration of young people into working life.

The duration of registered unemployment has grown longer, with the percentage of job-seekers registered for over three months rising from 51% in 1985 to 62% in 1990, and over the last two years there has been an increase in the rate of turnover of unemployed persons aged under 25.

Between 1985 and 1990, an annual average of 46% of those seeking employment received unemployment benefit, this figure being higher for women than for men.

LUXEMBOURG (GRAND-DUCHÉ)

Ongoing efforts to diversify the economy

The policy of economic diversification which the public authorities have doggedly pursued since its new launch in 1977 aims to combat the relative decline in iron and steel-making and industry in general, and reduce the risks resulting from overspecialization.

The iron and steel industry, which was the dominant force in the economy until 1974, has been completely restructured, with a major reduction in production capacity and cutbacks in jobs accompanied by the thorough modernization of the manufacturing structure. In order to reduce the risks associated with iron and steel-making as such, this sector is now seeking to redeploy its industrial resources by moving into activities where its know-how, research potential and marketing network can be put to good use.

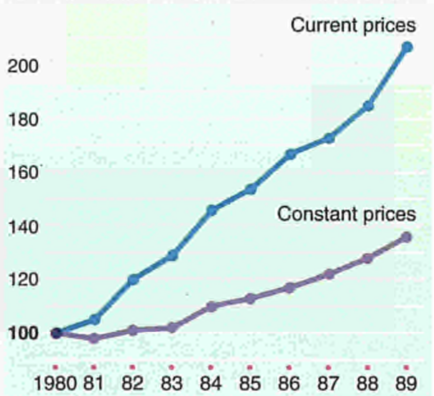
Since 1975, 100 new production units from various countries have set up in Luxembourg, employing 7 200 people at the end of 1990. On average, ECU 238 000 have been invested in each new job.

Efforts to renew the economic fabric have also centred on encouraging existing small and medium-sized enterprises to invest in modernization. Measures have also been taken to promote research and development, including loans and subsidies for innovation, tax advantages, technology transfer between the public and private sectors.

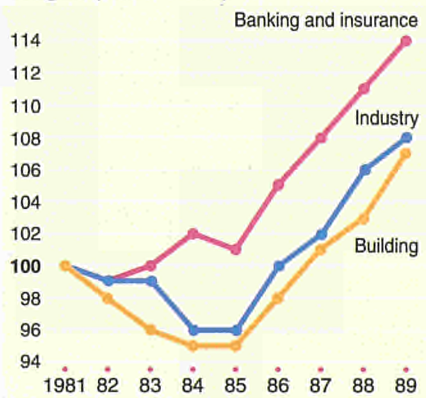
The boom Luxembourg has enjoyed as an international financial centre was fostered by a policy of structural adjustment and finance is now the major sector of activity in the country. Gradual adjustments to the legislative, fiscal and regulatory framework governing banking activity have helped guarantee the competitiveness and quality of Luxembourg as a financial centre. The dramatic growth of this sector has had favourable repercussions on other branches in the services sector.

To avoid the danger of the services sector becoming monolithic, the Government has taken, *inter alia,* initiatives to develop international activity in the field of insurance and reinsurance and to promote the audiovisual sector. A law was also passed in 1990 introducing a Luxembourg flag for shipping.

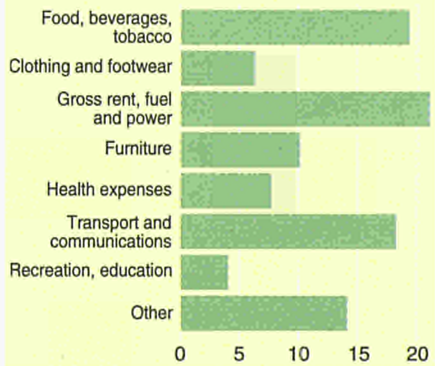
GDP (1980 = 100)



Wages (1981 = 100)



Private consumption of resident households – 1990 (%)



Wide range of earned income

In 1988, the average annual cost of a manual worker in manufacturing industry stood at ECU 20 420, the cost of a non-manual worker in the same sector was ECU 38 254, and for a wage earner in the banking sector it was ECU 36 509. The indirect costs amounted to 15.2, 19 and 13.7% respectively.

The average gross annual salary of a manual worker in manufacturing industry was ECU 17 316, with workers in the following sectors receiving above-average remuneration: the rubber and plastics industries (ECU 20 188), ferrous metal foundries (ECU 19 702), iron and steel (ECU 18 475).

On average, non-manual workers in the manufacturing industries received ECU 30 986 in 1988. The highest gross average incomes were recorded in the same sectors as those mentioned above for manual workers, ranging from ECU 31 786 to ECU 35 878. In the banking sector, the average gross annual salary was ECU 31 508.

The statutory minimum wage for an adult worker was fixed at ECU 852 per month on 1 April 1991, with a skilled worker receiving 20% more.

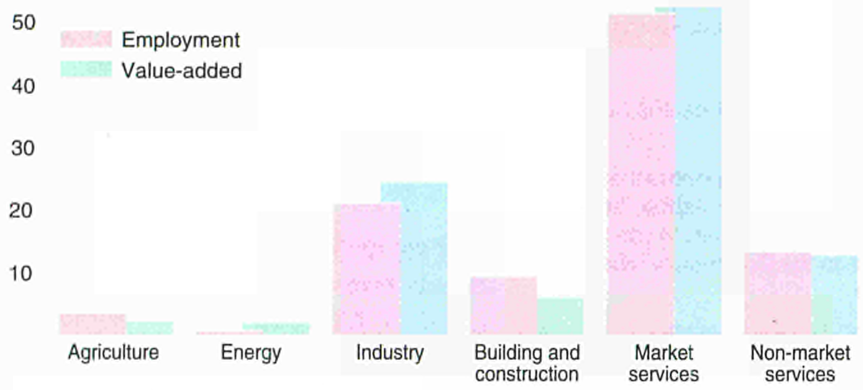
In order to combat poverty, the right to a guaranteed minimum income was introduced by the Law of 16 July 1986 (ECU 609 per month on 1 April 1991 for a single adult).

All wages and salaries and income from pensions are automatically pegged to the consumer price index, with adjustments being made the month after the index has risen by 2.5%.

According to estimates based on income declared by households in the 1986/87 family budget survey, the average annual disposable income of a couple without any children was ECU 21 000, while a couple with three children cleared ECU 28 000, the difference between the two amounts being explained mainly by the financial advantages granted by the State. Over two-thirds of manual workers' households had disposable incomes of under ECU 21 000, whereas this proportion was just over a quarter for the households of non-manual workers/officials.

LUXEMBOURG (GRAND-DUCHÉ)

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



From steel-making to finance — and on to audiovisual services?

The amount contributed by agriculture to gross value-added is still falling. Small agricultural holdings are giving way to holdings of 50 ha and over, which nowadays account for half of all full-time farms.

Despite the considerable reduction in its relative share of the gross value-added of manufacturing industry, iron and steel remains the country's main industry. Cooperation agreements have been reached with the iron and steel industries in Belgium and Lorraine, and a major investment programme has been introduced to consolidate its competitive capacity. Another important sector is the processing of metals (structural steelwork, precision instruments, etc.). Among the main operators in the rubber and plastic products industries are branches of Goodyear and Dupont de Nemours, which were established in 1951 and 1965 respectively. The two main non-metallic mineral products are flat glass and ceramic tableware.

At the end of 1990, there were 177 banks in Luxembourg. Over the years they have extended their activities from the traditional area of Eurocredits to asset management services. The development of banking services has had favourable repercussions on such sectors as hotels, catering and air transport.

The media sector is becoming more diversified through the activities of the CLT (Compagnie Luxembourgeoise de Télédiffusion) and the SES (Société Européenne des Satellites), as well as audiovisual productions.

Agriculture

Number of holdings	4 163
Labour force	6 685 AWU
Agricultural area	126 000 ha
Livestock	170 000 LU
Gross value-added	16 075 ECU/AWU

Main products	
Milk	52%
Cattle	25%
Wine	8%

Main enterprises

Name	Employees	Activity
Arbed SA	9 370	Steel
Goodyear SA	3 880	Manufacture of tyres
CFL	3 580	State railways
Groupe Cactus	2 450	Retail trade
BIL	2 250	Banking and finance

Fight against environmental pollution

Luxembourg's charm lies in the variety of its scenery, with its many green areas being suitable for both leisure and tourist pursuits. Industrialization, urbanization and construction work on various infrastructures have, however, caused varying degrees of damage to the environment.

The health of the forests has suffered and the damage caused by the storms of early 1990 has been estimated at ECU 50 to 70 million.

On the whole, air pollution is below the critical threshold, although the high density of motor vehicle traffic and the concentration of industry does lead to locally high levels of nitrogen oxides in the air and significant dustfalls.

Despite the more or less acceptable condition of most rivers, some watercourses in the centre and the south of the country are heavily polluted.

The quality of the drinking water is generally satisfactory, but there are certain threats to the groundwater in some aquifers (increase in nitrates, drop in level, etc.).

Persons living in the capital and alongside the motorways are particularly troubled by noise pollution.

Specific measures have been taken to safeguard the natural heritage and counter the most pressing threats to the environment, but over the years the need has arisen for a more comprehensive approach leading to better environmental planning, for example by setting up a register of emissions into the atmosphere to make it easier to regulate the quality of the air, drawing up an overall water management plan, adopting a guide-line programme on waste management and a new law governing dangerous, insanitary and noisy establishments, introducing restrictions regarding new zones of economic activity in so far as the needs of industry, the craft trade and commerce can be met by existing zones, etc.

Explanatory notes — Luxembourg

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 was sent varied between Member States so that the Community totals may not always correspond exactly with the sum of the national totals.

Graph: Luxembourg 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: GDP is 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, East Berlin and the French overseas departments).

Table: The subregions

At NUTS level 3, Luxembourg is not subdivided into regions; the data presented refer to the cantons.

Population

Source: Statec (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

Definition: See above

Employment

Source: National accounts

GDP per inhabitant

Source: Eurostat — National accounts

Definition: See above

Table: Number of pupils

The number of students in higher education comprises those following university courses (first year at university: Law and Economics; Humanities; Sciences), those at the Institut supérieur d'études et de recherches pédagogiques (teacher training college) following three-year courses in primary education and those at the Institut supérieur de technologie (college of technology) following the three-year course in technical engineering. Luxembourg does not have a university offering graduate courses and about 2 500 Luxembourgish students were enrolled at foreign universities in 1986/87.

Graphs: Employment Employment structure

Table: Employment in 1990

The figures on paid employment are based on data from sickness and pension funds, which are regarded as sufficiently reliable. The estimates for the number of self-employed persons, which includes unpaid family workers (who, by their very nature, are difficult to identify), introduce an element of uncertainty into the employment statistics.

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: Wages

Source: Harmonized Community survey on labour costs (enterprises with 10 or more employees).
The average income of non-manual workers is slightly underestimated in view of the fact that the salaries of senior management are not taken into account.

Graph: Household income

The information on income is drawn from the 1986/87 family budget sample survey of 2 800 households. Leaving aside the fact that the lowest incomes are overestimated and the highest underestimated, the results seem to correspond fairly closely with reality.

Graph: Employment and value-added: distribution by branch

Source: Eurostat — National accounts

Table: Agriculture

Sources: Survey on structure of agricultural holdings, 1987
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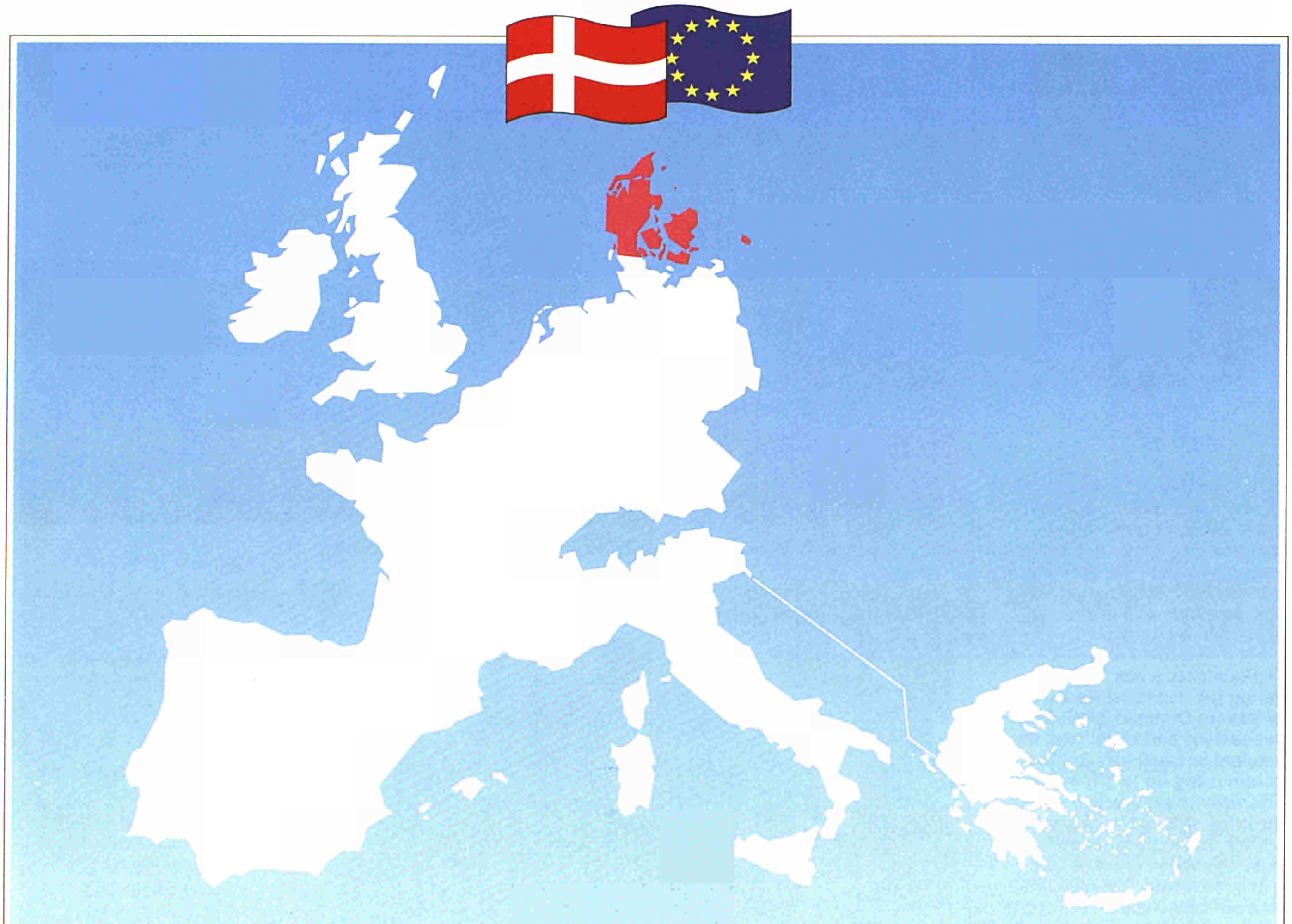
DENMARK



A Viking kingdom since around AD 800, Denmark has at times included Norway, Iceland, Sweden, Estonia and even parts of Britain, but at other times it was much smaller. Today it is a developed democracy with a constitution drawn up in 1849.

Many functions are taken care of by the local governments. Administratively 14 counties ('amter') handle the hospitals, roads and transport, the secondary schools, and parts of the social and environment sectors. There are 275 municipalities ('kommuner') of which more than half have less than 10 000 inhabitants. These are responsible for primary schools, social security, local roads, libraries, etc. The necessary revenue is provided by taxation, fees for kindergartens, grants from the State and by sales of real estate.

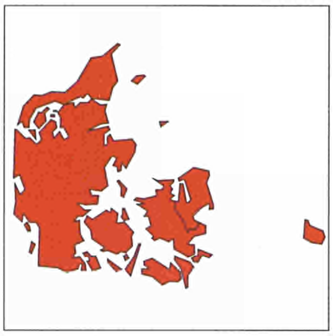
The Danish Crown also rules Greenland and the Faeroe Islands, which are independent, except regarding foreign policy and defence.

50 000 people, of whom 20% are Danish, inhabit Greenland whose two million km^2 are almost totally covered with ice 2 to 3 km thick in places.

In 1973 Greenland joined the European Community together with Denmark. This was not a popular move with the Greenlanders, who found it a disadvantage to their biggest occupation, fishing. Greenland seceded from the EC in 1985, following a referendum.

The Faeroe Islands, with 48 000 inhabitants, consist of 18 small islands of volcanic origin. They are situated in the Atlantic Ocean with their nearest neighbour, the Shetland Islands, some 350 km away.

DANMARK

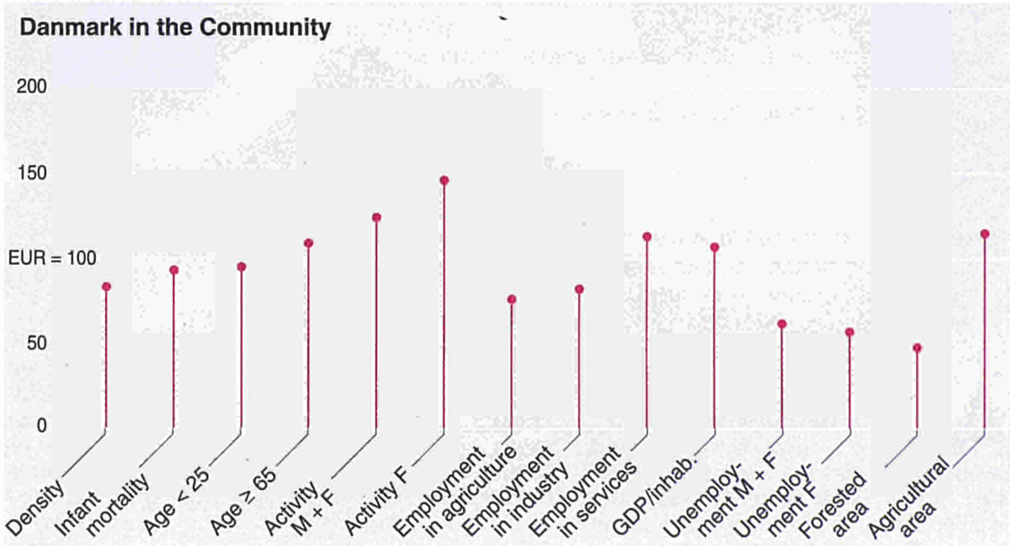


By nature Denmark is split into a lot of smaller areas, separated by water although quite often connected by bridges, tunnels or frequent ferries. The coastline extends for 7 000 km and there are more than 400 islands, of which 100 are inhabited.

The landscape was formed during the two latest Ice Ages. In eastern Denmark (including the eastern part of Jutland) this resulted in a soft hilly fertile terrain rising up to 170 metres. The western part, which was on the other side of the glacier border during the second Ice Age, was washed out by the glacial streams. This resulted in an open plain, with sandy, poor quality soil. Here we find areas of moorland, where both animals and people find space for tranquil recreation.

A temperate, coastal climate influenced by the local currents prevents the temperature falling much below −5°C during the winter. Summer temperatures encourage bathing from the many easily accessible sandy beaches (nowhere in Denmark is the distance to the sea more than 50 km).

With more than 70 ferries, there is easy access to any part of the country.

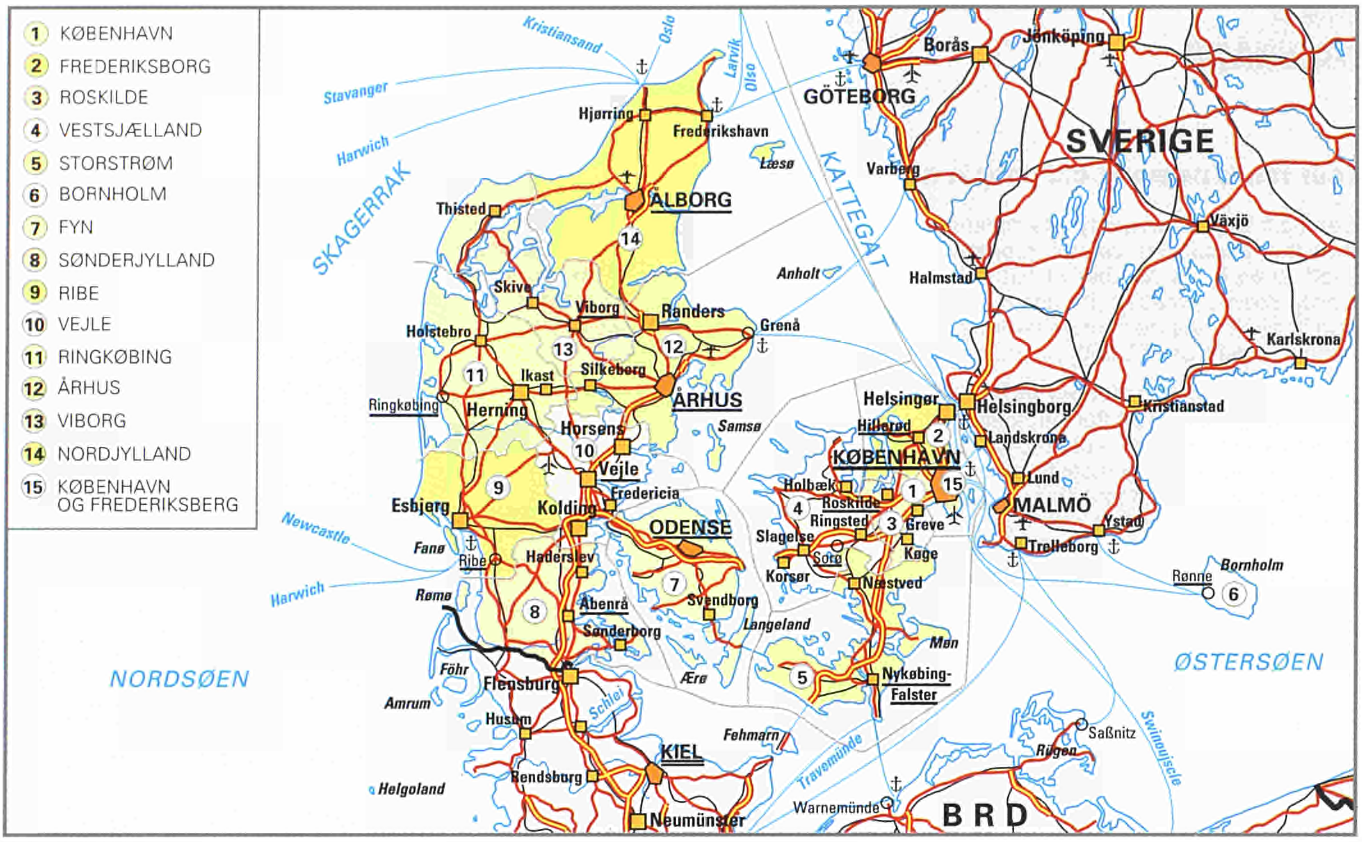


A unified nation separated by water

Denmark is an outpost of the Community, with few of the characteristics of a border region — levels of social security, activity rates, standards of living, and incomes are all above average.

Its position can be seen as an advantage, since throughout the years it has had close connections to countries which are not members of the EC (Sweden, Norway, Finland and Iceland), with whom common economic and cultural policies were developed. For instance it is possible for Nordic citizens to live or work in any other Nordic country without any formalistics other than those required by the country's own citizens.

The problems of having a split geography are compensated for by the well-developed Danish infrastructure. There exists a comprehensive road and rail network, and ports equipped to handle all forms of freight situated less than an hour's drive from most industrial areas. In addition there are frequent flights from all parts of the country to the capital's airport — a major international air traffic centre. Communications are equally advanced, with a high quality national data and telecommunications system.



Scale 1 : 4 000 000

Which EC regions are similar to Denmark?

Population:
5 million inhabitants
± 120 inhabitants per km²
Rhône-Alpes (F)

Employment:
5% in agriculture
65% in services
East Anglia (UK)
Schleswig-Holstein (D)

'Metropolis contra province'

Denmark is crossed by many waterways and most of these are crossed by bridges or tunnels but, at the present time, crossing the Great Belt between Zeeland and Funen is only possible by ferry. Copenhagen is situated on Zeeland, to the east of the Great Belt. The Metropolitan region includes the municipalities of Copenhagen and Frederiksberg and the three surrounding counties — Copenhagen, Frederiksberg and Roskilde. Here one-third of the population live in an area not bigger than 7% of the total.

There are few big cities and only greater Copenhagen has more than one million inhabitants. Three other cities (Arhus, Odense, Alborg) have more than 100 000 inhabitants, and more than half of the 275 municipalities have less than 10 000 citizens.

	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	1989	1989	1989	1989
København	0.1	467	5 289	−6.4	60	12.6	0	15	85	
Frederiksberg	0.0	86	9 762	−3.0	62	10.1	0	17	82	
Københavns Amt	0.5	601	1 143	−4.2	70	6.9	1	24	75	127
Frederiksberg Amt	1.3	341	253	3.6	73	6.6	3	26	71	
Roskilde Amt	0.9	217	243	7.4	76	7.0	4	25	71	
Vestsjællands Amt	3.0	284	95	2.1	68	10.9	8	28	64	91
Storstrøms Amt	3.4	257	76	−1.2	65	11.4	9	26	65	86
Bornholms Amt	0.6	46	78	−3.9	66	10.0	12	24	64	95
Fyns Amt	3.5	459	132	1.4	66	11.1	8	29	62	93
Sønderjyllands Amt	3.9	251	64	0.3	68	9.6	9	30	60	95
Ribe Amt	3.1	219	70	2.8	70	9.1	10	32	58	103
Vejle Amt	3.0	330	110	1.4	69	9.3	6	34	60	102
Ringkøbing Amt	4.9	267	55	1.7	72	7.7	12	35	53	103
Århus Amt	4.6	597	131	4.0	69	10.5	5	26	69	104
Viborg Amt	4.1	230	56	−0.8	68	8.6	13	31	56	95
Nordjyllands Amt	6.2	485	79	0.7	68	12.9	9	28	63	97
Danmark	43.1	5 135	119	0.3	68	9.7	6	26	68	107
EUR 12	2 253.7	327 931	146	3.2	54	8.3	7	33	60	100

Four times as many old people as newborns

Denmark has a low fertility rate, meaning that the population cannot reproduce itself, even if the number of births has slowly been increasing for some years, and in 1989 there were more births than deaths (a surplus of 2 000).

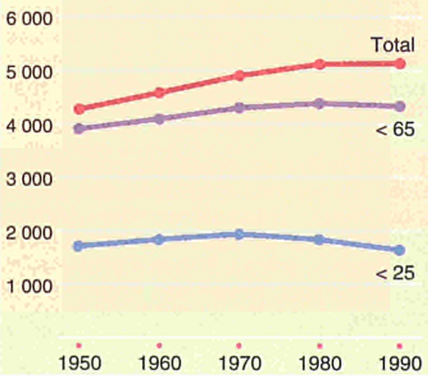
Immigrants are few in number and in 1990 the net migration was 8 300. Although immigrants are often of reproductive age, they are unable to significantly affect the age structure of the population. The ageing of the population has continued over recent decades. The proportion of people older than 80 years has grown from 2.8 to 3.7% over the last 10 years. This trend is especially marked in Copenhagen where 6% of its population are 80 years old or more.

Foreign nationals living in Denmark total 161 000 or 3% of the population. Turkey provides almost 20% of all foreigners, more than from the European Community, and these live in fairly concentrated areas around Copenhagen. Another 12% come from Norway and Sweden.

Population by age — 1991

	M + F 1 000	M + F %	M %	F %
< 15	873	17.0	17.6	16.3
15-24	758	14.7	15.3	14.2
25-39	1 148	22.3	23.2	21.5
40-54	1 066	20.7	21.3	20.2
55-64	499	9.7	9.5	9.8
≥ 65	802	15.6	13.0	18.1
Total	5 146	100.0	100.0	100.0

Population (1 000)



Resident population of foreign nationality — 1991

	1 000	% of total population
Total	161	3.1
of which EC countries	28	0.5
of which non-EC countries	133	2.6
Turkey	30	0.6
United Kingdom	10	0.2
Norway	10	0.2
Yugoslavia	10	0.2
Germany	8	0.2
France	2	0.0

Demographic account — 1980-90
(1 000)

Population 1.1.1980	5 122
Births	551
Deaths	575
Net migration	+35
Population 1.1.1990	5 135

A larger and better educated labour force

In the last decade the labour force has increased by about 10%, a trend started in the 1950s, mostly caused by a higher female activity rate (the percentage of children aged 0 to 14 attending nurseries or day centres has increased from 4 to 30%).

To meet new requirements in a changing society, the educational system plays an essential role.

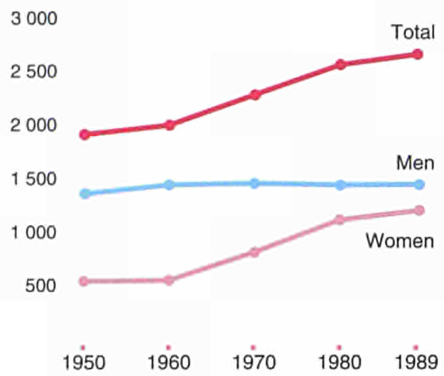
Today 25% of adults have no education other than primary school, but 10 years ago almost 50% of adults were in this category. Denmark has a highly developed, decentralized system of adult education, including both 'enlarged primary school', and single subjects at secondary level.

Number of pupils — 1988

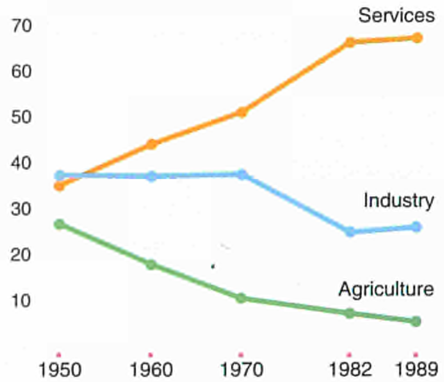
	M + F 1 000	F %
Pre-school	52	50
Primary	363	49
Lower secondary	255	49
Higher secondary (technical)	156	44
Higher secondary (general)	73	58
Higher education	137	52
Total	1 036	50

DANMARK

Employment (1 000)



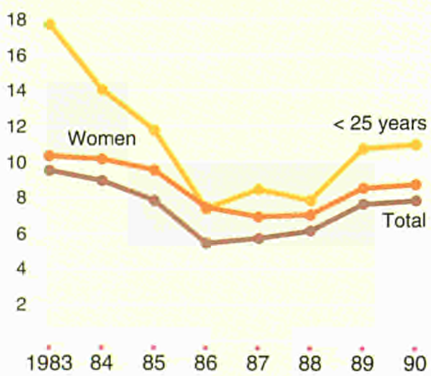
Employment structure (%)



Employment

No data available

Unemployment (%)



An expanding services sector

There are 2.7 million employed persons, a slight increase on recent years. While most of the men work full-time (37 or more hours per week), only two-thirds of the women do so. More than 80% of all employed women are found in the services sector (distributive trades, private and public services). Since people are not always able to find suitable employment close to their homes, there is a lot of commuting, particularly in the Copenhagen area, where daily journeys of 50 km each way are not rare. These journeys are made easy by good train connections and an excellent road system. The number of employed persons in the greater Copenhagen area exceeds the number of residents by 40 000. In the remainder of the eastern part and in the western part of Denmark the situation is the opposite, with the residential population outstripping the working population by 10 to 30 000.

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	68	14	85	7	11	:	8
Women	19	71	10	93	46	39	:	8
Total	19	69	12	89	26	24	:	8

More unemployed females than males

The labour force has been increasing during the last decade, but so too has unemployment. A disproportionate number of unemployed persons are women and an alarming number of young persons aged less than 25 years. Political measures have now been taken to handle this problem of young people who wish to continue receiving unemployment benefits beyond a two-year period. They are now obliged to accept an offer of either a job, retraining or education. Local governments are motivated to make efforts to find employment for the young people since if they are without earnings (including unemployment benefits), they are entitled to social subsidies, and this is an expense for the municipality.

Women tend to stay unemployed for longer periods than men, and one-third of all women have been unemployed at some time during the year. The unemployment rate for young persons is higher than the average, but although they tend to suffer more periods of unemployment, these are of shorter duration.

The pensionable age for both men and women is 67, although some continue working until 70 to 75 years old. Since 1979 there exists a possibility for employed persons aged 60 or more to choose early retirement, and up to 100 000 persons have retired under this scheme.

DANMARK

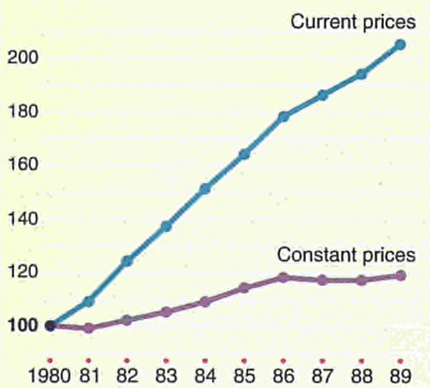
A streamlined economic structure

Denmark's industrial structure is characterized by a large number of rather small enterprises. Out of the 7 500 industrial enterprises, 80% have less than 50 employees, and only 1% have more than 500 employees. This pattern has remained unchanged for at least 20 years, and can be explained by the fact that Denmark never had any local raw materials. Heavy industries were never a part of the industrial sector, where the most important resource was the human one. During the last 10 years there have been more examples of mergers between some of the bigger, specialized companies, bringing them to a size which enables them to make an impact internationally, and to succeed in increasing their exports. Examples of industries where these changes have taken place are the electronics and telecommunications sector, dairy products and the biotechnological sector. The proportion of production destined for export is usually higher than 90%.

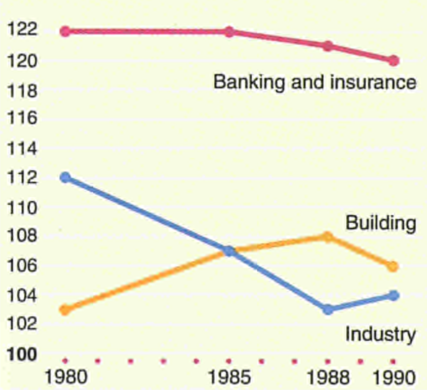
Some 2 000 foreign-controlled firms are operating out of Denmark, many of them Scandinavian companies who have chosen Denmark as a base for activities within the European Community. Foreign investment in Denmark has increased through the 1980s, and in 1989 it increased 100% on the previous year. In 1990, for the first time since 1963, Denmark had a current account surplus. Assuming a continuation of the current fiscal policy and moderate wage increases, the external balance should remain in surplus for the coming years. The trade surplus will be approximately 5% of GDP. Denmark is almost self-sufficient in oil and gas.

Over the last 10-year period GDP at fixed prices has increased by 20%, although since 1986 it has only increased by 1% annually.

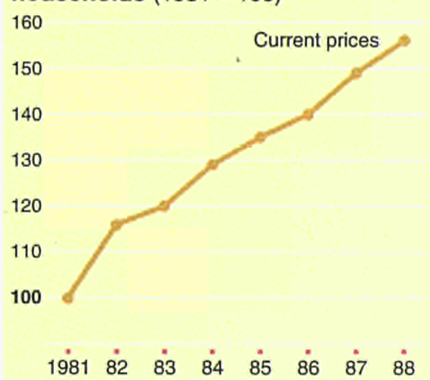
GDP (1980 = 100)



Wages (all branches = 100)



Disposable income of private households (1981 = 100)



A moderate rise in wages in recent years

The weekly working time in Denmark is 37 hours, and everyone has the right to five weeks of paid holidays.

In 1989 the average hourly salary of workers in the production industry was ECU 13, which represents an increase of 80% over 10 years. White-collar workers in the private sector have benefited from a slightly higher rate of increase. In this group 50% of all males had a monthly salary of ECU 2 500, and the same percentage of females received a salary of ECU 1 900 per month.

Salary increases for all groups of workers have been more moderate in the last few years.

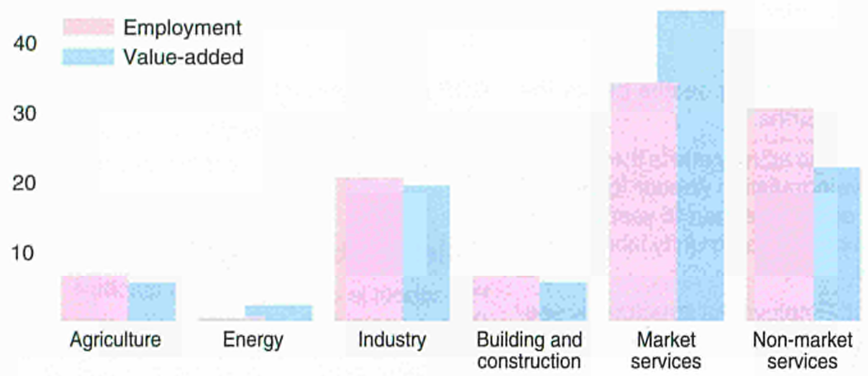
Labour costs cannot be calculated by just taking account of the hourly salary, although this amounts to 95% of employers' expenditure on employees, with the remaining 4 to 5% being spent on social security contributions. Another measure relevant to labour costs is absenteeism from work, which at 5.8% of normal working time, is rather low in comparison to some other Member States.

Household income

In 1989, 50% of all taxable persons had an annual salary of less than ECU 13 000, and 10% received less ECU 3 000, whilst only 5% had annual incomes in excess of ECU 30 000.

More than 60% of income is spent on consumption. The biggest single item of expenditure was housing on which owners, who account for 55% of the property market, use 35% and tenants 24% of their consumption expenditure. The average household spends as much as ECU 3 000 per year on transport and communication (93% of families now possess a telephone). Because of taxation cars are a rather expensive item, and only 60% of households have their own. Almost one-third of households have videos and 12% a home computer.

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



Efficient, interlinked modern industries

At first glance it appears puzzling that a country almost totally lacking in raw materials could become an efficient industrial nation. How did it get the incentive to industrialize? The answer becomes clearer if we remind ourselves that since its inception, Danish industry has had a solid base of quality produce derived from agriculture and fishing. From grain, potatoes and beets, the beer, liquor and sugar industries were developed; from meat and fish came the food canning industry; and from animal intestines was developed the pharmaceutical industry. One of the products of this industry, insulin, already has large sales world-wide and now a very advanced gene-spliced variety is under production.

Both the processing of these agricultural products, and the agricultural production itself requires machinery which Danish industry produces itself. Thus an advanced industrial production in one area stimulates progress elsewhere and by such rational methods Denmark has gradually moved towards the situation where it has the capability to produce almost anything.

Agriculture

Number of holdings	86 940
Labour force	113 550 AWU
Agricultural area	2 774 000 ha
Livestock	3 741 000 LU
Gross value-added	26 526 ECU/AWU
Main products	
Pigs	27%
Milk	24%
Cereals	14%

Main enterprises

Name	Employees	Activity
Postvæsenet	28 235	Post
DSB	22 068	Danish Railway Company
ISS servicesystemer	18 161	Building-cleaning activities
FDB-fællesforening	12 215	Retail distribution
Danisco A/S	11 500	Manufacture of food products
A/S Danfoss	8 658	Electronic equipment
Københavns Telefon A/S	8 025	Telecommunications
Jydsk Telefon	6 118	Telecommunications
MD Foods AMBA	5 860	Manufacture of dairy products
Falcks Redningskorps	5 653	Fire service, ambulance

Environment — an increasing awareness

Environmental problems are considered to be a very important issue by the Danish population. It is getting more and more obvious that these problems cannot be solved solely at local or national levels, and that there is a need for an international strategy.

In a country with 7 000 km of coastline, 40 000 km of streams, more than 1 000 lakes and 4 000 public waterworks, there is a lot of interest in the care taken of the water environment. Thus one of the main points in the Danish environmental plan, which was agreed in 1987, is the Aquatic Environment Plan, which is designed to reduce nitrogen discharges into the aquatic environment by 50%, and phosphorous discharges by 80% over a five-year period.

To minimize, or prevent, the pollution problems connected with the production industry, recycling and a cleaner technology has become more important. The target for recycling is to reduce the volume of waste during the 1990s by about 50%, which involves a doubling of the volume for recycling, but only a slight increase in the amount for incineration or dumping. Some means of achieving this goal are green refuse and industrial waste collection systems in all parts of the country, plant for biological treatment of organic waste, nation-wide sorting systems for dry waste, for crushing building and construction waste, and for reprocessing reusable materials. Today 30% of waste is recycled.

In 1988 public spending on environmental matters amounted to about ECU 1 030 million. This is an increase of approximately 30% over the 1984 level (at constant prices), and accounts for 4% of aggregate expenditure in Denmark. The municipalities are responsible for more than 90% of this expenditure on the environment.

Explanatory notes — Denmark

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 was sent varied between Member States so that the Community totals may not always correspond exactly with the sum of the national totals.

Graph: Denmark 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 16 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, East Berlin and the French overseas departments).

Table: The subregions

Population

Source: Danmarks Statistik

Activity rates

The figures for the State are calculated on the basis of the results of the Community labour force sample survey.

The figures for the districts are calculated on the basis of different administrative and statistical registers.

Unemployment rates

Source: Eurostat

Definition: See above

Employment

Source: National administrative and statistical registers

GDP per inhabitant

Source: Eurostat — Regio

Definition: See above

Table: Number of pupils

Pre-school is optional
Primary education comprises six years (1 to 6)
Lower secondary education comprises four years (7 to 10) of which the last is optional
Upper secondary comprises three years (10 to 12)

Attending school is not compulsory in Denmark, but receiving education is.

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: Wages

White-collar workers: The statistics include 65% of all private employees who were employed during the whole month of September.

Blue-collar workers: Information regarding industries with more than five employees is the basis of workers' wages.

Graph: Household income

Source: National accounts

Graph: Employment and value-added: distribution by branch

Source: Eurostat

Table: Agriculture

Sources: Survey on structure of agricultural holdings, 1987
Economic accounts for agriculture, 1987
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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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